



Program Name:	Full Doc/ Moderate Credit Program
Highlights of the Program	<p><u>Guideline Overview</u> Loans meeting the parameters outlined in these guidelines are consistent with the Dodd Frank Wall Street Reform and Consumer Protection Act's requirement that a borrower have the Ability to Repay the mortgage loan. Documentation standards are designed so that loans are made to borrowers who have demonstrated the ability and have the wherewithal to repay the debt. This program requires review and verification of documentation to ensure that the loan meets Ability-to-Repay (ATR) standards. In regards to any underwriting criteria not specifically addressed in this document, Fannie Mae standards apply.</p> <p><u>Program Qualifications</u> This program is designed for borrowers with credit circumstances that would not fit a standard conventional and/or government loan product. Manual underwriting required.</p>
LOAN	
Minimum Loan Amount	\$100,000
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 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

Full Doc/Moderate Credit Guide

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ACH Draft	Not Required but Strongly Encouraged
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)
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

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	<p>- Lower of 2 Appraised Values to be Used in LTV Calculations</p> <ul style="list-style-type: none"> ▪ Second appraisal must be ordered through ALTA Mortgage Bankers Appraisal Desk <p>Alta Mortgage Bankers will not accept appraisals from appraisers on probation with any regulatory agency. No exceptions.</p>
Borrower	
Citizenship/Visa Requirements	<ul style="list-style-type: none"> ▪ US Citizens ▪ US Legal Permanent Residents ▪ US Persons ▪ Non-US Citizens/Foreigners NOT Eligible
Minimum Credit Score	640 [Industry Standard "Tri-Merge" Credit Report No Older than 90 Days is Required]
Maximum Debt-to-Income Ratio (DTI)	50%
Credit History	<ul style="list-style-type: none"> • Fraud Prevention Engine Pull Must Be Obtained From CoreLogic, SAS or Similar Engine • Minimum of 5 Credit Lines; Minimum 2 Active Credit Lines; At Least 1 Line with 24+ Month Rating • Judgments, Tax Liens, Charge-offs, Non-Medical Collections Must Be Paid in Full • Credit Event Limitations <ol style="list-style-type: none"> 1. More than one 30 day late in over past 12 months, NO sixty day lates <ul style="list-style-type: none"> ▪ Max loan amount = \$1,500,000 2. One or More 60 day lates over past 12 months, NO ninety day lates <ul style="list-style-type: none"> ▪ Max loan amount = \$1,000,000 ▪ Max LTV for cash-out refinance = 75% 3. Foreclosure, bankruptcy excluding chapter 13, short sale or deed in lieu less than 2 years prior to the Date of the Loan (date of signing) <ul style="list-style-type: none"> ▪ Max loan amount = \$1,000,000 ▪ Max LTV for cash-out refinances = 75% 4. Foreclosure, bankruptcy excluding chapter 13, short sale or deed in lieu less than 12 months prior to the date of the loan – credit event must be completed / discharged at least one day prior to the Date of the Loan (date of signing) <ul style="list-style-type: none"> ▪ Max loan amount = \$1,000,000 ▪ Max LTV for purchases and R&T refi's = 70% ▪ Max LTV for cash-out refinances = 65% ▪ Second homes prohibited • 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

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	<p>-- 0x30x12 Mortgage and/or Rental Payment History Required</p> <ul style="list-style-type: none"> • 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"> o Zero balance and no derogatory information – no action required o Zero balance and derogatory information - remove and pull new credit report o A positive balance and no derogatory information – remove and pull new credit report o A positive balance and derogatory information – remove and pull new credit report <p>A credit supplement is not allowed to document disputed accounts.</p> <p>Underwriters will evaluate the borrower’s liabilities to help assess Ability to Repay. These will include:</p> <ul style="list-style-type: none"> • The monthly payment on any simultaneous loan • The consumer’s monthly payment for mortgage-related obligations • The consumer’s current debt obligations, alimony, and child support <p>Underwriters should consider the following:</p> <ul style="list-style-type: none"> • Credit limits, usage and overall credit profile should be considered and evaluated to be consistent with the income established for qualifying purposes.
<p>Mortgage and/or Rental History</p>	<ul style="list-style-type: none"> • More than one 30 day late in over past 12 months, NO sixty day lates <ul style="list-style-type: none"> o Max loan amount = \$1,500,000 • One or More 60 day lates over past 12 months, NO ninety day lates <ul style="list-style-type: none"> o Max loan amount = \$1,000,000 o Max LTV for cash-out refinance = 75% <p>First time homebuyers 12 months verified rental history through third party or cancelled rent checks</p> <ul style="list-style-type: none"> • This applies to all mortgages on all properties • (See Loan Modification for refinancing loans with prior modifications) • No Notice of Default (NOD) filed on any property in the past 12 months • Rental history must be documented by a direct verification of rent (VOR) by a professional management company and/or private party. If the VOR is provided by a private party, 12 months cancelled checks or 12 months bank statements must be provided to document Rents





<p>First Time Homebuyer</p>	<p>First Time Home Buyer is defined as a borrower who had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property.</p> <p>A First Time Home Buyer must have satisfactory consecutive 12 month rent history in the 3 years prior to application. Example: Borrower must have paid monthly rent or mortgage payment for at least one month during this prior 3 year period and for the previous consecutive 11 months. The entire 12 month history must be consecutive but it does not have to be fully contained within the prior 3 year period.</p> <ul style="list-style-type: none"> • Borrower without a verifiable rental history may be allowed with all of the following: • Maximum 75% LTV or existing guidelines, whichever is lower • Borrower must have a minimum of 5% of own funds as down payment
<p>Income Documentation</p>	<p>All borrowers must be qualified using current verifiable income, not projected income. Standard Fannie Mae income documentation is required for W-2 wage earning borrowers</p> <ul style="list-style-type: none"> • Income and employment must be verified (2 years W2s and current paystub, etc.) • Paystub must be computer generated. <p>Verbal VOE to be performed prior to closing or if self-employed, an independent written confirmation of self-employment is required (i.e., copy of business license reflecting ownership of company, etc.)</p> <ul style="list-style-type: none"> • Employment Income - Verbal VOE (VVOE) must be obtained within 10 business days prior to the note date; • Self-Employment Income – Lender must verify the existence of the borrower’s business within 120 calendar days prior to the note date <ul style="list-style-type: none"> ○ From a third party, such as a CPA, regulatory agency, or the applicable licensing bureau, if possible; or ○ By verifying a phone listing and address for the borrower’s business using a telephone book, the Internet, or directory assistance. <p>The lender must document the source of the information obtained and the name and title of the lender’s employee who obtained the information.</p> <p>Self-employed, commissioned, or borrowers using overtime or bonus income must have a 2 year history.</p> <p>The borrower must acknowledge their ability to repay the loan by signing the Borrower Affirmation document at closing.</p>
<p>Income for Self Employed borrowers</p>	<p>Self Employed Income</p> <ul style="list-style-type: none"> • Minimum two years federal tax returns with all applicable schedules <ul style="list-style-type: none"> - Provide business returns if: <ul style="list-style-type: none"> - The borrower has been self employed in the same business for at least five years





	<ul style="list-style-type: none"> - The borrower is using their own funds to both pay down payment and closings costs and to satisfy reserve requirements. - Borrowers tax returns show increase in self employed income over the past two years. • If borrower annual income increased over this two year period, then the monthly income will be calculated by averaging last two years self employed income from tax returns. • If borrower annual income has decreased over the last two year period, only the most recent self employed income from the will be used to find the monthly income..
<p>Assets</p>	<p>Borrower must have sufficient liquid assets available for down payment, closing costs and reserves. Funds must be sourced and seasoned for two (2) months and the most recent consecutive statements (all pages) or the most recent quarterly statements are required.</p> <p>Assets must conform to Fannie Mae asset requirements.</p>
<p>Gifts</p>	<p>Must Conform to All Fannie Mae Gift Requirements; Gifts of Equity Require a 5% LTV Limit Reduction</p> <p>Gift funds are allowed. See below for requirements and certain occupancy restrictions.</p> <ul style="list-style-type: none"> • Gift funds are allowed for paying off debt, equity contribution refinances, and for closing costs and down payments. • Gifts are not allowed for reserves • When using 100% gift funds and subject property is: <ul style="list-style-type: none"> ○ a primary residence, second home, or investment property, then ○ a 10% reduction in maximum LTV is required. <ul style="list-style-type: none"> ▪ If borrowers have 5% of their own funds verified, the LTV reduction is not required. • Acceptable Donors* for gift funds – Follow FNMA guidelines for acceptable donors listed below <p><u>Gift of equity</u> is allowed at ≤ 75% LTV.</p> <ul style="list-style-type: none"> • A “gift of equity” refers to a gift provided by the seller of a property to the buyer. The gift represents a portion of the seller’s equity in the property, and is transferred to the buyer as a credit in the transaction. • The acceptable donor requirements for gift funds (above) also apply to gifts of equity <p>A signed gift letter is required for all gift funds and gifts of equity.</p>





	<p>Transfer of funds or evidence of receipt must be documented prior to or at closing.</p> <p><u>*Acceptable Donors (per FNMA B3-4.3-04)</u> A gift can be provided by:</p> <ul style="list-style-type: none"> • A relative, defined as the borrower’s spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship; or • A fiancé, fiancée, or domestic partner. <p>The donor may not be, or have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction.</p>
<p>Liabilities</p>	<p>(FNMA B3-6-05)</p> <p><u>Alimony/Child Support/Separate Maintenance Payments</u> – When the borrower is required to pay alimony, child support, or maintenance payments under a divorce decree, separation agreement, or any other written legal agreement – and those payments must continue to be made for more than 10 months – the payments must be considered as part of the borrower’s recurring monthly debt obligations. However, voluntary payments do not need to be taken into consideration. (FNMA 3-6-05)</p> <p><u>Home Equity Lines of Credit (HELOC)</u> – When a borrower has a home equity line of credit (HELOC) that provides for a monthly payment of principal and interest or interest only, the payment on the HELOC must be considered as part of the borrower’s recurring monthly debt obligations. If the HELOC does not require a payment, there is no recurring monthly debt obligation so the lender does not need to develop an equivalent payment amount.</p> <p><u>Installment Debt</u> – All installment debt that is not secured by a financial asset—including student loans, automobile loans, and home equity loans—must be considered part of the borrower’s recurring monthly debt obligations if there are more than ten monthly payments remaining. Installment loans that are being paid off or paid down to 10 or fewer remaining monthly payments do not need to be included in the borrower’s long-term debt. However, an installment debt with fewer monthly payments remaining also should be considered as a recurring monthly debt obligation if it significantly affects the borrower’s ability to meet his or her credit obligations.</p> <p><u>Lease Payments</u> – Lease payments must be considered as recurring monthly debt obligations regardless of the number of months remaining on the lease. This is because the expiration of a lease agreement for rental housing or an automobile typically leads to either a new lease agreement, the buyout of the existing lease, or the purchase of a new vehicle or house.</p>





	<p><u>Revolving Charge/Lines of Credit</u> – Revolving charge accounts and unsecured lines of credit are open-ended and should be treated as long-term debts and must be considered part of the borrower’s recurring monthly debt obligations. These trade lines include credit cards, department store charge cards, and personal lines of credit. Equity lines of credit secured by real estate should be included in the housing expense. If the credit report does not show a required minimum payment amount and there is no supplemental documentation to support a payment of less than 5%, the lender must use 5% of the outstanding balance as the borrower’s recurring monthly debt obligation. If a revolving account balance is to be paid off at or prior to closing, a monthly payment on the current outstanding balance does not need to be included in the borrower’s long term debt (DTI ratio). Such accounts do not need to be closed as a condition of excluding the payment from the DTI ratio.</p> <p><u>Student Loans</u> – If a monthly student loan payment is provided on the credit report, the lender may use that amount for qualifying purposes. If the credit report does not reflect the correct monthly payment, the lender may use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower.</p> <p>If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, the lender must determine the qualifying monthly payment using one of the options below:</p> <ul style="list-style-type: none"> • If the borrower is on an income-driven payment plan, the lender may obtain student loan documentation to verify the actual monthly payment is \$0. The lender may then qualify the borrower with a \$0 payment. • For deferred loans or loans in forbearance, the lender may calculate: <ul style="list-style-type: none"> ○ A payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or ○ A fully amortizing payment using the documented loan repayment terms. <p><u>Open 30-day accounts</u> An open 30-day account may be excluded from debt-to-income ratios so long as borrower has assets to pay the account in full. The verified funds must be in addition to any funds required for closing costs and reserves.</p> <p>Follow Fannie/Mae guidelines</p>
<p>Business Funds</p>	<p>Funds in the borrower’s business account(s) ≤ 50% of account balance may be counted toward down payment, closing costs, and reserves so long as borrower(s) and/or non-borrowing spouse/domestic partner or family members* have a cumulative 100% ownership interest in the business (e.g., Sole Proprietor, S Corp, Corporation, LLC). A non-borrowing spouse/domestic partner or family members* who are the only other co-owners of the business</p>





	<p>are acceptable and must provide a letter allowing the borrower to access the funds in the business account. *Family Members for business ownership interest purposes above are specifically defined as follows:</p> <ul style="list-style-type: none"> • Child, parent, or grandparent o Child is defined as a son, stepson, daughter, or stepdaughter; o A parent or grandparent includes a step-parent/grandparent or foster parent/grandparent • Spouse or domestic partner (domestic partner must live with borrower) • Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption • Foster child • Brother, stepbrother, sister, stepsister • Aunt or uncle • Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the borrower. <p>Cousins are not allowed. Business funds that are in a personal account prior to application may be used for down payment, closing costs, and reserves without restriction. Large deposits must be sourced to determine there is not an undisclosed loan.</p>
<p>Cash – Out Requirement</p>	<p>There is no ownership seasoning requirement for cash-out refinance. Always use the appraised value for LTV calculation on a refinance transaction. This applies to the original purchasers of the property as well as additional borrowers who are added to title so long as at least one borrower from the original purchase will be a borrower on the new loan.</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. • 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. o <ul style="list-style-type: none"> o 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. Note: The following items may be paid off with proceeds from a Rate/Term refinance:</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





	A refinance of a prior cash-out loan within 6 months is allowed to be classified as a rate/term refinance.
Co-Borrowers	Non-occupant co-borrowers allowed with a 5% reduction in maximum LTV.
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 - Cash Out Amounts from Subject Loan May Be Used to Satisfy Reserve Requirements - Liquid Reserves Must Be Seasoned for a Minimum of 3 Months <p>Gift funds cannot be used for reserves.</p>
Mortgage Insurance	Mortgage insurance is not required
Non-Arm's Length transactions	<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 <u>existing</u> property. For the purchase of <u>newly constructed</u> 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> <p>Note: Gifts of equity are allowed on sales between immediate family members for existing properties only.</p> <p><i>See Gifts.</i></p>
Lock	Loan must be approved prior to requesting lock. Minimum lock period of 30 days is required.





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

OCCUPANCY: Primary Residence (1-4 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	\$3,000,000+
740+	90%	90%	85%	80%	70%	60%
720 - 739	90%	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%	85%	80%	75%	NA
720 - 739	85%	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 Additional 5% LTV Reduction (with Maximum Loan Amount of \$2,000,000) for All Cash-Out Refinance Loans

³ Additional 5% LTV Reduction (with Applicable LTV Limit of 70%) if Derogatory Credit Event Seasoning ≤ 4 Years

⁴ 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
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

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Date:

Loan No

Borrower Name:

1. 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.

2. 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.

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

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

5. If my loan program did not require that I submit my prior tax returns, I understand that if I had provided additional 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 loan 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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