

Standalone Digital HELOC Quick Reference Guide

Product Description			
<ul style="list-style-type: none"> Term: 5-year interest only draw; 25-year repayment Maximum Loan Amount: <ul style="list-style-type: none"> HELOC in 2nd Lien Position \$400,000 HELOC 1st Lien Position: \$400,000 Minimum Loan Amount (1st and 2nd Position): \$25,000 <ul style="list-style-type: none"> Maximum DTI: 50% Eligible Properties: SFR, 2-4 units, PUDs, Condos 			
	Owner-Occupied	2 nd Home	Investment
Minimum FICO	Maximum CLTV	Maximum CLTV	Maximum CLTV
780+	80%	75%	70%
760-779	80%	75%	70%
740-759	80%	75%	70%
720-739	80%	70%	70%
700-719	80%	70%	70%
680-699	75%	65%	N/A
660-679	70%	60%	N/A
640-659	65%	60%	N/A
Eligibility Criteria			
General Application Requirements	<ul style="list-style-type: none"> Co-borrowers are permitted; must occupy the subject property and must be vested on title Changes are allowed after the loan application is completed in certain instances via the Portal; refer to the Standalone Digital HELOC FAQ 		
Credit	<ul style="list-style-type: none"> Primary wage earner borrower must have a minimum 640 credit score Credit is valid for 90 days from the time of closing 		
Draw Terms and Structure	<ul style="list-style-type: none"> Minimum 75% initial draw disbursed at closing 5-year interest-only draw period; 25-year repayment period (fully amortizing) <p>NOTE: Tennessee Exception: 5-year interest-only; 10-year repayment period (fully amortizing)</p>		
Eligible States	<ul style="list-style-type: none"> Eligible in all states Brokers must be licensed in the state where the subject property is located Refer to the State Specific Information section for state specific details 		
Employment	<ul style="list-style-type: none"> Employment verified via The Work Number or Plaid (Third-Party Vendors) 		
Fees/Closing Costs	<ul style="list-style-type: none"> Most fees and closing costs are netted against loan proceeds at closing Fees/closing costs netted against the loan proceeds include: one-time origination fee and nominal costs for credit report, loan document prep, notary, recording fees, etc. Transactions that require an appraisal/ADV: The appraisal/ADV fee cannot be financed; the borrower is required to pay for the appraisal/ADV at the time the order is placed 		
Income	<ul style="list-style-type: none"> Maximum DTI 50% Wage earner or self-employed income eligible Borrowers may validate income using one of the following options: <ul style="list-style-type: none"> Wage Earner Borrowers: <ul style="list-style-type: none"> ➤ The Work Number, OR ➤ Link income information from employer payroll system, OR ➤ Upload two most recent paystubs and most recent W-2 Self-employed Borrowers: <ul style="list-style-type: none"> ➤ Link bank account information, OR ➤ Upload prior two year's tax returns 		

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Eligibility Criteria (cont.)	
Late Payments, Collections and Derogatory Events	<ul style="list-style-type: none"> • Mortgage/rent history requires 0x30 in past 6 months and maximum 1x30 in last 12 months • Past-due consumer debt can be no more than 90 days past due at closing. Debts > 90 days must be paid off prior to closing • No bankruptcy in last 4 years • No foreclosure proceedings in the last 7 years • No charge-off, short payoff, DIL, short sale, loan modification, pre-foreclosure of any mortgage in last 4 years • Judgments and tax liens must be paid off prior to or at closing • Collections may remain open as follows: <ul style="list-style-type: none"> ○ < 24 months old with a maximum balance of \$2,000 ○ 24 months old with a maximum balance of \$2,500 per occurrence ○ Charge-offs and collections that exceed the above balances must be paid in full prior to closing • Medical collections may remain open regardless of balance
Lien Position	HELOC may be in first or second lien position
Prepayment Penalty	No prepayment penalty applies
Property	<ul style="list-style-type: none"> • SFR, 2-4 units, PUDs, Condos • Fee Simple or Inter Vivos Revocable Trust eligible as Title Holder; LLC ineligible as Title Holder • Property value must be supported as follows: <ul style="list-style-type: none"> ○ Loan Amounts ≤ \$400,000: Proprietary AVM. In the event AVM results are not acceptable, an Appraisal Desktop Validity (ADV) or Appraisal will be required • Transactions which require an ADV or Appraisal: The Borrower is required to pay the appraisal fee upfront • Appraisal reviews/rebuttals are permitted on a case-by-case basis • Properties located in a FEMA disaster declaration area require a Property Condition Report
Rate	<ul style="list-style-type: none"> • Rates are published each Monday in the Portal • The rate is based on Prime plus variable Margin
State Specific Information	<ul style="list-style-type: none"> • Minnesota <ul style="list-style-type: none"> ○ Minimum Loan Amount: \$100,000 • New York <ul style="list-style-type: none"> ○ CLTV cap dependent on credit score • Tennessee <ul style="list-style-type: none"> ○ Draw Terms and Structure: 5-year interest-only; 10-year repayment period • Texas <ul style="list-style-type: none"> ○ Property Valuation: > 70% LTV ADV or Appraisal required ○ There is a required a minimum 12 day “cooling off” period between signing the initial disclosures to the closing date ○ 2.00% max origination fee to the consumer ○ If the borrower pulled out cash via a 50(a)(6) then we cannot do a loan as borrowers/owners can only have one 50(a)(6) at a time ○ The property MUST be less than 10 acres ○ Primary residences only and must be a Homestead ○ The borrower cannot have had a home equity loan in the last 12 months ○ Maximum Broker compensation 1.75%