

PREMIUM: INCOME PER BANK STATEMENT PROGRAM

Introduction:

This program is intended for qualifying borrowers with high credit score through actual earning verified from personal bank statements. Personal bank statement along with borrower's business bank statement can be used where business owned by the borrower is retaining earnings or paying personal expenses on behalf of the borrower.

Program Summary:

Transaction types	Purchase / Rate and Term / Cash out Refinance	
Occupancy	Primary Residence / Second Home / Investment Property	
Minimum Loan Amount	\$135,000	
Maximum Loan Amount*	\$2,000,000	
Minimum Required FICO	700	
Maximum DTI	48%	
Housing Payment History	0X30 in prior 24 months	
Income Documentation type	12 months Personal bank statement (Reserves \geq 24 months and DTI \leq 36%) 24 months Personal bank statement (Reserves \geq 4 months or DTI \leq 48%)	
Waiting Period Requirement	Chapter 7 Bankruptcy	48 months
	Chapter 13 Bankruptcy	48 months
	Housing Event (Foreclosure/DIL/Short Sale)	48 months

*Refer below Guideline for allowed LTV for maximum loan amount.

Product code	<ul style="list-style-type: none"> SUNNPM0018
Loan Purpose	<ul style="list-style-type: none"> Purchase Rate & Term Refinance* Cash Out Refinance <p>*Cash back to borrower is limited to the \$2000.</p>
Occupancy	<ul style="list-style-type: none"> Primary residence Second Home Investment property <p>Note: Non Occupying Co-Borrower/ Co Signer / Guarantor are not allowed.</p>
Eligible State	<ul style="list-style-type: none"> AL, AR, AZ, CA, CO, CT, DE, FL, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MT, NC, ND, NE, NJ, NM, NV, NY, OK, OR, PA, RI, SC, SD, TN, TX (purchase only), UT, VA, WA, WI, WY, DC
Amortization Term	<ul style="list-style-type: none"> 5/1 ARM: 7 year / 10 year I/O or 30 Year Self - Amortization 7/1 ARM: 10 year I/O or 30 Year Self – Amortization 30 year FRM: 7 year / 10 year I/O or 30 Year Self – Amortization <p>Note: Interest Only (I/O) products are for a 30-year term. After the Interest Only period the loan must amortize over the remaining term.</p>
Prepayment Penalty	<ul style="list-style-type: none"> Not Allowed
Eligible Properties	<ul style="list-style-type: none"> Attached / Detached SFRs 2-4 unit properties PUD, Warrantable Condo
Eligible Borrowers	<ul style="list-style-type: none"> U.S. Citizens Permanent Resident Aliens with a Green Card (I-551 or I-151) Non-Permanent Resident Alien with an unexpired H1, B1 or TN Visa At least one of the borrowers must be self employed.
Compliance	<ul style="list-style-type: none"> Escrows required for taxes and insurance Total Points and Fees must be less than 3% Compliance with all applicable Federal and State regulations Fully documented ability-to-repay Section 32 or state high cost loan is not allowed
Minimum Loan Amount	<ul style="list-style-type: none"> \$135,000 <p>Note: Loan amounts of \$100,000 to \$134,999 are permitted with a 5% reduction to the maximum permissible LTV.</p>
Minimum FICO Required	<ul style="list-style-type: none"> 700
Maximum DTI Ratios	<ul style="list-style-type: none"> 48 % DTI
Minimum trade-line to establish credit history	<p>Minimum Trade line Requirement*</p> <ul style="list-style-type: none"> 3 trade lines reporting for 12+ months with activity in last 12 months; or An acceptable 12 month housing history not reporting on credit may also be used as a trade line. <p>*Credit lines on which the borrower is not obligated to make payments are not acceptable for establishing a minimum history.</p>

Bankruptcy and Housing Event waiting Period

Waiting Period Matrix ¹		
Chapter 7 Bankruptcy	Chapter 13 Bankruptcy	Housing Event ²
4 years	4 years	4 years

Notes

1. Waiting period is measured from the month and year of discharge to the loan closing date.
2. A 'Housing Event' is a completed foreclosure, short sale, deed in lieu or notice of default (or similar notice required under state law as an initial phase of the foreclosure process).

Housing Payment History

- No late allowed in past 24 months

LTV / CLTV

LTV Matrix					
Occupancy Type	Maximum Loan Amount	Max LTV			Reserves
		Purchase	Rate / Term Refinance	Cash Out Refinance*	
Primary Residence / Investment Property	\$750,000	80% ¹	80% ¹	70%	4 months PITIA
	\$1,000,000	75%	75%	70%	
	\$1,650,000	70%	70%	65%	
	\$2,000,000	65%	65%	60%	
Second Home	\$750,000	70%	70%	55%	
	\$1,000,000	65%	65%	55%	
	\$1,650,000	60%	60%	Not Allowed	
	\$2,000,000	55%	55%	Not Allowed	

1. Maximum LTV for New York state is 75%

Maximum Cash Out Amount* Matrix		
Occupancy Type	LTV	Maximum cash out amount
Primary Residence / Investment Property	70% ≥ LTV > 65%	\$250,000
	65% ≥ LTV > 55%	\$400,000
	55% ≥ LTV > 50%	\$850,000
	50% ≥ LTV	\$1,250,000
Second Home	55% ≥ LTV > 50%	\$350,000
	50% ≥ LTV	\$1,000,000

*The Cash Out Amount is the difference between

- The loan amount, and
- The sum of Seasoned Mortgages** and customary closing costs paid from the Loan's proceeds.

**Seasoned Mortgages are Mortgages that were paid in full with proceeds of the Loan, and were

- (a) Closed-end mortgages that were outstanding for one year or longer, or
- (b) Revolving (HELOC) mortgages that have been outstanding for one year or longer, and which have not been drawn on in excess of \$2000 during the twelve-month period preceding the date of the Final Application.

Subordinate Financing

- Not Allowed

Income Documentation

- Personal Bank Statement Doc:**
 - 12 months personal bank statement (Allowed when borrower has total 2 years reserve and DTI is less than equal to 36%) OR;
 - 24 month personal banks statement
- Note: 3 months business statements required in all cases.

Self Employed Borrower

- Minimum 2 year history required.

Unacceptable Source of Funds

- Cash on hand;
- Gifts;
- "Sweat equity" or labor;
- The sale of automobiles, household goods or similar personal property;
- Proceeds from a loan secured by an automobile, household goods or similar personal property;
- Proceeds from unsecured loans including but not limited to credit card advances, and signature loans;
- Balances derived from larger than typical deposits that are not traced to an acceptable source;
- Balances held in accounts outside of the United States.

Assets

- Assets need to be sourced & seasoned for 60 days

Contribution by Interested Parties	<ul style="list-style-type: none"> The amount of seller contributions to closing costs is limited to 6% of the purchase price of the Subject Property if the loan to value ratio is 80% or less.
Max. Number of Properties Financed	<ul style="list-style-type: none"> Maximum financed properties by SWMC can be 2
Temporary Buydown	<ul style="list-style-type: none"> Not Allowed
Assumable	<ul style="list-style-type: none"> Allowed
Property Flip Waiver	<ul style="list-style-type: none"> A subject property will be considered to have been conveyed in a Flip transaction if the sellers who sold the Subject Property to the Borrowers obligated on a loan to be sold to Sprout acquired an interest in the Subject Property within twelve months of the such loan's closing date, except that the following transactions will not be considered Flip transactions: <ul style="list-style-type: none"> A sale by home builder or real estate developer of a newly constructed house or condominium, provided that if the location where such house or condominium is located requires that builders or developers be licensed that the selling builder or developer hold the prerequisite license; A sale by a bank, licensed mortgage servicer, government entity or government sponsored entity of a property acquired through a foreclosure or deed in lieu of foreclosure; A sale by a nationally recognized relocation company; or A property sold by the estate of a deceased prior owner, provided that the deceased prior owner held title to such property for 12 or more months prior to the sale of the loan's closing.
Appraisal Review Product	<ul style="list-style-type: none"> A Clear Capital Collateral Desk Analysis (CDA) is required on the loan. Second appraisals required for properties with a market value of \$1 million or greater.
Ineligible Property Type	<ul style="list-style-type: none"> Manufactured homes Properties with any commercial occupancy. Time shares Ground leases and similar leaseholds Condotels (condominium hotels) Kiddie Condos (student based condominiums) Non Warrantable Condo Properties of more than ten acres Farms, ranches or other agricultural properties Rooming or boarding houses Properties with adverse environment conditions Rectories, Priest Houses and similar uses Properties improved by residences of less than 600 sq. ft. of GLA Properties unique or unusual for their neighborhood Log homes Earth, berm or basement properties Vacant land Properties not accessible by roads Properties not suitable for year-round occupancy Cooperative properties (unless located in the five boroughs of New York City) Properties used as bed and breakfasts Properties considered dome or geodesic Properties located in Hawaii lava zone 1 or 2 Houseboats Mobile homes