



Bank Statement Overlay to Ventana Non-Prime Program Fully Amortizing 30-Year Fixed Rate Mortgage Loans

Confidential - Not to be disseminated to any 3rd party without prior Ventana's written consent

Minimum Loan Amount = \$100K

Effective 4/27/2017

NO HOUSING EVENT/BANKRUPTCY 12-MONTHS: Primary Residence/2nd Home: Purchase & Rate/Term ("R/T") Refinance				
Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	Minimum FICO Score	Maximum DTI	Months Reserve
70%	\$500,000	700	43%	6 Mos
65%	\$750,000	680	43%	6 Mos
60%	\$750,000	660	43%	6 Mos

NO HOUSING EVENT/BANKRUPTCY 12-MONTHS: *Primary Residence/**2nd Home: Cash-Out Refinance				
Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	Minimum FICO Score	Maximum DTI	Months Reserve
65%	\$500,000	700	43%	6 Mos
60%	\$750,000	680	43%	6 Mos

Eligible Property Types/Geography
Single Family, 2-4 Family, PUDs (Meeting FNMA Project Eligibility), Condos (Warrantable to FNMA Guidelines)

Notes
Business funds are not available to be used for reserves
*Maximum cash-out is \$250,000 for a primary residence
**Maximum cash-out for a 2nd home is \$100,000 with a maximum LTV/CLTV/HCLTV of 65%
See Overlays to Ventana Guidelines

Bank Statement Overlay to Ventana Non-Prime Program	
General Requirements	Self-employed borrowers are eligible to utilize bank statements to document earnings.
	All parties listed on each bank account must be included as borrowers on the loan.
	Borrower's business may be sole proprietorship, partnership (general or limited) or a corporation.
	Income sources separate from self employment must be documented (i.e. Social Security, divorce decree)
	<u>The following documentation is required:</u>
	12 months complete, consecutive (business or personal) bank statements from the same account. Transaction history printouts are not acceptable.
	Verification of business existence for a minimum of 2 years from date of application by a neutral 3rd party is required
	Initial signed 1003 with monthly income disclosed
	Signed and executed IRS form 4506-T
	Verification that business in good standing is required within 10 calendar days of closing
Income Calculations	The lower of the bank statement income calculations or the 1003 Initial Disclosed Income must be used to determine qualifying income
	Borrowers that own multiple businesses must use personal bank statements to support their income
	Business bank statements may not be used when business has a number of employees, significant overhead or operating expenses (>30%)
	Evidence of NSF, overdraft protection transfers, negative ending balances and transfers from other accounts must be satisfactorily explained/documentated
	Excessive NSF, overdraft protection transfers or negative ending balances are not eligible
	Co-mingling of personal and business or multiple business accounts is not allowed
	Deposits must be consistent and typical whether personal or business accounts are used
	Business accounts may only be used if borrower owns 100% of the business
	Decreasing income trends must be explained/documentated
	Low beginning/ending balances may require additional documentation, up to and including full documentation
	100% of the deposits from borrower's <u>personal</u> account may be used
	70% of the deposits from borrower's <u>business</u> account may be used
The average deposits from the most recent twelve (12) months consecutive bank statements will be used to determine the borrower's income for qualifying purposes. Bank statement income calculation worksheet must be included in the loan file.	
Loan file must contain a signed acknowledgement from the borrower regarding their ability to repay the loan under this program.	

Bank Statement Overlay to Ventana Non-Prime Program		
Credit	The credit matrix below represents an overlay to Ventana's standard credit guidelines. Where the matrix is silent, standard credit requirements will apply	
Bankruptcy/Housing Event	<u>BANKRUPTCY</u>	
	Must meet seasoning per Matrix	
	Proof of discharge/dismissal must be provided (dismissed BK 13 is not eligible)	
	Multiple Bankruptcy filings per loan is ineligible	
	LOE required. Must indicate that prior issue has been cured	
	Re-established credit must reflect no adverse credit post BK	
	<u>Chapter 13:</u>	
	All required bankruptcy plan payments must have been made on time	
	Full bankruptcy papers are required	
	<u>HOUSING EVENTS</u>	
	The following transaction types are included:	
	Foreclosure (Notice of Default in a Non-Judicial State and Filing the Complaint in a Judicial State)	
	Deed-in-Lieu of Foreclosure	
	Pre-foreclosure Sale/Short Sale	
	Charge-Off of a Mortgage Account	
Severe delinquency (90+ days)		
Must meet seasoning per Matrix		
Seasoning for Housing Events is measured from the date of completed sale or final property transfer. If the property was surrendered in a bankruptcy, the bankruptcy discharge date may be used.		
LOE required. Must indicate that prior issue has been cured.		
Re-established credit must reflect no adverse credit post Housing Event		
Multiple housing event transactions per loan is ineligible		
FTHB	Primary Residence Only Max 75% LTV/CLTV/HCLTV to \$750K w/620 FICO w/min reserves of 9-months & max payment shock of 175% (min 15% borrower own funds)	
Notes	Non-occupant co-borrowers are not eligible	
	Non-permanent resident aliens are not eligible	
	All accounts must be current at time of closing except as noted below. The open balance of any coll acct/chg off must be deducted from available reserves	
	10% minimum borrower contribution	
	Standard Full Doc only	
Credit Matrix	(See eligibility matrix)	
	Housing History	0x30 last 12 mos
	BK Seasoning	> 12 mos
	FC Seasoning	> 12 mos
	Consumer Debt	Max 2x30 and 0x60 on non-mortgage debt in the last 12 mos. Max 3x30 and 1x60 most recent 13-24 mos (except when FCL/BK history applies - see above)
		No rolling lates
	Collections/Charge Offs	Must be paid off at/prior to closing. Aggregate balance cannot exceed \$2,000. Medical collections under \$500 may remain open
	Judgements (non-mtg related)/Garnishments	Must be paid off at/prior to closing. Aggregate balance cannot exceed \$5,000.
Loan Modification	None in the last 12 mos, unless the modification is lender initiated and documented proof that it was not a distressed situation is provided	
LOE(s) required for all adverse credit and must reflect extenuating circumstances that have been cured		