



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	Occupancy Restrictions - 2nd Home	Property Overlays	State Overlays
0x30x12	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% Condotels: Ineligible	Max LTV 80% CA
Housing Event Seasoning			Rural Properties
BK/FC/SS/DL: >= 48 Months			Not Eligible

Residual Income: \$2,500

Residual Income = Gross Monthly Income - Total Monthly Obligations

An additional \$150 per 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

Product Type	30-Yr Fixed, 5/6 ARM, 5/6 ARM IO, 40-year term available when combined with interest only feature
Interest Only	Max LTV 80%
Loan Amounts	Min Loan Amount: \$150,000 Max Loan Amount: \$3,000,000
Loan Purpose	Purchase, Rate & Term Refinance and Cash Out Refinance
Occupancy	Primary and Second Home
Property Type	SFR, PUD, Townhome, 2-4 Units, Condos, Non-Warrantable Condos Condotels are ineligible
Cash Out	Max Cash In Hand: \$500,000. Cash-Out Proceeds may be used for 50% reserve requirements. (Asset utilization not eligible on cash-out program)
Declining Markets	If property is located in a declining market as indicated by the appraisal, MAX LTV is reduced by 10%
Citizenship	US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien (With US Credit and acceptable VISA). Citizens of Venezuela are ineligible
Appraisals	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).
Assets	Sourced and seasoned for 60 days
Gift Funds	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: Primary residence with unverifiable housing history Second Home
Acreage	Property up to 10-acres, not meeting the rural definition
Credit	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
Subordinate Financing	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.
Seller Concession	Up to 6% towards closing

Income Requirements - MAX DTI 50%

12 Month Bank Statements	Income calculated based on 12 months recent Business 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.
1 Year W2	Most recent year W2, pay stub(s) covering most recent 30-day period providing YTD earnings and VVOE completed by Champions within 10 days of closing.
1099 (IRS Form) Only	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.
Asset Utilization	Max 80% LTV Purchase rate and term ONLY. 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