



Minimum Debt Service Coverage	Not Applicable
Credit History	<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 60% - 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"> o Zero balance and no derogatory in last 2 years – 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>
Mortgage and/or Rental History	Maximum 1x30x12 [Applicable to Mortgages that Appear on Borrower's Credit Report ONLY]
Income Documentation	<p>Income determination and validation is <u>NOT</u> needed for Investor No Ratio Program</p> <p>Lenders submitting loans to Alta Mortgage Bankers under Investor No Ratio Program should not validate or document rental income, and should leave the income section of the loan application blank.</p>
Assets	<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><u>Stocks, Bonds, and Mutual Funds (FNMA B3-4.3-01)</u></p>

Investor No Ratio Program

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	<p>Vested stocks, bonds, and mutual funds (including retirement accounts) may be used for down payment, closing costs, and reserves without any reduction in value:</p> <ul style="list-style-type: none"> • One hundred percent (100%) of the value of the asset is allowed when determining available reserves • If the lender documents that the value of the asset is at least 20% more than the funds needed for the borrower's down payment and closing costs, no documentation of liquidation is required. Otherwise, documentation of the borrower's actual receipt of funds realized from the sale or liquidation must be obtained. • NOTE: As a reminder, non-vested assets are not eligible for down payment, closing costs, or reserves. <p><u>Like-Kind Exchanges</u> Assets for the down payment from a "like-kind exchange," also known as a 1031 exchange, are eligible if properly documented and in compliance with Internal Revenue Code Section 1031 (FNMA B3-4.3-10).</p> <p>Full Asset Documentation is required for both funds to close and reserves in accordance with Fannie Mae guidelines. Eligible Funds (Down Payment, Reserves*)</p> <ul style="list-style-type: none"> • Must be from borrower's own funds <p>See <i>Business Funds</i> for eligibility.</p> <p>See <i>Reserves</i> for requirements and limitations.</p> <p>Restricted Stock Units (RSUs) are not eligible for reserves.</p>
<p>Business Funds</p>	<p>Business funds - 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 are acceptable and must provide a letter allowing the borrower to access the funds in the business account.</p> <p><u>*Family Members for business ownership interest purposes above are specifically defined as follows:</u></p> <ul style="list-style-type: none"> • Child, parent, or grandparent <ul style="list-style-type: none"> ○ Child is defined as a son, stepson, daughter, or stepdaughter; ○ 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

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	<ul style="list-style-type: none"> 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 <u>not</u> allowed.</p> <p>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>Required Liquid Reserves</p>	<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 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
<p>Gifts</p>	<p>Must Conform to All Fannie Mae Gift Requirements; Gifts of Equity Require a 5% LTV Limit Reduction</p>
<p>Non-Arm's Length Transactions</p>	<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 <u>primary residence</u> 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><i>See Gifts.</i></p>

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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%		NA
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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EXHIBIT A

**Borrower’s Intent to Proceed with Loan and
Business Purpose Loan Certification**

Date:

Loan #:

Borrower Name:

Mailing Address:

Loan Program:

Property Address:

This document is intended to express your request to proceed with the above referenced loan. If you wish to proceed, please return a signed and dated copy of this document to [ENTER NAME AND ADDRESS OF LOAN OFFICE OR DEPARTMENT].

By signing and returning this document I am confirming I wish to continue with the loan, that the loan is for business purposes and not household purposes, and that the loan proceeds are intended to be used (and will in fact be used) for business purposes only, not for my personal use. I also represent that I do not occupy the property as my primary residence or as a vacation home. I intend to lease or rent the property to a third person. I understand that because the loan will be made exclusively for business purposes, laws applicable to consumer purpose loans, including but not limited to the following, are not applicable to this loan: Truth in Lending Act (15 U.S.C. § 1601 et seq.), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.), Gramm-Leach Bliley Act (15 U.S.C. §6802–6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 et seq.), and Homeowners Protection Act (12 U.S.C. § 4901 et seq.).

By signing below I confirm I have read and understand this document and I intend to continue with the loan, and affirm that the Property is to be a non-owner-occupied investment property.

Borrower Name Date

Borrower Name Date

Borrower Name Date

Borrower Name Date

Borrower Name Date

Borrower Name Date

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