



# Brokers Choice Mortgage NonQM Matrix

NonQM "Select" and Grades																				
Full Doc / Alt Doc Purchase, R/T & C/O   Income Types Include: Full Doc - 12, 24 mos, Alt Doc - 1099, WVOE, Asset Utilization, Bank Statements, P&L with 3 mos Bank Stmt, One Yr Self-Employment, Assets as blended income.																				
Loan Amount	Select NQM					A+					A				B				C	
	FICO to Max LTV/CLTV					FICO to Max LTV/CLTV (Min 660 FICO)					FICO to Max LTV/CLTV (Min 600 FICO)				FICO to Max LTV/CLTV (Min 600 FICO)				(Min 600 FICO)	
	740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+	600+	
\$ 1,000,000	85%	85%	85%	80%		90%	90%	90%	85%	80%	85%	80%	80%	80%	80%	80%	80%	80%	80%	70%
\$ 1,500,000	85%	85%	80%	75%		90%	90%	90%	85%	80%	80%	80%	75%	80%	75%	75%	75%	75%		
\$ 2,000,000	85%	80%	75%	75%		85%	85%	85%	80%	75%	75%	75%		70%	65%	50%				
\$ 2,500,000	80%	75%	75%	65%		80%	80%	80%	75%	70%	70%	70%		60%	50%					
\$ 3,000,000	75%	75%	65%	60%		80%	80%	75%	70%	60%	65%	60%		50%						
\$ 3,500,000						70%	70%	60%	60%	50%	50%									
\$ 4,000,000						65%	60%	50%												
Purchase	Max 85%					Max 90%					Max 85%				Max 80%				Max 70%	
Rate & Term	Max 80%					Max 85%					Max 80%				Max 80%				Max 70%	
Cash Out	• 5% LTV reduction from Max LTV • Max 75% Refer to C/O Restrictions for details					• 5% LTV reduction from Max LTV • Max 80% Refer to C/O Restrictions for details					• 5% LTV reduction from Max LTV • Max 75% Refer to C/O Restrictions for details				• 5% LTV reduction from Max LTV • Max 70% Refer to C/O Restrictions for details				Not allowed	
Max LTV	Non-Owner Occupied - 75% 2nd Home - 75% Condo - 85% (FL Condo - 75%) NW Condo - NA 2 Unit - 80% 3-4 Unit - 75% Rural - NA					Non-Owner Occupied - 85% 2nd Home - 85% Condo - 85% (FL Condo - 75%) Condo Non-Warrantable - 75% (FL Condo - 65%)					Non-Owner Occupied - 80% 2nd Home - 80% Condo - 80% (FL Condo - 70%) NW Condo - 75% (FL Condo - 65%) 2-4 Unit - 80% Rural - 70%				Non-Owner Occupied - 75% 2nd Home - 75% Condo - 75% (FL Condo - 65%) NW Condo - 70% (FL Condo - 60%) 2-4 Unit - 75% Rural - 65%				NOO - NA 2nd Home - NA Condo - 65% (FL Condo - 55%) NW Condo - NA 2-4 Unit - NA Rural - NA	
Min Loan Amount	• Full Doc Min. 150K • Alt Doc Min. 150K					• Full Doc Min. 125K • Alt Doc Min. 125K					• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc: Not Allowed	
Housing History	0 x 30 x 24   Rent free not allowed					0 x 30 x 12					1 x 30 x 12				1 x 30 x 12				1 x 120 x 12	
Credit Event (BK,SS,FC,DIL,CCC)	48 Months Multiple unrelated credit events not allowed					36 Months (12 mos on BK 13/CCC w/pay history allowed)					24 Months (Settled BK 13/CCC w/pay history allowed)				18 Months (Settled BK 13, SS, DIL, CCC allowed)				Settled	
DTI <small>50-55% DTI see below<sup>1</sup></small>	• Full Doc: Max 45% • Alt Doc: Max 45%					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV				• Full Doc: Max 50% • Alt Doc: Max 43%				• Full Doc: Max 50% • Alt Doc: Not allowed	
One Year Self-Employed	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Min 660 FICO • Bank Stmt. Only					Not allowed				Not allowed				Not allowed	
Asset Utilization	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Max \$2m					Max 80% LTV - Pur & R/T • Max \$2m				Max 80% LTV - Pur & R/T • Max \$2m				Not allowed	
1099 Only	Not allowed					• \$3.0M Max LA • 2 Most Recent Bank Stmt					• \$3.0M Max LA • 2 Most Recent Bank Stmt				• 2 Most Recent Bank Stmt				Not allowed	
WVOE Only	Not allowed					• Max 80% LTV • Max 70% LTV - C/O & FTHB • Primary residence only					• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB • Primary residence only				• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB • Primary residence only				Not allowed	
ITIN	Not allowed					• 660+ FICO • Max 85% LTV • \$1.5M Max LA • > 80% LTV \$1M Max LA • NOO Max 80% LTV & Max 75% LTV - C/O • Full Doc & 12 mos Bank Stmt only					• 700+ FICO • Max 80% LTV - Pur • \$1.5M Max LA • Full Doc & 12 mos Bank Stmt only				Not allowed				Not allowed	
Foreign National 2nd Home/NOO	Not allowed					• 700+ FICO • Max 75% LTV - Pur • Max 65% LTV - C/O • \$2M Max LA • 12 mos min. reserves required					• 700+ FICO • Max 75% LTV - Pur & R/T • Max 65% LTV - C/O • \$2M Max LA • 12 mos min. reserves required				Not allowed				Not allowed	
DACA	Not allowed					Max 85% LTV - Pur					Max 80% LTV - Pur				Max 75% LTV - Pur & R/T				Not allowed	
Reserves	6 Months min., cash-out cannot be utilized					OO & 2nd Home: ≤ 75% LTV no reserves, > 75% 3 Mos, > 80% 6 Mos NOO: ≤ 70% LTV no reserves, > 70% 3 mos, > 80% 6 Mos All Occupancies: Cash-out can be utilized					OO & 2nd Home: ≤ 65% LTV no reserves, > 65% 3 Mos NOO: 3 Mos min, max \$2.0M LA All Occupancies: Cash-out can be utilized				6 Months min. cash-out can be utilized					

Loan Amt > \$3.0M, 12 Mos; > \$2.0M, 6 Mos, cash-out cannot be utilized | 2 Mos for each additional financed property (based on subject property PITIA)

NonQM Investor Programs - 1-4 Unit														
DSCR Select Ratio 1.25   DSCR Ratio 1.0   No-Ratio Ratio < 1.0														
Loan Amount	Select DSCR		DSCR				No Ratio							
	FICO to Max LTV/CLTV		FICO to Max LTV/CLTV				FICO to Max LTV/CLTV							
	740+	700+	740+	720+	680+	640+	620+	640+						
\$ 1,000,000	75%	75%	85%	85%	80%	75%	70%	70%						
\$ 1,500,000	75%	75%	85%	85%	80%	70%	65%	65%						
\$ 2,000,000	75%	70%	80%	80%	75%	70%	60%	60%						
\$ 2,500,000	70%	65%	75%	75%	70%	65%	55%	55%						
\$ 3,000,000	65%	60%	70%	70%	65%	60%	50%	50%						
\$ 3,500,000			65%	65%										
\$ 4,000,000														
Purchase	Max 75%		Max 85%				Max 70%							
Rate and Term	Max 75%		Max 85%				Max 70%							
Cash Out	• 5% LTV reduction from Max LTV Refer to C/O Restrictions		• 5% LTV reduction from Max LTV • Max 75% Refer to C/O Restrictions for details				• 5% LTV reduction from Max LTV Refer to C/O Restrictions							
Max LTV	Condo - 75% (FL Condo - 70%) Condo NW - NA 2-4 Unit - NA Rural - NA		Condo - 80% (FL Condo - 70%) NW Condo* - 75% (FL Condo - 65%) 2-4 Unit - 80% Rural - 65% *Max \$3.0M				Condo* - 60% NW Condo* - 60% 2-4 Unit - 60% Rural - NA *FL Condo - 50%							
Min Loan Amount	Min. \$250,000		Min. \$100,000				Min. \$100,000							
Ratio	Min 1.25 Ratio		Min 1.00 Ratio   >80% LTV Min 1.20 Ratio				Min 0.75 Ratio							
Housing History	0 x 30 x 12		1 x 30 x 12				0 x 30 x 12							
Credit Event (BK,SS,FC,DIL)	48 Months		36 Months (12 BK 13 & 24 SS/DIL, Ch. 7 BK)				36 Months							
Reserves	3 Mos, cash-out cannot be utilized		> 65% LTV, 3 Mos; cash-out can be utilized;				6 Mos, cash out cannot be utilized							
	Inexperienced Investors: 6 Mos, cash out cannot be utilized Loan Amt: > \$3.0M, 12 Mos; > \$2.0M, 6 Mos, cash out cannot be utilized													
Short Term Rentals	Not allowed		• 5% Reduction • Max 80% LTV - Pur & R/T • Max 70% LTV - C/O				Not allowed							
Declining Mkt Rent			≥ 1:1 DSCR Max LTV 65% OR Program Max LTV ≥ 1.25 DSCR				Not allowed							
Recently Listed w/C/O (<6 Mos. Off Mkt)			Delisted ≥ 30 days and leased allowed Value is lower of lowest listing price w/in 180 days or appraised value 3 Mos reserves (not from C/O), 1 yr. min. PPP required, 70% Max LTV				Not allowed							
ITIN	Not allowed		• 700+ FICO • \$1.5M Max • Max 75% LTV - Pur & R/T • Max 70% LTV - C/O				Temporary Suspension							
Foreign National	Not allowed		• 700+ FICO • Max 75% LTV • Max 65% LTV - C/O • Max LA \$2M • 12 mos min. reserves required				Temporary Suspension							
DACA	Not allowed		Max 80% LTV - Pur & R/T				Not allowed							
Interest Only	• Qualify on IO Payment ALL States • Reserves based on IO Pmt													
Loan Programs														
ARM Fully Amortized					Fixed Fully Amortized					Interest-Only (IO) • Min 640 FICO • Max 80% LTV • Reserves based on IO payment				
• 5/6 SOFR: (2/1/5 Cap Structure) • 7/6 SOFR: (5/1/5 Cap Structure) • Not Available on Select NQM					• 15-Year Fixed (180 Months) • 30-Year Fixed (360 Months) • 40-Year Fixed (480 Months) • Nonstandard terms available					• 30-Year Fixed IO (120 mos. IO + 240 mos. Amort.) • 40-Year Fixed IO (120 mos. IO + 360 mos. Amort.) • 5/6 IO SOFR: (2/1/5 Cap Structure) • 7/6 IO SOFR: (5/1/5 Cap Structure) • IO Not Available on Select NQM				



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Additional Product Details: ALL Products & DSCR	
<p><b>Cash In Hand Limit (Based on LTV &amp; FICO)</b>            ≤ 70% LTV &amp; ≥ 700 FICO: \$1.5M max cash in hand*            ≤ 65% LTV &amp; &lt; 700 FICO: \$1.0M max cash in hand*            &gt; 65% - ≤ 70% LTV &amp; &lt; 700 FICO: \$500k max cash in hand*            &gt; 70% LTV: \$500k max cash in hand (Free &amp; Clear ineligible)            Vacant Properties: \$750K max cash in hand            *Free &amp; Clear Properties: Must follow FICO requirements, 70% max LTV</p>	<p><b>Appraisal</b></p> <ul style="list-style-type: none"> <li>Loan Amount &gt; \$1,500,000 &amp; ≤ \$2,000,000: 1 appraisal allowed if completed by Preferred AMC, ARR Required   2 appraisals required if 1st appraisal NOT completed by Preferred AMC, 2nd Appraisal must be from the Preferred AMC</li> <li>Loan Amount &gt; \$2,000,000: 2 appraisals, 1st appraisal must be from Preferred AMC - 2nd appraisal can be from Approved AMC, ARR required on lower valued appraisal</li> <li>Loan Amount &lt; \$1,500,000: 1 Appraisal required &amp; CU ≤ 2.5 = No Add'l Requirements   1 Appraisal required &amp; CU &gt; 2.5 or no score = ARR or CCA Required, 10% variance allowed</li> </ul>
	<p><b>Interested Party Contribution IPC</b>            ≤ 80% LTV = 6% Max            &gt; 80% LTV = 4% Max</p>
Cash Out Restrictions	LTV is the lower of Max LTV based on FICO, loan amount, occupancy and property type with 5% reduction or program specific Max LTV not to exceed the Max LTV allowed, as applicable
Gift funds	100% allowed with 10% LTV reduction from program Max LTV (see above), no LTV reduction required with min 5% buyer own funds   Gift of Equity not allowed for all Select
Over \$3,000,000+ Loan Amount	See Guides for Appraisal & Credit Overlay
Impound Waivers	Owner / 2nd Home: only if NOT HPML loan; Non-Owner is allowed (see rate sheet)
Seasoning	Cash-Out: ≥ 6 months ownership, > 6 months since a prior Cash-Out   ITIN: ≥ 12 months ownership for Cash-Out, ≥ 6 months ownership for Rate/Term
Residual Income	\$1250/mo. + 250 1st + 125 others (not applicable to DSCR)
Min sq. footage	(SFR: 600sq.ft.) (Condo: 500sq.ft.) (2-4 Units: 400sq.ft. ea.)
Financed Property Limits	20 financed properties incl subject (non DSCR). • OCMBC Exposure - \$5m or 6 Properties
Pre-Payment Penalty	Not allowed in: AK, MI, MN, NJ*, NM. *Allowed to close in the name of a Corp. <a href="#">Refer PPP Matrix for state specific requirements.</a>
Debt Consolidation	Follows R/T Refi FICO, 80% Max LTV, OO Only (Max 5K Cash in hand)
State Restrictions	Texas Cash-Out: Max 80% LTV (Owner-Occ, per TX 50(a)(6))   Georgia DSCR \$2,000,000 Max LA
Private Party VOR's	LTV ≤ 80% & ≥ 660 FICO   LTV ≤ 70% & ≥ 600 FICO
Foreign National	Asset Utilization only for 2nd Home & NOO when not DSCR   12 Mos Reserves all Occupancy types
Non-Occupant Co-Borr	Purchase / Rate & Term Only (Grades A, A+, B only)
Declining Markets	> 70% LTV: Areas designated declining value on the appraisal will take a 5% LTV reduction from program Max LTV
50.01% - 55% DTI	Full Doc   6-Months Reserves   Max 80% LTV   660 Min FICO   Primary Only   Purchase Only   Grades A+   \$1,500,000 Max LA
Tradelines Requirements	3 tradelines reporting 12 months with activity in last 12 months, OR 2 tradelines reporting for 24 months with activity in last 12 months. See guides for other options when borrower(s) do not meet min criteria. (ITIN see ITIN Guides)
Delayed Financing	≤ \$1.5M LA program max LTV/CLTV, > \$1.5M LA 70% max LTV/CLTV   DSCR only - unleased/vacant > 3 mos must follow unleased property LTV/CLTV restrictions and Cash in Hand Limit - Vacant Properties
First Time Homebuyers	Primary Residence and Investment Properties allowed (Second Homes & DSCR ineligible)   Investment - Purchase and Refinance: Full Doc only, Max 80% LTV, Min 660 FICO, Max 50% DTI, \$1.5M Max Loan Amount, Max 300% payment shock
Temporary Buydowns	2:1 and 1:0   30 year fixed, Purchase transactions only   Primary and Second Home eligible, non-TRID Investment and DSCR loans ineligible

Additional DSCR Guides	
<p><b>Debt Service Coverage Ratio Requirements</b></p> <ul style="list-style-type: none"> <li>Gross Income/PITIA or ITIA; Qualified on cash flow of subject property.</li> <li>Gross Income: Lower of estimated market rent from Form 1007 and monthly rent from existing lease (if lease amount is higher, needs to be documented with two months proof of receipt of rent or if brand new lease see guidelines)</li> <li>Experienced Investor: Must have ONE of the following:               <ol style="list-style-type: none"> <li>Owned &amp; managed, as applicable, 2 or more properties in the most recent 12 months for min 12 months</li> <li>Owned &amp; managed 1 investment property in the most recent 24 months for min 24 months</li> </ol> </li> <li>Inexperienced Investor: Must have owned a residence (primary or investment) in the most recent 12 mos, for a min of 12 mos. 80% Max LTV   \$1,500,000 Max LA   60% Max LTV for No-Ratio &lt; 1.00   C/O not allowed for No-Ratio Inexperienced Investor   Min 6 mos. reserves, cash out cannot be utilized</li> </ul>	
<p><b>Tradelines</b></p> <p>Tradelines for mortgages that reflect on credit report that have been paid off or sold in the last 12 months can meet the above requirements. Inexperienced investor, all borrowers must meet inexperienced definition. No first-time home buyers are allowed with inexperienced. Experienced Investor, only one borrower has to meet the experienced investor definition, all other borrowers can either be inexperienced or first-time home buyer. All properties to meet above definitions must be domiciled in the United States (Foreign National excluded).</p>	
Limited Tradelines	Max 70% LTV see guidelines, not available on Select DSCR and No Ratio.
Additional Reserves	Add'l Financed Properties - Not Applicable
Occupancy	Non-Owner Occupied Only, Investment Properties Only.
<p><b>Short Term Rentals</b></p> <ul style="list-style-type: none"> <li>Purchase or Refi (R/T &amp; C/O)</li> <li>1 Unit SFR, 2-4 Unit, PUD and Condo eligible</li> <li>Experienced investors only, must also have at least 12 months STR rental history in last 3 years</li> <li>Apply 20% Management Fee Reduction to Income</li> <li>Document Income with 1007/1025 supported by 12 mos history of payments OR AirDNA/Overview Report</li> <li>Rural not available</li> <li>Vacant ok</li> </ul>	<p><b>Vacant / Unleased Properties</b></p> <ul style="list-style-type: none"> <li>Purchase Transaction Program Max</li> <li>Refinance Rate/Term               <ul style="list-style-type: none"> <li>Loan Balance ≤ \$1,000,000 – 70% LTV Max</li> <li>Loan Balance ≤ \$2,000,000 – 65% LTV Max</li> </ul> </li> <li>Refinance Cash-Out               <ul style="list-style-type: none"> <li>Loan Balance ≤ \$1,500,000 – 60% LTV Max</li> </ul> </li> <li>Appraisal from BCM Preferred AMC only*</li> <li>LOE for cause of vacancy *(contact AE for details)</li> </ul>

\*All Adjustments on this matrix are cumulative, all LTV calculations start from the highest LTV allowed per product.

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