



# ACTIVATOR

Consumer - Alt Doc

## Bank Statements | 1099 Only | W2 | Asset Utilization

### Primary Residence & Second Home

Loan Amount	FICO	Reserves	Purchase & Rate and Term	Cash Out Refinance
<= 1,000,000	740	6 Months	85%*	75%
	680		85%*	75%
	660*		80%	70%
<= 2,000,000	720	9 Months	80%	75%
	700		80%	70%
	680		75%	65%
<= 3,000,000	740	12 Months	80%	70%
	720		75%	70%
	700		70%	65%

Housing History & Income Overlay	Occupancy Restrictions - 2nd Home	Property Overlays
0x30x12 <b>**WVOE**</b> <b>Min FICO: 680   Primary ONLY   FTHB Max 70% LTV (Gift not allowed)</b> Purchase Max 80%   Refinance Max 70%	Max LTV/CLTV: Purchase & RT 80%   Cash Out 75% Minimum FICO 700 Maximum Loan Amount \$2 million	Condominium Max 85% LTV Non-Warrantable: Max 80% LTV 2-4 Unit: Max LTV 80% Condotel/Rural Properties: Ineligible
<b>Housing Event Seasoning</b> BK/FC/SS/DL: >= 48 Months		

### State Overlays

**Max Loan Amount \$2 Million and Max LTV Purchase 75% | Max LTV Refinance 70%: Connecticut, Idaho, Illinois, Louisiana, and New Jersey**  
**North Carolina: Min Loan Amt \$300,000**

**Residual Income: \$2,500**

### Residual Income = Gross Monthly Income - Total Monthly Obligations

An additional \$250 for the first dependent and \$125 per additional dependent must also be included. Initial 1003 should reflect the number of dependents for all borrowers on transaction.

### Ineligible Locations: Hawaii lava zones 1 & 2

### General Requirements

<b>Product Type</b>	30-Yr Fixed, 5/6 ARM, 5/6 ARM IO, 40-year term available when combined with interest only feature
<b>Interest Only</b>	Max LTV 80%
<b>Loan Amounts</b>	Min Loan Amount: \$150,000 Max Loan Amount: \$3,000,000
<b>Loan Purpose</b>	Purchase, Rate & Term Refinance and Cash Out Refinance
<b>Occupancy</b>	Primary and Second Home
<b>Property Type</b>	SFR, PUD, Townhome, 2-4 Units, Condos, Non-Warrantable Condos   Condotel are ineligible, Rural Properties are ineligible
<b>Cash Out</b>	Max Cash In Hand: \$500,000. Cash-Out Proceeds may be used for 50% reserve requirements. (Asset utilization not eligible on cash-out program)
<b>Declining Markets</b>	If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state listed above in the state restriction section or CBSA in the table below, the maximum LTV/CLTV is limited to 75% for purchases and 70% for all refinances and the maximum loan amount is limited to \$2MM.
<b>Citizenship</b>	US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien (With US Credit and acceptable VISA). Citizens of Venezuela are ineligible
<b>Appraisals</b>	Loan Amounts > \$1,500,000 require 2 appraisals. Desk review required for all loan files not requiring 2nd appraisal. Transferred appraisal acceptable. 2nd appraisal or Desk Appraisal must be ordered from Champions Approved AMC. Properties with condition rating of 5 or 6 are not acceptable. Properties with C4 ratings require additional review (see guidelines).
<b>Assets</b>	Sourced and seasoned for 60 days
<b>Gift Funds</b>	Borrowers must document a minimum of 5% (of the sales price) of their own funds on purchase transactions. A minimum borrower contribution of 10% must be documented on the following transactions: <b>Primary residence with unverifiable housing history   Second Home</b>
<b>Acreage</b>	Property up to 10-acres, not meeting the rural definition
<b>Credit</b>	Standard: 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months; Max 0x30x12 reporting on acceptable tradelines Qualifying FICO: The middle score if 3 agency scores are provided or lower score when only 2 agency scores are provided, of primary wage earner
<b>Subordinate Financing</b>	Secondary or subordinate financing is allowed with a max CLTV equaling maximum LTV per matrix. No seller carry-back; HELOC CLTV based on credit line limit, negative amortization not allowed, and subordinate financing from the borrower's employer may not include a provision requiring repayment upon termination.
<b>Payment Shock</b>	Maximum payment shock 300% unless one of the following applies: *Residual Income >= \$2,500 *No consumer lates in past 12 months *Housing Ratio <= 25% *Min Reserves exceeded by 3 months *DTI <= 35% *Own funds contribution exceeded by at least 5%
<b>Seller Concession</b>	Up to 6% towards closing

### Income Requirements - MAX DTI 50%

<b>12 Month Bank Statements</b>	Income calculated based on 12 months recent Business or Co-Mingled bank statements. Refer to program guidelines for calculation methods available. Bank statements should show a stable or increasing trend. If the trend is declining and/or irregular, additional documentation may be required up to and including additional 12 months statements. Borrower(s) must be self-employed for at least 2 years, and the business must be in existence for at least 2 years. All parties listed on bank statement must be included as borrowers on the loan. See expense ratio qualifications in Champions Guidelines.
<b>W2 Income</b>	Most recent Two-year W2s, paystub(s) covering most recent 30-day period providing YTD earnings and WVOE completed by Champions within 10 days of closing. See guidelines for additional documentation requirements.
<b>WVOE</b>	<b>MIN FICO: 680 Primary residence only, Max LTV: Purchase : 80%   Refinance: 70%.</b> Two year history with same employer is required. FNMA 1005 form required to be completed by employer. Only Wage/Salary income may be used. 2 months bank statements reflecting direct deposits from employer supporting at least 65% of gross wage/salary. Please see guidelines for full program details.
<b>1099 (IRS Form) Only</b>	One (1) Year 1099; Fixed Expense Ratio 10%; YTD Documentation to support continued receipt of income from source. Borrower(s) must be self-employed for at least 2 years, and the business must be in existence for at least 2 years.
<b>P&amp;L Only</b>	Profit and Loss covering most recent 12 months, valid if the most recent month is dated within 90 days of close. Completed and reviewed by CPA, IRS Enrolled Agent, or CTC (California Tax Education Council) registered tax preparer. See guidelines for additional requirements.
<b>Asset Utilization</b>	<b>Max LTV: Purchase   R&amp;T: 80% Cash-Out: 70% 100% of checking, savings and money market accounts. 80% of the remaining value of stocks and bonds 70% of retirement assets. See Calculation options in Champions guidelines. Cash-Out Proceeds may not be used in calculation.</b>

### CBSA Restrictions

**Max Loan Amt \$2MM | Purchase Max LTV 75% | Refinance Max LTV 70%**

CBSA Name	CBSA Code	CBSA Name	CBSA Code
Phoenix-Mesa-Scottsdale, AZ	38060	Santa Cruz-Watsonville, CA	42100
Sacramento-Roseville, CA	40900	Boulder, CO	14500
San Francisco-Oakland-Hayward, CA	41860	Breckenridge, CO	14720
San Jose-Sunnyvale-Santa Clara, CA	41940	Sevierille, TN	42940
		Austin-Round Rock, TX	12420