

**TWO-X FLEX P&L**
*Two-X Flex 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**

<b>Income Type</b>	Self-employed income documented with a Third Party P&L Statement and Business bank statements with 2 month avg
<b>Loan Amounts</b>	MIN \$100K, MAX \$3M
<b>Max Cash Out</b>	LTV > 65% \$500K, LTV ≤ 65% Unlimited
<b>Property Type</b>	1-4 Units, PUDs, FNMA Warrantable Condos
<b>Max DTI</b>	50% (Follow guidelines for any additional restrictions)
<b>Eligible Borrowers</b>	Self Employed income must be > 50% of total qualifying income

**QUALIFYING INCOME**

<b>Calculation Method</b>	One of the following calculations may be used:
<b>≥ 24 Months</b>	<ul style="list-style-type: none"> <li>Borrower must be self-employed for a <b>MIN</b> of 24 Mo.</li> <li>Business must be established for a <b>MIN</b> of 24 Mo.</li> </ul>
<b>12-23 Months</b>	≥ 12 months self-employment in the same business required: <ul style="list-style-type: none"> <li>Must be in the same line of work for <b>MIN</b> 24 Mo.</li> <li><b>Max</b> 38% DTI</li> <li>Additional 6 months reserves required</li> <li>Business funds not permitted for down payment, closing costs, prepaids or reserves</li> </ul>
<b>&lt; 12 Months</b>	Not Permitted
<b>Third Party P&amp;L</b>	Prepared by: CPA, Tax Attorney, Enrolled Agent (EA), Paid Tax Profession (PTIN), or Certified Tax Preparer
<b>Attestation Letter</b>	Tax preparer must attest to preparation of the most recent tax returns

**CREDIT**

<b>Credit Event Seasoning</b>	BK, FC, SS, DIL: 4 years							
<b>Housing History</b>	0x30 most recent 12 months							
<b>First Time Home Buyer</b>	Primary residence, 1-unit only							
<b>Standard Reserves</b>	≤ \$1.0MM	3 Months	> \$1.0MM - ≤ \$1.5MM	6 Months	> \$1.5MM - ≤ \$2.0MM	9 Months	> \$2.0MM	12 Months
	<b>Living Rent Free or FTHB</b>							
<b>Additional Reserves</b> <i>In addition to Standard</i>	≤ \$1.5MM	6 Months	> \$1.5MM - ≤ \$2.0MM	9 Months	> \$2.0MM			12 Months
	S/E 12-23 Mo.	Additional Properties Owned		PR converting to 2 <sup>nd</sup> Home		PR converting to INV		PR Pending Sale
	6 Months	2 Months. each financed REO		6 Months		2 Months		6 Months
<b>Minimum Contribution</b>	LTV ≤ 70%		None	LTV > 70% and PR/2 <sup>nd</sup>		5%	INV	All
<b>Secondary Financing</b>	Permitted – must meet LTV/CLTV program requirements							
<b>Terms</b>	Fixed 30 year, Fixed I/O 40 year, 30 year ARMs 5/6, 7/6, I/O ARMs 5/6, 7/6							
<b>I/O Amortization</b>	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							
<b>ARMs Margin &amp; Index</b>	Margin: 3.5% Index: 30 Day Average SOFR <ul style="list-style-type: none"> <li>5/6: Qualify at the higher of Note rate plus 2% or fully indexed rate</li> <li>7/6: Qualify at the higher of Note rate or fully indexed rate</li> </ul>							

For Mortgage Professionals Only