



Revised: November 15, 2021

# The Science of Doing Non-QM Right!™

## DSCR PROGRAM (Business Purpose Only)

### NON-ITIN / NON-FOREIGN NATIONAL

ELIGIBILITY MATRIX		DSCR ≥ 1.00 (6 Months Reserves)		DSCR < 1.00 (12 Months Reserves)	
Loan Amount	FICO	Purchase & Rate/Term Refinance	Cash Out Refinance	Purchase & Rate/Term Refinance	Cash Out Refinance
≤ \$1,500,000	700	80%	75%	75%	70%
	660	80%	70%	70%	65%
	620	70%	65%	65%	60%
≤ \$2,000,000	700	70%	65%	65%	60%
	680	65%	60%	N/A	N/A

### ITIN

ELIGIBILITY MATRIX		DSCR ≥ 1.00 (12 Months Reserves)		DSCR < 1.00	
Loan Amount	FICO	Purchase & Rate/Term Refinance	Cash Out Refinance	Purchase & Rate/Term Refinance	Cash Out Refinance
≤ \$1,500,000	660	75%	70%	N/A	N/A
	620	70%	65%	N/A	N/A
	N/A	75%	70%	N/A	N/A

### FOREIGN NATIONAL

ELIGIBILITY MATRIX		DSCR ≥ 1.00 (12 Months Reserves)		DSCR < 1.00	
Loan Amount	FICO	Purchase & Rate/Term Refinance	Cash Out Refinance	Purchase & Rate/Term Refinance	Cash Out Refinance
≤ \$1,500,000	N/A	75%	70%	N/A	N/A

PROGRAM PARAMETERS		≥ 0.75 MINIMUM DSCR		INTEREST ONLY FEATURES		
Limits		Products		Product	IO Period	Amortization
Minimum Loan Amount	\$150,000	30 Year Fixed		40 Year Fixed-IO	10 Years	30 Years
Maximum Loan Amount	\$2,000,000	40 Year Fixed-IO				
Maximum Cash Out	\$500,000					

**CREDIT REQUIREMENTS**

<b>Mortgage / Rent:</b>	1 x 30 x 12 months
<b>Installment, Revolving, Non-Traditional:</b>	0 x 60 x 12 months
<b>Bankruptcy Seasoning:</b>	36 months for Chapter 7, 11 & 13 (from discharge or dismissal date)
<b>Foreclosure, Deed-in-Lieu, and Short Sale, Seasoning:</b>	36 months
<b>Credit:</b>	<ul style="list-style-type: none"> <li>• All borrowers must meet the minimum tradeline requirements:                             <ul style="list-style-type: none"> <li>✓ 3 tradelines reporting for 12+ months all with activity in the last 12 months; <b>OR</b></li> <li>✓ 2 tradelines reporting for 24+ months all with activity in the last 12 months.</li> </ul> </li> <li>• An acceptable 12 or 24 month housing history, not reporting on credit, may also be used as a tradeline.</li> <li>• Max 0 x 60 x 12 months reporting on acceptable tradelines.</li> <li>• Qualifying Credit Score:                             <ul style="list-style-type: none"> <li>✓ Lowest middle score of all borrowers</li> <li>✓ Each additional Non-ITIN and Non-Foreign National borrower on loan must have at least one valid score of 620+.</li> </ul> </li> </ul>
<b>Housing History:</b>	<ul style="list-style-type: none"> <li>• A complete 12-month housing history is required                             <ul style="list-style-type: none"> <li>✓ Borrowers who have had mortgages previously reported on their credit report(s) will be considered.</li> <li>✓ Properties owned free and clear are considered 0x30 for grading purposes.</li> </ul> </li> </ul>
<b>Evidence of Primary Residence:</b>	<ul style="list-style-type: none"> <li>• All borrowers must presently maintain a primary residence.</li> <li>• Borrowers who <u>own</u> a primary residence must provide:                             <ul style="list-style-type: none"> <li>✓ Proof of ownership of a primary home superior in value and/or appeal to subject</li> </ul> </li> <li>• Borrowers who <u>rent</u> a primary residence must provide:                             <ul style="list-style-type: none"> <li>✓ Evidence of an active lease in place</li> <li>✓ Primary residence should be supported by one of the following characteristics:                                     <ul style="list-style-type: none"> <li>❖ Geographically consistent with borrower's place of employment; or</li> <li>❖ General appeal and location of primary is superior to subject property</li> </ul> </li> </ul> </li> </ul>
<b>Multiple Financed Properties:</b>	<ul style="list-style-type: none"> <li>• There is no limit on the number of other properties borrowers may currently have financed.</li> <li>• Additional reserves for other financed properties are not required. Reserve requirements are limited to the subject property only.</li> <li>• ACC Mortgage exposure may not exceed \$5M aggregate with a maximum of five loans for each individual borrower.</li> </ul>
<b>Charge-Offs and Collections:</b>	<ul style="list-style-type: none"> <li>• The following accounts may remain open:                             <ul style="list-style-type: none"> <li>✓ Collections and charge-offs &lt; 24 months old with a maximum cumulative balance of \$2,000</li> <li>✓ Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence</li> <li>✓ All medical collections</li> </ul> </li> <li>• Collection and charge-off balances exceeding the amounts listed above must be paid in full.</li> </ul>

**CREDIT REQUIREMENTS (cont.)**

**Judgments and Tax Liens:**

All judgments or liens affecting title must be paid.

Active court-ordered judgments may remain open when one of the two following options is:

- The amount is the lesser of \$5,000 per occurrence or 2% of the loan amount: OR
- The borrower is currently in a repayment agreement with the creditor (if the borrower is currently in a repayment plan, the following requirements apply):
  - ✓ A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided

Outstanding state and federal tax liens or delinquent obligations may remain open on purchase transactions only (additional LTV reductions may be required based on the size of the lien). All of the following requirements must be met:

- A copy of the repayment agreement is obtained;
- A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided; and
- The title company must provide written confirmation confirming
  - ✓ (a) the title company is aware of the outstanding tax lien, and
  - ✓ (b) there is no impact to first lien position.

**Forbearance/COVID-19 Related:**

- COVID-19 related forbearance is allowed with the following requirements:
  1. Borrowers who have requested forbearance across either mortgage or consumer debt since March 1st, 2020 must provide a LOE explaining the reason for forbearance and provide payment history.
  2. Borrowers may not be in an active forbearance plan (must have “opted out” or the plan must have “expired”) across either mortgage or consumer debt.
  3. Borrowers who obtained mortgage forbearance after March 1st, 2020 but nevertheless made all contractual payments remaining current throughout the forbearance plan will follow standard underwriting guidelines.
  4. Borrowers who “opted out” of their mortgage forbearance plan without missing any payments will follow standard underwriting guidelines.
  5. Borrowers who obtained mortgage forbearance after March 1st, 2020 may be eligible depending on payment history after the expiration of the forbearance plan. See Guidelines for additional details.
  6. If a borrower was terminated or furloughed from work for a period of not more than six (6) months, borrowers must be newly employed for a minimum of 60 days prior to closing, with income consistent to previous earnings prior to termination.
  7. Proceeds of loans under the CARES Act (PPP and SBA relief funds, for example), are ineligible for income, asset, and reserve requirement consideration.

**BORROWERS**

**Eligible Borrowers:**

- U.S. Citizens
- Permanent Resident Aliens
- Non-Permanent Resident Aliens (with U.S. credit) – See Eligible Visa Status
- ITIN

**BORROWERS (cont.)**

<p><b>Eligible Visa Status (ITIN):</b></p>	<ul style="list-style-type: none"> <li>ITIN Borrowers:                     <ul style="list-style-type: none"> <li>✓ ITIN Card or Letter from IRS required</li> <li>✓ Valid government photo ID required</li> </ul> </li> <li>Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible for ACC Mortgage programs.</li> </ul>
<p><b>Eligible Visa Status (Non-ITIN):</b></p>	<ul style="list-style-type: none"> <li>The following visa classifications are allowed as Non-Permanent Resident Aliens:                     <ul style="list-style-type: none"> <li>✓ E-1, E-2, E-3</li> <li>✓ G-1 through G-5</li> <li>✓ H-1B &amp; C, H-2 through H-4</li> <li>✓ L-1B, L-2</li> <li>✓ NATO 1 through 6</li> <li>✓ O-1</li> <li>✓ R-1</li> <li>✓ TN-1 &amp; 2 (NAFTA)</li> </ul> </li> <li>If a non-U.S. citizen is borrowing with a U.S. citizen, it does not eliminate visa or other residency requirements.</li> <li>Individuals in possession of spouse or family member visas are to qualify as co-borrowers only.</li> <li>Borrowers who are residents of countries which participate in the State Department's Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at <a href="https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html">https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html</a>.</li> <li>Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible for ACC Mortgage programs.</li> </ul>
<p><b>Non-Occupant Co-Borrower:</b></p>	<ul style="list-style-type: none"> <li>Not Eligible</li> </ul>
<p><b>First-Time Home Buyers:</b></p>	<ul style="list-style-type: none"> <li>Not Eligible                     <ul style="list-style-type: none"> <li>✓ A First-Time Home Buyer is a borrower who has not owned at least one residential property in the United States during the preceding 3 year period.</li> </ul> </li> </ul>
<p><b>First-Time Investor:</b></p>	<ul style="list-style-type: none"> <li>First Time Investors allowed (max 70% LTV).                     <ul style="list-style-type: none"> <li>✓ A First-Time Investor is a borrower who has not owned at least one investment property for at least 12 months anytime during the most recent 12-month period.</li> </ul> </li> </ul>
<p><b>DSCR</b></p>	
<p><b>DSCR:</b></p>	<ul style="list-style-type: none"> <li>Minimum <math>\geq 0.75</math></li> <li>DSCR Fully Amortizing = <math>\text{Gross Rents} \div \text{PITIA}</math></li> <li>DSCR Interest Only = <math>\text{Gross Rents} \div \text{ITIA}</math> <ul style="list-style-type: none"> <li>✓ Use the lower of the Lease Agreement or the FNMA 1007 Rent Schedule.</li> <li>✓ Higher Lease/Rent allowed with 3 months receipt.</li> </ul> </li> </ul>
<p><b>Unleased Properties:</b></p>	<ul style="list-style-type: none"> <li>Refinance only - Max 70% LTV.</li> </ul>

ASSETS	
<b>Assets:</b>	<ul style="list-style-type: none"> <li>Sourced or seasoned for 60 days.</li> <li>Source unexplained large deposits.</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>DSCR <math>\geq</math> 1.00                             <ul style="list-style-type: none"> <li>✓ 6 Months PITIA</li> </ul> </li> <li>DSCR <math>&lt;</math> 1.00                             <ul style="list-style-type: none"> <li>✓ 12 Months PITIA</li> </ul> </li> <li>Cash out proceeds can be used for reserve requirements.</li> </ul>
<b>Seller Concessions:</b>	<ul style="list-style-type: none"> <li>Up to 2% towards closing costs for Investment Property.</li> </ul>
<b>Gift Funds:</b>	<ul style="list-style-type: none"> <li>Not Eligible</li> </ul>
<b>Gift of Equity:</b>	<ul style="list-style-type: none"> <li>Not Eligible</li> </ul>
SUBJECT PROPERTY	
<b>Acreage</b>	<ul style="list-style-type: none"> <li>Max 2 Acres</li> </ul>
<b>Property Types:</b>	<ul style="list-style-type: none"> <li>SFR</li> <li>PUD</li> <li>Townhomes</li> <li>Condominiums (max 80% LTV)                             <ul style="list-style-type: none"> <li>✓ Non-Warrantable Condos (max 75% LTV)</li> </ul> </li> <li>2 – 4 Unit (max 80% LTV)</li> </ul>
<b>Ineligible Property Types:</b>	<ul style="list-style-type: none"> <li>Log Homes</li> <li>Modular</li> <li>Manufactured (Mobile)</li> <li>Rural</li> <li>Mixed Use</li> <li>Assisted Living/Continuing Care Facilities</li> <li>Boarding Houses</li> <li>Condotels</li> <li>Co-Ops</li> </ul>
<b>Appraisal Review:</b>	<ul style="list-style-type: none"> <li>The following transactions require a FNMA Collateral Underwriter review with a score of 2.5 or less or a Collateral Desktop Analysis (CDA):</li> <li>The following transactions require a 2nd full appraisal:                             <ul style="list-style-type: none"> <li>✓ Approved loan amount exceptions (when exceeding max loan amount available per matrix)</li> <li>✓ Loan amounts <math>&gt;</math> \$1,500,000</li> </ul> </li> </ul>
<b>Appraisal Transfers:</b>	<ul style="list-style-type: none"> <li>Appraisal transfers are eligible, as indicated on ACC's <a href="#">Appraisal Transfer Policy</a></li> </ul>
<b>Properties Listed For Sale:</b>	<ul style="list-style-type: none"> <li>To be eligible for either a rate/term or a cash-out refinance, the subject property must be taken off the market on or before application date.</li> <li>For cash-out transactions, if subject property was listed for sale in 6 months prior to application date, a 10% LTV reduction from the maximum available for the specific transaction is required.</li> <li>The lesser of the most recent list price or the current appraised value should be used to determine loan-to-value for both rate/term and cash-out transactions</li> </ul>
<b>Seasoning:</b>	<ul style="list-style-type: none"> <li>Rate/Term Refinance – No seasoning requirement.</li> <li>Cash Out Refinance – 6 Months required from Purchase date to Note date (to ACC).</li> <li>No waiting period for properties obtained through inheritance, divorce or separation.</li> </ul>

SUBJECT PROPERTY (cont.)	
<b>Determining Loan to Value:</b>	<ul style="list-style-type: none"> <li>• If the property was acquired &gt; 12 months from application date, the appraised value must be used to determine loan-to-value.</li> <li>• For properties acquired between 6 and 12 months from application date, the maximum loan-to-value cannot exceed 65% based on the current appraised value.</li> <li>• If the property was acquired &lt; 6 months from application date, the lesser of the current appraised value or the previous purchase price plus documented improvements (if any) must be used. The purchase settlement statement and any invoices for materials/labor will be required.</li> <li>• Flips are not allowed; seller must be on title for &gt;180 days.</li> </ul>
<b>Lease with Option to Purchase:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Land Contracts / Contract for Deed:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
MISCELLANEOUS	
<b>Cash Out:</b>	<ul style="list-style-type: none"> <li>• Max Cash Out: \$500,000</li> <li>• Cash Out proceeds can be used for reserve requirements.</li> <li>• Minimum of 6 months elapsed time since the most recent mortgage transaction on the subject property (Note Date to Note Date is utilized to calculate the 6 month period).                             <ul style="list-style-type: none"> <li>✓ Must use lesser of Purchase Price plus documented improvements or Appraised Value if ≤ 12 months from note date.</li> </ul> </li> <li>• Texas Cash Out is not allowed.</li> </ul>
<b>Occupancy:</b>	<ul style="list-style-type: none"> <li>• Investment Property</li> </ul>
<b>Secondary Financing:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Vesting:</b>	<ul style="list-style-type: none"> <li>• Natural persons</li> <li>• LLC</li> <li>• Limited and General Partnerships</li> <li>• Corporations and S Corporations</li> <li>• Inter vivos revocable trusts (case-by-case basis)</li> </ul>
<b>Compliance:</b>	<ul style="list-style-type: none"> <li>• Escrows required for taxes and insurance.</li> <li>• Compliance with all applicable federal and state regulations.</li> <li>• No Section 32 or state high cost.</li> </ul>
<b>Amortization Types:</b>	<ul style="list-style-type: none"> <li>• 30 Year Fixed</li> <li>• 40 Year Fixed – Interest Only                             <ul style="list-style-type: none"> <li>✓ 10 Years IO Period</li> <li>✓ 30 Year Amortization</li> </ul> </li> </ul>
<b>Interest Only:</b>	<ul style="list-style-type: none"> <li>• Qualify the DSCR calculation by using the interest-only payment, including escrows.</li> </ul>
<b>Prepayment Penalty:</b>	<ul style="list-style-type: none"> <li>• 6 Months interest on 80% of original principal balance.</li> <li>• 3 Years standard term.</li> <li>• Not allowed in IL, KS, MD, MI, MN, MS, NJ, and PA.</li> </ul>
<b>Eligible States:</b>	AR, AZ, CA, CO, CT, DE, DC, FL, GA, ID, IL, IN, KS, MD, MI, MN, MS, NC, NJ, NV, OK, OR, PA, SC, TN, TX, UT, VA & WA

**MISCELLANEOUS (cont.)**

<b>Eligible States (Non-Licensed Originators):</b>	AR, CO, CT, DE, DC, FL, GA, IN, MD, MS, OK, PA, SC, TN, TX, VA & WA
<b>Eligible States (Real Estate Broker State License Required):</b>	CA, MI, MN & NJ

**FOREIGN NATIONAL**

<b>Foreign National:</b>	<ul style="list-style-type: none"> <li>• Eligible Visa Status                         <ul style="list-style-type: none"> <li style="width: 50%;">✓ B-1 and B-2</li> <li style="width: 50%;">✓ J-1 and J-2</li> <li style="width: 50%;">✓ E-1, E-2, E-3</li> <li style="width: 50%;">✓ NATO 1 through 6</li> <li style="width: 50%;">✓ G-1 through G-5</li> <li style="width: 50%;">✓ O-1 and O-2</li> <li style="width: 50%;">✓ H-1B &amp; C, H-2 through H-4</li> <li style="width: 50%;">✓ P-1 and P-2</li> <li style="width: 50%;">✓ I</li> <li style="width: 50%;">✓ R-1</li> <li style="width: 50%;">✓ L-1B, L-2</li> <li style="width: 50%;">✓ TN-1 &amp; 2 (NAFTA)</li> </ul> </li> <li>✓ Borrowers who are residents of countries which participate in the State Department’s Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at <a href="https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html">https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html</a>.</li> <li>✓ Canadian citizens generally do not require a visa to enter the United States directly from Canada for the purposes of visiting or studying. Canadian visitors are generally granted a stay in the U.S. for up to six months at the time of entry. Underwriter will review on a case-by-case basis.</li> <li>✓ Borrowers may have a SSN, ITIN, or neither to proceed</li> <li>✓ Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible for ACC Mortgage programs.</li> <li>• Credit                         <ul style="list-style-type: none"> <li>✓ If no Credit Score or Trade Lines, price as 680</li> <li>✓ 12-month housing history is required for borrowers with U.S. housing. Mortgage and rental payments combined may not exceed 1x30 in the past 12 months.</li> <li>✓ There is no LTV reduction for a First-Time Investor on the Foreign National Program                                 <ul style="list-style-type: none"> <li>❖ A First-Time Investor is a borrower who has not owned at least one investment property for at least 12 months anytime during the most recent 12-month period.</li> </ul> </li> </ul> </li> <li>• Assets                         <ul style="list-style-type: none"> <li>✓ All funds required for down payment and closing costs must be sourced for 30 days in a U.S. FDIC insured depository institution.</li> <li>✓ Foreign assets recently deposited into a U.S. depository institution are acceptable, if there is evidence that the funds were transferred from the country from which the borrower previously or currently resides. It must also be established that the funds belonged to the borrower before the date of transfer.</li> <li>✓ Foreign assets must be deposited into the borrower’s U.S. depository institution. Funds cannot be sent directly to the title company’s trust or escrow account.</li> <li>✓ Assets held in a foreign account can be used for reserves. The most recent 30-day account statement is required, and funds are to be converted to U.S. dollars using the current exchange rate. A letter of reference on company letterhead from a verifiable banking institution may also be obtained. Contact information must be provided by the person signing the letter, and the letter must state the type of relationship, length of the relationship, how accounts are held, and current balance. Any translation must be signed and dated by a certified translator.</li> </ul> </li> <li>• Vesting                         <ul style="list-style-type: none"> <li>✓ Loan must be made to domestic LLC with domestic agent</li> <li>✓ Power of Attorney is not eligible</li> </ul> </li> </ul>
--------------------------	---