



**HOMEXPRESS**  
MORTGAGE CORP

**SPEED | EASE | CONVENIENCE**

# COREX

NON-QM  
CONSUMER PURPOSE

LOAN  
PROGRAM  
DESCRIPTIONS



## Loan Program Descriptions

### CoreX

<b>General</b>	
Transaction types	Purchase (maximum 90%) Rate/Term (maximum 85% LTV) Cash-Out (maximum 80% LTV)
Occupancy	Owner-Occupied 2 <sup>nd</sup> Home (maximum LTV 85% on purchase transactions, 80% rate and term refinances and 75% on cash out refinances) <ul style="list-style-type: none"> <li>• Ineligible for financing if listed for sale in the last 6 months</li> </ul> Non-owner Occupied (maximum 80% LTV on purchase and 75% on refinances) <ul style="list-style-type: none"> <li>• Non-owner occupied defined as a property that is not for the sole purpose of investing in real estate or where the majority of the proceeds from a cash out refi are for personal and not business use.</li> <li>• Ineligible for financing if listed for sale in the last 6 months</li> </ul>
Minimum Loan Amount	\$100,000 Condotel - \$150,000
Products Available	30 year fixed, 5/1 ARM, 40-year fixed IO, 5/1 ARM IO,  Interest-Only is limited to max 85% LTV.
Maximum Loan Amount	\$3,000,000 Non-Owner Occupied - \$2,000,000 Condotel - \$1,500,000
Maximum Cash Out	LTV ≤ 65%, unlimited LTV > 65%, \$500,000
Minimum Equity Requirement	\$40,000 (Defined as Home Value less loan amount)
Subordinate Financing	Maximum CLTV is 90% for Purchase transactions. The maximum CLTV for all other loans is 85%. Subordinate IRS tax liens may go to 90% CLTV on all loans.
First Time Homebuyer	Allowed with the following restrictions: <ul style="list-style-type: none"> <li>• Gift funds are allowed with 5% of borrower’s own funds.</li> </ul>

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Non-Arm's Length Transaction	<p>Non-Arm's length transactions are allowed subject to management review and must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Evidence the underlying (seller's) mortgage is not currently delinquent or in default</li> <li>• No builder/employee relationships</li> </ul>
Eligible Borrowers	<p>US Citizens Permanent Resident Aliens NPRA (maximum 80% LTV, maximum \$2M loan amount, see NPRA section below for additional requirements)</p>
Taxes/Insurance Impounds	<p>Required for all loans where allowed by law.</p>
Financed Discount Points and/or Broker Origination Fees	<p>HomeXpress will finance up to two (2) percent of the base loan amount that may be used to pay discount points, broker origination fees, and/or buyer's realtor fees. These funds used will be reflected in the LTV, however pricing of the loan will be based on the base LTV. Further, this increase is allowed on all loans up to 80% LTV and although the LTV is beyond the "base" LTV, it will not be viewed as an exception to the loan program.</p> <p>Example: A loan of \$400,000 is being made at 70% LTV. The borrower wishes to finance two (2) percent of the loan amount to pay for discount points and/or broker origination fees. This will increase the loan amount to \$408,000. Although the LTV of this loan is now 71.4%, the pricing of the loan will be based on 70% LTV. Further, if the program maximum is 70%, the LTV of 71.4% will not be viewed as an exception.</p> <p>Note: Texas(a)(6) loans may not exceed 80% LTV under any circumstances.</p>
<b>Credit</b>	
Minimum FICO Score	<p>Primary Wage Earner – 600 Co-Borrower – None Non-owner Occupied - 660</p> <p>When multiple borrowers are on the loan, the middle score the primary wage earner will be used for LTV and pricing purposes. If the income of the borrower's is equal, then the highest score will be used for LTV and pricing purposes.</p>

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<p>Housing History</p>	<p>A 12-month housing history is required unless:</p> <ul style="list-style-type: none"> <li>• the property is owned free and clear of liens, or</li> <li>• the borrower(s) lived rent free for that period.</li> </ul> <p>Non-Owner Occupied Properties</p> <ul style="list-style-type: none"> <li>• Maximum allowed: 1x30 max in the past 12 months.</li> </ul> <p>Owner Occupied Properties</p> <ul style="list-style-type: none"> <li>• Allowed up to 1x60 in the past 12 months, subject to LTV reductions from the program maximum. <ul style="list-style-type: none"> <li>• 1x30 is a 5% reduction (capped at 80%)</li> <li>• 1x60 is a 10% reduction.</li> </ul> </li> <li>• Mortgage lates greater than 1x60 are not eligible for financing.</li> </ul>
<p>Minimum Tradelines</p>	<p>When 3 scores are returned, there is no minimum tradeline requirement as long as the tradelines on the report are not solely authorized user accounts. If only 2 scores are returned, then 3 trade lines reporting for <math>\geq 12</math> month; or 2 trade lines reporting for <math>\geq 24</math> months with activity in the past 12 months are required. For borrowers without a housing history, one of the tradelines must be at least \$5000 high credit/limit.</p>
<p>Bankruptcy/Foreclosure</p>	<p>Standard Requirement: Must be seasoned more than 2 years to qualify for program maximum LTV.</p> <p>Less Than 2 Years Seasoning:</p> <ul style="list-style-type: none"> <li>• Maximum LTV is 80%.</li> </ul> <p>Foreclosures in the last 12 Months:</p> <ul style="list-style-type: none"> <li>• Not eligible for financing.</li> </ul> <p>Multiple Events:</p> <ul style="list-style-type: none"> <li>• Borrowers with multiple Bankruptcies and/or foreclosures are typically not eligible.</li> </ul>
<p>Short Sale/Deed-in-Lieu/Modification</p>	<p>Program LTV – Must be seasoned more than 2 years</p> <p>Must be settled with LTV reductions, less than 2 years maximum LTV is 85% and less than 1 year the maximum LTV is 75%.</p>

<p>Forbearance</p>	<p>A forbearance during the housing lookback period is allowed if the borrower continued making their contractual mortgage payments as specified in the Note, if the loan was brought current during the month immediately following the end of the forbearance, or if the borrower has made all payments as agreed for at least 3 months following the end of the forbearance.</p> <p>Example 1: The borrower’s contractual payments according to the terms of the Note is \$1,000 per month. The borrower entered into a forbearance agreement for 3 months which required no payments. Although the borrower entered into a forbearance agreement, the borrower made payments of \$1,000 each month of the forbearance. In this example, the borrower would be eligible for financing.</p> <p>Example 2: The borrower’s contractual payments according to the terms of the Note are \$2,000 per month. The borrower entered into a forbearance which did not require payments for 3 months. The borrower did not make payments during the time the forbearance was in effect. In the month following the forbearance (month 4), the borrower made a payment of \$8,000 which is the equivalent of the 3 missed payments plus the current month. This borrower would be eligible for financing as long as there were no delinquent payments after exiting the forbearance.</p> <p>Example 3: The borrower’s contractual payments according to the terms of the Note are \$2,000 per month. The borrower entered into a forbearance which did not require payments for 3 months. The borrower did not make payments during the time the forbearance was in effect. Beginning the month following the forbearance (month 4), the borrower made a payment of \$2,000 (the contractual payment amount) for at least 3 consecutive months. This borrower would be eligible for financing as long as there were no delinquent payments after exiting the forbearance.</p>
<p>Tax Liens/Judgements</p>	<p>All tax liens and judgments must be paid at closing</p>
<p>Collections/Charge-offs</p>	<p>All collections and charge-offs must be paid except the following:</p> <ul style="list-style-type: none"> <li>• Medical collections</li> <li>• Collections and charge-offs over two years old or \$2500 or less.</li> </ul>

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<b>Assets</b>	
Reserves	<p>LTV ≤ 80% - None Required            LTV &gt; 80% - 6 months PITI            Loan Amount &gt; \$2MM - 6 Months PITI</p> <p>Cash-out from loan proceeds <b>may</b> be used to satisfy reserve requirements</p>
Funds to Close	<p>Funds to close must be sourced and seasoned for 60 days.</p> <p>Gift funds are acceptable with the following scenarios:</p> <ul style="list-style-type: none"> <li>• ≤80% LTV – 100% of down payment and closing costs may come from gift funds.</li> <li>• &gt;80% LTV - 5% borrower own funds required.</li> </ul> <p>Note: Gift funds may not be used to satisfy reserves requirement.</p>
Lender Credit	<p>HomeXpress will allow the application of Lender Credit to be used for recurring and non-recurring closing costs.</p> <ul style="list-style-type: none"> <li>• Any overages will be applied to principal reduction</li> <li>• Lender credit can be used on Lender Paid and Borrower Paid loans</li> <li>• Lender credit cannot be used to pay broker compensation.</li> </ul>
<b>Income/DTI</b>	
Income Documentation Types Available	<p>Full Doc 2-year            Full Doc 1-year            ALT Doc – 24 months business bank statements            ALT Doc – 24 months personal bank statements            ALT Doc – 12 months business bank statements            ALT Doc – 12 months personal bank statements            ALT Doc – Full Doc with lease agreements            ALT Doc – P&amp;L Assist            ALT Doc – P&amp;L Xpress (Max 75% LTV)            ALT Doc – 12 Month Cash Flow (Max 80% purchase and rate term, 65% cash out)            Asset Xpress –</p> <ul style="list-style-type: none"> <li>• Max DTI 50%</li> <li>• Assets divided by 60 and added to income</li> </ul> <p>For Self-employed Borrowers: Min. 2 years history of self-employment required, except for 12-month cash flow option where the min. is 1 year. Also available for gratuity earners.</p> <p>Lease agreements in lieu of schedule E are treated as ALT Doc.</p> <p>Non-Owner Occupied is only allowed on 1 and 2 year Full Doc and</p>

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	bank statement programs. No lease agreements, 3 month bank statements, P&L, Cash Flow or asset based programs allowed.
DTI	50% (Non-owner Occupied max.) 55% with max 80% LTV, \$4,000 per month disposable and 0x30 mortgage. (Owner Occupied and Second Home only)
Residual Income	\$1,500 per household plus \$500 1 <sup>st</sup> child, \$250 thereafter. Child maximum \$1,500.
Qualifying Rate	Higher of Start Rate or Fully-Indexed Rate.
<b>Property</b>	
Property Types	Single Family Residence Condominium (Warrantable and & Non-Warrantable (Non-Warrantable max 80% LTV purchase and 75% all refinances) High Rise Condominium Max 80% LTV (FL High Rise Max 75%) Planned Unit Development (PUD) Townhouse 2-4 units (Max 80% LTV) Condotel (Max 75% purchase and 65% all refinances) Short Term Rental (5% reduction from program maximum LTV) Rural (Max 75% purchase and 70% all refinances)
Ineligible Properties	Properties > 10 acres Mixed-Use Properties Properties in below average condition
Appraisal	Full Interior Appraisal on appropriate FNMA form <ul style="list-style-type: none"> <li>• SFR/PUD – 1004</li> <li>• Condo – 1073</li> <li>• 2-4 Units – 1025</li> </ul>
2 <sup>nd</sup> Appraisal	Required on loan amounts > \$2,000,000  Required on properties subject to TILA HPML rule.  HomeX, at its discretion, may order a 2 <sup>nd</sup> appraisal when it is deemed warranted.

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Property Seasoning	<p><u>Refinance Transactions (Rate &amp; Term and Cashout)</u></p> <p>If the property was purchased in the last 6 months using solely cash and no underlying mortgage, refer to the delayed financing section for additional requirements.</p> <ul style="list-style-type: none"> <li>• Property purchased &lt; 6 months, use acquisition cost plus documented improvements.</li> <li>• Property purchased ≥ 6 months, use appraised value.</li> </ul>
Listed Properties	<p>For cash out refinance transactions, listed properties must be off market for 6 months. On rate/term transactions, lendable value will be based off the lowest listing price over the 6 months.</p>
<b>Non-Permanent Resident Aliens Requirements</b>	
Acceptable Visa Classifications	<p>The borrower must provide a visa indicating that they are legally allowed to reside in the United States.</p>
Documentation Requirements	<p>Copies of the borrower’s passport and unexpired visa must be obtained. Acceptable alternative documentation to verify visa classification is an I-797 form (Notice of Action) with valid extension dates and an I-94 form (Arrival/Departure Record). Borrowers unable to provide evidence of lawful residency status in the U.S. are not eligible for financing under the NPRA program.</p> <p>For wage earners, a valid employment authorization document (EAD) must be obtained if the visa is not sponsored by the borrower’s current employer. If a NPRA is borrowing with a U.S. citizen, it does not eliminate visa or other residency requirements. Individuals in possession of spouse or family member visas are to qualify as co-borrowers only. A valid EAD must be provided to use their income for qualification.</p> <p>Borrowers who are residents of countries which participate in the State Department’s Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at <a href="http://travel.state.gov/content/visas/english/visit/visawaiver-program.html">http://travel.state.gov/content/visas/english/visit/visawaiver-program.html</a>.</p>
Credit	<p>A U.S. credit report is required for each borrower on the loan using a valid Social Security number. The credit report should provide merged credit information from the 3 major national credit repositories. A 2-year U.S. housing history is required.</p>

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<p>Qualifying Foreign Credit</p>	<p>The Qualifying Foreign Credit designation refers to NPRA borrowers who do not meet the Standard Tradeline requirements in HomeXpress Tradeline Requirements guidelines. A Qualifying Foreign Credit borrower may or may not have a U.S. credit report with no credit score, a single score, or a score with insufficient tradelines. If no credit score is available, a 680 FICO score will be used to determine the rate and LTV.</p> <p>Qualifying Foreign Credit borrowers must establish an acceptable credit history subject to the following requirements:</p> <ul style="list-style-type: none"> <li>• Three open accounts with a 2-year history must be documented for each borrower reflecting no late payments.</li> <li>• A 2-year housing history can be used as a tradeline.</li> <li>• U.S. credit accounts can be combined with letters of reference from verifiable financial institutions in a foreign country to establish the 3 open accounts and an acceptable credit reputation. If letters of reference are obtained, they must:             <ul style="list-style-type: none"> <li>○ State the type and length of the relationship, how the accounts are held, and status of the account;</li> <li>○ Provide contact information for person signing the letter; and</li> <li>○ Translations must be signed and dated by a certified translator</li> </ul> </li> </ul>
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