

PRODUCT MATRIX
PROGRAM GUIDELINES

Effective 01/07/09

PRIMARY RESIDENCE			CONFORMING UP TO \$ 417,000		NON-CONFORMING PORTFOLIO UP TO \$ 3,000,000			
CREDIT SCORE	FULL DOC		STATED		SISA		NINA	
	P-R&T	C-O	PURCHASE ONLY		PURCHASE ONLY		P-R&T	C-O
741	95	80	65		60		50	45
721	95	80	65		60		50	45
701	95	80	65				50	45

681	95	80					45	40
661	95	80					45	40
641	80	80					40	35
621	80	80					40	35
601	80	75					40	35

601	100	n/a	“ Second Chance Program”					

- * 100% LTV full doc-purchase available with credit score of 601+ in designated rural areas and no PMI under *Second Chance Program* *
- * Stated Income, and SISA products are required having a mortgage payment history with zero time 30 days late in the last 12 months *
- * Stated Income or Stated Income-Related Asset (SISA) is allowed for primary residence only and requires a minimum loan of \$ 250,000 *
- * Stated Income-Related Assets (SISA) is only allowed for purchase transactions of a single family detached property - owner occupied *

2 ND HOME-VACATION			CONFORMING UP TO \$ 417,000		PORTFOLIO LOANS UP TO \$ 417,000			
CREDIT SCORE	FULL DOC		STATED		SISA		NINA	
	P-R&T	C-O	P-R&T	C-O	P-R&T	C-O	P-R&T	C-O
741	90	80					45	40
721	90	80					45	40
701	90	80					45	40

681	90	80					40	35
661	80	80					40	35
641	75	75					35	30

- * All second home loans require having a two year mortgage payment history with zero time 30 days late in the last 12 months *
- * Cash out for 2nd home loans is capped to \$ 150,000 maximum as net cash back to consumer under Full Doc or Nina product *

INVESTOR LOANS			CONFORMING UP TO \$ 417,000		PORTFOLIO LOANS UP TO \$ 417,000			
CREDIT SCORE	FULL DOC		STATED		SISA		NINA	
	P-R&T	C-O	P-R&T	C-O	P-R&T	C-O	P-R&T	C-O
741	80	80					40	35
721	80	80					40	35
701	80	80					40	35

681	80	75					35	30
661	80	70					35	30

- * All investor loans require having a two year mortgage payment history with zero time 30 days late in the last 12 months *
- * Cash out investor loans is capped to \$ 150,000 maximum as net cash back to consumer under Full Doc or Nina product *

LOANS ARE SUBJECT TO FINAL UNDERWRITING & QUALITY CONTROL APPROVAL
PROGRAMS AVAILABLE TO REGISTERED FLORIDA LICENSED MORTGAGE BROKERS ONLY
PUBLISHED TERMS AND PROGRAMS ARE SUBJECT TO CHANGE WITHOUT ANY PRIOR NOTIFICATION

PROPERTY TYPE

SFR Rural >100% LTV Detached/Attached > 95% LTV Duplex > 90% LTV 3-4 units > 80% LTV Condos > 80% LTV

INELIGIBLE LOAN TRANSACTIONS

Ineligible Properties:

Deferred maintenance, properties below average conditions, lack of marketability, refinance vacant properties, mobile homes, condotel, condominium project with less than 12 units, manufactured homes, properties with land value higher than dwelling, properties with more than 5 acres, log or dome homes, mixed used, timeshare units, cooperative units, agricultural, zoning violations, properties or units with less than 600 square feet, leasehold properties, properties listed for sale in last 6 months and properties not typical or unique for the area

Ineligible Loans:

Loans out of the State of Florida, Government loans such as FHA or VA, construction, bridge loans, cash out loans for properties with less than twelve (12) months since they were acquired and blanket loans covering more than one real estate parcel

Ineligible Borrowers:

Irrevocable trust, Borrowers under consumer credit counseling, non-occupant Borrowers, currently under bankruptcy, foreclosure or have received a notice of default within last twenty four (24) months.

INTEREST TYPE

Fixed/ARM	5/1 Five years fixed, then 1 Yr Libor adjustable for the remaining 25 years
Fixed/ARM	7/1 Seven years fixed, then 1 Yr Libor adjustable for the remaining 23 years
Fixed/ARM	10/1 Ten years fixed, then 1 Yr Libor adjustable for the remaining 20 years
Fixed	10 Yr Fixed - 15 Yr Fixed - 20 Yr Fixed - 25 Yr Fixed - 30 Yr Fixed

INTEREST ONLY AND ESCROWS

Interest only under agency full doc is allowed up to 70% LTV with a minimum of 681+ middle credit score
Interest only is also available under NINA program and requires a minimum of 681+ middle credit score
Borrower must be qualified based on full payment of PITI and full indexed rate when using ARM products

Interest Only is not permitted in second homes or investment properties

Escrows can only be waived below 80% LTV and requires having 681+ middle credit score

CASH RESERVES

Full Doc	Primary	2 months worth of PITI must be verified
Stated	Primary	12 months worth of PITI must be verified
Sisa	Primary	12 months worth of PITI <u>stated</u> , not verified
Nina	Primary - 2 nd home - Investor	No cash reserves disclosed or required
Full Doc Investor, Second Home or Jumbo Loans	=====➔	12 months worth of PITI in all programs

All mortgages require having mortgage insurance above 80% LTV

Programs have option to be submitted without verification of assets such as Sisa or Nina.

Reserves must be verified via bank statements only (no VOD) and indicating that these are a **“True and certified copy of original”** and each page (back & front if needed) must be signed and dated by provider

FIRST TIME HOME BUYERS

Definition: Borrower that has not owned real estate property within last three (3) years or became owner less than 12-months ago
Loans can be up to 100% LTV under Full Income with latest two-full year worth of 1040s and IRS form 4506-T is mandatory or up to 95% for detached and duplex properties or up to 80% for condominiums. Stated, SISA or 3-4 units is not allowed for First Time Homebuyers

First Time Home Buyers under Full Doc loans need to have 2-Yrs within the same line of work and no change of employer in the last 12-months unless change was made due to better job position and/or income, otherwise change of employment within last 12-months will disqualify the Borrower. Under No Income-No Assets (NINA) program requires 2-Yr with the same employer, business or profession
First Time Home Buyers are restricted to payment shock rules, which can never exceed more than 100% (double) current rent payment

GIFTED - INHERITED - INTERFAMILY

Gifted, inherited or interfamily transfer of a home within last 12-months is subject to the following:

- A) Must be primary residence up to 90% LTV of appraised fair market value
- B) Gift from relatives are allowed in any amount provided LTV is 80% or lower
- C) Cash back to consumer is limited to 80% LTV and no second mortgage is allowed

LEASE OPTION CREDIT

Copies of all canceled checks paid to the Seller along with fully executed Lease Option Agreement
Only rent amounts in excess of market rents may be considered for down payment. Borrower needs 5% of own funds at closing

SECOND HOME / INVESTOR LOANS

Borrower must be a 24-months seasoned homeowner with excellent mortgage payment history within the last two-year period in order to qualify for a second home and 641+ credit score or investor loans requires 24-months of excellent mortgage payments and 661+ score
Derogatory credit within the last 12-month is not permitted under any second home or investor loans.

Investor is required to have a two (2) year history of managing rental properties to obtain maximum LTV otherwise loan will be reduced by 10% LTV. All investor loans are required to have six-month worth of PITI plus rent loss insurance to cover rental losses that may be incurred during any period that property is being rehabilitated following a casualty. Minimum coverage required is six-month worth of rent

CORPORATE LOANS

Loans Inc. accepts properties in the name of a Revocable Trust, Limited Liability Company and Corporation provided personal guarantee is given and Borrower is a member that owns the largest interest of such registered entity. Property will be either Borrower/Guarantor's primary residence or second home/vacation. Loan is limited to a maximum of \$ 1,000,000

CASH OUT TRANSACTIONS

Loans Inc., does provide financing up to 80% LTV when loan proceeds will eliminate any existing liabilities and create a lower debt to income ratio, which becomes a substantial tangible net benefit to Borrower, otherwise cash back to consumer is limited to 75% LTV

Cash out requires property to be seasoned for at least twelve (12) months; otherwise loan will be based on acquisition price

FOREIGN NATIONAL

Citizen of another country who periodically visits the United States and is buying a home in which to reside during the visits as a second home/vacation property. Short rentals are not permitted. Credit-- no payment history or credit score is required

Borrower's visa status must be documented to determine eligibility. Legible copy of a valid passport, including photo, signature page and evidence of duration of stay permitted for each borrower. These types of Borrowers do not have a green card or other legal document allowing them to work in the United State

Available under Nina product only and up to 35% LTV as a second home for single family residence and one unit only
Condominiums or cash out loans are not permitted. Loans cannot exceed more than \$ 1,000,000
All loan documentation needs to be written in English

SELLER CONTRIBUTION

Seller contributions are for actual non-recurring closing cost only
9% for primary residence for agency and portfolio loans up to 75% LTV
6% for primary residence for agency and portfolio loans up to 90% LTV
6% for primary residence under "Second Chance Program" up to 100% LTV
3% for primary residence and 2nd home for agency and portfolio loans over 90% LTV
2% for investor's loans regardless loan to value

SECONDARY FINANCING

Maximum combined loan to value cannot exceed 100% LTV and secondary financing must meet the following criteria:

- A. Primary residence
- B. No wrap-around terms
- C. No negative amortization
- D. Monthly payments must be included in total debt ratio
- E. File must be either full income verification or no income-no assets
- F. Second lien cannot be a line of credit that provides future advances
- G. No balloon payment due within 10 years of Loans Inc.'s settlement date
- H. Secondary financing up to 100% CLTV permitted from an institutional lender
- I. Seller-held or private second mortgage is allowed up to a maximum of 90% CLTV

LENDING CRITERIA

Credit score is mandatory in order to obtain a mortgage at Loans Inc. (except Foreign National Program)

Loans are based on credit score and mortgage payment history. There are three (3) different categories to be considered:

1. **Standard Credit:** requires to have no less than three (3) rated trades with 24 months history
2. **Extensive Credit:** of no less than four (4) rated trades with 24 months payment history and two of them must be active within last 24-months when using any of the following mortgage products: Stated, Sisa or Nina
3. **Little Credit:** is a borrower with fewer trades than above and requires Full Income or NINA o program only and with at least one (1) good rated trade opened for 24 months and two (2) trades rated for six months either active or closed and counted from the date they were opened

All loans are underwritten based on mortgage or rental payment history and tri-merged middle credit score as primary source and must be used to determine credit category, in addition to the parameters required in each particular program.

Mortgage or rental payment history supersedes the applicant(s)' middle credit score

Refinance loans closed after the 15th of the month must provide evidence via pay-off letter that mortgage is current.

Refer to rate sheet/matrix for further credit issues allowed in each mortgage program

Employment for Reduced Doc requires having a two-year history as self-employed in the same business, provided the income is reasonable for the line of work performed under Stated and Sisa

NINA program allows all types of employment, including W-2 wage earners

Loans over 90% LTV, require having all three (3)-credit repositories and no derogatory credit within last twelve (12) months

Program is available to First Time Homebuyers only. Borrower cannot own any other real estate property at closing

No open judgments, charge-off, liens or collections are accepted. Minimum credit score must be 661 or higher

First Time Home Buyers are not allowed under Second Home or Investor Loans. Copy of last twelve-canceled checks (back & front) for rental payments are mandatory. Checks must be written from the Borrower's bank account. If payments are made to a registered Management Company, we may waive this condition (underwriter's discretion)

Jumbo Loans require having a mortgage payment history with zero time 30 days late in the last 12 months

Loans over \$ 417,000 under full or stated are permitted as primary residence only and requires twelve-month worth of PITI as reserves

Jumbo cash-out full doc loans are capped to 70% LTV and cash back cannot exceed \$ 150,000

Jumbo-Nina cash-out is only available up to 40% LTV and cash back is limited to \$ 150,000

Stated and SISA products require a minimum loan of \$ 250,000 or higher and borrower cannot own any other property upon closing

Condominiums: Available only as primary residence and they must be Fannie Mae or Freddie Mac approved

Condominiums are limited to a maximum of 80% LTV and they are required to be processed as full income documentation

Condominiums require all borrowers to have a minimum 681+ middle credit score in order to be eligible

Collection, Repossession, Charge Off, Lien, Judgment, Child Support, others

Adverse credit in the last twelve (12) months must be brought current prior to or at closing and loan will be limited to 85% LTV

Repossessions, evictions, and consumer credit counseling are considered on a case-by-case basis only

All judgments and child support claims must be satisfied prior to close or at closing if assets were verified

Bankruptcy

Bankruptcy must have been discharged at least two years. Borrower must have re-established credit, and provide copies of bankruptcy petition, schedule of creditors and copy of the final discharge notice issued by Federal Court. A detailed letter of explanation signed and dated must be included showing the reason(s) the bankruptcy was filed and steps taken to avoid any future financial complications.

FULL DOC

Maximum 100% LTV SFR Rural **Min. Loan \$ 60,000** **Max. Loan \$ 3,000,000**
95% LTV SFR Detached/Attached **90% LTV Duplex** **80% LTV 3-4 Units** **80% LTV Condos**

Income is verified via pay stubs, W-2 and/or 1099 forms, personal tax returns and 4506-T IRS form.
 Verification of employment is obtained via telephone, written VOE and/or letter from employer issued on employer's letterhead
 Assets must be verified via bank statements only. Loans Inc., no longer accepts VOD's
 100% LTV is only allowed under Second Chance Program for First Time Homebuyers

Two (2) full years of verifiable employment within the same line of work, profession or business required
 W-2 wage earner needs last two (2) years W-2, last 30 days worth of pay stubs with Y-T-D income, written and/or verbal VOE
 Self-employed requires two (2) years 1040's along with current P & L, we may also require 1120's, 1065 or K1
 All loans require a signed 4506-T upon loan submission, except loans processed as NINA (No Income-No Assets)

STATED - PURCHASE LOANS ONLY

Maximum 65% LTV **Min. Loan \$ 250,000** **Max. Loan \$ 2,000,000** **No Condos**

Income will not be verified. Income must be reasonable for the line of work performed.
 All borrowers are required to be two (2) years self-employed in the same business

Letter issued by a CPA or Accountant, showing position, title, and length of continued employment written on provider's letterhead
 Self-employed requires to have evidence of existence of business via occupational license and/or corporate documents
 Twelve-months worth of PITI as cash reserves will be verified via last two bank/mutual funds/retirement accounts/401-K statements

SISA - PURCHASE LOANS ONLY

Maximum 60% LTV **Min. Loan \$ 250,000** **Max. Loan \$ 417,000** **Purchase Only - No Condos**

Income and assets must be disclosed, but are not to be verified.
 All borrowers are required to be two (2) years self-employed in the same business

Letter issued by a CPA or Accountant, showing position, title, and length of continued employment written on provider's letterhead
 Self-employed requires to have evidence of existence of business via occupational license and/or corporate documents (no exceptions)
 Twelve-months worth of Stated reserves must be disclosed in 1003 but it isn't verified

NINA

Max. 50% LTV **Min. Loan \$ 100,000** **Max. Loan \$ 1,000,000** **No Condos**

Income and assets are not to be verified, nor can it be disclosed on credit application
 All borrowers are required to be two (2) years with the same employer, profession or business
 Payment shock applies and cannot exceed 100% (double) of current mortgage or rent payment

Salary borrower needs to provide a letter issued by employer indicating title, position and length of employment (must be 2-Yrs)
 Letter must be signed and dated on provider's letterhead and cannot disclose any income, benefits or any type of compensation

Self-employed needs a written CPA or registered accountant letter showing, position, title and length of Borrower's source of income.
 Letters must be signed and dated on provider's letterhead along with copy of two years worth of business or professional license.

NO DOC

Max. 50% LTV **Min. Loan \$ 100,000** **Max. Loan \$ 1,000,000** **No Condos**

Income, assets or employment are not to be verified, nor can it be disclosed on credit application
 Payment shock applies and cannot exceed 100% (double) of current mortgage or rent payment

UNITS

Duplex maximum 90% LTV as primary residence **3-4 Units maximum 80% LTV as primary residence**
 Borrower(s) buying 2-4 units, as a primary residence cannot own any other real estate upon loan closing

Duplex maximum 80% LTV as investment property **3-4 Units maximum 75% LTV as investment property**

All above described loan-to-value are based on full income verification loans
 Units financing require having copy of all existing lease/rent agreements and all units must be occupied upon loan closing
 Investor loans require additional reports regarding rental comparables in the area (form 1007) and operating income statement (form 216)
 Investor Full Doc loans requires having six-months worth of PITI as cash reserves as well as rent insurance coverage for six months

APPRAISALS

All loans require one (1) full-certified appraisal ordered by Loans Inc only
Loans over \$ 500,000 requires one full-certified appraisal and one field review appraisal
Investor loans require additional reports regarding rental comparables in the area (form 1007) and operating income statement (form 216)
A desk review or field appraisal will be required in addition to the full appraisal under the following criteria:
Properties over \$ 500,000, rural properties, loans over 70% LTV or any loan in which the first appraisal was not acceptable to FNMA/FHLMC guidelines or to our Portfolio underwriting criteria, including properties located in a soft or declining real estate market area

CLOSING AGENTS

All closing agents must be registered with Loans Inc, and they are required to provide closing protection letter specific to Loans Inc,
Borrower(s) and subject property along with Errors and Omissions Insurance Policy and a preliminary closing statement (HUD-1) indicating Borrower's name, Property Address and all closing Agent's fees, which cannot be changed at the time of closing.
Loans Inc., regardless of type of loan transaction, must order title work and perform quality control before closing or release of funds
Closing will take place at Borrower's location when is a refinance, otherwise it will be done at the registered title company's office

MORTGAGE BROKER-ASSOCIATE COMPENSATION

Licensed Mortgage Broker Associates that have placed their license exclusively with Loans Inc. will be paid up to a maximum of \$ 15,000
Broker will be compensated with 100% commission of Mortgage Broker fee charged to Borrower(s) not to exceed 2% of amount financed
Broker may choose to obtain and additional 1% compensation directly from Loans Inc., as a YSP premium, also known as buy-up or back-end points, once all the following conditions are met:

1. Property is used or will be used as Borrower's primary residence
2. Borrower with the lowest middle credit score of at least 661 or higher
3. Loan is locked and written confirmation from Loans Inc has been obtained
4. Loan must be processed as a FNMA or FHLMC full income documentation
5. Loan is not within section 32 or a high cost mortgage as defined by regulations
6. Loans Inc.'s published interest rate has been increased using a buy-up of interest rate of 1 to 2
7. Premium not to exceed a maximum of one (1%) percent of loan amount or \$ 4,170 whichever is less
8. Mortgage Broker-Associate has closed and funded at least three (3) residential loans within the last three months

All other mortgage programs such as Stated, Sisa, Nina, No Doc, 2nd Home, Investor, Foreign National, Jumbo Loans, Corporate Loans, and Commercial Loans don't pay any yield-spread premium (YSP) to Mortgage Broker-Associate
Compensation earned by Broker is not subject to any Federal, State and Local Government taxes. **Broker is liable for any taxes due.**

Buy-up rate 1:2. Example— increase rate $\frac{1}{4}$ and premium will be $\frac{1}{2}$ point— increase rate $\frac{1}{2}$ and premium will be 1 point

Buy-down rate Maximum buy down is $\frac{1}{2}$ percent to the rate. Buy down is allowed up to the lowest published par rate only
Rate can be reduced as follows: 1 discount point reduces rate $\frac{1}{4}$ -- 2 discount points reduce rate $\frac{1}{2}$ percent

Rate Locks Loans can be locked for 30 days at no charge once all conditions are properly met and received
Option to 45 days locks add $\frac{1}{4}$ discount point and 60 days locks add $\frac{1}{2}$ discount point

LOANS INC.'s FEES

Administration Fee: \$ 899 Processing Fee: \$ 375

QUALITY CONTROL / SECTION 32

All loans are subject to satisfactory compliance with our quality control program, prior to funding
Loans Inc., does not provide financing under section 32, nor accepts or practices any predatory lending
In any event the maximum finance charges paid by the Borrower may not exceed 3.50% of loan amount reflected on the mortgage note
All closed loans must reflect a substantial tangible net benefit to Borrower's previous mortgage situation as a condition to obtain funding

MORTGAGEE CLAUSE

LOANS INC., its successor and/or assigns, as theirs interest may appear: P.O. Box 651294, Miami, Florida 33265

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