



FOLLOW AGENCY LTV REQUIREMENTS UNLESS OVERLAY APPLIES					
OCCUPANCY	PURCHASE & LIMITED CASH OUT REFINANCE			CASH OUT REFINANCE	
	PROPERTY TYPE**	MAX LTV/CLTV/HCLTV		PROPERTY TYPE**	MAX LTV/CLTV/HCLTV
		FIXED & ARMs			FIXED & ARMs
		PURCH	LIMITED C/O		CASH-OUT
INVESTMENT PROPERTY	SFR/PUD/CONDO	80%	80%	SFR/PUD/CONDO	75%
	2-4 UNIT	75%	75%	2-4 UNIT	70%

MINIMUM FICO 620 – AUS Approve/Ineligible for loan amount only or prepay. Manual underwriting not allowed

For any guidelines not referenced in this document, please refer to conventional [Fannie Mae Selling](#)

TOPIC	GUIDELINES
ELIGIBILITY GUIDELINES	<ul style="list-style-type: none"> • DU Approve/Eligible • DU Approve-Ineligible for Loan amount only (loan amounts exceeding agency guidelines) • DU Approve-Ineligible for loans with prepay • LPA Accept (purchase restrictions for loan amount or prepay allowed) • Minimum Loan Amount \$100,000.00 • Max Loan Amount \$1,500,000.00 • LTV OVERLAY: Max LTV 80% on investment property purchase and rate/term refinances • What is not referenced in this matrix, refer to agency guidelines depending on DU or LP AUS
DTI	<ul style="list-style-type: none"> • Follow AUS Findings up to a maximum of 50%
Income and Employment	<ul style="list-style-type: none"> • Follow AUS Findings (DU or LPA)
Credit	<ul style="list-style-type: none"> • Follow AUS Findings (DU or LPA) LSM minimum FICO 620
Rate-Term Refinance	<ul style="list-style-type: none"> • DU findings: max cash back 2% or 2000.00, whichever is less • LPA findings: max cash back 1% of mortgage amount or \$2000.00, whichever is greater
Reserves	<ul style="list-style-type: none"> • Cash Out Refi with DTI Ratio > 45, minimum 6 months of reserves. Multiple financed properties require additional reserves as follows:



	<ul style="list-style-type: none"> • DU: 1-4 financed properties 2% of the aggregate UPB in reserves • DU: 5-6 financed properties 4% of the aggregate UPB in reserves • DU: 7-10 financed properties 6% of the aggregate UPB in reserves • LPA: 1-6 financed properties two months reserves for each additional 2nd home and or 1-4 unit investment property that is financed • LPA: 7-10 financed properties – 8 months reserves for each additional 2nd home and or 1-4 unit investment property that is financed • Additional reserves may be required per AUS findings.
Appraisal	<ul style="list-style-type: none"> • PIW allowed per AUS findings • CU score 2.5 or lower requires no further action • Full Appraisal required with CU score 2.6 or higher • CU score above 2.5 or there is no score, an enhanced desk review will be required. <p>Enhanced Desk Review</p> <p>Enhanced Desk Review</p> <ul style="list-style-type: none"> • An enhanced desk review: <ul style="list-style-type: none"> ○ ARR from Proteck ○ CDA from Clear Capital or ○ an ARA from ComputerShare; or • A field review, drive by appraisal (Form number 2055) or second appraisal from an LSM Approved AMC is acceptable. The field review or 2nd appraisal may not be from the same appraisal company as the original report. <p>If the Appraisal Review Product reflects a value more than 10% below the appraised value or cannot provide a validation, the next option in the review waterfall must be followed.</p> <ul style="list-style-type: none"> • The next option would be either a field review or a second appraisal, both must be from a different appraisal company and appraiser than the original report; or • If Variance is between 10.01% to 15%, using the lower value without an additional report, is acceptable. <p>An appraisal review is not required when a second appraisal is obtained as required per the guidelines unless required by underwriting.</p>



Tax transcripts	<ul style="list-style-type: none"> • Not Required for W-2 wage earner • Required if self-employed or rental income only
Ineligible Properties	<ul style="list-style-type: none"> • Manufactured Homes • Co-Ops • Indian Leased Land • Property Flip of Non-Arm’s Length Transaction • Resale type Deed Restrictions • Solar Panels that affect first lien position
Multiple Loans to One Borrower	<ul style="list-style-type: none"> • Minimum 720 score for borrower(s) who own more than 6 financed properties • Maximum number of financed properties owned cannot exceed ten (10) for all borrowers • Maximum of 20% ownership concentration in any one project or subdivision.
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> • Acceptable Visa evidence provided • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen • Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction.
Social Security Number (SSN)	All borrowers must have a valid SSN.
Unpaid Federal Tax Debt	<ul style="list-style-type: none"> • LSM considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed; one monthly payment is required • Borrower with delinquent Federal Tax Debt is ineligible <p>NOTE: Record of Account can be used in lieu of canceled check or proof of electronic payment.</p>