

Trust One Mortgage

Piggyback 1st Mortgage Programs 1900P, 100P, 2300P

Product Type & Program Numbers: Piggy Back Programs Concurrent 1st & 2nd Mortgages
 1st Mortgage: **1900P** – Conventional 30-Year Fixed
100P – Conventional 30-Year Fixed
2300P – JUMBO 30-Year Fixed

****Loan # for 2nd mortgage will be same as 1st mortgage except that 1st digit on the 2nd mortgage will be “P” (for example, 7-99-1234WH and P-99-1234WH)**

****All piggyback loans must be sent to Corporate for underwriting. Two packages are required (2nd package may be a copy, but must include: original 1003, Original 1008 & Original photos on appraisal).**

Underwriting Criteria		
1900P	100P	2300P
1-unit SFR, Condo/PUD \$359,650 80%/95%	1-unit SFR/Condo/PUD \$359,650 80%/90% \$359,650 80%/95%	1-unit SFR/PUD, Condo (1-4 stories) \$400,000 90%/95% \$650,000 80%/95%
2-unit SFR, Condo/PUD \$460,400 80%/95%	\$359,650 75%/95%	2-unit, Condo (5-8 stories) \$400,000 80%/85% \$650,000 75%/85% \$1,000,000 65%/85%
DU approval only.	LP approval only.	Assetwise approval only.
<ul style="list-style-type: none"> • Primary Residence only. • Purchase and Rate & Term refinance only, Cash out refinance on 2nd TD okay. • Maximum amount of HELOC must be used in CLTV calculation. • Cash out ineligible for Texas properties. 		

APPRAISAL:

- **1900P and 100P:** Trust One appraisal policy applies. For those loans with a well or septic tank on property, a Hold Harmless must be signed as part of the closing package.
- **2300P:** Loans ≤ \$650,000 require 1 full URAR appraisal. Loans > \$650,000 require 1 full URAR appraisal + 1 field review; **OR** 2 full URAR appraisals.

ASSETS/FUNDS TO CLOSE:

➤ **Contributions:**

- **1900P:** LTV ≤ 80% maximum contribution 6%.
- **100P:** 80-10-10 not allowed; 80-15-5 not allowed; 75-20-5 maximum contribution 6%.
- **2300P:** LTV ≤ 90% maximum contribution 6%.

➤ **Gifts:**

- **1900P:** Allowed.
- **100P: Gifts not allowed.** 80-10-10 minimum 10% down payment of borrower’s own funds required; 80-15-5 minimum 5% down payment of borrower’s own funds required; 75-20-5 minimum 5% down payment of borrower’s own funds required.
- **2300P:** Minimum 5% of value must be paid from the borrower’s own cash

ASSUMPTIONS: Not Allowed.

BORROWER ELIGIBILITY:

➤ **1900P:**

- **Non-Occupant Co-Borrower:** Occupant Borrower must qualify at 35/43% (combined incomes 28/36% or 40-44% as applicable to income level, LTV & profile)
- **Permanent Resident Alien** allowed.
- **Non-Permanent Resident Alien:** 1-unit; max 80% LTV; 2 years employed in the U.S.; 2 year credit history; Assets established in U.S. bank; No temporary buydown; No relocation

➤ **100P:**

- **Non-Occupant Co-Borrower:** Owner Occupant must qualify at 35/43%; Owner Occupant must have 5% of the purchase price in own funds; may not use Non-Occupant Co-Borrower’s income to qualify.
- **Permanent Resident Alien** allowed.
- **Non-Permanent Resident Alien:** 1-unit; max 80% LTV; LTV >75% borrowers must have resided and been employed in the U.S. for the previous 2 years and have 2 year credit history.

➤ **2300P:**

- **Non-Occupant Co-Borrower:** maximum LTV and CLTV 90%; minimum 5% of down payment must come from Occupant Borrower’s own cash; Non-Occupant Co-Borrower’s income is verified.
- **Permanent Resident Alien** allowed.
- **Non-Permanent Resident Alien** not allowed.

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BUYDOWNS:

- 1900P:** 3/2/1, 2/1/0, 1/0; Max rate increase 1% annually; Qualify at buydown rate 28/33%.
- 100P:** Not allowed.
- 2300P:** Max rate discount 3%; Max buydown term 3 years; Max rate increase 1% semi-annual or 2% annual; Qualify at 2nd year rate.

CREDIT:

- 1900P:** no minimum credit score. Follow DU Findings Report.
- 100P:** Minimum credit score 660. Follow all other requirements of LP Feedback Certificate.
- 2300P:** A minimum of 5 rated trade lines; Minimum credit score 630; Housing payment 0X30 mortgage/rental delinquency in past 12 months, no 60+ mortgage/rental delinquency in past 24 months; no Bankruptcy in past 7 years; no Foreclosure in past 7 years; no reported Major adverse credit in the past 24 months; Follow program guidelines or requirements of Assetwise (requirements of Assetwise take precedence over program guidelines).

DOCUMENTS:

FNMA Multistate Fixed Rate Note, Form 3200

GEOGRAPHIC RESTRICTIONS: Eligible states:

California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Indiana, Maryland, Michigan, Nevada, Oklahoma, Oregon, Texas (Cash out refi ineligible), Utah, Virginia, Washington.

MINIMUM LOAN AMOUNT:

- 1900P:** \$30,000
- 100P:** None.
- 2300P:** None.

MORTGAGE INSURANCE:

- 1900P:** not required if credit score requirements are met. Follow DU Findings Report.
- 100P:** Not required.
- 2300P:**
 - 85.01% - 90%: 25%
 - 80.01% - 85%: 12%

MULTIPLE PROPERTIES:

- 1900P and 100P:** No restrictions on the number of properties a borrower can own.
- 2300P:** Maximum 4 loans to this investor; **OR** Loans < \$2 million aggregate current outstanding principal balance regardless of investor.

OCCUPANCY: Primary Residence only.

PREPAYMENT PENALTY: None.

PROPERTY REQUIREMENTS:

- 1900P:** 1-2 unit SFR; Condo/PUD; **100P:** 1-unit SFR, FNMA eligible Condos and PUDs
- 2300P:** 1-2 unit SFR, PUD, Condo

QUALIFYING:

- 1900P:** Income ≤ \$75,000 40%, Income \$75,000 > \$150,000 42%, Income ≥ \$150,000 44%; Follow program guidelines or requirements of automated system.
- 100P:** Follow requirements of automated system.
- 2300P:** 36/40%; Follow program guidelines or requirements of automated system.

REFINANCE TRANSACTIONS:

➤ **Rate/Term Refinance** of existing 1st mortgage and seasoned 2nd mortgage acceptable with cash out on the new 2nd mortgage. Only subordinate financing that was used, in its entirety, for the purchase of the property will be considered Rate & Term refinance. If the subordinate lien being paid off was originated for any other purpose, at any time, and was not used entirely for the purchase of the property, the transaction will be considered a Cash-out refinance. As a result, a Rate & Term Refinance may only include the following: The payoff of the outstanding principal balance of an existing first mortgage; the payoff of the outstanding principal balance of an existing first mortgage; the pay off of the outstanding principal balance of an existing subordinate mortgage that was used in whole to acquire the subject property; the financing of closing costs (including prepaid expenses); and cash back to the borrower in an amount no more than the lesser of 2% of the balance of the new refinance mortgage or \$2000. **NOTE: The file must be fully documented to evidence that the second lien was used solely as purchase money. For example, the Correspondent may provide a copy of the HUD-1, Title Report or Sales Contract from the original purchase transaction. Depending on the situation, the aforementioned documents may or may not be appropriate.**

➤ **Cash Out Refinance** on new 1st not allowed. Only allowed on 2nd TD. Texas properties ineligible.

RESERVES: 2-months PITI. Follow program guidelines or requirements of automated system.

RELOCATION:

- 1900P and 100P:** Not allowed.
- 2300P:** A maximum of 50% of the trailing or relocating co-borrower's income may be considered where: Co-borrower has verified 2-year employment history; Co-borrower's occupation is marketable in new location; Co-borrower is not self-employed; Co-borrower provides letter stating intent to seek employment; 6-month PITI cash reserves verified.

Guidelines are subject to change without notice

Trust One Mortgage

Piggyback 2nd Mortgage Programs 3990 and 3995

Product Type & Program Numbers: Piggy Back Programs Concurrent 1st & 2nd Mortgages
2nd Mortgage: **3995** – Conventional Fixed Second Mortgage
3990 – HELOC

****Loan # for 2nd mortgage will be same as 1st mortgage except that 1st digit on the 2nd mortgage will be “P” (for example, 7-99-1234WH and P-99-1234WH)**

****All piggyback loans must be sent to Corporate for underwriting. Two packages are required (2nd package may be a copy, but must include: original 1003, Original 1008 & Original photos on appraisal).**

UNDERWRITING: ALL PROGRAM 3995 AND PROGRAM 3990 LOANS MUST RECEIVE AN ACCEPTABLE “ASSETWISE” CERTIFICATE.

CO-SIGNORS: Not allowed.

CREDIT:

•**Score:** Lower of two (2) bureaus or the middle of three (3) bureaus.

•**BK, CCS, F/C Or Deed In Lieu:** Must be discharged 7 years with re-established credit. No lates after discharge.

DOCUMENTATION:

➤**Employment Length:**

•W2 Income: 2 years same field.

•Self-Employed: 3 years same business.

➤**Income Verification:**

•W2 Income: 2 years W2s and 1-month paystubs.

•Self-Employed: 2 years 1040s, 2 years Business Returns, YTD P&L statement OR as required by automated system.

➤**Non-Taxable Income Gross Up:** 125%

➤**Self-Employed:** 4506-T/8501 required prior to funding.

LOAN PURPOSE: Debt Consolidation/Home Improvement/Cash Out

LOAN TERM: 120/180/240

MAXIMUM CASH OUT: Unlimited.

MAX CLTV: 95%

MAXIMUM LOAN AMOUNT:

Credit Grade	Score	Max \$
A+	720+ / 90% CLTV	\$250k*
A+	720+	\$200k
A	680+	\$200k
A-	660+	\$150k
B+	640+	\$150k
B	620+	\$50k

*California properties only. Purchase or Rate & Term refi only.

MINIMUM LOAN AMOUNT: \$10,000

PROPERTY TYPES: SFR, PUD, Condo, 1-2 units; Condos & 2-units maximum loan amount \$50,000 when credit score is 640-679.