

SUBPRIME PORTFOLIO LOAN HIGHLIGHTS - "Down to 500 FICO"!!!

90% LTV Foreclosure Bailouts
90% LTV Commercial Loans
95% LTV N/O/O Properties
65% LTV ARV Rehab "Fix -n- Flip"
70-75% LTV Purchase/Refi Sub 500 FICO
80% LTV 500 FICO STATED
85% LTV 500 FICO FULL DOC
50% LTV Raw Land
95% LTV 600 FICO MH/D-wides/S-wides/T-wides
80% LTV Log Cabins Full Doc 560 FICO O/O Only! 12 mo Title Seasoning
100% LTV Full Doc 530 FICO
100% LTV Stated 570 FICO
100% No FICO Score Program
*Land Contracts Up to 100% LTV Full Doc 600 FICO & 620 Stated, 540 FICO @ 80% Stated.

.....We make the tough deals happen!

PURCHASE

- 100% Financing
- Recent Bankruptcy
- No Income Verification
- Cash Tip Earners Qualify
- Easy Qualify Jumbo
- Stated Self Employed

REFINANCE

- Home Improvement
- Payoff Consumer Debt
- Get Landscaping Now!
- Lower Monthly Payment
- Wrap Closing into Loan
- Cash in 2 weeks!

We do our best to find the right loan program for your financial situation. Specializing in 50 U.S. States, I can get you approved with no hassle and minimal documentation!

- » **ASK ABOUT 100% FINANCING PROGRAMS!**
- » *NO income verification loans available!*

We have access to hundreds of loan programs but here are the most popular types with some basic qualification information.

- 100% No Down Payment 80/20 Combo
- Stated Self Employed with 620 Fico
- Stated Wage Earner with 640 Fico
- No Down Lease Option Conversions
- 5% Down Interest Only 80/20 Combo
- 6% Seller Paid Closing Costs
- Lite Doc - 6 Month Bank Statements
- Investment Properties up to 4 Units
- Refinance including Closing Costs
- No Tax Returns, No Pay-stubs
- Cash Tip Earners Qualify
- No Down Payment Required
- No Mortgage Insurance
- Super Jumbo up to 18 Million Dollars

Collection Policy

Not required to pay if:

- ≤ 12 months \$5,000 total
- ≤ 36 months \$15,000 total
- 36 months any amount
- Not required to pay medical. Any debt affecting title must be paid.

Bankruptcy/CCC

- ≥ 1 year since discharge for Chapter 7 not considered
- ≥ 1 year since filing for Chapter 13 not considered if paid as agreed last 12 months
- < 1 year maximum LTV/CLTV 85%/85% O/O (also applies if Chapter 13 not paid as agreed)
- < 1 year maximum LTV/CLTV 70%/70% N/O/O (also applies if Chapter 13 not paid as agreed)

Foreclosure

- ≥ 1 year since completion not considered
- < 1 year maximum LTV/CLTV 80%/80% O/O
- < 1 year maximum LTV/CLTV 70%/70% N/O/O
- Minimum seasoning required for < 1 year since Foreclosure

Seller Contributions

- Owner occupied 6% maximum up to 100% LTV (LTV > 90% non-recurring closing costs & prepaids only)
- Non-owner occupied 2% maximum
- See below for Stated Income requirements

Trade-line requirements

100% LTV program

2 years in file with 3 trade-lines open for 12 months and utilized at some time in the last 12 months, or 5 years in file and a minimum of 4 trade-lines open or active at any time during the last 5 years

Maximum one charge-off account/major derogatory used to meet minimum trade-line requirements

Quick Grade no longer offered

DTI for Interest Only (IO) Payment Feature

Maximum DTI 50%, or 55% if qualified with full PITI payment and residual income requirements met.

Stated Income

- 620 Minimum credit score up to 95% LTV with no trade-line requirements
- 640 Minimum credit score for 95.01-100% LTV with standard minimum required trade-lines
- Maximum DTI if residual income requirements are met is 55% for borrowers with housing payment history of up to 2x30 or 50% with greater than 2x30 or an unacceptable housing payment history. If residual income requirements are not met, maximum DTI is 45% for all housing payment history levels
- Seller Contributions up to 6% for LTVs ≤ 95%, or 3% for LTVs 95.01% to 100% (Non-Owner Occupied 2% max)
- Maximum loan amount \$1,000,000
- Bankruptcy and Foreclosure ≥ 1 year since discharge for bankruptcy and completion for foreclosure, and must have an acceptable housing payment history. If unable to document housing payment history, credit must be re-established and minimum trade-line requirements must be met

LOAN PRODUCTS

- **2/28 LIBOR ARM** (also referred to as a 2/6) – Fixed for 2 years, then a six-month LIBOR ARM
- **3/27 LIBOR ARM** (also referred to as a 3/6) – Fixed for 3 years, then a six-month LIBOR ARM
- **30 Year Fixed; 15 Year Fixed**
- **30/15 Balloon**

FEATURE REQUIREMENTS

- Purchase, rate/term, debt consol, and cash-out
- Min credit score of 580 for primary & 2nd homes
- Min credit score of 620 for N/O/O properties
- Max 95% LTV/CLTV
- Initial interest only period of five years
- Fix 30, 2/28 and 3/27 LIBOR ARMS
- Max DTI 50% (Interest Only Pymt + taxes and insurance) or 55% if qualified with full PITI
- Residual income requirements must be met
- Full Doc, 12 Month Personal Bank Statements, Lite Doc, and Stated Income
- SFR, Multi-Family 2-4, Low/High Rise Condos
- Deed Restricted, Rural, Non-Arms Length and leasehold eligible when the subject is a traditional, stick built, single family unit.

Interest Only Restrictions

- 30/15 Year Balloon and 15 Year Fixed
- Business Bank Statements
- 100% Program
- Temporary Buydowns
- Texas primary (homestead) cash-out transactions

100% LTV REQUIREMENTS

- Full Doc and Stated Income Program Only
- Minimum credit score of 600 for Full Doc
- Minimum credit score of 640 for Stated
- Owner occupied purchase, rate/term and debt consolidation LTVs from 95.01% - 100%
- Minimum trade-line requirements - Primary wage earner must have:
 - o A minimum of 2 years in-file with a credit bureau and 3 trade-lines open for at least 12 months and utilized at some time in the last 12 months OR
 - o 5 plus years in-file with a credit bureau and a minimum of 4 trade-lines open or active at any time during the last 5 years

100% LTV Restrictions

- Bank Statement Documentation
- 2nd homes and non-owner occupied properties
- Rural properties
- Subordinate financing
- 3-4 Units and High Rise Condos
- Cash-out transactions
- 30/15 Balloon

DOCUMENTATION TYPES

Full Documentation · For applicants with traditional employment/income documentation (salaried current pay stub and last calendar year's W-2; self-employed: YTD P&L with 2 years 1040s).

12 Months Bank Statements · 90% Max LTV.

Requires 12 consecutive months bank statements in lieu of traditional employment/income documentation.

- Personal Bank Statements – for salaried and selfemployed applicants.
 - Business Bank Statements – for business owners (100% Ownership). DBA accounts are acceptable.
- Minimum credit score of 560. Income is calculated on 75% of gross deposits. Maximum loan amount \$1,000,000. Owner occupied only.

Lite Documentation · 85% Max LTV. Personal Bank Statements – for salaried and self-employed applicants. Requires 6 consecutive months personal bank statements in lieu of traditional employment/income documentation.

Stated Income · for salaried and self-employed applicants. Source of income, income and assets are stated on the initial application. Verbal verification of employment is required (assets are verified and documented if VOA option is chosen). Allows passive income.

- Eligible with Full Doc and 12 Month Personal Bank Statements
- Maximum 50% DTI
- Residual income requirements must be met
- Cash-out proceeds may not exceed the maximum for credit score and occupancy
- 2 months PITI is verified and documented reserves are required
- 2 full appraisals required Interest Only Feature, max loan amount of \$1,500,000 and max DTI of 45%

GENERAL GUIDELINES

Asset Requirements ·

- All assets required to close must be listed on 1003, including name of bank against which funds will be drawn
- Stated income borrowers may elect a VOA option
 - o One month PITI in reserves are required if VOA option is elected

Bankruptcy ·

- **Chapter 7** is based on *discharged* or *dismissed* date:
 - o ≥ 1 year - no restrictions
 - o < 1 year - max 85% LTV/85% CLTV O/O
 - o < 1 year - max 70% LTV/70% CLTV N/O/O
 - o Stated Income: < 1 year since discharge not eligible for financing

- **Chapter 13** is based on *filing* date:
 - o ≥ 1 year - no restrictions (if paid as agreed)
 - o < 1 year - max 85% LTV/85% CLTV O/O (also applied if not paid as agreed in last 12 months)
 - o < 1 year - max 70% LTV/70% CLTV N/O/O (also applied if not paid as agreed in last 12 months)
 - o Stated Income: < 1 year since *discharge* not eligible for financing

Any open Chapter 13 may remain open if paid as agreed for last 12 months with purchase and rate/term transactions. If debt consolidation or cash-out, the bankruptcy must be paid at closing. Applies to Full Doc and Bank Statements only.

CCC · Purchase and Rate/Term finance transactions are allowed and do not require payoff of the CCC balance. CCC agreement must be completed and paid off at or through closing for all debt consolidation and cash-out transactions, additional restrictions apply.

Collections, Charge-offs, Liens, Deficiency Balances and Judgments ·

Not required to pay if:

- ≤ 12 months and does not exceed \$5,000 total
- ≤ 36 months and does not exceed \$15,000 total
- > 36 months any dollar amount

Medical collections do not need to be paid, however *any* debt affecting title must be paid.

Credit Reports · Must be ≤ 30 days old at submission and ≤ 90 days at doc draw.

Credit Repositories · Equifax, TransUnion and Experian. A single repository credit report is not acceptable.

Credit Scoring Requirements ·

- The middle score is used when a tri-merged repository credit report, or three credit reports, is provided.
- The lower credit score is used when a dual-merged repository credit report, or two reports, is provided.

Note: If a single score is provided, refer to Underwriting Standards for additional requirements. No applicant on the loan may have a credit score below 500 as determined above.

Debt Ratio ·

Full Doc and Bank Statements:

- 540+ credit score – max DTI 55% when residual is met
- <540 credit score – max DTI 50% when residual is met
- All eligible credit scores – max DTI 45% when residual is not met

Interest Only:

- Residual income required
- Max DTI 50% when qualifying with I/O payment
- Max DTI 55% if qualified with full PITI payment
- Max DTI 45% with loan > \$1,000,000

Stated Income:

- Max DTI 55%
 - o Housing history < 2x30
 - o Residual income required
- Max DTI 50%
 - o Housing history > 2x30
 - o Residual income required
- Max DTI 45% without residual income

Stated Income with Interest Only:

- Max DTI 50% when qualifying with I/O payment and > 2x30 housing payment history
- Max DTI 55% if qualified with full PITI payment and ≤ 2x30 housing payment history
- Residual income requirements must always be met

Foreclosure Action · Includes: NOD, Deed in Lieu, and mortgage payment \geq 120 days delinquent over last 12 months.

- \geq 1 year - no restrictions*
- $<$ 1 year - max 80% LTV/80% CLTV O/O
- $<$ 1 year - 70% LTV/70% CLTV N/O/O
- $<$ 1 year since completion not eligible for Stated Income

Foreclosure Seasoning Requirements · Seasoning is measured from month/year of settlement, release, redemption, completion or dismissal.

- $<$ 3 months ago, not eligible for financing
- $3 \geq$ 6 months allowed for Purchase, Rate/Term, and Debt Consol only, must have minimum 3 months timely payments and brought current with own funds
- $6 >$ 12 months allowed for all transactions, must have minimum 6 months timely payments

Gift Funds · Acceptable on all credit levels for primary and secondary residences only.

Gift of Equity · Allowed for Family Sales only, applies to Non-Arms Length transactions. Not allowed on Stated Income.

Minimum Down Payment from borrower's own funds (purchase transactions only)*

| <u>CreditScore</u> | <u>Doc Type</u> | <u>LTV</u> | <u>Down Payment</u> |
|--------------------|-----------------|-----------------|---------------------|
| \geq 560 | Full | LTVs \leq 80% | 0% |
| | | LTVs $>$ 80% | 5% |
| 500-559 | Full | LTVs \leq 70% | 0% |
| | | LTVs $>$ 70% | 10% |
| \geq 620 | Stated | LTVs \leq 80% | 0% |
| | | LTVs $>$ 80% | 5% |
| \geq 500 | Lite | All LTVs | 0% |

*If a non-occupant co-borrower is involved in a transaction involving a primary residence, the primary borrower must provide 5% of their own funds.

Loan Purposes ·

- **Purchase**
- **Rate/Term Refinance**
- **Debt Consolidation** ·
 - o Up to 100% LTV
 - o Proceeds paid on the borrower's behalf at closing *are not* considered in maximum cash-out limits.
 - o Cash in hand cannot exceed the lesser of \$2,000 or 2% of the loan amount.

• **Cash-out transaction** ·

- o Up to 95% LTV
- o Cash in hand subject to cash-out limits (see front of matrix).
- o Refinance transactions in Texas may be subject to restrictions.

Mortgage/Housing History · Mortgage/Housing History is based on the most recent verifiable 12 month mortgage/housing payment history.

When the subject property is:

• **Primary Residence:** Mortgage history based on history at current primary residence only*

• **Second Homes:**

o Purchase transaction: Mortgage history based on history at current primary residence only*

o Refinance or cash-out transaction: Mortgage history based on history at 2nd home only*

• **Non-owner occupied:** All transactions require housing payment history of all properties owned by the borrower (including primary, secondary homes and investment).

*Any and all foreclosure actions within the last 12 months on any property owned by the borrower are considered in all transactions.

Property Types · SFR (Includes modular); Condos: low-rise up to 4 stories, high-rise 5 or more stories; PUDs, 2-4 Units.

Qualifying Rate – Arm Loans · 2/28 and 3/27 ARM Programs qualify at start rate.

Residual Income Requirements · The borrower must meet requirements of \$500 for the 1st household member, \$300 for the 2nd household member and \$150 each additional household member. Non-taxable income is not grossed up when calculating residual income.

Rolling Lates · Mortgage rolling lates (6:1 ratio) are acceptable for 30 and 60 day lates only.

Seller (and other interested party) Contributions · May be applied to prepaids and non-recurring closing costs.

• **Full Doc:**

o LTVs up to 100% = 6%

o N/O/O = 2%

• **12 Month Bank Statements:**

o LTVs up to 90% = 6%

o N/O/O = 2%

• **Lite Doc (6 Month Bank Statements):**

o LTVs up to 85% = 6%

o N/O/O = 2%

• **Stated Income:**

o LTVs ≤ 95% = 6%

o LTVs > 95% = 3%

o N/O/O = 2%

Source of Funds · Source/Seasoning of funds is not required when the borrower's minimum own funds and funds to close are drawn from a bank listed on the 1003. Certified funds at close must be drawn from a bank listed on the 1003. Third Party funds require verification.

Product Menu

24hr U/W & 24hr Doc's

Alt-A / Alt-B

- > 100% LTV N/O/O Full Doc - 700 FICO
- > 100% CLTV O/O SISA - 620 FICO
- > 90% 1 Loan No MI - 560 FICO Full Doc
- > High LTV No Doc O/O & N/O/O
- > Alt-B - No Mtg. History - No Reserves
- > Combos to \$4,400,000

Option ARM

- > 97% LTV - 660 FICO - No MI Required
- > 95% LTV - 620 FICO - No MI Required
- > 1st/2nd Combos to 95% CLTV
- > Full Doc, No Ratio, SIVA, & SISA!
- > Loan Amounts to \$10,000,000!
- > 1.00% Start Rates / 110% Neg AM
- > No Seasoning Required for Cash Out Refi

Subprime

- > 100% Stated Income - NO MI - 620 FICO
- > 100% Full Doc - NO MI - 580 FICO
- > 90% LTV N/O/O - NO MI - 580 FICO
- > No Minimum Trade lines Required!
- > Stated Income 500 Min. FICO !
- > 55% Max. DTI!
- > 1 day out of BK!.
- > No Asset Req.!
- > Interest Only on All Doc Types!
- > 40/30 Balloon!



Hard \$

- > Min. Ln Amt \$250,000
- > **NO FICOs Required**
- > Unique Properties!
- > Stated/Stated OK!
- > 30 year Loans
- > 5 year Interest Only!
- > Foreclosure Bailouts OK!



Manufactured / Rural & Farm Loans

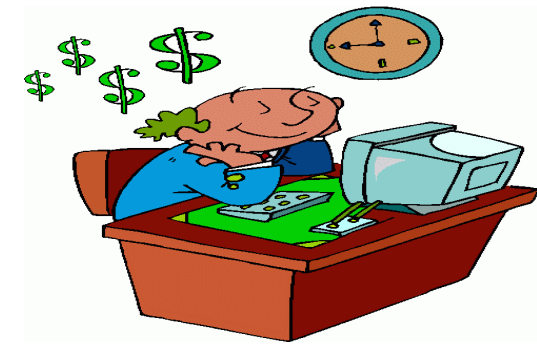
- > LTVs to 95%
- > **Manufactured Hm. OK!**
- > Unique Properties OK!
- > No Min. FICO (In most cases)
- > **Loans to \$3,000,000**
- > No Max. Acreage
- > Cash Out OK! (@ Reduced LTVs)

JTI Funding
HTTP://JTIFUNDING.NET

Or Call: 540-341-4180

Lending in: AZ, CA, CO, CT, DE, FL, GA, HI, IN, KY, MA, MD, ME, MI, MO, NC, NM, NV, NY, OR, SC, TX, UT, VA, Some Restrictions May Apply. If you wish to be removed from our fax broadcast please email us at info@jtifunding.net and request to be removed, or Call 540-341-4180

or fax your request to 815-572-0099. THIS ADVERTISEMENT IS INTENDED FOR MTG PROFESSIONALS ONLY. RATES & TERMS SUBJECT TO CHANGE WITHOUT NOTICE.



100% FINANCING

Stop Dreaming...WE HAVE IT!!!



100% N/O FULL DOC
700 FICO TO 500K



100% O/O SIVA & NO RATIO
680 FICO TO 750K



100% O/O FULL DOC
680 FICO TO 1 MILLION



95% O/O NO DOC
720 FICO TO 500K



100% O/O FULL DOC
660 FICO TO 650K



100% O/O FULL DOC
620 FICO TO 400K

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Phone: 540-341-4180

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SECONDS TO

\$1,000,000!!

"All This
Without Having
to Refinance!"



SISA & FULL DOC

\$ 650 FICO to \$1 MILLION!

\$ 100% CLTV SISA!

\$ 2.00% REBATE AVAILABLE!

\$ LIMITED APPRAISAL REQUIREMENTS

Call Today!

JTI FUNDING

Phone: 540-341-4180

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JUMBO S

Option ARMs

Loan Amounts to \$10,000,000

Alt-A Combos

Loan Amounts to \$4,400,000

Hard Money

NO FICOs

Min. Loan Amount. \$250,000

Alt-B / Subprime

Loan Amounts to \$1,000,000

40 yr Term Available & Int. Only!

**Interest Only
Full - No Doc**

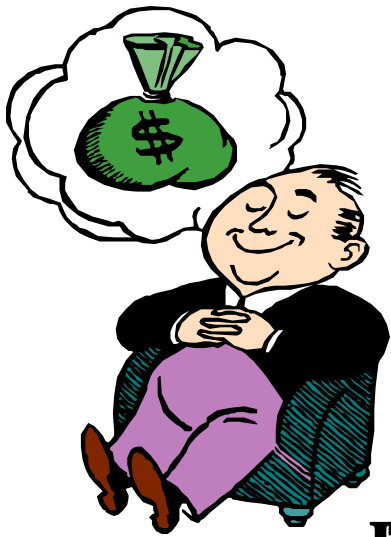
N/O/O Okay!

**No Doc
to
\$2,400,000**

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or Call 540-341-4180**

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JTI Funding's Manufactured Home Loans Up To 95% LTV

JTI Funding Has Got the Manufactured Home Loans for You!!!

- * No Min. FICO - Rural Home Loan Program - DO/DU u/w
- * 660 Minimum FICO - Farm Home Loan Program
- * Up to 95% LTV Purchase & Rate/Term Refi's - Full Doc Only
- * Up to 90% LTV on Cash-Out Stick Built Homes.
- * Max. 65% LTV on Cash-Out Manufactured Homes
- * Owner Occupied & 2nd Homes Only
- * No Max. Acreage with like Comps
- * Loan Amounts as high as \$3,000,000
- * No Commercial Farms
- * Unique Properties okay with like Comps, i.e.; Log Homes, Geodesic Dome Homes, etc.

JTI Funding
<http://jtifunding.net>

(540) 341-4180

Lending In: AZ, CA, CO, CT, DE, FL, GA, HI, IN, KY, MA, MD, ME, MI, MO, NC, NM, NV, NY, OR, SC, TX, UT,
VA, : Some Restrictions Apply
Intended for Mortgage Professionals Only

Rural Home Loan Program: Manuf. to 95% LTV OK!



- **Maximum LTV is 95% - Full Doc Only**
- **Manufactured & Stick Built Homes**
- **Owner Occupied & 2nd Homes Only!**
- **Must be 1976 or newer and taxed as Real Property.**
- **No Min. FICO Score—DO/DU u/w**
- **Max. 2500 population**
- **Rural Areas Only**
- **No Limit on Distance of Comps**
- **Max. Loan Amount \$417,000**
- **Cash Out to 90% LTV Stick Built Only**
- **Cash Out to 65% LTV Manufactured Homes**
- **Unique Properties Okay!**



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VA, : Some Restrictions Apply

Intended for Mortgage Professionals Only.

***Farm Home Loan
Program: Farms &
Large Acreage
Residential.
No Problem!!***



**No Max. on Acreage!
Common Sense Underwriting!**

\$ Manufactured & Stick Built Homes

\$ Up to 85% LTV - Full Doc Only.

\$ Farm-Land Okay! (No Commercial Farms)

\$ Unique Properties Okay

\$ Loan Amounts to \$3,000,000

\$ FICOs as low as 660

\$ Cash Out Refi's to 75% Stick Built Homes

\$ Cash Out Refis to 65% Manufactured Homes

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VA, : Some Restrictions Apply
Intended for Mortgage Professionals Only.

Same Day Underwriting Same Day Doc's

\$10 Million - Super Jumbos

100% N/O/O Stated - 680

100 % No Doc - 680

100 % SISA - 660

100 % 12 Mos. Bank Stmts - 580

Hard \$ No Fico - \$250,000 Minimum

JTI Funding
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or Call Toll Free Phone: 540-341-4180

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Rebates
To
2.00%

Subprime Specials

40yr Term Available

100% O/O Full Doc - 580 Fico

90% N/O/O Stated - No MI - 640 Fico

90% N/O/O Full Doc No MI - 580 Fico

100% O/O Stated - No MI - 620 Fico

\$1,000,000 Loan Amounts

NOD/F.C. to 70% LTV - Interest Only

1 Day out of BK OK!

Hard \$ - No FICO Req.

ALT - A/ALT - B

100% LTV Non-Owner Full Doc

1 Unit - No MI - 700 Fico

100% CLTV 620 O/O 1—Units

C/O Refi - SISA

100% CLTV No Doc - 680 Fico

1-2 Units O/O - 1st/2nd Combo

90% CLTV No Doc

1-2 Units N/O/O 680 Score - 1st/2nd Combo

•90% CLTV Non-Owner SISA

1 - 2 Units 660 Fico

Option Arms

LTVs to 97%

Rates as Low as 1.00% - No Seasoning

Loan Amounts to \$10 Million

JTI Funding

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| | | |
|------------|-----------------------|---------------------------------------|
| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
|------------|-----------------------|---------------------------------------|

| | |
|--------------------------------|---|
| DOCUMENT DESCRIPTION | This document is intended to provide a brief overview of JTI' Programs and Underwriting Guidelines. The Underwriting Section of JTI' Policy Manual should be consulted for a more detailed description of the Underwriting Guidelines. In all cases, the Guidelines are to be interpreted in a “make-sense” manner and final Underwriting decisions and interpretations are made by JTI' Underwriting Department. |
| CREDIT REPORTS | An original three bureau merged credit report is required for each borrower. The credit report may be no more than 60 days old at time of loan funding. JTI reserves the right to obtain an additional report upon submission. Credit reports must include credit scores (i.e. FICO, Beacon, Emperica) for each borrower. The maximum credit score is 850. Invalid, or “reject” credit scores generally begin with a “9” and should not be considered. A borrower with only one credit score is considered a C- grade. The primary borrower must have at least one credit score. Mortgage ratings on the credit report used to determine a credit grade must have a full 12-month history. This must include a 12 month reported string. If the string does not report in each month a number or only “x's” the underwriter must condition for a VOM or a printout from the lender to support the credit grade. |
| QUALIFYING CREDIT SCORE | If three credit scores are shown for a borrower, the middle score is to be considered the qualifying score. If two scores are shown, the lower score is used as the qualifying score. If more than one borrower is applying for the loan, the primary borrower's qualifying credit score will be used. The primary borrower is defined as any titled borrower with more than 50% of the qualifying income. Rental income or income not readily allocated to an individual borrower is not to be considered for the purpose of determining the primary borrower (but may be included when calculating the final debt ratio). If no titled borrower has more than 50% of the qualifying income, the lowest qualifying credit score of all borrowers is used. |

| CREDIT GRADE | | A+ | | A | | A- | | B | | C | | C- | |
|---------------------------|-----------------|------------|-------------------------------|------------|-------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|--------------------|--------------------|--------------|
| 12 Month Mortgage History | | 0x30 | | 1x30 | | 3x30 | | 1x60 | | 1x90 (no rolling) | | 1x120 (no rolling) | |
| BK / FC Seasoning | | 24 months | | 24 months | | 24 months | | 18 months | | 12 months | | Not currently | |
| Doc Type | Property | O/O | N/O/O | O/O | N/O/O | O/O | N/O/O | O/O | N/O/O | O/O | N/O/O | O/O | N/O/O |
| Full Doc Plus / Full Doc | SFR/Dup/Condo | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-80% 525-75% 500-70% | 550-80% 500-75% | 550-75% 500-70% | 500-70% | 500-65% |
| | 3-4 Units | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 525-75% 500-70% | 500-75% | 500-70% | 500-70% | 500-65% | 500-70% | 500-65% |
| Lite Doc | SFR/Dup/Condo | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-80% 525-75% 500-70% | 500-80% | 550-75% 500-70% | 500-80% | 550-75% 500-70% | 550-80% 500-75% | 550-70% 500-70% | 500-70% | 500-65% |
| | 3-4 Units | 500-80% | 525-75% 500-70% | 500-80% | 500-70% | 500-75% | 500-70% | 500-75% | 500-70% | 500-65% | 500-65% | 500-65% | 500-65% |
| Stated | SFR/Dup/Condo | 500-80% | 580-80% 525-75% 500-70% | 500-80% | 620-80% 550-75% 500-70% | 525-80% 500-75% | 525-70% 500-70% | 550-80% 500-75% | 550-70% 500-70% | 550-75% 500-70% | 550-70% 500-65% | N/A | N/A |
| | 3-4 Units | 500-80% | 500-70% | 500-75% | 500-70% | 500-70% | 500-65% | 500-70% | 500-65% | 500-65% | 500-65% | N/A | N/A |

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| <p style="text-align: center;">CONCURRENT 2ND TD'S</p> <p>(TO \$600,000 COMBINED IN: AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA)</p> <p>(TO \$500,000 COMBINED IN OTHER STATES)</p> | <p>These guidelines are used in addition to JTI Funding credit guidelines to determine the credit worthiness of customer.</p> <p><u>Full Doc 2nd's</u></p> <p>On purchase transactions and refinance loans, JTI will fund a concurrent 2nd mortgage with the following restrictions: Available on owner-occupied SFR's, Condos, PUD's, Townhomes and Duplexes. No 2nd homes. 3-4 family allowed on Full Doc, 640 Score, A+ only. Minimum qualifying credit score of 580 Minimum Tradelines Requirement – 24 months credit depth, with 2 trades; trades must be active and rated for 6 months or paid and rated for 24 months; 1 trade with minimum \$2,000 high credit. Minimum Tradelines Not Required – where the current residence mortgage is 0x30 for the prior 12 months and a 24-month credit depth, or if Full Doc Plus, 640 Score, A+. Mortgage or rental history – max 1x30 in last 12 months. Borrowers with no prior housing expense history are not eligible, unless they can document savings of a minimum 6 months PITI. No foreclosure – any property last 24 months. Chapter 7 – 2 years since discharge, see BK guidelines. Chapter 13 – 2 years since filing, discharge prior to application, see BK guidelines. First Time Homebuyers – When a borrower has no prior rental history (i.e. lived with family), not eligible for a concurrent 2nd mortgage unless the borrower can document a savings history of a minimum 6 months PITI. Maximum loan amount of \$120,000 on 2nd mortgage in AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA. Maximum 1st mortgage \$480,000. Maximum loan amount of \$100,000 on 2nd mortgage in other states. Maximum 1st mortgage \$400,000. Minimum property value \$75,000. Refer to JTI Doc Library for “State Minimum Loan Amounts”. Seller contributions limited to 6% of purchase price, not to exceed actual closing costs. Max ratio of 1st to 2nd lien 8:1. No other subordinate liens allowed. Maximum debt ratio is 50%. Cash out is limited to \$50,000 for the combined 1st and 2nd liens. LTV/CLTV combinations may include any combination that maintains the 8:1 ratio or less and a minimum 2nd loan amount of the state minimum or \$15,000, whichever is greater. Maximum 2nd is 30% of property value.</p> <p><u>Additional Requirements for Stated 2nds</u></p> <p>Minimum qualifying credit score of 620. <u>Minimum credit requirements for Stated Income Refinances:</u> 24 months credit depth, with 2 trades; trades must be active and rated for 6 months or paid and rated for 24 months; 1 trade with minimum \$2,000 high credit. Minimum tradelines not required on refinances where the current mortgage is 0x30 for the prior 12 months with 24-month credit history and 620 score. <u>Minimum credit requirements for Stated Income Purchase Loans:</u> 24 months credit depth, with 4 trades; 2 trades active, or paid & rated for 24 months; 1 trade with minimum \$3,000 high credit. Minimum tradelines not required on purchases where the current residence mortgage is 0x30 for the prior 12 months with a 24-month credit history with a 620 score. Purchase transactions require 2 months verified PITI reserves when the CLTV exceeds 95%. Mortgage or rental credit history – no “rolling” later allowed. Self-employed borrowers require proof of 2-years self-employment on the concurrent 2nds program.</p> | | | | | | | | | | | | | | |
| <p style="text-align: center;">JUMBO CONCURRENT 2ND TD'S</p> <p>(FROM \$600,001 TO \$1,000,000 COMBINED)</p> | <p>Jumbo Concurrent 2nds are available in AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA only. Max 1st TD's are \$800,000 and 80% LTV. Max 2nd TD's are \$200,000. 8:1 max ratio of 1st to 2nd TD. No additional subordinate financing is allowed. Cash out is limited to \$100,000 for combined 1st and 2nd liens.</p> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td colspan="2" style="text-align: center;">Combined Loan Balance</td> <td style="text-align: center;">\$750,000</td> <td style="text-align: center;">\$1,000,000</td> </tr> <tr> <td rowspan="3" style="text-align: center;">Minimum Credit Scores</td> <td style="text-align: center;">Full Doc</td> <td style="text-align: center;">600</td> <td style="text-align: center;">600</td> </tr> <tr> <td style="text-align: center;">Stated Wage Earner</td> <td style="text-align: center;">640</td> <td style="text-align: center;">660</td> </tr> <tr> <td style="text-align: center;">Stated Self Employed</td> <td style="text-align: center;">640</td> <td style="text-align: center;">640</td> </tr> </table> <p>Full doc loans to \$1,000,000 are available for purchase or refinance. Available on owner-occupied SFR's, Condos, PUD's, Townhomes and Duplexes only. All Concurrent 2nd TD guidelines from above apply to the Jumbo Concurrent 2nd TD program except for the credit score and loan amount guidelines specifically superceded here.</p> | Combined Loan Balance | | \$750,000 | \$1,000,000 | Minimum Credit Scores | Full Doc | 600 | 600 | Stated Wage Earner | 640 | 660 | Stated Self Employed | 640 | 640 |
| Combined Loan Balance | | \$750,000 | \$1,000,000 | | | | | | | | | | | | |
| Minimum Credit Scores | Full Doc | 600 | 600 | | | | | | | | | | | | |
| | Stated Wage Earner | 640 | 660 | | | | | | | | | | | | |
| | Stated Self Employed | 640 | 640 | | | | | | | | | | | | |
| <p style="text-align: center;">40/30 1STS</p> | <p>40/30 available on 2/28, 3/27, 5/25 ARMs and Fixed. Not available on Interest-Only or 2nd mortgages. <u>Credit Grade:</u> A+ (0x30), A (1x30), A- (3x30) and B (1x60) <u>Minimum Credit Score:</u> 500 <u>Doc Types:</u> Full Doc, Lite Doc and Stated. No fixed income borrowers. <u>Property Type:</u> SFR, Condo, PUD, Townhouse and 2 Unit – No rural, remote, unique properties. <u>Occupancy:</u> Owner-occupied and 2nd Home. 2nd Homes limited to 80%, all doc types. <u>States:</u> All states where JTI currently lends subject to any State requirements of 1st mortgage balloon payments – Purchases only in Maryland. 2/28 not available in New York if loan amount is \$250,000 or less. Not available in Idaho, Kentucky, West Virginia, Wyoming or on Texas Home Equity program. <u>LTV / CLTV Restrictions:</u> To 80% LTV and 100% CLTV.</p> | | | | | | | | | | | | | | |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| INTEREST-ONLY 1 ST LIEN ARMS | <p>Unless explicitly stated here, the I/O program will follow the JTI 500+ program guidelines. <u>Product Type:</u> Interest Only for 5 years tied to a 2/28, 3/27 or 5/25. I/O Periods for 2/28: Years 1 and 2 I/O at start rate; years 3, 4, and 5 I/O at floating rate (subject to existing 2% initial and 1% periodic rate caps). Full amortization for month 61 and forward based upon floating rules. I/O Periods for 3/27: Years 1, 2, and 3 I/O at start rate; years 4 and 5 I/O at floating rate (subject to existing 2% initial and 1% periodic rate caps). Full amortization for month 61 and forward based upon floating rules. I/O Periods for 5/25: Years 1, 2, 3, 4 and 5 I/O at start rate. Full amortization for month 61 and forward based upon floating rules (subject to existing 5% life and 1% periodic rate caps). <u>Credit Grades:</u> A+ (0x30), A (1x30) and A- (3x30). <u>Doc Type:</u> Full Doc and Stated, No Lite Doc, No Fixed Income borrowers. <u>Property Type:</u> SFR, Townhouse, Condo, PUD, 2 Unit – No rural, remote, unique properties, manufactured, no dirt roads. <u>Occupancy:</u> Owner Occupied and 2nd Home. 2nd Homes limited to 80%, all doc types. <u>Minimum Loan Size:</u> \$50,000. <u>Minimum Property Value:</u> \$80,000. <u>Maximum Loan Size:</u> Follows Super AIM, including Jumbo Program. <u>States:</u> All states where JTI currently lends subject to any State requirements of I/O program – not available in West Virginia or on Texas Home Equity program. <u>Cash Out:</u> Maximum of \$100,000. <u>CLTV Maximums & Restrictions:</u> No private party 2nds. Institutional 2nds are allowed to 95% CLTV. Aames concurrent funded 2nds are allowed to 100% CLTV. With secondary financing max LTV on Aapex 1st is 80%.</p> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width:30%;">Doc Type</th> <th style="width:20%;">Minimum Score</th> <th style="width:20%;">Maximum DTI</th> <th style="width:30%;">Calculation of DTI</th> </tr> </thead> <tbody> <tr> <td>Full Doc</td> <td style="text-align: center;">580</td> <td style="text-align: center;">50%</td> <td>Based on Initial Payment</td> </tr> <tr> <td>Stated Self Employed</td> <td style="text-align: center;">600</td> <td style="text-align: center;">50%</td> <td>Based on Initial Payment</td> </tr> <tr> <td>Stated Wage Earners</td> <td style="text-align: center;">640</td> <td style="text-align: center;">50%</td> <td>Based on Initial Payment</td> </tr> </tbody> </table> | Doc Type | Minimum Score | Maximum DTI | Calculation of DTI | Full Doc | 580 | 50% | Based on Initial Payment | Stated Self Employed | 600 | 50% | Based on Initial Payment | Stated Wage Earners | 640 | 50% | Based on Initial Payment |
|---|---|-------------|--------------------------|-------------|--------------------|----------|-----|-----|--------------------------|----------------------|-----|-----|--------------------------|----------------------------|------------|------------|--------------------------|
| Doc Type | Minimum Score | Maximum DTI | Calculation of DTI | | | | | | | | | | | | | | |
| Full Doc | 580 | 50% | Based on Initial Payment | | | | | | | | | | | | | | |
| Stated Self Employed | 600 | 50% | Based on Initial Payment | | | | | | | | | | | | | | |
| Stated Wage Earners | 640 | 50% | Based on Initial Payment | | | | | | | | | | | | | | |
| LOAN AMOUNTS | <p>1st Liens: Minimum Loan Amount: 500-549 score \$100,000; 550 and above score \$100,000. Specialty Products may vary. Refer to State and Channel specific rate sheets for states with loan amount minimums below \$50,000. Maximum Loan Amount in AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA: A+, A and A- loans to \$600,000; B loans to \$500,000; C loans to \$500,000 at 75% LTV, O/O, 550 Score; other C loans & C- loans to \$350,000. Maximum Loan Amount all other states: A+, A, A- & B: \$500,000; C & C-: \$350,000. Full Doc Jumbo Program: Loan amounts from \$500,001 to \$750,000 (or \$600,001 to \$1,000,000 in above states). A+, A and A- grades only with a minimum credit score of 580. O/O SFR's, Condos, PUD's, Townhomes, Duplexes only. Max debt ratio 50%. No "rolling" rates. <i>Sr. Management approval and Interior photos are required on all Full Doc Jumbo loans. Two appraisals required for a single loan of \$650,000 and above. One appraisal required and mandatory Internal Review for Combo of \$650,000 and above. Two appraisals required for Combo of \$800,000 and above.</i> Maximum Loan Amount most states: 80% to \$750,000 Maximum Loan Amount in AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA: 80% to \$1,000,000. Stated Jumbo Program: Maximum Loan Amount in AZ, CA, CO, CT, DE, FL, HI, IL, MA, MD, MN, NH, NJ, NV, NY, OR, PA, RI, TX, UT, VA & WA: Stated Wage Earner 80% to \$750,000, 640 score; 80% to \$1,000,000, 660 score Stated Self Employed 80% to \$1,000,000, 640 score Subordinate Non-Aames Financing: Minimum Loan amounts vary in accordance with state regulations in states where 2nds are offered. See State Minimum Loan Amounts for 2nd Trust Deeds. For Jumbos, subordinate financing must meet the tradeline, high credit and reserve requirements currently required on our jumbo combo program. Max. subordinate financing 30% to a maximum of 100% CLTV.</p> | | | | | | | | | | | | | | | | |
| LOAN TERMS | <p>1st Liens: Fixed Rates - 10, 15, 20, 25 or 30 year fully amortized; 40/30. Adjustable Rates - 30 year fully amortized or 40/30. 2nd Liens: Fixed only: 15/15, 20/20 or 30/15. In TN 15/15 term only. 30/15 not available in KY, MD, NJ, PA, TN, WV or WY. 30/30 2nds okay in the following states ONLY: KY, MD, NJ, PA, WV & WY.</p> | | | | | | | | | | | | | | | | |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| 1ST MORTGAGE CLTV CAPS | <p><u>Refinance Transactions O/O</u> Subordinate financing / liens up to 95% CLTV require no reduction in LTV on the JTI first mortgage. Subordinate financing / liens up to 100% CLTV on C and C- Credit Grades only require a 5% reduction in LTV on the JTI first mortgage.</p> <p><u>Purchase Transactions O/O</u> Private party secondary financing for CLTV's >95% up to 100% CLTV on C and C- Credit Grades only requires a 10% reduction in LTV on the JTI first mortgage. A private party is any individual (i.e.: seller, real estate broker, agent, appraiser etc.). Private party secondary financing not allowed within 12 months of a discharged bankruptcy, when using the expanded bankruptcy guidelines. Institutional secondary financing up to 100% CLTV requires no reduction in LTV on the JTI first mortgage. An institutional lender is a bank, savings and loan, finance company or other business, which make loans to the public in the ordinary course of business.</p> <p><u>N/O/O</u> Subordinate financing / liens up to 95% CLTV require no reduction in LTV on the JTI first mortgage. Subordinate financing / liens up to 100% CLTV require a 10% reduction in LTV on the JTI first mortgage.</p> |
| MORTGAGE VERIFICATION | <p>The mortgage rating is based on the mortgage(s) on the subject property or Primary residence. The mortgage (on the subject property or Primary residence) with the worst payment history is used in the rating. Mortgages on other properties owned by the borrower are considered consumer credit and assumed to be reflected in the credit score. However, if an applicant owns multiple properties and we are lending on a non-owner property and another non-owner property is seriously delinquent (90 days or greater), use the worst mortgage rating. If the subject property or Primary residence was paid off anytime during the last twelve months then a full twelve-month history is required. A partial rent and mortgage history may be combined for a 12-month mortgage history. If the borrower has no primary mortgage (i.e. rents) but has a current serious delinquency on any other mortgage, the highest grade allowed is "B". If the subject property or the borrower's primary housing has no current lien, and no rating could have been obtained, the maximum LTV is 70% unless Sr. Management approval is obtained. If the borrower has not owned mortgaged property, a 12-month rental rating is required. If a mortgage or rental rating could have been obtained and was not, the Overall Loan Grade is "C-". On a purchase where the borrower has no prior rental history (i.e. lived with family), the maximum LTV is 80%. The risk grade is based on the consumer credit for the last 12 months. 0x30 on all trades is an A+. 30's on any trade is an A-. 60's on any trade is a B. 90's on any trade is a C. This is only applicable for LTVs up to 80%. For combo loans see Concurrent 2nd TD's on page 2.</p> <p><u>Requirements for Mortgage or Rental Rating:</u> Written Verification of Mortgage (VOM), Verification of Rent (VOR) or letter from mortgage holder or servicer stating current balance, paid to date and 12 month payment history, or 12 mo. payment history taken from credit report if reported month-by-month, or 12 month canceled checks (copies of both sides). Canceled checks are required on private mortgage ratings when the servicer is the beneficiary. VOR's are not acceptable if completed by the seller in a purchase transaction or if from a family member.</p> |
| DEMANDS | <p>For refinance loans, a demand is required on the subject lien(s). If the demand shows the loan is delinquent, all intervening mortgage payments between the demand and the last date rated on the mortgage rating must be verified, and these intervening delinquencies must be added into the mortgage rating. There may be no more than 1 unverified payment between the last paid date on the mortgage rating and the last payment credited on the demand (as stated on the demand or determined by the amount of interest owing) at the time of funding.</p> |
| CHARGE-OFF, COLLECTIONS, JUDGMENTS, TAX LIENS | <p><u>Payoff Requirements:</u> Payoff is required on A+ and A Credit Grades on balances over \$1,000 individually or \$2,500 in aggregate and under 12 months old. Payoff is not required on A- and lower Grade purchases or rate & term refinances. Payoff is required on A- and lower Grade cash out refinances where the aggregate balance of collections and charge-offs under 12 months old exceeds \$5,000. At the Underwriter's discretion, medical accounts or disputed accounts may remain unpaid. Proof of the credit dispute must be supplied.</p> <p>Judgments, child support or tax liens that are reflected on title (refinance loans) must be paid through closing. Underwriter's discretion is required regarding the pay-off of recent or large non-title judgments over \$1000. If the applicant is not paying off a non-title judgment, the Underwriter is to use 1% of the balance as a monthly payment in the event the judgment or lien is enforced through a wage garnishment.</p> |
| FC SEASONING | <p>Foreclosure seasoning is required when a delinquent mortgage results in a Foreclosure Sale, Trustee's Sale, Sheriff's Sale, Deed in Lieu, Charge-Off, etc. and is counted from the date the property is sold or transferred back to the lienholder. NOD's, Lis Pendens', etc. that do not result in the sale of the property or are otherwise resolved through refinancing or 3rd party sale of the property are not considered foreclosure events. Only the actual mortgage delinquency is considered (see Mortgage Verification). For owner-occupied loan requests, only foreclosure events on the borrower's former residence (within the seasoning period is considered in grading the loan. For non owner-occupied loan requests, <i>all</i> foreclosure events within the seasoning period are considered in grading the loan.</p> |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| BK SEASONING | <p>1. BK Guidelines: Chapter 7 BK seasoning is counted from discharge date. On A+, A and A- grades, a Chapter 13 or 11 may be counted from the filing date if discharged prior to application and with a rating from the Trustee showing maximum lates not to exceed maximum mortgage lates for the Credit Grade. On B, C and C- grades, a Chapter 13 or 11 may be counted from the filing date if discharged prior to or concurrent with closing and with a rating from the Trustee showing maximum lates not to exceed maximum mortgage lates for the Credit Grade. For all grades re-established or re-affirmed credit is required after a discharged Chapter 7. Three tradelines rated for 6 months with no account worse than a 90 day within the last 12 months. Re-established or re-affirmed credit is not required on a Chapter 13.</p> <p>2. Expanded BK Guidelines: The expanded BK guidelines can be used when an applicant does not have the required BK seasoning for discharged BK's or re-established/re-affirmed tradelines.</p> <p style="margin-left: 20px;">(A) Less than or equal to 80% LTV - BK discharged prior to application. <u>Purchase/Refinance</u> - The mortgage or rating for the prior 12 months will be the final risk grade not to exceed A-. When using a VOR, the down payment must be sourced, no gift funds or seller financing allowed.</p> <p style="margin-left: 20px;">(B) CLTV's greater than 80% (JTI concurrent 2nd) - 24 months since discharged BK. <u>Refinance</u> - The mortgage rating for the prior 12 months 0x30. Minimum credit score for Full Doc is 580 for Lite Doc and Stated minimum credit score is 620. For Stated loans 2 months reserves are required. <u>Purchase</u> - 24 months since discharged BK. The VOR rating or current residence mortgage for the prior 12 months 0x30. The minimum credit score for Full Doc when using a VOR is 600 with a prior mortgage 580, and requires 2 months reserves. The minimum credit score for Lite Doc and Stated is 620 and requires 3 months reserves.</p> <p style="margin-left: 20px;">(C) Chapter 13/11 -24 months minimum since filing date and discharged prior to application, the tradelines involved in the BK would be considered re-established credit. A copy of the plan and pay history must be provided. The pay history to the BK trustee must be as agreed. The mortgage history, whether included in the BK or not must be 0x30. The high credit tradeline required on the combo loans (80/20, 8/15, 80/10) of \$2,000 or \$3,000 may be met with a tradeline prior to the BK that was not charged off in the BK as long as it was never worse than 90 days delinquent.</p> <p>3. Default Grade: If neither the BK guidelines nor the expanded BK guidelines can be achieved the maximum final risk grade is a C. 36 months since a discharged BK, underwrite to normal guidelines.</p> |
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**CALCULATING
THE LTV,
MINIMUM VESTING AND
“CHAIN OF TITLE”
REQUIREMENTS**

Refinance transactions:
The subject property must have been owned for a minimum of 6 months to use the appraised value to calculate the loan to value ratio. Property that is owned for less than 6 months will dictate using the lesser of the purchase price or the appraised value to calculate the loan to value ratio. An exception may be granted if extensive improvements have been made with receipts and proof of payment, or a market increase in value has occurred. Any increase in value > 5% within the last 6 months with or without hard cost improvements represents a high level of risk. In these cases an internal review by an JTI review appraiser is required. The review appraiser must document the market value of the property and give a hard value, no variance to the value. These reviews must be further reviewed and signed off by a level 4 underwriter and above. At the period of 6 to 12 months of ownership, the appraised value may be used with the following restriction: (A) 10% value increase maximum without hard cost documented improvements. (B) Greater than 10% requires an internal JTI Appraisal department review with a 0% variance. If a variance, the appraisal reviewer will give a firm value. (C) Greater than 25% requires same as “B” above and a review and approval by chief Appraiser or designee. In all cases, the underwriter must determine if the value increase is reasonable and whether or not the property may be being prepared for resale. Aames does not offer financing on properties intended for resale.

Purchase Transactions:
On a purchase transaction the Loan-to-Value (LTV) Ratio is calculated by dividing the loan amount by the lower of the property’s sale price or appraised value. On all purchase transactions, a 24-month “chain of title” must be obtained from the Title Co. to identify all title transfers in the last 24 months. The underwriter must review this information to determine that the property has not been involved in any “flipping” schemes or other suspicious transfers with the intent of artificially inflating the property’s value. A minimum 6-month ownership by the seller is required. If the subject property has transferred title in the 6 months preceding the current purchase transaction resulting in an increase in value of more than 10%, the appraiser must adequately identify and support improvements and reasons for the increase in value. Exceptions to the 6-month seasoning requirement must be approved by a Sr. Underwriter.

Construction Take-Out
This loan assumes the entire balance of the construction costs for a new home as a first mortgage loan. This loan will be treated as a refinance transaction. The loan to value will be calculated using the lower of the land value, plus verified cost of construction, plus 10%, or the appraised value, whichever is less.

Lease Option
A lease option transaction (leasing a residence with the option to purchase, with the amount of lease payment in excess of fair market rents going towards the purchase price) is treated as a purchase transaction. If the option agreement is 12 months old or greater at the time of application, the loan to value is calculated from the appraised value. A minimum of 12 months canceled checks are required as proof that the option agreement has been in existence for a minimum of 12 months. If the option agreement is less than 12 months old at the time of application, the loan to value is calculated using the lesser of the appraised value or the purchase price contained in the option agreement. The total down payment must equal any cash down payment plus the portion of rent paid above market rent for the subject's area. The maximum loan amount is the balance due the seller plus closing costs OR the original contract amount, whichever is less. Apex does not allow cash out.

Land Contracts (Recorded)
Recorded land contracts are treated as refinance transactions, and normal refinance seasoning requirements apply. If individual person holds recorded land contract, borrower must provide copies of last twelve (12) months land contract canceled payment checks.

Land Contracts (Unrecorded)
If the land contract has not been recorded, the borrower must prove twelve (12) months seasoning with: a copy of the land contract dated more than twelve (12) months prior to submission, proof of the initial down payment (if any) and twelve (12) months canceled payment checks. If the seasoning requirements are met the transaction may be completed under standard refinance guidelines. If the borrower cannot provide the seasoning requirements, the loan will be treated as a land contract with less than 12 months seasoning (see below).

Less Than 12 Months Seasoning:
If the property was purchased within the last 12 months and not recorded, the Underwriter must condition for: a copy of the land contract, proof of the initial down payment (if any) and all canceled checks to date. The loan is considered a purchase transaction and the loan to value is calculated using the lesser of the appraised value or the purchase price contained in the land contract with no cash out allowed.
JTI will consider a transaction in which the above vesting requirements are not met if the borrower has incurred “HARD COSTS” for rehabilitation, renovation, or energy improvements. In this case, the Loan-to-Value (LTV) Ratio may be calculated by dividing the loan amount by the purchase price plus documented improvements. The appraiser must comment on the hard costs and establish the value of the improvements.

Documenting Improvements: In any of the above cases where receipts for work or materials are provided to support an increase in value, the receipts must be identifiable to the subject property. Aames will not accept receipts for general supplies and materials (i.e. Hardware Store receipts).

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| CASH OUT RESTRICTIONS | <ul style="list-style-type: none"> \$150,000 maximum cash-out for A+, A, A-, B, and C (Owner, 2nd home, and Non Owner) not including items paid through escrow. Cash out is limited to 5% of the loan amount for C- borrowers. Cash back is defined as more than 2% of the loan amount or \$2,000, whichever is lower, excluding items such as consumer debt paid through closing. Repayment of loans not of record or not reported to credit bureaus is considered cash out. |
| TOTAL DEBT RATIO | <p>For LTV's up to and including 80% on full and lite doc loans, the maximum DTI ratio is 55%, subject to the residual income requirements below.</p> <p>On all Stated Income loans, the maximum DTI ratio is 50%.</p> |
| DEBT RATIO CALCULATION | <p>Fixed rate loans and ARM loans with a first rate adjustment longer than 23 months, are underwritten at the note rate. ARM loans with 6 month or annual rate adjustments are underwritten at the first change rate or the fully indexed rate, whichever is lower (never lower than the start rate). Revolving accounts with balances of \$99 or less may be excluded from the debt ratio. Revolving accounts with outstanding balances of \$100 to \$1500 should be calculated at three percent (3%) of the outstanding balance with a minimum payment of \$10.00. Revolving accounts in excess of \$1500 should be calculated at two percent (2%) of the outstanding balance. Installment debts with less than 10 payments remaining are not counted. Monthly auto lease payments (regardless of the purchase or return options) must be included in the applicant's debt-to-income ratio regardless of the amount of payments remaining. A business debt or account paid by another may be deducted from the borrower's total debts if copies of canceled checks are provided for the last three months showing that the business or other person pays the debt in question. If the applicant is not paying off a non-title judgment, child support or tax lien, and no payment plan exists, the Underwriter is to use 1% of the balance as a monthly payment in the event the judgment or lien is enforced through a wage garnishment.</p> |
| RESIDUAL INCOME | <p>All loans require a minimum residual income of \$750 per month per household. Residual income is calculated by subtracting the borrower's total monthly debt from the qualifying income (per the loan analysis worksheet). If all or part of the qualifying income was "grossed-up", the actual amount received should be used for the residual income calculation instead. Income from non-occupying co-borrowers may not be included in residual income calculations.</p> |
| BORROWERS CO-BORROWERS | <p>All borrowers must be individuals. Corporations, partnerships, trusts, estates, guardianships, conservatorships, etc. are not allowed. All borrowers must have legal residency in the United States. Foreign Nationals and Non-permanent Resident Aliens are not allowed.</p> <p>Co-borrowers (excluding a spouse) will be allowed provided that all borrowers are on title and vested for a minimum of six months <u>and</u> occupy the property.</p> <p>A spouse who is a co-borrower is not required to be on title or occupy the subject property. The spouse who is not on title must sign all loan documents with the exception of the security instrument. In community property states, the spouse must sign the security instrument or other document releasing their interest in the subject property as required by the title insurance company.</p> |
| MULTIPLE LOANS TO ONE BORROWER | <p>The maximum number of loans to one borrower is four. The maximum aggregate loan limit is \$1,000,000. Cash out limitations apply to the borrower, not the individual property. Borrowers requesting multiple loans or borrowers who have recently acquired multiple properties should demonstrate a satisfactory history of prior property management experience, either through tax returns or two years of established mortgage histories from rental properties reflected on the credit report. Investors who own more than 10 properties are allowed with A+ and A mortgage histories only, a minimum 620 Credit Score and are limited to Stated LTV's. JTI will not finance more than one owner occupied loan to any borrower or co-borrower within 6 months of the close of the first loan. Aames will not finance a combo loan to any borrower or co-borrower within 6 months of the closing of a combo loan with another lender. Exceptions to this policy may be granted at Center Manager level or above.</p> |
| BENEFIT TO BORROWER | <p>In all cases, the loan must provide some tangible benefit to the borrower. A satisfactory explanation for the purpose of the loan may be requested if the benefit to the loan is not evident.</p> |
| SECTION 32 LOANS | <p>Section 32 loans not allowed.</p> |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY | | |
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| PROGRAM | FULL DOC PLUS | FULLDOC | LITE DOC | STATED DOC |
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| INCOME VERIFICATION Salaried | <ul style="list-style-type: none"> • Last 2 year’s W-2s and 1 recent YTD paycheck stub, <li style="text-align: center;">or • Last 2 year’s 1040s & 1 recent YTD paycheck stub, • Phone verification of employment (and income if possible) with employer. | <ul style="list-style-type: none"> • Last year’s W-2 and 1 recent YTD paycheck stub, <li style="text-align: center;">or • Last year’s 1040 & 1 recent YTD paycheck stub, <li style="text-align: center;">or • Twelve (12) months Personal bank statements (use avg. deposits) <li style="text-align: center;">or • Twelve (12) months Multiple Account Holder Personal bank statements (use avg. deposits x ownership %) <li style="text-align: center;">or • Phone verification of employment (and income if possible) with employer. Note: Bank statements should be current & consecutive and be averaged over the full 12 months | <ul style="list-style-type: none"> • Last year’s 1099(s) (use 70%) plus year to date bank statements • Phone verification of employment with employer. Note: Bank statements should be current & consecutive and be averaged over the time period. <i>See detailed JTI Underwriting Guidelines for definitions on Bank Statements.</i> | 1003 stated income only and phone verification of employment with employer. |
| PROGRAM | FULL DOC PLUS | FULL DOC | LITE DOC | STATED DOC |
| Self Employed | <ul style="list-style-type: none"> • Two years 1040’s all schedules, and current P&L if loan application is dated more than 120 days after the end of the business’s fiscal year. • Phone verification of employment and income with borrower. | <ul style="list-style-type: none"> • Two years 1040’s all schedules, and current P&L if loan application is dated more than 120 days after the end of the business’s fiscal year <li style="text-align: center;">or • Twelve (12) months Personal bank statements (use avg. deposits) <li style="text-align: center;">or • Twenty-four (24) months Co-mingled bank statements (use 75% of avg. deposits) <li style="text-align: center;">or • Twelve months business bank statements (use 75% of avg. ending balance) • Phone verification of employment and income with borrower. Note: Bank statements should be current & consecutive and be averaged over the full 12 months | <ul style="list-style-type: none"> • Twelve (12) months Co-mingled bank statements (use 50% of avg. deposits) • Twelve (12) months Business bank statements (use 50% of avg. deposits) • Twelve (12) months Corporate or Partnership bank statements (use 50% avg. deposits x ownership %) • Twelve (12) months Multiple Account Holder Business bank statements (use 50% avg. deposits x ownership %) • Last year’s 1099(s) (use 70%) plus year to date bank statements • Phone verification of employment and income with borrower. Note: Bank statements should be current & consecutive and be averaged over the full 12 months. <i>See detailed JTI Underwriting Guidelines for definitions on Bank Statements.</i> | 1003 stated income only and attempted phone verification of employment and income with borrower. |
| Retired | Award Letter and copy of check or bank statement showing direct deposit if income is from Pension, SSI, etc. Any borrower who has reached retirement age (65) must document any Social Security, Pension or other form of fixed income being received or provide a satisfactory explanation for the lack of such income. | | | |
| Length of Employment | Full Doc Plus and Full Doc requires 2 years employment in same profession and 2 years in same business if self-employed. Lite Doc requires 2 years employment in same profession. Stated income requires 2 years self-employment or 2 years same line of work and must be reasonable for the profession and experience. | | | |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| INVESTMENT PROPERTY / RENTAL INCOME | <p>Net rental income from investment properties is: 75% of gross rents minus Principle, Interest, Taxes and Insurance (PITI) for all loan grades and LTV's (90% of gross rents may be used on owner-occupied duplexes). Rental agreements are required on Full Doc loans to verify rental income. If income does not pass the "reasonableness test" as determined by the underwriter, 2 years 1040's or 3 months bank statements may be required to verify rental income (refer to complete JTI Underwriting Guidelines).</p> <p>Basement rents are acceptable in markets with demonstrated acceptance if they are in areas where the practice is common and customary, such as New York and other surrounding Eastern states. Additional restrictions for use:</p> <ol style="list-style-type: none"> 1) A+ through C grades - Owner-Occupied and Full Doc Only (documentation exceptions must be approved by Senior Management) 2) Additional Basement/Unit GROSS rent alone cannot represent more than 50% of the qualifying income and must be reasonable. 3) Mother in law apts., Garage conversions, Illegal additions and Guest units are NOT eligible. 4) Sr. Underwriter sign off required. |
| EVIDENCE OF SELF-EMPLOYMENT | <p>Full Documentation Loans require documentation verifying a two-year history of self-employment. "Lite Documentation" or "Stated Documentation" loans require a 2-year history in the same line of work. All full doc self-employed borrowers must have one of the following from the list of acceptable items for proof of self-employment: Business License dating back two years; Two years proof of advertisement in Yellow Pages directory -or current directory stating "in Business..." or "Serving You Since..."; Signed Document from CPA (on letterhead with a listed phone number); dated copy of Insurance for Self-Employed; copy of Fictitious Business Filing; DBA Publication; or Articles of Incorporation. The full 2-year history of self-employment is not required for Lite Doc and Stated Doc borrowers but all self-employed borrowers must prove existence of the business and show a history of 2 years employment in the same profession on the loan application.</p> |
| ASSET VERIFICATION | <p>A copy of the Cashiers Check, Money Order, Wire Transfer Confirmation or similar instrument from a financial institution must be provided for all funds brought to closing and shown on the HUD-1 Settlement Statement.</p> <p>Asset verification is not required for cash out refinances.</p> <p>Asset verification and proof of transfer is required on all funds paid outside of escrow or closing agent.</p> <p>Assets and the source of the assets must be disclosed on the loan application.</p> <p>Cash-on-Hand is not an acceptable source of funds.</p> <p>Source and proof of transfer of all Gift Funds is required. Donor must be an immediate family member. 100% gift funds OK to 80% CLTV.</p> <p>A "gift of equity" may be acceptable to a maximum LTV of 80%. Refer to complete Underwriting Guidelines.</p> |
| APPRAISAL/ COLLATERAL | <p>Each property must contain minimum bathroom facilities (sink, toilet, and bathtub or shower) completed kitchen, permanent heating, and a separate bedroom. Property consisting of a combined living room and bedroom (i.e. studio) will be considered in areas with demonstrated market acceptance (similar comps in and out of the project) if they have a minimum of 400 square feet of living area. Additional square footage requirements as follows: 700 square feet for SFR; 600 square feet for Condo; 600 square feet per unit for 2-4 Units.</p> <p>Properties that are below 600 square feet generally are not acceptable. Such properties must be typical for the area as evidenced by comparable properties in the immediate area, and the loan-to-value should be adjusted 5% lower than the Maximum Loan-to-value for program. (Note: Permanent heating is not required in warm weather areas. The lack of permanent heating must be customary for the area and not negatively effect the marketability of the subject property. Examples of warm weather areas are Hawaii and Florida).</p> |
| MANUFACTURED HOUSING | <p>Effective June 1st JTI now lends on Manufactured Homes. If an appraiser indicates in "Description of Improvements" section on Fannie Mae form 1004 the subject is a Manufactured Home it will be allowed. Apex continues to lend on Modular or Prefabricated Homes. These homes should be coded and treated as Single Family Residences.</p> |
| REBUILD LETTERS | <p>A rebuild letter is not generally required on a legal non-conforming property.</p> |
| ACCEPTABLE PROPERTY TYPES | <p>Attached and Detached, single family residences.</p> <p>Condominiums, Townhouses, Planned Unit Developments.</p> <p>Two - four family residences.</p> <p>Up to four detached single family residences on one lot.</p> <p>Owner Occupied, Second (Vacation) homes, and Non-Owner Occupied.</p> |
| CASE-BY-CASE PROPERTIES | <p>The following properties will be considered on a case-by-case basis if supported with complete documentation (i.e. comparable sales, rebuild letter, no negative influence on marketability).</p> <ul style="list-style-type: none"> • Agricultural Zoning • Condo projects <10 units • High-rise Condominiums - more than 4 floors • Properties outside reasonable commuting distance of employment centers • Properties zoned industrial or manufacturing • Rural properties (Must reduce LTV 5% to a maximum of 80% - all programs. See Rural properties section for specific information). • Unique property types (A frames, log homes, etc.) • Properties rated in "Average-" condition acceptable if condition due to minor cosmetic issues only |

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| UNACCEPTABLE PROPERTY TYPES | <ul style="list-style-type: none"> • Alcohol or drug recovery homes • “Bed and Breakfasts” • Boarding or rooming houses • Care or Group homes • Churches • Commercial or industrial properties • Condotels • Co-ops • Declining value • Earth homes • Excessive economic or functional obsolescence • Five or more residential units • Geodesic domes/Pyramids • Properties in “Fair” or “Poor” condition • Lava zone 1 or 2 (Hawaii only) • Leasehold estates that do not meet JTI’s guidelines (including all leaseholds on Indian land). • Mudsill foundation • Mixed use (residential / commercial / business) that is not predominantly residential • No public utilities available to site • Non-Owner Occupied Row houses in Maryland (except in condominium or townhome projects). • Non-permitted improvements, where permits are required. • Over 12 month marketing time • Improvements constructed of unconventional building materials or unique architecture (e.g. berm homes) • Manufactured Homes • Properties located on or near hazardous waste sites • Rest Homes • Row homes valued less than \$150,000 • Timeshares • Unimproved (raw) land • Uninsurable Properties • Vacant properties (unless a purchase) • Working farms |
| VACATION AND SECOND HOMES | <p>Second Homes and Vacation Homes are considered owner occupied. Vacation and Second Homes must be a SFR, PUD or CONDO. No 2-4 units allowed as second home.</p> |
| PROPERTY ZONED COMMERCIAL | <p>Property zoned commercial is acceptable provided: 1. The improvements are a 1-4 family residence, 2. The improvements are Legal or Legal non-conforming, 3. The current use is residential, 4. The highest and best use is residential, and 5. The surrounding properties are predominantly residential.</p> |

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| JTI | “500+” PROGRAM | UNDERWRITING GUIDELINE SUMMARY |
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| LEASEHOLD ESTATE | <p>JTI will fund mortgages that are secured by leasehold estates in areas in which leaseholds have received market acceptance. The mortgage must cover the property improvements and the mortgagor's leasehold interest in the land. The leasehold estate and the Improvement must constitute real property, be subject to the mortgage lien and be insured by the lender's title policy.</p> <ul style="list-style-type: none"> • The term of the leasehold should extend five years beyond the maturity date of the mortgage. (does not apply to conversion to fee simple). • The leasehold must be assignable or transferable. • The lease can not contain any default provisions allowing for forfeiture or termination, except for nonpayment of lease rents. • The lease must guarantee the right of the mortgagee to receive notice of any default by the borrower and to cure the default. • The lease must also include provisions to protect the mortgagee's interests in the event of property condemnation. • The lease and any sublease must be recorded in the appropriate public land records. • For sublease hold mortgages, the sublease payments are at least equal to the amount of the lease payments. The sublease payments are not due less frequently than the lease payments. • An increase in lease or sublease payments during the term of the mortgage and within five years after the maturity date of the mortgage is permitted only if the increase is an identified amount at a specified time period. Increases must be subject to maximum limitations and must be reasonable. <p>The underwriter must establish:</p> <ul style="list-style-type: none"> • The lease is valid, in good standing and conforms to all of JTI' requirements for leasehold estates. • All rents and other payments that have become due are current. |
| SELLER RESTRICTIONS | <p>No purchase transactions where the seller is a private corporation. Exceptions may be made for nationally known Financial Institutions or Government Agencies (HUD, VA etc.) who acquired the property through foreclosure or similar proceedings.</p> |
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