



Loan Program:	Asset Depletion Program - ADP
Program Highlights	<ul style="list-style-type: none"> • Borrowers are qualified based on verified liquid assets • Minimum 640 credit score • No employment or income on 1003 • 4506T not required • Debt to Income (DTI) Ratio not calculated
LOAN	
Minimum Loan Amount	\$100,000
Acceptable States	<ul style="list-style-type: none"> ▪ IL, IN, MD, MI, WI, OH, PA, CA, CO ▪ LTV Limit/Maximum of 80% is Applicable in Following States <ul style="list-style-type: none"> – FL, IL, IN, OH, PA, WI
Loan Products	<ul style="list-style-type: none"> ▪ 5/1 ARM (Adjustable Rate Mortgage) <ul style="list-style-type: none"> – 30-Year Amortization Term ▪ 7/1 ARM (Adjustable Rate Mortgage) <ul style="list-style-type: none"> – 30-Year Amortization Term ▪ 15-year FRM (Fixed Rate Mortgage) <ul style="list-style-type: none"> – 15-Year Amortization Term ▪ 30-year FRM (Fixed Rate Mortgage) <ul style="list-style-type: none"> – 30-Year Amortization Term
ARM Terms	<ul style="list-style-type: none"> ▪ Index: 1-Year LIBOR ▪ Margin: 3.99% on Personal / Consumer Loans ▪ Caps <ul style="list-style-type: none"> – Initial Rate Reset: 2.00% – Periodic Rate Reset: 2.00% – Lifetime Rate Reset: 5.00% ▪ Floors <ul style="list-style-type: none"> – Initial Rate Reset: NONE – Periodic Rate Reset: NONE – Lifetime Floor: ORIGINAL/INITIAL NOTE INTEREST RATE <p>Arm products are assumable to qualified borrowers after the fixed term.</p>
Loan Purpose	<ul style="list-style-type: none"> ▪ Personal / Consumer Use <ul style="list-style-type: none"> – Purchase – Rate/Term Refinance with No Cash Out – Rate/Term Refinance with Cash Out
Prepayment Penalty	None
Escrow Account	Required for All Loans
ACH Draft	Required If at Least One Borrower is a Foreigner; Not Required but Strongly Encouraged Otherwise
Subordinate Financing	<ul style="list-style-type: none"> ▪ Permitted, Provided That <ul style="list-style-type: none"> – CLTV does not Exceed Applicable LTV Limits – Debt Service on All Subordinate Loans is Included in DTI Calculations – Terms of Subrogate Loans Conform to Fannie Mae Requirements





Maximum Loan Amount	\$3,000,000 Primary Residence, \$2,500,000 Second Home (higher loan amounts available with written exception)
PROPERTY	
Occupancy	<ul style="list-style-type: none"> ▪ Primary Residence [US Citizens, US Legal Permanent Residents, US Persons ONLY] ▪ 2nd Home [1-2 Unit Properties ONLY] ▪ Investor / Non-Owner NOT ALLOWED
Property Type	<ul style="list-style-type: none"> ▪ Eligible <ul style="list-style-type: none"> - Appraised to be C1 - C5 Condition - 1-Unit Single Family Residence - 2-6-Unit Residence (7 to 12 unit available with written exception) - Mixed use properties acceptable - Commercial space not to exceed 51% - Warrantable Condominium - Non-warrantable condos subject to underwriter approval with an adjustment to rate - PUD - Log Cabin based on comparable comparables. Subject to underwriter approval ▪ Ineligible <ul style="list-style-type: none"> - C6 property condition - Properties with Lot Size in Excess of 20 Acres - Condotels - Co-ops - Leaseholds - Manufactured Housing - Modular Homes - Commercial Properties - Properties Subject to Oil and/or Gas Leases - Operating Farms, Ranches, or Orchards
Appraisal Requirements	<ul style="list-style-type: none"> ▪ Loan Amount ≤ \$1,000,000 <ul style="list-style-type: none"> - 1 Full Independent Appraisal Required - Appraisal Desk Review or Collateral Desktop Analysis (CDA) or FNMA Collateral Underwriter score of 2.5 or less required - In Case Appraisal-ARR/CDA Variance Exceeds 10%, Second Full Independent Appraisal Required - Lower of 2 Appraised Values to be Used in LTV Calculations ▪ Loan Amount > \$1,000,000 <ul style="list-style-type: none"> - 2 Full Independent Appraisals Required - Lower of 2 Appraised Values to be Used in LTV Calculations <p>Alta Mortgage Bankers will not accept appraisal from appraisers on probation with any regulatory agency. No exceptions.</p>
Listed for Sale	Property must not be listed for sale. Property must be removed from the market prior to application date.
BORROWER	

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Citizenship/Visa Requirements	<ul style="list-style-type: none"> ▪ US Citizens ▪ US Legal Permanent Residents ▪ US Persons ▪ Non-US Citizens/Foreigners, Subject to <ul style="list-style-type: none"> – Valid Passport – Valid US Visa (If not Subject to Visa Wavier Program) – 2nd Home or Investor/Non-Owner Occupancy – Maximum Loan-to-Value Ratio (LTV) of 65% – Required Liquid Reserves of 12 Months of PITIA
Co-borrower	Non-occupant co-borrowers allowed with a 5% reduction in maximum LTV.
Minimum Credit Score	640 [Industry Standard "Tri-Merge" Credit Report No Older than 90 Days is Required]
Maximum Debt-to-Income Ratio (DTI)	Depletable Assets as % of Loan Amount → Maximum DTI <ul style="list-style-type: none"> ▪ 110% to 129.9% → 50% ▪ 130% and Higher → 55%
Minimum Depletable Eligible Assets (Excluding Required Liquid Reserves)	180% of Loan Amount
Income Calculation Methodology (Refer to Relevant Calculator)	<p>Monthly Income = [<i>Eligible Assets LESS Liabilities Encumbering Such Assets LESS Assets Used for Subject Closing</i>] DIVIDED BY 120</p> <p>Complete attached worksheet for income calculations</p>
Business Funds	<p>Business funds are not to be included in the total available asset calculation or qualifying calculation unless the business is functioning as an investment vehicle for personal investment. Additional documentation (e.g., business tax returns) would be required.</p> <p>The Asset Qualification option is intended for use with Personal Assets only. Any business funds or transfers to personal accounts documented in the most recent 6 months personal statements will be disallowed and excluded from qualification.</p>
Cash-Out Requirements	<p>Always use the appraised value for LTV calculation on a refinance transaction.</p> <p>There is no ownership seasoning requirement for a cash-out refinance when at least one borrower on the new loan is an original purchaser. There is no seasoning requirement when additional borrowers are added to title <u>so long as at least one borrower from the original purchase will be a borrower on the new loan.</u></p> <ul style="list-style-type: none"> • If a borrower is on title without any original purchasers, the borrower must wait 6 months to do a cash out refinance.



	<ul style="list-style-type: none"> • If a property is titled in an LLC and the borrower(s) are 100% owners of the LLC, then title may be transferred to the individual borrower(s) for purposes of refinance without a waiting period. (Example: Husband and wife are 100% owners of LLC. They can deed property to themselves as individuals to do a refinance without a waiting period, so long as the LLC has been on the existing loan for 6 months. <ul style="list-style-type: none"> ○ If the LLC has more than one member and only one member will be on the new loan, then the member who receives title must wait 6 months to do a cash-out refinance. <p>When the appraised value exceeds purchase price by more than 20% and the subject property is currently owned for less than 6 months (at time of application date), the appraisal must provide detailed and substantial commentary to support the increase in value.</p> <p>Note: The following items may be paid off with proceeds from a <u>Rate/Term refinance</u>:</p> <ul style="list-style-type: none"> • Non-purchase money seconds with 12 month seasoning • HELOCs (Home Equity Line of Credit) with total withdrawals not exceeding \$2,000 in the last twelve (12) months <p>A refinance of a prior cash-out loan within 6 months is allowed to be classified as a rate/term refinance.</p>
<p>Credit History</p>	<ul style="list-style-type: none"> ▪ Fraud Prevention Engine Pull Must Be Obtained From DataVerify, CoreLogic, SAS or Similar Engine ▪ Minimum of 5 Credit Lines; Minimum 2 Active Credit Lines; At Least 1 Line with 24+ Month Rating ▪ No Derogatory Credit Event (Bankruptcy, Foreclosure, Short Sale, Deed-in-Lieu) in Past 2 Years ▪ Judgments, Tax Liens, Charge-offs, Non-Medical Collections Must Be Paid in Full ▪ Derogatory Credit Event Seasoning of 2 to 4 Years Subject to <ul style="list-style-type: none"> - Additional 5% LTV Limit Reduction, With LTV Not to Exceed 70% - Additional Liquid Reserves of 6 Months of PITIA Required -- 0x30x12 Mortgage and/or Rental Payment History Required • Consumer Credit Counseling – Borrowers who have experienced credit or financial management problems in the past may have elected to participate in consumer counseling sessions to learn how to correct or avoid such problems in the future. Whether borrowers have or have not completed participation in the sessions before closing on the mortgage transaction is not relevant since it is the borrower’s credit history that is of primary importance. (FNMA B3-5.2-01) • Disputed Accounts – Disputed accounts are reviewed to determine current balance and derogatory information (a 30-day or more delinquency) within 2 years prior to the credit report date: <ul style="list-style-type: none"> ○ Zero balance and no derogatory information – no action required

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	<ul style="list-style-type: none"> ○ Zero balance and derogatory information - remove and pull new credit report ○ A positive balance and no derogatory information – remove and pull new credit report ○ A positive balance and derogatory information – remove and pull new credit report <p>A credit supplement is not allowed to document disputed accounts.</p>
Mortgage and/or Rental History	Maximum 1x30x12 [Applicable to Mortgages that Appear on Borrower's Credit Report ONLY]
Income Documentation	Please Refer to Relevant Section of Purchase Criteria
Required Liquid Reserves	<ul style="list-style-type: none"> ▪ Loan Amount ≤ \$1,000,000 → 3 Months of PITIA ▪ Loan Amount \$1,000,001 to \$2,000,000 → 6 Months of PITIA ▪ Loan Amount > \$2,000,000 → 12 Months of PITIA ▪ Subject to <ul style="list-style-type: none"> - If DTI > 43%: Additional 3 Months of PITIA - If Other Mortgage Loans Outstanding: Additional 3 Months of Combined PITIA on Other Mortgages - If Derogatory Credit Event Seasoning ≤ 4 Years: Additional 6 Months of PITIA - If at Least One Borrower is a Foreigner: 12 Months of PITIA - Cash Out Amounts from Subject Loan May Be Used to Satisfy Reserve Requirements - Liquid Reserves Must Be Seasoned for a Minimum of 3 Months
Gifts	Gifts and gifts of equity are not allowed on this program
Mortgage Insurance	Mortgage insurance is not required
Non-Arm's Length transaction	<p>Non-arm's length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property. Non-arm's length transactions are allowed for the purchase of existing property. For the purchase of newly constructed properties, if the borrower has a relationship or business affiliation (any ownership interest, or employment) with the builder, developer, or seller of the property, only primary residence is allowed. Mortgage loans on newly constructed homes secured by a second home or investment property where there is a non-arm's length relationship are prohibited. (FNMA 2-1.2-01)</p> <p>When tenant is buying from landlord/seller, a Verification of Rent (VOR) from a third party management company is acceptable. If there is no third party management company, provide the most recent 12 months cancelled rent checks or 12 months bank statements (or whatever shorter time period the borrower has been renting)</p>
Lock	Lock must be approved prior to locking. A minimum of 30 lock days is required.

MAXIMUM LTV MATRIX (Given Credit Score & Loan Balance)^{1, 2, 3, 4, 5}

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PURPOSE: Purchase or Rate/Term Refinance

Credit Score	Loan Amount Up To					
	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000+
740+	90%	85%	85%	80%	70%	60%
720 - 739	85%	85%	85%	75%	65%	60%
700 - 719	85%	85%	80%	70%	65%	60%
680 - 699	85%	80%	75%	65%	60%	60%
640 - 679	80%	75%	70%	NA	NA	NA

OCCUPANCY: 2nd Home (1-2 Unit and Condo)

PURPOSE: Purchase or Rate/Term Refinance

Credit Score	Loan Amount Up To				
	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000+
740+	85%	80%	80%	75%	NA
720 - 739	80%	80%	80%	70%	NA
700 - 719	80%	80%	75%	65%	NA
680 - 699	80%	75%	70%	60%	NA
640 - 679	75%	70%	65%	NA	NA

¹ LTV Limit of 80% is Applicable in Following States: FL, IL, IN, MA, ME, NJ, NY, OH, PA, WI

² LTV Limit of 65% is Applicable If at Least One Borrower is a Foreigner

³ Additional 5% LTV Reduction (with Maximum Loan Amount of \$2,000,000) for All Cash-Out Refinance Loans

⁴ Additional 5% LTV Reduction (with Applicable LTV Limit of 70%) if Derogatory Credit Event Seasoning ≤ 4 Years

⁵ Additional 5% LTV Reduction (Applicable to All Limits Shown in Matrix Above) for Gifts of Equity

REQUIRED LIQUID RESERVES MATRIX^{1, 2, 3, 4}

Loan Amount	≤ \$1,000,000	3 Months
	\$1,000,001 - \$2,000,000	6 Months
	> \$2,000,000	12 Months
Foreign Borrowers		12 Months
Derogatory Credit Event ≤ 4 Years		Additional 6 Months
DTI > 43%		Additional 3 Months
Other Mortgages Outstanding		Additional 3 Months ³

¹ Cash Out Amounts May Be Used as Reserves

² Reserves Must Be Seasoned for 3 Months

³ Additional 3 Months of PITIA of Other Outstanding Mortgages (Applicable to Mortgages that Appear on Borrower's Credit Report ONLY)

⁴ Borrowers' Liquid Reserves and Borrowers' Reserves are Defined as Assets That Meet Fannie Mae's Requirements

EXHIBIT A

Borrower Affirmation – Bank Statements Used to Qualify

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Date:

Loan No

Borrower Name:

1. I understand that Alta Mortgage Bankers will determine my Ability to Repay this mortgage loan, as it is required to do under existing law, solely on the basis of existing assets that I currently maintain.

2. I understand that my monthly payment on this loan will be as follows:

Fixed Mortgage

For _____ years
My monthly payment is \$ _____

Adjustable Rate Mortgage

For the first _____ years
My monthly payment is \$ _____
I understand my payment may adjust (more than once) after the first _____ years.

3. I understand the checked items below on this property will be approximately this amount per month \$

- Property taxes
- Hazard Insurance
- Flood Insurance
- Mortgage Insurance

The checked items above will be impounded.

The items not checked will not be impounded; and if not impounded I am responsible to pay them directly.

4. I believe I can afford to make the monthly payment on the loan.

5. I am not aware of anything in the future that will affect my ability to make this loan payment.

6. My loan program did not require that I submit my prior tax returns. I understand that if I had provided verifiable documentation of my income, such as my tax returns or W-2 wage statements or other documentation deemed necessary to support my income, I may have been able to qualify for a different loan program with different loan terms or conditions such as a lower interest rate.

NOTE: If there is a discrepancy between the terms in this document and the actual loan documents, the terms of the loan documents prevail.

I certify that the above information and the information on the final Uniform Residential Loan Application (Form 1003) is true and correct as of this day and that it represents an accurate picture of my financial status.

Borrower Name Date

Borrower Name Date

Borrower Name Date

Borrower Name Date

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