



Revised: November 15, 2021

# The Science of Doing Non-QM Right!™

## PRIME PROGRAM

Program Max LTVs			Primary and Second Homes				Investment Property			
			FULL DOC		BANK STMTS / 1099		FULL DOC		BANK STMTS / 1099	
LOAN AMOUNT	RESERVES	FICO	PURCHASE, RATE/TERM	CASH OUT	PURCHASE, RATE/TERM	CASH OUT	PURCHASE, RATE/TERM	CASH OUT	PURCHASE, RATE/TERM	CASH OUT
≤ \$2,000,000	6 Months	720	90%	85%	90%	85%	85%	80%	85%	80%
		660	90%	85%	90%	85%	80%	75%	80%	75%
≤ \$3,000,000	12 Months	720	80%	75%	80%	75%	75%	70%	75%	70%
		660	80%	75%	80%	75%	70%	65%	70%	65%
≤ \$4,000,000	12 Months	720	75%	N/A	75%	N/A	N/A	N/A	N/A	N/A

### LTV ADJUSTMENTS

Property Type	Max LTV
<ul style="list-style-type: none"> <li>Rural</li> <li>2-4 Unit</li> <li>Modular</li> <li>Log Home</li> <li>Non-Warrantable Condos</li> </ul>	80%

### INTEREST ONLY FEATURES

Product	IO Period	Amortization
40Y Fixed-IO	10 Years	30 Years

### OTHER OVERLAYS

Debt Ratio	Max 50%
Interest Only	Max 85% LTV
Second Homes	Max 85% LTV Purchase & R/T
	Max 80% LTV Cash-Out
	Max Loan Amount \$3,000,000
Asset Depletion (Use Full Doc Column)	Max 80% LTV, Purchase or R/T Only

### PROGRAM REQUIREMENTS

Minimum Loan Amount:	\$150,000
Maximum Loan Amount:	\$4,000,000
Residual Income: Per Additional Dependent:	\$2,500 \$150

### CREDIT REQUIREMENTS

Mortgage / Rent:	1 x 30 x 12 months
Installment, Revolving, Non-Traditional:	0 x 60 x 12 months
Bankruptcy Seasoning:	48 months for Chapter 7, 11 & 13 (from discharge or dismissal date)
Foreclosure, Deed-in-Lieu, and Short Sale Seasoning:	48 months

**CREDIT REQUIREMENTS (cont.)**

<p><b>Credit:</b></p>	<ul style="list-style-type: none"> <li>• Tradelines requirement based on primary wage earner             <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>✓ Middle score of primary wage earner</li> <li>✓ Each additional borrower on the loan must have at least one valid score of 620+</li> </ul> </li> </ul>
<p><b>Housing History:</b></p>	<p>Borrowers who do not have a complete 12-month housing history are subject to the following:</p> <ul style="list-style-type: none"> <li>• Primary residence and second homes only</li> <li>• Minimum 3 additional months reserves required</li> <li>• 10% minimum borrower contribution</li> <li>• Payment Shock is not considered</li> <li>• VOR/VOM must be obtained for all months available reflecting paid as agreed</li> <li>• Properties owned free and clear are considered 0x30 for grading purposes.</li> </ul>
<p><b>Multiple Financed Properties:</b></p>	<ul style="list-style-type: none"> <li>• There is no limit on the number of other properties borrowers may currently have financed.</li> <li>• Second Home or Investment Property transactions require 2 months of additional reserves for each financed property.</li> <li>• ACC Mortgage exposure may not exceed \$5M aggregate with a maximum of five loans for each individual borrower.</li> </ul>
<p><b>Charge-Offs and Collections:</b></p>	<p>The following accounts may remain open:</p> <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> <p>Collection and charge-off balances exceeding the amounts listed above must be paid in full.</p>
<p><b>Judgments and Tax Liens:</b></p>	<p>All judgments or liens affecting title must be paid.</p> <p>Active court-ordered judgments may remain open when one of the two following options is:</p> <ul style="list-style-type: none"> <li>• The amount is the lessor of \$5,000 per occurrence or 2% of the loan amount: <b>OR</b></li> <li>• The borrower is currently in a repayment agreement with the creditor (if the borrower is currently in a repayment plan, the following requirements apply):             <ul style="list-style-type: none"> <li>✓ A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided; and</li> <li>✓ The maximum payment required under the plan is included in the debt-to-income ratio.</li> </ul> </li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• A copy of the repayment agreement is obtained;</li> <li>• A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided;</li> <li>• The maximum payment required under the plan is included in the debt-to-income ratio; and</li> <li>• The title company must provide written confirmation confirming             <ul style="list-style-type: none"> <li>✓ (a) the title company is aware of the outstanding tax lien, and</li> <li>✓ (b) there is no impact to first lien position.</li> </ul> </li> </ul>

**CREDIT REQUIREMENTS (cont.)**

<p><b>Forbearance/COVID-19 Related:</b></p>	<ul style="list-style-type: none"> <li>• COVID-19 related forbearance is allowed with the following requirements:             <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>4. Borrowers who “opted out” of their mortgage forbearance plan without missing any payments will follow standard underwriting guidelines.</li> <li>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.</li> <li>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.</li> <li>7. Proceeds of loans under the CARES Act (PPP and SBA relief funds, for example), are ineligible for income, asset, and reserve requirement consideration.</li> </ol> </li> </ul>
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**BORROWERS**

<p><b>Eligible Borrowers:</b></p>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens (with US credit) – See Eligible Visa Status</li> </ul>								
<p><b>Eligible Visa Status:</b></p>	<ul style="list-style-type: none"> <li>• The following visa classifications are allowed as Non-Permanent Resident Aliens:             <table border="0" style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 50%;">✓ E-1, E-2, E-3</td> <td style="width: 50%;">✓ NATO 1 through 6</td> </tr> <tr> <td>✓ G-1 through G-5</td> <td>✓ O-1</td> </tr> <tr> <td>✓ H-1B &amp; C, H-2 through H-4</td> <td>✓ R-1</td> </tr> <tr> <td>✓ L-1B, L-2</td> <td>✓ TN-1 &amp; 2 (NAFTA)</td> </tr> </table> </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>	✓ E-1, E-2, E-3	✓ NATO 1 through 6	✓ G-1 through G-5	✓ O-1	✓ H-1B & C, H-2 through H-4	✓ R-1	✓ L-1B, L-2	✓ TN-1 & 2 (NAFTA)
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✓ L-1B, L-2	✓ TN-1 & 2 (NAFTA)								
<p><b>Non-Occupant Co-Borrowers:</b></p>	<ul style="list-style-type: none"> <li>• Primary occupancy only</li> <li>• Purchase and Rate/Term only (non-occupant must be on the current mortgage for a rate/term refinance)</li> <li>• Non-occupant co-borrower must be an immediate relative</li> <li>• Max 80% LTV</li> <li>• Max 60% DTI (occupying borrower only)</li> <li>• Max 43% DTI (total for all borrowers combined)</li> <li>• Max loan amount \$1,000,000</li> </ul>								

**BORROWERS (cont.)**

<b>First Time Homebuyers:</b>	<ul style="list-style-type: none"> <li>The following requirements apply to First-Time Home Buyer transactions:             <ul style="list-style-type: none"> <li>✓ Primary residence and second homes only</li> <li>✓ 24-month income programs only</li> </ul> </li> <li>A First-Time Home Buyer is defined as a borrower who had no ownership interest in a residential property in the United States during the preceding 3-year period.</li> <li>If a borrower has not owned a property in the last 3 years but can document ownership in the preceding 5-year period, the above criteria are waived.</li> </ul>
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<b>First Time Investor:</b>	<ul style="list-style-type: none"> <li>Not eligible             <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>
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**INCOME**

<b>Income:</b>	<ul style="list-style-type: none"> <li>Full Doc (12 or 24 Months)             <ul style="list-style-type: none"> <li>✓ W-2</li> <li>✓ Tax Returns</li> </ul> </li> <li>Bank Statements (12 or 24 Months)             <ul style="list-style-type: none"> <li>✓ Must be Self-employed for 2 years</li> <li>✓ Personal or Business Bank Statements</li> </ul> </li> <li>1099 (12 or 24 Months)             <ul style="list-style-type: none"> <li>✓ Must be Self-employed for 2 years</li> </ul> </li> </ul>	<p>A 1099 may be obtained to replace 1 calendar year of personal or business bank statements:</p> <ul style="list-style-type: none"> <li>1099 must be validated with a wage and income transcript from the IRS</li> <li>Evidence of year-to-date earnings must be verified via bank statements covering the YTD period</li> <li>All other Bank Statement Documentation requirements apply</li> </ul>
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<b>Bank Statement – Calculating Qualifying Income:</b>	<ul style="list-style-type: none"> <li><u>Personal and Business Bank Statements</u>: Total useable deposits ÷ 12 or 24 months             <ul style="list-style-type: none"> <li>✓ To calculate qualifying income, select one of the three options from the following matrix: <a href="#">[Click Here]</a></li> </ul> </li> <li>Business Bank Statements: Must have documented ≥ 25% ownership in business.</li> <li>Personal Bank Statements: No minimum percentage ownership in business required.</li> </ul>
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<b>Asset Depletion (Purchase &amp; R/T Only):</b>	<ul style="list-style-type: none"> <li>May be used to determine qualifying income both alone and in conjunction with other documentation types.</li> <li>Qualified Assets can be comprised of and utilized (%) to calculate income:             <ul style="list-style-type: none"> <li>✓ Checking, savings, and money market accounts (100%)</li> <li>✓ Personally held stocks (80%)</li> <li>✓ Bonds (80%)</li> <li>✓ Mutual funds (80%)</li> <li>✓ Vested amount of retirement/tax deferred accounts (70%)</li> </ul> </li> <li>Six-month seasoning of all assets is required.</li> <li>All asset documentation may not be more than 30 days old at the time of closing.</li> <li>Qualified Assets being used for down payment, closing costs or reserves must be excluded from the balance before analyzing a portfolio for income determination.</li> <li>Business accounts are prohibited.</li> <li>Calculating qualifying income             <ul style="list-style-type: none"> <li>✓ Borrowers must have a minimum of the lessor of:                 <ul style="list-style-type: none"> <li>❖ 1.5x the loan balance or</li> <li>❖ \$1 Million in qualified assets</li> </ul> </li> <li>✓ Monthly Income = Net Qualified Assets / 84 Months</li> </ul> </li> </ul>
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<b>Cannabis Derived Income:</b>	<ul style="list-style-type: none"> <li>Eligible for borrowers located in states where cannabis has been legalized and the business is licensed accordingly</li> </ul>
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<b>Debt Ratios:</b>	<ul style="list-style-type: none"> <li>Max 50% (total DTI)</li> </ul>
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**ASSETS**

<b>Assets:</b>	<ul style="list-style-type: none"> <li>Seasoned for 60 days.</li> <li>Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <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 6% towards closing costs for Primary and Second Homes.</li> <li>Up to 2% towards closing costs for Investment Property.</li> </ul>
<b>Gift Funds:</b>	<ul style="list-style-type: none"> <li>Gift funds are allowed after the borrower has documented the minimum required borrower contribution.                             <ul style="list-style-type: none"> <li>✓ Minimum of 5% (of the sales price) of borrower's own funds on purchase transactions.</li> <li>✓ Minimum borrower contribution of 10% must be documented on the following transactions:                                     <ul style="list-style-type: none"> <li>❖ Primary residence with unverifiable housing history</li> <li>❖ Second home</li> </ul> </li> <li>✓ Investment property transactions require all funds come from the borrower.</li> </ul> </li> <li>Gift funds can be used for down payment, closing costs and reserves.</li> </ul>
<b>Gift of Equity:</b>	<ul style="list-style-type: none"> <li>Primary residence transactions only.</li> <li>No minimum borrower contribution is required.</li> <li>Gift of equity is from an immediate family member.</li> <li>Six months of reserves required of borrower's own funds.</li> <li>Non-arm's length transactions are allowed.</li> <li>Subject to the maximum LTVs available for cash-out transactions.</li> </ul>

**SUBJECT PROPERTY**

<b>Acres:</b>	<ul style="list-style-type: none"> <li>Primary and Second Homes                             <ul style="list-style-type: none"> <li>✓ Max 15 Acres</li> <li>✓ Exceptions considered on a case-by-case basis</li> </ul> </li> <li>Investment Properties                             <ul style="list-style-type: none"> <li>✓ Max 2 Acres</li> <li>✓ Exceptions considered on a case-by-case basis</li> </ul> </li> </ul>
<b>Property Types:</b>	<ul style="list-style-type: none"> <li>Single Family Detached (SFD)                             <ul style="list-style-type: none"> <li>✓ Site Condos are considered an SFD</li> </ul> </li> <li>PUD</li> <li>Townhomes</li> <li>Condominiums                             <ul style="list-style-type: none"> <li>✓ Non-Warrantable Condos (max 80% LTV)</li> <li>✓ See Guidelines for additional details</li> </ul> </li> <li>2 – 4 Unit (max 80% LTV)</li> <li>Log Homes (max 80% LTV)</li> <li>Modular (max 80% LTV)</li> <li>Rural (max 80% LTV)</li> </ul>
<b>Ineligible Property Types:</b>	<ul style="list-style-type: none"> <li>Manufactured (Mobile)</li> <li>Mixed Use</li> <li>Assisted Living/Continuing Care Facilities</li> <li>Boarding Houses</li> <li>Condotels</li> <li>Co-Ops</li> </ul>

**SUBJECT PROPERTY (cont.)**

<p><b>Appraisal Review:</b></p>	<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):                     <ul style="list-style-type: none"> <li>✓ LTV &gt; 80%</li> <li>✓ Non-arm's length transactions</li> <li>✓ Loan amounts from \$1,000,000 - \$1,500,000</li> </ul> </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 &gt; \$1,500,000</li> </ul> </li> </ul>
<p><b>Appraisal Transfers:</b></p>	<ul style="list-style-type: none"> <li>• Appraisal transfers are eligible, as indicated on ACC's <a href="#">Appraisal Transfer Policy</a></li> </ul>
<p><b>Properties Listed For Sale:</b></p>	<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>
<p><b>Seasoning:</b></p>	<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>
<p><b>Determining Loan to Value:</b></p>	<ul style="list-style-type: none"> <li>• Rate/Term Refinance                     <ul style="list-style-type: none"> <li>✓ Current appraised value may be used to determine loan to value.</li> </ul> </li> <li>• Cash Out Refinance                     <ul style="list-style-type: none"> <li>✓ If the subject property was acquired &gt; 12 months from application date, the appraised value must be used to determine loan-to-value.</li> <li>✓ If the property was acquired ≤ 12 months from application date, the lesser of the current appraisal value or 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> </ul> </li> </ul>
<p><b>Lease with Option to Purchase:</b></p>	<ul style="list-style-type: none"> <li>• Transaction treated as a Purchase.</li> <li>• Principal dwelling only.</li> <li>• Must have a valid, executed lease with purchase option.</li> <li>• The lesser of the appraised value or the purchase price established within the agreement will be utilized for qualification.</li> <li>• Copies of cancelled checks for 12 months as proof of rental payments.</li> </ul>
<p><b>Land Contracts / Contracts for Deed:</b></p>	<ul style="list-style-type: none"> <li>• Acceptable for Primary Residence only.</li> <li>• 12 Months of cancelled checks required for housing payment history.</li> <li>• Payoff of land contracts is acceptable:                     <ul style="list-style-type: none"> <li>✓ Contracts signed ≤ 12 months from ACC application date = Purchase                             <ul style="list-style-type: none"> <li>❖ The lesser of the appraised value or the purchase price established within the agreement will be utilized for qualification.</li> </ul> </li> <li>✓ Contracts signed &gt; 12 months from ACC application date = Rate/Term Refinance                             <ul style="list-style-type: none"> <li>❖ The current appraised value will be utilized for qualification.</li> </ul> </li> </ul> </li> </ul>

**MISCELLANEOUS**

<b>Cash Out:</b>	<ul style="list-style-type: none"> <li>• Max Cash Out:                             <ul style="list-style-type: none"> <li>✓ &gt; 70% LTV                                     <ul style="list-style-type: none"> <li>• Owner Occupied: \$500,000</li> <li>• Investment Property: \$500,000</li> </ul> </li> <li>✓ ≤ 70% LTV                                     <ul style="list-style-type: none"> <li>• Owner Occupied: \$1,000,000</li> <li>• Investment Property: \$1,000,000</li> </ul> </li> </ul> </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 not allowed on investment property.</li> </ul>	
<b>Occupancy:</b>	<ul style="list-style-type: none"> <li>• Primary Residence</li> <li>• Second Homes</li> <li>• Investment Property</li> </ul>	
<b>Secondary Financing:</b>	<ul style="list-style-type: none"> <li>• Institutional Secondary Financing is acceptable.</li> <li>• New and existing Secondary Financing is allowed.                             <ul style="list-style-type: none"> <li>✓ Texas (Note: Must be existing secondary financing only)</li> </ul> </li> <li>• Max CLTV = allowable program LTV.</li> <li>• Not allowed on Investment Property.</li> </ul>	
<b>Vesting:</b>	<ul style="list-style-type: none"> <li>• Natural persons</li> <li>• LLC (investment properties)</li> <li>• Limited and General Partnerships (investment properties)</li> <li>• Corporations and S Corporations (investment properties)</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>• 15, 20 and 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 using the fully amortized payment calculated over the fully amortizing period, based on the greater of the note rate or the fully indexed rate to determine qualifying PITIA.</li> </ul>	
<b>Prepayment Penalty:</b>	<ul style="list-style-type: none"> <li>• Investment Property only.</li> <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	
<b>Eligible States (Non-Licensed Originators):</b>	Investment Properties Only	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>	Investment Properties Only	CA, MI, MN & NJ