

Primary Residence								
Purchase and Refinance								
Property Type	Max Combined Liens ¹	Maximum HELOC	Minimum FICO	Margins by CLTV ²				
				<60%	70%	80%	85%	89.99%
1-2 Units	\$2,000,000	89.99% CLTV - \$350,000 85% CLTV - \$500,000	800	-0.51%	-0.01%	0.24%	0.49%	0.74%
			760	-0.01%	-0.01%	0.24%	0.49%	0.99%
			730	0.49%	0.49%	0.74%	1.24%	1.24%
	700		0.74%	0.74%	1.24%	1.49%	1.74%	
	\$1,250,000		680	0.99%	1.24%	1.74%	2.24%	N/A
Second Home								
Purchase and Refinance								
Property Type	Max Combined Liens ¹	Maximum HELOC	Minimum FICO	Margins by CLTV ²				
				<60%	70%	80%	85%	
1-2 Units	\$1,275,000	\$250,000	800	-0.51%	-0.01%	0.24%	0.49%	
			760	-0.01%	-0.01%	0.24%	0.49%	
			730	0.49%	0.49%	0.74%	1.24%	

Footnotes

¹ **Maximum combined liens:** Total combined 1st mortgage and 2nd HELOC exposure against subject property

² **Start Rate:** Current WSJ Prime rate + margin percentage listed above

Additional Considerations

• Equity Access HELOC program must close simultaneously with a loanDepot Wholesale (LDW) 1st mortgage (see specific 1st mortgage guidelines for acceptability)

• Investor allows two Equity Access program per borrower only (one on primary residence, one on second home)

Note: Must use the *more restrictive* of LDW 1st TD guidelines or the guidelines contained with this matrix

Minimum HELOC Amount	• \$5,000	
Geographic Restrictions	• Ineligible States: Alabama, Alaska, Hawaii, Louisiana, Mississippi, Oklahoma, Texas and West Virginia	
Age of Documentation	Credit and Income	Appraisal
	90 days from application to closing	120 days
Eligible Terms	• 30-Year HELOC Term: 18% Life cap	
	• Draw Period: Interest only payments over 10 year draw period (Years 1-10)	
	• Repayment Period: Payments amortized over remaining term (Years 11-30)	
	• Annual Fee: \$75 annual maintenance fee collected with first statement	
	• No Early Termination fee or prepayment penalty	
	• Borrower can choose a full, partial, or zero draw	
• Origination/Settlement charge: \$295 investor origination charge & any applicable 3rd party settlement charges from net wire		
Property Types	Eligible	Ineligible
	<ul style="list-style-type: none"> • SFR / PUD • Condos (warrantable only) • Townhomes • 2 Units 	<ul style="list-style-type: none"> • 3-4 Units • Leasehold • Dome/Earth-Berm/Log • Co-ops • Agricultural zoned • Condotels • Manufactured Homes • Mobile • Homes Rentals/Investment • Vacant land • Deed Restricted • C-5 properties (see Appraisal)
Borrower Eligibility	Eligible	Ineligible
	<ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident Alien • Non-Permanent Residents <ul style="list-style-type: none"> ○ Must live and work in U.S., ○ Provide machine readable Immigrant Visa, ○ Copy of unexpired foreign passport, and ○ I-94 or I-797A form 	<ul style="list-style-type: none"> • Foreign National • Non-occupant borrower(s)
Maximum DTI	• 45% – no exceptions	
Qualifying Ratios	Qualifying rates/payments	
	<ul style="list-style-type: none"> • Fully amortized over 30 year term (P&I) HELOC payment using start rate, plus • Payment shock factor (HELOC line amount x .0018) Note: Start rate is calculated using current Prime rate + margin percentage in the above Prime+ column based on CLTV. Investor HELOC worksheet must be completed.	
Assets	<ul style="list-style-type: none"> • No reserve requirements • No bank or asset statements required, unless documenting income. • No documentation required for source of down payment • Gift of equity allowed 	



	<ul style="list-style-type: none"> • Gifts allowed – full gift with no borrower contribution; no documentations required • List all assets on 1003 				
Credit	<p>Primary wage earner (borrower with most income) must meet minimum score requirement</p> <ul style="list-style-type: none"> • If the 1st mortgage excluded the lower wage earner’s income from qualifying due to score, that individual’s income can be used to qualify for the HELOC as long as that he/she is on title for the first lien. 				
	<p>Minimum 2 FICO scores are required</p> <ul style="list-style-type: none"> • Investor re-pulls credit on every file submission (see Notice & Authorization Concerning Your Loan Application disclosure). Investor uses their credit report and Broker/LDW credit report for analysis/new debts. There is a 40 point threshold for the FICO requirement (i.e. minimum requirement 700, new credit pulled 660 – ok to proceed; if FICO drops > 40 point, loan is ineligible). 				
	<p>Minimum Credit Trade Lines</p> <ul style="list-style-type: none"> • Minimum 3 trade lines combined between all borrower(s) with one trade line seasoned 3 years • Accounts can be open or closed • No installment debt or VOR required • No trade line activity rule • Authorized user account(s) do not qualify as a trade line 				
	<p>Housing Payment History/VOM</p> <ul style="list-style-type: none"> • LOE required for mortgage lates in recent 12 months • Must verify and qualify with fully amortized (PITIA) payments • Interest only non-subject 1st mortgages must be qualified P&I the balance at current rate over 30 years • Mortgage statement or Note required to disclose the balance and rate 				
	<p>Waiting periods for the Major Delinquency Events</p> <ul style="list-style-type: none"> • No bankruptcy filing in the past 7 years – all BK chapters • Foreclosure, deed-in-lieu, short sale or any real estate transaction settled for less than full balance ≥ 5 years • Loan modification with any principal forgiven > 5 years – need LOE and a copy of the modification agreement 				
	<p>Disputed accounts</p> <ul style="list-style-type: none"> • Requires proof of resolution 				
	<p>Collections, judgment and tax liens must be paid off</p> <ul style="list-style-type: none"> • Smaller collections or medical collections requires LOE from borrower addressing why not want them to be paid • Larger collections requires to be paid off unless there is some extenuating circumstance 				
	<p>IRS unpaid taxes</p> <ul style="list-style-type: none"> • Taxes due (not a lien) in a IRS payment plan acceptable with supporting documentation and include payment into DTI ratio 				
	<p>Pay off debts with the HELOC</p> <ul style="list-style-type: none"> • May be paid with proceeds at closing – not required to close accounts 				
	<p>30 day revolving accounts</p> <ul style="list-style-type: none"> • When no payment is present on credit report– calculate 4% of balance 				
	<p>Installment debt (non-real estate)</p> <ul style="list-style-type: none"> • Excluded with 6 or less payments remaining 				
	<p>Student loans in deferment</p> <ul style="list-style-type: none"> • When no payment listed on the credit report, use 1% of the balance for each loan or provide an estimated payment from the creditor’s calculator Payment from an Income Based Repayment Plan allowed 				
	<p>401K Loans</p> <ul style="list-style-type: none"> • 401K loans exclude from DTI. Provide a 401K Statement to show account balance exceeds 401K loan 				
	<p>Child Support/Alimony</p> <ul style="list-style-type: none"> • Child support/alimony is added to the borrower’s liability and not deducted from income 				
	<table border="1"> <thead> <tr> <th>Co-signed debt- Non-mortgage</th> <th>Co-signed debt- Mortgage</th> </tr> </thead> <tbody> <tr> <td>If credit bureau specifically labels as “co-signer”, can exclude debt as long as no lates in the previous 24 months. If it is not labeled as cosigned, need supporting documentation from creditor to validate borrower is a cosigner</td> <td>Can only exclude if the borrower is not on title (can do quit claim prior to final approval) and document another makes payments with 12 months cancelled checks; must include co-signed mortgage into DTI if any late payments in the past 24 months</td> </tr> </tbody> </table>	Co-signed debt- Non-mortgage	Co-signed debt- Mortgage	If credit bureau specifically labels as “co-signer”, can exclude debt as long as no lates in the previous 24 months. If it is not labeled as cosigned, need supporting documentation from creditor to validate borrower is a cosigner	Can only exclude if the borrower is not on title (can do quit claim prior to final approval) and document another makes payments with 12 months cancelled checks; must include co-signed mortgage into DTI if any late payments in the past 24 months
	Co-signed debt- Non-mortgage	Co-signed debt- Mortgage			
	If credit bureau specifically labels as “co-signer”, can exclude debt as long as no lates in the previous 24 months. If it is not labeled as cosigned, need supporting documentation from creditor to validate borrower is a cosigner	Can only exclude if the borrower is not on title (can do quit claim prior to final approval) and document another makes payments with 12 months cancelled checks; must include co-signed mortgage into DTI if any late payments in the past 24 months			
	<p>Real estate owned by a business</p> <ul style="list-style-type: none"> • Borrower owns < 25% business: Will not include in DTI • Borrower owns ≥ 25% business: Use rental income to offset PITIA (positive cash flow use as income; no rental analysis or supporting documentation required for business owned real estate income allowed by policy; use net rental income figure reported on tax documents) 				
	<p>Business debts (Exclude)</p> <p>Can only exclude if truly used for business purposes</p> <ul style="list-style-type: none"> • Need 12 months proof business pays • There is no delinquency in the last 24 months • Only one vehicle loan payment is allowed per business entity, unless the additional vehicles are show on the company’s IRS Form 4562 • If ownership > 50%, requires LOE how the debts are used for business purposes 				



	A filed marriage separation agreement or divorce decree <ul style="list-style-type: none"> • Must be provided to document and exclude debt that has been assigned to an ex-spouse
Departing Residence	Departing residence converting to rental requirements: <ul style="list-style-type: none"> • Provide a 12 month lease and proof a security check has been deposited, • Apply 75% of gross rent to offset PITIA (positive rents can use as income), • No departing property equity requirement, and • No prior landlord experience required
	Housing debt when departing residence is under contract <ul style="list-style-type: none"> • Include PITIA if departing transaction is not closed or closing simultaneously
	Departing properties can be excluded if sold by closing with the following <ul style="list-style-type: none"> • A listing showing pending sale, • Executed purchase contract or estimated settlement statement, • Final approval will require the settlement statement/selling disclosure for the departing property with a closing date listed
	Maximum Properties <ul style="list-style-type: none"> • Maximum of 10 properties either financed or free and clear properties
Title Requirements	<ul style="list-style-type: none"> • Uses title from LDW 1st mortgage • Junior title insurance or Flag policy needed if the HELOC is greater than \$250,000 • Title insurance required if there will be a 3rd lien to ensure this Equity Access program/investor is in 2nd lien position
Income	Wage earners <ul style="list-style-type: none"> • Tax returns and transcripts are not required for W-2 employees • Most recent paystubs with YTD income within 90 days of closing • Prior year W-2 or year-end paystub
	Borrower(s) working only 9 – 11 month of the year <ul style="list-style-type: none"> • Income must be annualized
	Declining Income <ul style="list-style-type: none"> • Income declining by more than 20%, must use lower income
	Average all variable income <ul style="list-style-type: none"> • Shift differentials, Overtime, Auto allowance, Housing allowance, or Commission income over 2 years • If current period/YTD is declining by more than 20%, must use the lower income
	Bonus Income <ul style="list-style-type: none"> • WVOE required to verify when bonuses are paid and income likely to continue; average over 24 months unless there is YTD bonus in which case average prior year + YTD based on frequency of bonus payout (ex: Quarterly, semi-annually, annually)
	Seasonal/Temp Workers and Wages from Tips <ul style="list-style-type: none"> • The borrower must have worked the previous year through YTD. Income will be averaged over a 24-month period. • Two years tax returns required
	Borrower on leave <ul style="list-style-type: none"> • If borrower will return to work prior to the HELOC 1st payment is due (23rd of month following funding), can use the final prior to leave paystub to calculate full-time base income, • If borrower will not return to work prior to the HELOC 1st payment is due, qualify using income received prior to temporary leave and any income received to date, including leave pay, • Borrower must provide written confirmation of intent to return to work, and • Employer must provide documentation evidencing date of return to work
	Self-Employed Borrowers <ul style="list-style-type: none"> • 2 year self-employment history required, • Document with recent two years tax returns (personal and corporate, if applicable). Investor will follow first mortgage DU/LPA approval for one year tax returns, if applicable, • A stamped or E Filed return is acceptable, • No transcripts required, • If S/E borrower pays his/herself wages, average wages over recent 2 years. Also require recent YTD paystub; if no YTD wages yet, provide LOE explaining reason on why no W-2 wages taken yet
	K-1 Income <ul style="list-style-type: none"> • If borrower is 25% owner of business or 25% owner with the co-borrower (spouse), can use ordinary business income adding back depreciation, distributions, items affecting shareholder basis, guaranteed payments and W-2 wages through the business • If borrower < 25% owner, cannot use the ordinary business income and cannot add back depreciation (generally box 1 of K1s that carries over to Schedule E). This also applies to S Corp and C Corp. The distributions, items affecting shareholder basis, guaranteed payments and W-2 wages are allowed
	Miscellaneous <ul style="list-style-type: none"> • Only child support, foster care, and social security non-taxable income(s) can gross up by 25%; requires most recent tax returns to determine tax/non-tax portion; 3 year's continuance required • Do not deduct 2106 expenses from income
	Rental income <ul style="list-style-type: none"> • Positive cash flow can be used as income. Subtract net rental income (75% of 12-month lease or Schedule E with standard add-backs) from the rental PITIA,
Income	

	<ul style="list-style-type: none"> ○ Negative cash flow must include in DTI ○ Using a lease requires proof of minimum 1 month rent received in past 60 days (cancelled check, property management statement, etc.) • If a rental or second home has an I/O first mortgage, document and qualify using fully amortized PITIA payment, • Use 1040s schedule E or 12 month lease, and • If rental is owned free and clear, rental income must be on a schedule E • Rental properties owned through a business must provide mortgage statements on all applicable properties. • If properties through an S Corp: • Ownership < 25%, ignore business properties including business loss • Ownership ≥ 25%, need mortgage/tax/HOI statements to validate & offset mortgage debt same way as personal property through Schedule E • One-time/non-recurring deferred maintenance and capital improvement expenses can be added back to net rental income verified with expense itemization or provide invoices 				
	<p>Employment history and gap</p> <ul style="list-style-type: none"> • One year job history required for W-2 employees; can include education • Work history does not have to be continuous, • Signed and dated LOE is required for employment gap(s) > 30 days • Offer letter/employment contract acceptable within 90 days of start date (with TCF VOE) 				
	<p>IRA Depletion</p> <ul style="list-style-type: none"> • 70% of account balance with 3 years continuance; provide letter from Financial Institution stating amount of monthly distribution and date of first distribution if newly established or recently changed 				
	<p>Retirement Account Distribution</p> <ul style="list-style-type: none"> • Borrower can establish a monthly distribution or increase an existing distribution; • Provide written document from Financial Institution or proof distribution was received from a bank or brokerage account statement; • 70% of account(s) must support distribution for a minimum of 3 years 				
	<p>A filed marriage separation agreement or divorce decree</p> <ul style="list-style-type: none"> • Must be provided to document alimony or child support income • Proof of recent 3 months of receiving income (bank statements, cancelled checks), and Document 3 years continuance required 				
Appraisal Requirements	<p>Use full appraisal from LDW 1st mortgage – PIWs/AVMs/Drive-by are not allowed</p> <ul style="list-style-type: none"> • Must be < 120 days when submitted to investor and • Must be < 150 days old at closing • Re-certification of value not allowed <p>Desk Review – Orders by the investor to validate the original appraisal (will not accept rebuttal for higher value)</p> <ul style="list-style-type: none"> • If desk review supports value: <ul style="list-style-type: none"> ○ No seasoning requirement to use current market value, including flips ○ No restriction on unpermitted improvements • Ineligible condition C-5 properties. Properties needing significant work not eligible • Property “off the market one day” allowed – remove from MLS • Legal Non-Conforming zoning allowed • Rural properties acceptable • Transferred appraisal is allowed; requires a transfer letter and an A.I.R. letter 				
Condo Requirement	None				
Maximum Acreage	Max 10 acres in all states				
Transaction Types	<table border="1"> <thead> <tr> <th>Eligible</th> <th>Ineligible</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Investor Prior Approval is required • Non-arm’s length transactions allowed • Escrow Holdbacks (investor case by case) </td> <td> <ul style="list-style-type: none"> • Interest Only 1st mortgage • HomeStyle Renovation loans • Sweat Equity • No MCC • Texas 50(a)(6) loans • No Temporary Buydowns • Mobile/Manufactured Homes • NDC </td> </tr> </tbody> </table>	Eligible	Ineligible	<ul style="list-style-type: none"> • Investor Prior Approval is required • Non-arm’s length transactions allowed • Escrow Holdbacks (investor case by case) 	<ul style="list-style-type: none"> • Interest Only 1st mortgage • HomeStyle Renovation loans • Sweat Equity • No MCC • Texas 50(a)(6) loans • No Temporary Buydowns • Mobile/Manufactured Homes • NDC
Eligible	Ineligible				
<ul style="list-style-type: none"> • Investor Prior Approval is required • Non-arm’s length transactions allowed • Escrow Holdbacks (investor case by case) 	<ul style="list-style-type: none"> • Interest Only 1st mortgage • HomeStyle Renovation loans • Sweat Equity • No MCC • Texas 50(a)(6) loans • No Temporary Buydowns • Mobile/Manufactured Homes • NDC 				
Miscellaneous	<ul style="list-style-type: none"> • HELOCs are not subject to TRID: No LE/CD • Investor requires the Notice Right to Cancel (NRTC) on all transactions (Purchase money funds not applicable to the 3 day rescission but the form is still required to be signed • Investor sends the HELOC disclosure to the borrower(s) upon receipt of LDW submission • Investor requires LOE’s to be signed, docu-signed or an email from the borrower in lieu of a signed LOE. The LOE cannot be signed at the closing table • Allowable age of credit, appraisal and mortgage statements is 120 days • Allowable age of income documents is 90 days 				