

# Product Snapshot

## Solutions Non-QM



Plaza's Solutions Program offers Non-Qualified Mortgages on fully amortizing 15 & 30-Year Fixed Rate and 5/6 & 7/6 ARM and interest only 40-year Fixed Rate and 5/6 & 7/6 ARM with a 40 year term. Loan amounts from \$150,000 to \$3,500,000 are eligible.

- Standard Documentation: 24 Month Standard Doc or 12 Month Standard Doc
- Bank Statement Income Documentation
  - 24 Month Bank Statements – Personal or Business
  - 12 Month Bank Statements – Personal or Business
- Profit & Loss Statement prepared by CPA or Enrolled Agent: 24 Month P&L or 12 Month P&L
- Written VOE (WVOE)
- 1099: 2 Years 1099s or 1 Year 1099
- Asset Utilization
- Interest-only and fully amortized products
- DTI to 55% (24 month standard doc)
- LTVs to 90% with no MI

Please visit our website at [plazahomemortgage.com](http://plazahomemortgage.com) to view full Program Guidelines. The information contained in this matrix may not highlight all requirements of these programs and does not reduce or eliminate any requirements set forth in our Guidelines. Guidelines are subject to change without notice.

Standard Doc - 24 Month and 12 Month					
Primary Residence: Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score <sup>3</sup>	LTV/CLTV <sup>2</sup>	Max DTI <sup>3,4</sup>	Reserves
1-Unit PUD	\$1,000,000	680	90% <sup>1</sup>	50%	See Reserves Section
		660	85%	50%	
		660	80%	55% <sup>4</sup>	
	\$1,500,000	700	90% <sup>1</sup>	50%	
		660	85%	50%	
		660	80%	55% <sup>4</sup>	
	\$2,000,000	700	85%	50%	
		680	80%	55% <sup>4</sup>	
		660	75%	55% <sup>4</sup>	
	\$2,500,000	720	80%	55% <sup>4</sup>	
660		75%	55% <sup>4</sup>		
\$3,000,000	700	75%	55% <sup>4</sup>		
\$3,500,000	720	75%	55% <sup>4</sup>		
Condo 2-4 Units	\$1,500,000	660	85%	50%	
		660	80%	55% <sup>4</sup>	
	\$2,000,000	700	85%	50%	
		680	80%	55% <sup>4</sup>	
		660	75%	55% <sup>4</sup>	
	\$2,500,000	720	80%	55% <sup>4</sup>	
		660	75%	55% <sup>4</sup>	
	\$3,000,000	700	75%	55% <sup>4</sup>	
	\$3,500,000	720	75%	55% <sup>4</sup>	

<sup>1.</sup> Condos and properties in CT, IL, NJ & NY: Maximum 85% LTV/CLTV  
<sup>2.</sup> Non-occupant co-borrowers require 5% reduction to maximum LTV.  
<sup>3.</sup> First Time Homebuyer additional restrictions apply.  
<sup>4.</sup> DTI: 50% allowed without additional requirements. DTI up to 55% allowed for:
 

- 24 month income documentation
- 80% LTV/CLTV
- Residual income \$3,500
- 12 months reserves
- First Time Home-Buyer not eligible

Standard Doc - 24 Month and 12 Month Primary Residence: Cash-Out Refinance <sup>1</sup>						
Property Type	Loan Amount	Credit Score	LTV/CLTV	Max DTI <sup>3</sup>	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,000,000	680	80% <sup>2</sup>	55% <sup>3</sup>	See Reserves Section	Based on LTV: • >= 70%: \$500,000 • > 50% < 70%: \$1,000,000 • <= 50%: Unlimited
		660	75%	55% <sup>3</sup>		
	\$1,500,000	700	80% <sup>2</sup>	55% <sup>3</sup>		
		660	75%	55% <sup>3</sup>		
	\$2,000,000	720	75%	55% <sup>3</sup>		
		680	70%	55% <sup>3</sup>		
		660	65%	55% <sup>3</sup>		
	\$2,500,000	720	75%	55% <sup>3</sup>		
		660	65%	55% <sup>3</sup>		
	\$3,000,000	700	65%	55% <sup>3</sup>		
\$3,500,000	720	65%	55% <sup>3</sup>			

1. Non-occupant co-borrowers not allowed.
2. Max LTV 75% for properties in CT, HI, IL, NJ & NY.
3. DTI: 50% allowed without additional requirements. DTI up to 55% allowed for:
  - 24 month income documentation
  - 80% LTV/CLTV
  - Residual income \$3,500
  - 12 months reserves
  - First Time Home-Buyer not eligible

Standard Doc - 24 Month and 12 Month Second Home: Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score	LTV/CLTV	Max DTI	Reserves
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	85%	50%	See Reserves Section
	\$2,000,000	700	85%	50%	
		680	80%	50%	
		660	75%	50%	
	\$2,500,000	720	80%	50%	
		660	75%	50%	

Standard Doc - 24 Month and 12 Month Second Home: Cash-Out Refinance						
Property Type	Loan Amount	Credit Score	LTV/CLTV	Max DTI	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	75%	50%	See Reserves Section	Based on LTV: • >= 70%: \$500,000 • > 50% < 70%: \$1,000,000 • <= 50%: Unlimited
	\$2,000,000	720	75%	50%		
		680	70%	50%		
		660	65%	50%		
	\$2,500,000	720	70%	50%		
		660	65%	50%		

Standard Doc - 24 Month and 12 Month Investment Property <sup>1</sup> : Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score	LTV/CLTV	Max DTI	Reserves
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	85%	50%	See Reserves Section
	\$2,000,000	700	85%	50%	
		680	80%	50%	
		660	75%	50%	
	\$2,500,000	720	80%	50%	
		660	75%	50%	

1. First time homebuyer not eligible.

Standard Doc - 24 Month and 12 Month Investment Property: Cash-Out Refinance						
Property Type	Loan Amount	Credit Score	LTV/CLTV	Max DTI	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	75%	50%	See Reserves Section	Based on LTV: • >= 70%: \$500,000 • > 50% < 70%: \$1,000,000 • <= 50%: Unlimited
	\$2,000,000	720	75%	50%		
		680	70%	50%		
		660	65%	50%		
	\$2,500,000	720	70%	50%		
		660	65%	50%		

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - WVOE - 1099 - Asset Utilization Primary Residence: Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score <sup>4,5</sup>	LTV/CLTV <sup>3,4</sup>	Max DTI <sup>4,5</sup>	Reserves
1-Unit PUD	\$1,000,000	680	90% <sup>1,2</sup>	50%	See Reserves Section
		660	85% <sup>2</sup>	50%	
	\$1,500,000	700	90% <sup>1,2</sup>	50%	
		660	85% <sup>2</sup>	50%	
	\$2,000,000	700	85% <sup>2</sup>	50%	
		680	80%	50%	
	\$2,500,000	660	75%	50%	
		720	80%	50%	
	\$3,000,000	660	75%	50%	
		700	75%	50%	
Condo 2-4 Units	\$1,500,000	660	85% <sup>2</sup>	50%	
	\$2,000,000	700	85% <sup>2</sup>	50%	
		680	80%	50%	
	\$2,500,000	660	75%	50%	
		720	80%	50%	
	\$3,000,000	660	75%	50%	
	\$3,500,000	700	75%	50%	

1. Condos and properties in CT, IL, NJ & NY: Maximum 85% LTV/CLTV
2. WVOE and P&L Only documentation type:
  - a. Maximum 80% LTV/CLTV for purchase.
  - b. Maximum 70% LTV/CLTV for rate/term.
3. Non-occupant co-borrowers require 5% reduction to maximum LTV. Non-occupant income limited to Standard documentation.
4. First Time Homebuyer additional restrictions apply.
5. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - WVOE - 1099 - Asset Utilization Primary Residence: Cash-Out Refinance <sup>1</sup>						
Property Type	Loan Amount	Credit Score <sup>4</sup>	LTV/CLTV	Max DTI <sup>4</sup>	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,000,000	680	80% <sup>2,3</sup>	50%	See Reserves Section	Based on LTV: • >= 70%: \$500,000  • > 50% < 70%: \$1,000,000  • <= 50%: Unlimited
		660	75% <sup>3</sup>	50%		
	\$1,500,000	700	80% <sup>2,3</sup>	50%		
		660	75% <sup>3</sup>	50%		
	\$2,000,000	720	75% <sup>3</sup>	50%		
		680	70%	50%		
	\$2,500,000	660	65%	50%		
		720	75% <sup>3</sup>	50%		
	\$3,000,000	660	65%	50%		
	\$3,500,000	700	65%	50%		

1. Non-occupant co-borrowers not allowed.
2. Max LTV 75% for properties in CT, HI, IL, NJ & NY.
3. Max LTV 70% for WVOE and P&L Only documentation.
4. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - 1099 - Asset Utilization <sup>1</sup> Second Home: Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score <sup>2</sup>	LTV/CLTV <sup>3</sup>	Max DTI <sup>2</sup>	Reserves
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	80%	50%	See Reserves Section
	\$2,000,000	680	80%	50%	
		660	75%	50%	
	\$2,500,000	720	80%	50%	
		660	75%	50%	

1. WVOE documentation not eligible.
2. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.
3. Max 70% LTV/CLTV for P&L Only doc type.

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - 1099 - Asset Utilization <sup>1</sup> Second Home: Cash-Out Refinance						
Property Type	Loan Amount	Credit Score <sup>2</sup>	LTV/CLTV	Max DTI <sup>2</sup>	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	75% <sup>3</sup>	50%	See Reserves Section	Based on LTV: • >= 70%: \$500,000 • > 50% < 70%: \$1,000,000 • <= 50%: Unlimited
	\$2,000,000	720	75% <sup>3</sup>	50%		
		680	70%	50%		
		660	65%	50%		
	\$2,500,000	720	75% <sup>3</sup>	50%		
		660	65%	50%		

1. WVOE documentation not eligible.
2. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.
3. Max 70% LTV/CLTV for P&L Only doc type.

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - 1099 - Asset Utilization <sup>1</sup> Investment Property <sup>2</sup> : Purchase and Rate/Term Refinance					
Property Type	Loan Amount	Credit Score <sup>3</sup>	LTV/CLTV <sup>4</sup>	Max DTI <sup>3</sup>	Reserves
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	80%	50%	See Reserves Section
	\$2,000,000	680	80%	50%	
		660	75%	50%	
		720	80%	50%	
	\$2,500,000	660	75%	50%	

1. WVOE documentation not eligible.
2. First time homebuyer not eligible.
3. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.
4. Max 70% LTV/CLTV for P&L Only doc type if Refinance. Purchase eligible to 80%.

Alt Doc Bank Statements - Personal and Business - 24 Month and 12 Month P&L - 1099 - Asset Utilization <sup>1</sup> Investment Property: Cash-Out Refinance						
Property Type	Loan Amount	Credit Score <sup>2</sup>	LTV/CLTV	Max DTI <sup>2</sup>	Reserves	Max Cash-Out
1-Unit PUD Condo 2-4 Units	\$1,500,000	660	75% <sup>3</sup>	50%	See Reserves Section	Based on LTV: • >= 70%: \$500,000 • > 50% < 70%: \$1,000,000 • <= 50%: Unlimited
	\$2,000,000	720	75% <sup>3</sup>	50%		
		680	70%	50%		
		660	65%	50%		
	\$2,500,000	720	75% <sup>3</sup>	50%		
		660	65%	50%		

1. WVOE documentation not eligible.
2. Asset Utilization documentation requires minimum 680 credit score and maximum 43% DTI.
3. Max 70% LTV/CLTV for P&L Only doc type.

Product Parameters	
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• All appraisals must be ordered and processed in compliance with Appraiser Independence (AIR).</li> <li>• Loan amounts &gt; \$1,500,000 require two full appraisals.</li> <li>• Properties in a declining market, as indicated in the appraisal, require a 5% LTV reduction from the maximum otherwise allowed if the LTV &gt; 70%.</li> <li>• Transferred appraisals are allowed.</li> </ul>
<b>Underwriting Method</b>	Manual underwriting only
<b>Assets/Down Payment/Gifts</b>	Assets used for down payment, closing costs, debt payoff, and reserves must be documented. The asset documentation requirement for all transactions is a single account statement covering a one (1) month period and dated within 90-days of the loan note date.
<b>Bankruptcy and Foreclosure</b>	Four years seasoning is required. Seasoning is measured to the new note date.
<b>Credit History</b>	<p><b>Trade Lines:</b></p> <p>If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived. The primary borrower is defined as the borrower with the higher monthly income. When the primary borrower has less than three credit scores, or when asset utilization is used for income, each borrower must meet the minimum tradeline requirement. Exception – for documentation other than asset utilization if the co-borrower is the spouse of the borrower only one spouse is required to meet the minimum tradeline requirement. Tradeline requirement:</p> <ul style="list-style-type: none"> <li>• At least three (3) tradelines reporting for a minimum of 12 months, with activity in the last 12 months, or</li> </ul>

	<ul style="list-style-type: none"> <li>• At least two (2) tradelines reporting for a minimum of 24 months, with activity in the last 12 months.</li> </ul> <p>Borrowers who do not meet one of the above tradeline requirements, but have a minimum of two credit scores, can alternatively satisfy the tradeline requirement by meeting the below requirements:</p> <ul style="list-style-type: none"> <li>• No fewer than eight (8) tradelines are reporting, one (1) of which must be a mortgage or a rental history.</li> <li>• At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months.</li> <li>• The borrower has an established credit history for at least eight (8) years.</li> <li>• Tradelines with recent serious adverse history are not acceptable.</li> <li>• Student loans can be counted in credit depth as long as they are in repayment and not being deferred.</li> </ul>
<p><b>Income &amp; Employment</b></p>	<p><b>Standard Doc:</b></p> <ul style="list-style-type: none"> <li>• 24 Month Standard Doc: Salary/wage, self-employed and other income sources</li> <li>• 12 Month Standard Doc: Salary/wage, self-employed and other income sources</li> <li>• <b>4506-C/Tax Transcripts:</b> A signed copy of IRS Form 4506-C is required in every standard documentation credit file. See specific income documentation to determine if transcripts are required.</li> <li>• <b>Taxpayer Consent Form:</b> Must be signed by all borrowers. Plaza's loan documents include a taxpayer consent form.</li> </ul> <p><b>Alt Doc:</b> Alt Doc includes the following documentation types:</p> <ul style="list-style-type: none"> <li>• Bank Statements</li> <li>• Profit &amp; Loss Statement prepared by CPA or Enrolled Agent</li> <li>• Written VOE (WVOE) – 24 months</li> <li>• 1099: 2 Years 1099s or 1 Year 1099</li> <li>• Asset Utilization</li> <li>• Income documented using Alt Doc may be combined with other income sources that are documented as Standard Doc. When Alt Doc is combined with Standard Doc, the loan must meet the Alt Doc eligibility matrices and will be placed as Alt Doc.</li> </ul> <p><b>Bank Statements:</b></p> <ul style="list-style-type: none"> <li>• Bank Statement Income Documentation is available for self-employed borrowers only. <ul style="list-style-type: none"> <li>○ 24-month personal bank statements</li> <li>○ 12-month personal bank statements</li> <li>○ 24-month business bank statements</li> <li>○ 12-month business bank statements</li> </ul> </li> </ul> <p>Refer to Program Guidelines for complete income and employment requirements.</p>
<p><b>Bank Statement Income</b></p>	<p>Income documented using bank statements may be combined with other income sources that are documented as Standard Doc but not associated with self-employment, such as a spouse employed as a wage earner.</p> <ul style="list-style-type: none"> <li>• When wage income is combined with bank statement income documentation, a tax return is not required for the full income documentation, as this would invalidate the bank statements. The 4506-C form is still required; however, Box 8 should be checked to obtain a transcript of W-2 earnings only.</li> <li>• When bank statement documentation is combined with standard documentation the loan must meet the bank statement eligibility matrices and will be priced as bank statement documentation</li> </ul> <p><b>Tax Returns and 4506-C:</b> Tax returns and 4506-C are not required for the program. If tax returns and/or transcript are provided, the loan will be ineligible for the Alt Doc Program.</p> <p><b>Personal Bank Statements:</b></p> <ul style="list-style-type: none"> <li>• Most recent 24 or 12 months of PERSONAL bank statements.</li> <li>• Most recent two (2) months of BUSINESS bank statements. <ul style="list-style-type: none"> <li>○ They must evidence activity to support business operations.</li> <li>○ They must reflect transfers to the personal account.</li> </ul> </li> <li>• Verify that the borrower owns 20% of the business by providing one of the following: <ul style="list-style-type: none"> <li>○ CPA letter, Tax Preparer letter, operating agreement, or equivalent, reflecting the borrower's ownership percentage.</li> </ul> </li> </ul>

**Personal Bank Statement Income Calculation:**

- Income calculated using total deposits.
  - Any inconsistent or large deposits not justified must be backed out of the calculation.
  - ATM deposits may be included if a consistent pattern of such deposits is present.
- Qualifying income is the lower of:
  - for the 24-month statement option, the net income from the analysis using all 24 months of bank statements, or
  - for both the 24 or 12 month statement option, the net income based upon the most recent 12 months of bank statements
  - Income cannot exceed the income disclosed on the initial 1003.
- The most recent bank statement must be consistent with the qualifying income.

**Business Bank Statements:**

- Verify that the borrower is at least 50% owner of the business by providing one of the following:
  - CPA letter, Tax Preparer letter, operating agreement, or equivalent; reflecting the borrower's ownership percentage.
- Non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and verifying the borrower's access to the account for income calculations.
- Net income from the analysis of the bank statements must be multiplied by the borrower's ownership percentage to determine the borrower's qualifying income.
- The expense analysis method should be reasonable for the type of business being reviewed.
- Co-mingled business and personal accounts:
  - Use business bank statement analysis method
  - Verify that the borrower is 100% owner of the business (borrower and spouse with combined 100% ownership eligible)

**Business Bank Statement Analysis:**

Three (3) options exist to analyze business accounts. Regardless of the options utilized, expenses must be reasonable for the type of business. The following applies regardless of the expense method used:

- Expenses must be reasonable for the type of business.
- Deposits should be reviewed for consistency.
- Inconsistent or large deposits should be sourced or excluded from the analysis. The definition of a large deposit is any deposit exceeding 50% of the average monthly sales of the business.
- Changes in deposit pattern must be explained.
- Income documented separately or not from the business must be backed out of deposits.
  - **Option 1 - Fixed Expense Ratio 50%**
    - 24 or 12 months of business bank statements covering the most recent time-period.
    - A business narrative provided by the borrower's business (See **Self-Employed Business Narrative Form**) which includes details regarding the industry, size, and operating profile of the business, addressing location/rent, number of employees/contractors, COGS, and physical assets such as trucks/equipment (owned or leased). The business narrative form is to be completed by an employee (non-relative) of the borrower's business, with knowledge and information of the operations and finances of the business. Typical positions held by this employee would include: Controller, Treasurer, V.P. Finance, Finance Manager, or Accounting Manager. This form can also be completed by a third-party individual with direct knowledge of the borrower's business, such as Certified Public Accountant or an IRS Enrolled Agent.
    - Businesses within an industry that experience higher expense ratios are not eligible for the 50% Margin method and must utilize another option. Higher expense ratio industries include, but are not limited to the following:
      - Construction
      - Manufacturing
      - Retail and Wholesale Trade
      - Hospitality, Food and Beverage Services
      - Transportation
    - The **Self-Employed Business Narrative Form** should be used to determine if the borrower's business is eligible for this option based on reasonableness of expenses.

- **Determining Income Using Fixed Expense Ratio 50%:**
  - Qualifying income is the lower of:
    - Total deposits from the bank statements, minus any inconsistent deposits, multiplied by 50% Profit Margin, multiplied by ownership percentage, divided by the number of bank statements reviewed, or
    - If 24 months of statements reviewed: total deposits from the most recent 12 months of bank statements, minus any inconsistent deposits, multiplied by 50% Profit Margin, multiplied by ownership percentage, divided by 12.
    - Income cannot exceed the income disclosed on the initial 1003.
  - The deposits from the most recent bank statement must be consistent with the qualifying income.
  - Plaza reserves the right, at the reviewer's discretion, to require additional documentation if the expense ratio appears unreasonable for any business entity.
- **Option 2 - Business Expense Statement Letter**
  - 24 or 12 months of business bank statements covering the most recent time-period and;
  - An expense statement specifying business expenses (minimum expense ratio is 10%) as a percent of the gross annual sales/revenue, prepared and signed by either a CPA/accountant, IRS Enrolled Agent or tax preparer; and
  - Credit file must contain documentation showing evidence of the preparer's business.
- **Determining Income Using Business Expense Statement Letter:**
  - Net Income is determined by the total deposits (minus any inconsistent deposits) reflected on the bank statements, less total expenses. Total expenses are calculated by multiplying the total deposits by the expense factor provided by a CPA/accountant, IRS Enrolled Agent, or tax preparer (subject to a minimum total expense percentage of 10%).
  - Qualifying income is the lower of:
    - for the 24-month statement option, the net income from the analysis using all 24 months of bank statements, or
    - for both the 24 or 12 month statement option, the net income based upon the most recent 12 months of bank statements.
    - Income cannot exceed the income disclosed on the initial 1003.
  - The most recent bank statement must be consistent with the qualifying income.
  - Expenses must be reasonable for the type of business.
  - Plaza reserves the right, at the reviewer's discretion, to require additional documentation if the expense ratio appears unreasonable for any business entity.
- **Option 3 - Third Party Prepared P&L Statement**
  - 24 or 12 months of business bank statements covering the most recent time-period and matching the time-period covered by the P&L and;
  - P&L covering 24 or 12 months, matching the number of bank statements, prepared and signed and dated by either a CPA/accountant, IRS Enrolled Agent or licensed tax preparer; and
  - Credit file must contain documentation showing evidence of the preparers business.
- **Determining Income Using Third Party P&L Statement:**
  - P&L Sales/Revenue must be supported by the provided bank statements. Total deposits reflected on the bank statements, minus any inconsistent deposits, must be greater than or no more than 15% below the sales/revenue reflected on the P&L.
  - The bank statements and P&L must cover the same time period.
  - Qualifying income is the lower of:
    - the Net Income indicated on the P&L divided by the number of statements (24 or 12), or
    - total deposits reported on the bank statements, minus any inconsistent deposits, divided by the number of statements (24 or 12).
    - Income cannot exceed the income disclosed on the initial 1003.
  - For the 24-month option, the average total deposits from the most recent 12-month time period must be consistent with the average total deposits from months 13-24. If the deposit trend is declining, a business narrative and explanation is required to determine if the loan meets the stable income definition.

	<p><b>Non-Sufficient Funds:</b>  Non-sufficient funds (NSF) or negative balances reflected on the bank statement must be considered. Overdraft protection fees associated with a pre-arranged link to a savings account or line of credit must also be considered unless one of the following conditions exist:</p> <ul style="list-style-type: none"> <li>• Overdraft protection from a depository account: Occurrences may be excluded if statements for the linked account confirm that: <ul style="list-style-type: none"> <li>○ (a) the linked account balance at the time of the transfer exceeded the amount of the overdraft transfer,</li> <li>○ (b) the linked account's balance did not report as zero or negative at any point during the statement period of the transfer, and</li> <li>○ (c) the linked account did not itself receive overdraft protection proceeds during the statement period of the transfer.</li> </ul> </li> <li>• Overdraft protection from a line of credit: Occurrences may be excluded if statements for the linked account confirm that (a) the line's credit limit was not exceeded during the statement period of the transfer, and (b) a payment amount which equals or exceeds the sum of all overdraft protection occurrences analyzed in the statement period is made within 30 days after the statement close date.</li> <li>• Occurrences included in the analysis are subject to the following tolerances (An occurrence is defined as one or more checks returned the same day): <ul style="list-style-type: none"> <li>○ If there are one (1) or more occurrences in the most recent two-month time period, up to three (3) occurrences are allowed in the most recent 12-month time period.</li> <li>○ If there are zero (0) occurrences in the most recent three-month time period, up to five (5) occurrences in the most recent 12-month time period are acceptable.</li> </ul> </li> <li>• Exception requests for tolerance deviations must include (a) a letter of explanation from the borrower outlining the reason for the occurrences and an explanation of how and when the issue leading to the occurrences was rectified, and (b) additional compensating factors outlined by the underwriter supporting the viability of income.</li> <li>• The underwriter must consider the financial strength of a self-employed borrower's business</li> </ul>
<p><b>Asset Utilization</b></p>	<ul style="list-style-type: none"> <li>• Minimum Asset Requirement: <ul style="list-style-type: none"> <li>○ When asset utilization is the primary source of income, the following minimum assets are required: the lesser of 1.5 times the loan amount or \$1,000,000 after down payment, loan costs and required reserves</li> <li>○ When asset utilization is used to supplement other primary income sources the minimum asset requirement above is waived.</li> </ul> </li> <li>• Eligible Assets: <ul style="list-style-type: none"> <li>○ Assets must be liquid and available with no penalty; additional documentation may be requested to validate the origin of the funds</li> <li>○ 100% of Checking, Savings, and Money Market Accounts</li> <li>○ 70% of Stocks, Bonds, and Mutual Funds</li> <li>○ 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59 ½)</li> <li>○ 60% of Retirement Assets: Eligible if the borrower is not of retirement age</li> </ul> </li> <li>• Ineligible Assets: <ul style="list-style-type: none"> <li>○ Equity in Real Estate</li> <li>○ Privately traded or restricted/non-vested stocks</li> <li>○ Any asset which produces income already included in the income calculation</li> <li>○ Any assets held in the name of a business</li> </ul> </li> <li>• Income Calculation: <ul style="list-style-type: none"> <li>○ Total Assets Eligible for Depletion, less down payment, less out of pocket closing costs, less required reserves, divided by 84</li> </ul> </li> <li>• Documentation: <ul style="list-style-type: none"> <li>○ Assets must be verified with the most recent three (3) monthly account statements, quarterly statement or a VOD covering at least 90 days</li> <li>○ Assets must be seasoned 120-days</li> </ul> </li> <li>• Program Restrictions: <ul style="list-style-type: none"> <li>○ Minimum 680 credit score</li> <li>○ Non-occupant co-borrowers not allowed</li> <li>○ All individuals listed on the asset account(s) must be on the Note and Mortgage</li> <li>○ Gift funds not eligible</li> <li>○ Max 43% DTI</li> </ul> </li> </ul>



<b>Rental Income</b>	<ul style="list-style-type: none"> <li>• Rental income from other properties must be documented with the borrower's most recent signed federal income tax return that includes Schedule E. <ul style="list-style-type: none"> <li>○ Leases are required for properties where rental income is being used to qualify and the property was acquired during or subsequent to the most recent tax filing year or the rental property was out of service for an extended period.</li> <li>○ For commercial properties a copy of the lease or rent roll is required</li> </ul> </li> <li>• Proposed rental income from the comparable rent schedule, reflecting long term rental rates, may be used for qualifying if there is not a current lease or assignment of lease on purchase of an investment property</li> <li>• Properties with expired leases that have converted to month to month per the terms of the lease will require bank statements for the lesser of 2 months or the time period after the lease expired</li> <li>• A 25% vacancy factor must be applied to the gross rent used for qualifying. Multiply the gross rent by 75% and subtract the PITIA to arrive at the rental income/loss used for qualifying</li> <li>• Commercial properties owned on schedule E must be documented with a rent roll and evidence that the primary use and zoning of the property is commercial</li> <li>• Application of Rental Income: <ul style="list-style-type: none"> <li>○ Primary Residence <ul style="list-style-type: none"> <li>▪ The monthly qualifying rental income (as defined above) must be added to the borrower's total monthly income. (The income is not netted against the PITIA of the property)</li> <li>▪ The full amount of the mortgage payment (PITIA) must be included in the borrower's total monthly obligations when calculating the debt-to-income ratio.</li> </ul> </li> <li>○ Investment Property <ul style="list-style-type: none"> <li>▪ If the monthly qualifying rental income (as defined above) minus the full PITIA is positive, it must be added to the borrower's total monthly income</li> <li>▪ If the monthly qualifying rental income minus PITIA is negative, the monthly net rental loss must be added to the borrower's total monthly obligations</li> <li>▪ The full PITIA for the rental property is factored into the amount of the net rental income (or loss); therefore, it should not be counted as a monthly obligation</li> <li>▪ The full monthly payment for the borrower's principal residence (full PITIA or monthly rent) must be counted as a monthly obligation.</li> </ul> </li> </ul> </li> </ul>
<b>Residual Income</b>	<p>All loans must meet the residual income requirements below:</p> <ul style="list-style-type: none"> <li>• Residual income calculation must be calculated and displayed on the 1008</li> <li>• Residual income equals Gross Monthly Qualifying Income minus total monthly debt</li> <li>• DTI &lt;= 50%: \$2,500 Residual Income required + \$250 for first dependent + \$125 for each additional dependent</li> <li>• DTI &gt; 50%: \$3,500 Residual Income required + \$250 for first dependent + \$125 for each additional dependent</li> </ul>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• U.S. citizens</li> <li>• First-time homebuyers</li> <li>• Permanent resident aliens with acceptable documentation</li> <li>• Inter Vivos Revocable Trusts (refer to Plaza's Living Trust Policy)</li> <li>• Non-occupant co-borrowers with restrictions</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Attached/detached SFRs</li> <li>• Attached/detached PUDs</li> <li>• Condos</li> <li>• 2-4 Units</li> </ul>
<b>Escrow / Impounds</b>	<p>Escrow funds/impound accounts can be waived, with the exception of Flood Insurance Premium, for non-HPML loans when the following requirements are met:</p> <ul style="list-style-type: none"> <li>• LTV less than 80%</li> <li>• Minimum credit score of 720</li> <li>• Minimum 12-months of reserves</li> <li>• Pricing adjustment applies; see rate sheet.</li> </ul>
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>• Eligible for 40 Yr Term products <ul style="list-style-type: none"> <li>○ 10 year interest only term</li> <li>○ 30 year amortized term</li> </ul> </li> </ul>
<b>Max Financed Properties</b>	<p>There is no limit to the number of financed properties a borrower may own.</p>
<b>Mortgage History</b>	<ul style="list-style-type: none"> <li>• 0 x 30 mortgage/rental delinquency in the past 12 months.</li> <li>• WVOE documentation requires 0 x 30 mortgage/rental delinquency in the past 24 months.</li> <li>• This applies all mortgages and all borrowers on the loan.</li> <li>• Mortgage/rent must be current. Current means the borrower has made all mortgage/rental payments due in the month prior to the note date.</li> </ul>

<b>Reserves</b>	<p>Reserves must come from the borrower's eligible assets. Additionally, net proceeds from a cash-out transaction may be used for reserves.</p> <p>Reserve Requirement: (if more than one attribute exists, the greater reserve requirement applies)</p> <ul style="list-style-type: none"> <li>• LTV ≤ 85%: 6-months of PITIA</li> <li>• LTV &gt; 85%: 12-months of PITIA</li> <li>• Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>• Loan Amount &gt; \$2.5M: 12-months of PITIA</li> </ul>
<b>Transactions</b>	<p>Purchase, Rate/Term Refinance, Cash-Out Refinance</p> <p><b>Rate &amp; Term Refinance:</b> Proceeds from the transaction are used to:</p> <ul style="list-style-type: none"> <li>• Pay off an existing first mortgage loan and any subordinate loan used to acquire the property.</li> <li>• Pay off any subordinate loan not used in the acquisition of the subject property, provided one of the following apply: <ul style="list-style-type: none"> <li>○ Closed-end loan, at least 12 months of seasoning has occurred.</li> <li>○ HELOC, at least 12 months of seasoning has occurred, and total draws over the past 12 months are less than \$2,000. (For business purpose transactions, any draw over the life of the loan may not have been used for personal use. Business purpose transactions will require a draw history schedule, along with an attestation from the borrower, in the credit file, that none of the advances were used for personal/consumer use).</li> </ul> </li> <li>• Buy out a co-owner pursuant to an agreement.</li> <li>• Pay off an installment land contract executed more than 12 months from the loan application date.</li> </ul> <p><b>Other Rate/Term Considerations:</b></p> <ul style="list-style-type: none"> <li>• Refinance of a previous loan that provided cash out, as measured from the previous note date to the application date, and is seasoned less than 12 months, will be considered a cash out refinance.</li> <li>• Cash back not to exceed the lesser of 2% of the new loan amount or \$5,000.</li> <li>• LTV/CLTV is based upon the appraised value.</li> </ul> <p><b>Cash-Out Refinance:</b> A refinance that does not meet the definition of a rate/term transaction is considered cash-out.</p> <ul style="list-style-type: none"> <li>• A letter explaining the use of loan proceeds is required for all transactions.</li> <li>• A mortgage secured by a property currently owned free and clear is considered cash-out.</li> <li>• The payoff of delinquent real estate taxes (60 days or more past due) is considered cash-out.</li> <li>• For all investment property transactions, any loan proceeds used to pay off personal debt creates a consumer transaction, and the loan is subject to ATR and TRID. This includes any past draws, regardless of timing, on a HELOC secured by the subject property.</li> <li>• Loans not eligible for cash-out: <ul style="list-style-type: none"> <li>○ Properties listed for sale in the past six (6) months.</li> <li>○ There has been a prior cash-out within the past six (6) months.</li> <li>○ Land Contract/Contract for Deed.</li> </ul> </li> </ul> <p><b>Texas Section 50(a)(6):</b></p> <ul style="list-style-type: none"> <li>• 1-unit primary residence, 30 year fixed rate only</li> <li>• Maximum LTV/CLTV of 80%</li> <li>• Points and Fees are limited to 2%</li> </ul>

Product Name	Product Code	Available Term in Months
Solutions 15 Year Fixed	NQF15	180
Solutions 30 Year Fixed	NQF30	360
Solutions 5/6 SOFR ARM	NQA56S	360
Solutions 7/6 SOFR ARM	NQA76S	360
Solutions 40 Year Fixed Interest Only	NQF40IO	480
Solutions 5/6 SOFR ARM Interest Only 40 Yr	NQA56S40IO	480
Solutions 7/6 SOFR ARM Interest Only 40 Yr	NQA76S40IO	480

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