



EQUITYWYSE

LoanWyse offers closed-end second mortgages to Borrowers utilizing the equity in their homes with multiple qualifying options, such as Standard Income Documentation or Personal and/or Business bank statements, 1099s, rather than from traditional income documentation. This program is designed for Borrowers who are sound credit risks based on a common-sense approach to underwriting.

HIGHLIGHTS

- Loan amounts up to \$500,000
- Credit scores down to 680
- No reserves required
- All occupancy types allowed
- 10, 15, 20, 25 or 30-year Fully Amortizing FRM
- Multiple qualifying option
- No prepayment penalty

Eligible Occupancy	<ul style="list-style-type: none"> • Owner Occupied • Second Home • Investment Property
Property Types	<ul style="list-style-type: none"> • Single Family Residence (SFR) • Planned Unit Development (PUD) • Warrantable Condo (Max CLTV 80%) • 2-4 unit Residential (Max CLTV 75%) • Rural, Agricultural or Commercial Zoned properties not allowed
Eligible Transactions	<p>CASH-OUT REFINANCE</p> <ul style="list-style-type: none"> ○ 12-months seasoning required measured from property acquisition date to the application date ○ Properties listed for sale in the last 6 months are not eligible
Ineligible Senior Liens	<p>Copy of 1st mortgage Note or statement is required to determine eligibility.</p> <ul style="list-style-type: none"> • Loans in active forbearance or deferment are ineligible. • Negative amortization • Reverse mortgages • Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien • Private Party • Concurrent 1st lien financing
Senior Lien Payment Calc (ARM)	1 st lien ARMS; The greater of the current note rate or fully indexed rate using a fully amortized payment over the remaining term.
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizen • Permanent Resident Alien • Non Permanent Resident Aliens not allowed • Non-occupant co-borrowers not allowed
Trade Lines	<p>Standard tradelines apply. Standard tradelines requirement:</p> <ul style="list-style-type: none"> • 2 tradelines reporting for 24 months with activity in the last 12 months; or • 3 tradelines reporting for 12 months with activity in the last 12 months or • If the Primary borrower has three (3 credit score, the minimum tradeline requirement is waived.
Credit Score	<ul style="list-style-type: none"> • Credit scores allowed down to 680 • Use the middle of 3 scores or lower of 2 of the primary income-earner for pricing and underwriting purposes

Housing Payment History	Housing payment history no greater than 0x30x12 for all mortgages/rental verifications. Minimum 12 months housing history required. Private party VOR or living rent-free is not allowed for First-Time Home Buyers.								
Credit Event Seasoning	<p>Borrowers with any of the following major credit events (bankruptcy, foreclosure, short sale, short pay, deed in lieu), are subject to the below requirements, measured from event completion date or discharge/dismissal to application date. No multiple credit/housing events (FC, BK, SS/DIL) in the last 7 years.</p> <table border="1" data-bbox="488 312 1378 516"> <thead> <tr> <th colspan="2">Housing Event Seasoning Restriction</th> </tr> </thead> <tbody> <tr> <td>Foreclosure</td> <td>> 48 Months</td> </tr> <tr> <td>Any BK/SS/DIL/Modification</td> <td>> 48 Months</td> </tr> <tr> <td>Forbearance</td> <td>24 months of consecutive payments since exiting plan</td> </tr> </tbody> </table> <p>Additional credit requirements:</p> <ul style="list-style-type: none"> No delinquent tradelines at closing No open judgments or liens (excluding income tax liens) in the last 48 months Income tax liens (federal, state, local) must be paid off prior to or at closing Non-medical collection accounts and charge-offs on non-mortgage accounts do not have to be paid off at or prior to closing if the balance of an individual account is less than \$250 or the total balance of all accounts is \$1,000 or less. Non-medical collection accounts and charge-offs on non-mortgage accounts that exceed these limits must be paid off at or prior to closing. Medical collection accounts are not required to be paid in full at or prior to closing. 	Housing Event Seasoning Restriction		Foreclosure	> 48 Months	Any BK/SS/DIL/Modification	> 48 Months	Forbearance	24 months of consecutive payments since exiting plan
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INCOME AND ASSETS									
DTI	<ul style="list-style-type: none"> CLTV ≤ 80 % CLTV: Max DTI: 50 % CLTV > 80 % CLTV: Max DTI: 45 % Fully documented Ability to Repay including Borrower Attestation 								
Reserves/Assets	None required								
Income Doc Type	<p>STANDARD DOCUMENTATION (1 or 2-years)</p> <ul style="list-style-type: none"> Wage-Earner Provide the 1 or 2-years W-2s and the most recent 30 consecutive days of paystubs including year-to-date income with the most recent one dated within 90 calendar days of funding. Self-Employed A borrower is considered self-employed with 25% or more ownership interest in a business. Borrowers must be self-employed for 2 years. Provide the most recent 1 or 2-years personal and/or business federal tax returns as applicable. An unaudited YTD Profit and Loss Statement signed by the borrower, including business sales, expenses, and net income up to and including the most recent month preceding the loan application date. Two business bank statements, representing the two most recent months from the P&L statement. Other Income Other miscellaneous income follows FNMA guidelines. <p>BANK STATEMENTS (12 or 24-months) Provide the most recent consecutive 12 or 24-months of bank statements. Multiple accounts may be used. At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) to utilize business bank statements.</p> <p>OPTION 1 PERSONAL & BUSINESS-COMBINED OR BUSINESS Standard expense factors apply: 50% expense factor</p> <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required Minimum expense factor with 3rd-party prepared P&L or letter is 10% 								

OPTION 2 | PERSONAL & BUSINESS SEPARATED

- Personal bank statements used to qualify
- Two (2) months business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)

IRS FORM 1099 AS INCOME VERIFICATION (12 or 24-months)

Permitted for individual(s) earning 100% commission or for independent contractors. Provide the most recent 1 or 2 years of 1099s. Year-to-date earnings are verified via, Checks, YTD paystub, or YTD bank statements.

An expense ratio must be developed using one of the methods below. If gross receipts are stable or increasing year over year, use a 24-month average of net income. If gross receipts are declining and/or irregular, a 12-month average shall be utilized, additional documentation may be required at underwriter's discretion.

OPTION 1 | FIXED EXPENSE RATIO - Apply a 10% expense factor to all eligible gross receipts. No further information to verify expense ratio is required.

OPTION 2 | 3RD PARTY PROFIT AND LOSS STATEMENT - Provide a P&L statement prepared by a 3rd Party Tax Professional (defined as a CPA, Tax Attorney, Enrolled Agent (EA), California Tax Education Council (CTEC) or Paid Tax Professional (PTIN)) covering the period of bank statements provided.

- A minimum 2-year self-employment history is required (e.g., 1099 income) as documented from the Employment section of the loan application.
- Qualifying income is the 12 or 24 monthly average from the total number of 1099's minus the expense factor from the method chosen above.
- YTD earnings must be documented when the 1099 reporting period is greater than 90 days from the note date. YTD earnings must support the ongoing receipt of income shown on the 1099s by:
 - Checks or a single check stub(s) with YTD totals if available, or
 - Bank statements (YTD).
- The YTD earnings from the total of check stubs or the tally of deposits from bank statements must be within 10% or greater than prior year earnings.

Other Guidelines

Title Vesting

- Individual names as joint tenants, community property, or tenants in common
- Properties vested in a trust can be taken out of the trust at closing.

Appraisal / Valuation

- HPML Loans will require full appraisal (1004,1025,1073) with interior and exterior photos (Applies to HPML owner-occupied property)
- Non HPML Loans: (Applies to Non-HPML owner-occupied, second homes and investment property)
 - Loan Amounts ≤ \$250,000: AVM with a 90% Confidence Factor and Property Condition Inspection Report is acceptable, or

THE FOLLOWING AVM VENDORS ARE ACCEPTABLE	
AVM Vendor	Acceptable FSD Score at 90%
Clear Capital	≤ 0.13
Collateral Analytics	≤ 0.10
House Canary	≤ 0.10
Red Bell Real Estate	≤ 0.10

- Exterior Drive-By Appraisal (Hybrid 2055), or
- Full Appraisal (FNMA Form 1004 / 1025/ 1073)
- Loan Amounts > \$250,000: Full Appraisal with interior and exterior photos is required.

Appraisal / Valuation (Cont.)	<ul style="list-style-type: none"> • If two AVMs are ordered, the AVM with the higher FSD will be treated as the primary valuation product. The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%. If both AVMs have the same FSD, the lower of the two must be utilized for determining the CLTV. If the AVM does not provide the required FSD score or confidence rating, the AVM is considered ineligible, and an Exterior-Only or Full Interior Appraisal is required. • CBSA: Any property located in a State/CBSA area is subject to a max CLTV of 80% • Declining markets – 5% CLTV Reduction
Title Report	ALTA Short Form – Lenders Policy
Available Loan Terms	Fully amortizing fixed rate – 10, 15, 20, 25 or 30-year available
Qualifying Payment	Qualifying ratios based on Full Note Rate.
Compliance	<ul style="list-style-type: none"> • Prepayment penalty not allowed. • No Section 32 or state High Cost • Loans must comply with all applicable federal and state regulations • Fully documented Ability to Repay including Borrower Attestation • Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements
Points/Fees	Points/Fees not to exceed 3%, subject to state specific high-cost restrictions. Lender Fee: \$995
Loan Amount	<ul style="list-style-type: none"> • Minimum: \$75,000 • Maximum: \$500,000 • Maximum combined liens: \$2,000,000 if Loan Amount is < \$350,000 • Maximum combined liens: \$2,500,000 if Loan Amount is > \$350,000



CLOSED-END SECONDS					
1 or 2-year Standard Documentation					
Credit Score	Loan Amount	Owner Occupied	2nd Home	Investment	Reserves
		CLTV	CLTV	CLTV	
740+	\$75,000 - \$350,000	80%	75%	70%	0
	\$350,001 - \$500,000	80%	75%	70%	0
700-739	\$75,000 - \$350,000	80%	75%	65%	0
	\$350,001 - \$500,000	80%	75%	65%	0
680 - 699	\$75,000 - \$350,000	75%	70%	NA	0
	\$350,001 - \$500,000	75%	70%	NA	0
1 or 2-year Alternative Documentation					
Credit Score	Loan Amount	Owner Occupied	2nd Home	Investment	Reserves
		CLTV	CLTV	CLTV	
740+	\$75,000 - \$350,000	80%	75%	65%	0
	\$350,001 - \$500,000	80%	70%	65%	0
700-739	\$75,000 - \$350,000	80%	70%	60%	0
	\$350,001 - \$500,000	75%	65%	60%	0
680 - 699	\$75,000 - \$350,000	75%	65%	NA	0
	\$350,001 - \$500,000	70%	60%	NA	0

LOAN PARAMETERS	
Loan Limits	
Min. Loan Amount	\$75,000
Min. Loan Amount - CA	\$125,000
Max. Loan Amount	\$500,000
Max. Combined Liens	\$2,000,000 if Loan Amount is ≤ \$350,000
	\$2,500,000 if Loan Amount is > \$350,000
Loan Terms	
Fully Amortized Fixed Rate	10-year
	15-year
	20-year
	25-year
	30-year
Housing History Restrictions	
Housing History	0x30x12
Housing Event Seasoning Restriction	
Foreclosure	> 48 Months
Any BK/SS/DIL/Modification	> 48 Months
Forbearance	24 months of consecutive payments since exiting plan
Standard Debt-to-Income	
Max DTI	CLTV ≤ 80% - Max: 50%
	CLTV > 80% - Max: 45%
Property Restriction	
Warrantable Condo	80% Max CLTV
2-4 Units	75% Max CLTV
Non-Warrantable Condo/Condotel	Not Allowed
Rural, Agricultural, Commercial	Not Allowed
Acres	Max: 10 acres
Declining Market	5% CLTV Reduction
State Restriction	
CBSA	80% Max CLTV
	Applies to the following states - CT, ID, IL, LA, NJ, NY
	See CBSA Overlay Table for additional area restrictions.
Ineligible States	Texas
	Hawaii lava zones 1 & 2
Interest Rate	CO - Maximum : 12%