

TWO-X FLEX - BANK					TWO-X FLEX EXPANDED - BANK							
Max loan amount \$3MM					Max loan amount \$2MM Reduce LTV BY 5%							
Two-X Flex Guidelines					Two-X Flex Expanded Guidelines							
LOAN AMOUNT	PRIMARY RESIDENCE (1-4 UNIT)				SECOND HOME (1-UNIT)				INVESTMENT (1-4 UNIT)			
	PURCHASE R/T		CASH-OUT		PURCHASE R/T		CASH-OUT		PURCHASE R/T		CASH-OUT	
	MAX LTV/CLTV	MIN FICO	MAX LTV/CLTV	MIN FICO	MAX LTV/CLTV	MIN FICO	MAX LTV/CLTV	MIN FICO	MAX LTV/CLTV	MIN FICO	MAX LTV/CLTV	MIN FICO
\$3.0MM	80%	720	75%	740	75%	740	70%	740	75%	740	75%	740
	70%	700	70%	720	65%	720	60%	720	50%	720	70%	720
\$2.5MM	80%	700	80%	720	75%	720	70%	720	75%	720	75%	740
	70%	680	70%	700	65%	700	60%	700	70%	700	70%	720
\$2.0MM	90%	720	80%	700	80%	700	70%	700	80%	720	75%	740
	85%	700	75%	680	75%	680	55%	680	75%	700	70%	720
	80%	680							70%	680	60%	700
	70%	660										
\$1.5MM	90%	700	80%	680	85%	700	75%	700	80%	700	75%	720
	85%	680	70%	660	80%	680	70%	680	75%	680	70%	700
	80%	660	65%	640	70%	660	55%	660			60%	680
	75%	640			65%	640	50%	640				
\$1.0MM	90%	700	85%	700	90%	700	80%	700	85%	720	80%	720
	85%	680	80%	680	85%	680	75%	680	80%	700	70%	700
	80%	660	70%	660	75%	660	55%	660	75%	680	60%	680
	75%	640	65%	640	70%	640	50%	640	60%	660		
								55%	640			

PROGRAM GUIDANCE	
Income Type	12 or 24 months personal or business bank statements (Two accounts permitted per business)
Loan Amounts	MIN \$100K MAX – FLEX BANK - \$3.0MM FLEX EXPANDED BANK - \$2.0MM
Max Cash Out	LTV > 65% \$500K, LTV ≤ 65% Unlimited FLEX EXPANDED BANK LTV > 65% LTV \$500K, LTV ≤ 65% \$1,000,000
Property Type	1-4 Units, PUDs, FNMA Warrantable Condos
Max DTI	50% (Follow guidelines for any additional restrictions)
Eligible Borrowers	MIN 1 borrower must be SE and own ≥25% of business, MIN 2 years same business

QUALIFYING INCOME			
Calculation Method	One of the following 3 methods must be used:		
Fixed Expense	Total of deposits (12/24-month period) <i>less</i> expense ratio <i>multiplied</i> by % of ownership = Net income		
	FTE/1099/Contract Workers	Service Business	FTE/1099/Contract Workers
	>5	50%	>5
	1-5	35%	0-5
Profit and Loss (the lessor of)	1. Gross income from 12 mo. P&L <i>less</i> total expenses <i>multiplied</i> by % of ownership = Net income ; or 2. Annual average of 12 mo. Deposits <i>less</i> total expenses from P&L <i>multiplied</i> by % of ownership = Net income		
Expense Summary	Average total deposits (12/24-month period), <i>less</i> 3 rd party prepared expense ratio <i>multiplied</i> by % of ownership = Net income		
Declining Income	3-month trend of declining deposits of >25% is declining income Declining income or seasonal require 24 mo. bank statements		
NSFs	12 months. - 3 permitted in most recent 12 mo. 24 mo. – 3 permitted in most recent 12 months. Months 13-24 requires LOE		
Multiple Businesses	Up to 3 businesses permitted, must use the same calculation method for each business		

CREDIT				
	TWO-X FLEX - BANK		TWO-X FLEX – EXPANDED BANK	
Credit Event Seasoning	BK, FC, SS, DIL	4 years	BK, FC, SS, DIL (≥2 &<4 years permitted 5% LTV reduction)	4 Years
Housing History	0x30 most recent 12 months		1x30 most recent 12 months	
First Time Home Buyer	Primary residence, 1-unit only		Primary residence, 1-unit only	
Standard Reserves	LOAN AMOUNTS		LOAN AMOUNTS	
	≤ \$1.0MM	3	>\$1.5MM - ≤\$2.0MM	9
	>\$1.0MM - ≤\$1.5MM	6	> \$2.0MM	12
Living Rent Free/FTHB	Greater of 6 months or standard reserves			
Additional Reserves	Other REO Properties	2	PR Converted to INV	2
	PR Converted to 2 nd HM	6	PR Pending Sale	6
	Other REO Properties	2	PR Converted to INV	2
	PR Converted to 2 nd HM	6	PR Pending Sale	6

ADDITIONAL INFORMATION			
Min Contribution	LTV ≤ 70%	None	LTV >70% and PR/2 nd 5% INV All
Secondary Financing	Permitted – must meet LTV/CLTV program requirements		
Terms	Fixed 30 year, Fixed I/O 40 year, 30 year ARMs 5/6, 7/6, I/O ARMs 5/6, 7/6,		I/O not permitted on Expanded
I/O Amortization	30 year w/ 20 year AM, 40 year w/ 30 year AM, 5/6 ARM w/ 20 year AM, 7/6 ARM w/ 20 year AM		I/O not permitted on Expanded
ARMs Margin & Index	Margin: 3.5% Index: 30 Day Average SOFR	5/6: Qualify > of Note rate + 2% or fully indexed rate	7/6: Qualify > of Note rate or fully indexed rate