

NEAR-PRIME, PAYSTUBS & TAX RETURNS

PROGRAM ID: **SP P1**

Program description: Near Prime – up to \$6 million – qualify with paystubs & tax returns

Products and Terms:

30-yr fixed

15-yr fixed

5/1 ARM: Fully Amortizing

5/1 Interest Only LIBOR ARM: 40-yr term with 10year Interest-Only period*

7/1 ARM: Fully Amortizing

7/1 Interest Only LIBOR ARM: 40-yr term with 10year Interest-Only period* (requires price add-on)

* Interest Only option not available in Illinois

Eligible borrowers: Citizens / US persons only; foreign borrowers not permitted.

Maximum debt to income ratio: 50%

Minimum credit score: 680

Credit History: No foreclosure, bankruptcy, deed-in-lieu or short sale over past 48 months at standard LTV and reserves. Mortgage / rental history maximum permitted delinquency is 0x30x12.

Acceptable occupancy: Primary residences and second homes (investment not permitted)

Acceptable property types: 1-2 units, warrantable / non-warrantable condo
(non-warrantable condos require a rate add-on)

Loan amounts and loan to value limits (example based on 720 min credit score):

<u>Primary Residence – 1&2 Unit and Condo</u> <u>Purchase and Rate & Term Re-fi</u>	<u>Primary Residence /</u> <u>Cash-out Refinance</u>	<u>Second Homes – 1&2 Unit and Condo</u> <u>Purchase and Rate & Term Re-fi</u>
80% to \$3,000,000	75% to \$2,500,000	75% to \$3,000,000
70% to \$4,000,000	70% to \$3,000,000	70% to \$4,000,000
65% to \$5,000,000	60% to \$4,000,000	65% to \$5,000,000
60% to \$6,000,000	55% to \$5,000,000	55% to \$6,000,000
	50% to \$6,000,000	

Required reserves: 6 months PITIA* up to \$1,000,000; 12 months over \$1,000,000. For cash-out refinances, loan proceeds disbursed to Borrower may be used to meet reserve requirements.

* If the Borrowers own investment properties which are not the Subject Property, then required reserves must be increased by 2 months PITIA for each mortgaged investment property owned by the borrowers which is not the Subject Property.

Acceptable states: 50 states and DC (US Territories not allowed)

Other Info: ARM Index - 1-yr LIBOR; Margins – owner occupied 3.25%. Floor (lifetime minimum rate) is initial note rate. Interest Only products are for a 40-year term. After the Interest Only period the loan must amortize over the remaining term. Gifts are not permitted. Escrows required. See Sprout Mortgage Sales Guide for complete details.