

PROGRAM CODES

Draw Period	Full Doc	Bank Statement Option
2- Years	HLC02	HLC02-B
3- Years	HLC03	HLC03-B
5- Years	HLC05	HLC05-B
10- Years	HLC10	HLC10-B

The **AmWest HELOC Program** is a Revolving Line of Credit with a maximum 10-year draw period followed by a maximum of 30-year repayment period. Monthly payments require either interest-only or principal and interest calculated on the outstanding balance.

AmWest HELOC Program Matrix

Primary Residences and Second Homes ^{1,2}

Property Type	Minimum Line Amount	Maximum Line Amount	Max LTV/CLTV ^{2,3}	Minimum FICO ³	DTI	Maximum Draw Period	Maximum Repay Period *
1-4 Units	\$75,000	\$250,000	90.00%	740	49.95	10 Years	30 Years
	\$75,000	\$350,000	85.00%	700	49.95	10 Years	30 Years
	\$75,000	\$500,000	75.00%	680	49.95	10 Years	30 Years

Investment Properties

Property Type	Minimum Line Amount	Maximum Line Amount	Max LTV/CLTV ³	Minimum FICO ³	DTI	Maximum Draw Period	Maximum Repay Period *
1-4 Units	\$75,000	\$250,000	70.00%	720	49.95	10 Years	30 Years
	\$75,000	\$350,000	65.00%	700	49.95	10 Years	30 Years

Footnotes

1	1-Unit only for Second Homes
2	Second Homes: Max CLTV of 75%
3	For Bank Statement income doc type , minimum FICO is 700 with Max CLTV of 80.00%
*	The Maximum Repay Period of 30 Years refers to the total length of the Loan.

Contact Information



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Become an Approved Broker
<https://www.amwestwholesale.com/Account/NewBrokers>

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Underwriting:	Manually underwritten to the standards set out in this program guidelines.
Max DTI:	49.95%
Qualifying Rate/Payment:	<ul style="list-style-type: none"> • Cap: 18% • Note Rate: Prime Rate + Margin • Qualifying Rate: Note Rate + 2% • Qualifying payment: Qualifying rate over amortizing repayment period • Qualify using the fully amortized payment calculated over the 20-year fully amortization period.
Loan Terms:	<ul style="list-style-type: none"> • Stand-Alone Home Equity Line of Credit (HELOC) • 30-Year Term: <ul style="list-style-type: none"> ✓ First 10 Years = Interest Only payment ✓ Year 11-30 = Payment is amortized over 20 years
Draw Terms:	<ul style="list-style-type: none"> • Must be 100% drawn at time of origination/closing • 90 Day draw lock-out period after closing • Term: 2, 3, 5, or 10 Year Draw with I/O / 20 Year Amortization Repayment
Additional Draw:	<ul style="list-style-type: none"> • Permitted against the revolving portion of the line once the borrower has additional capacity by making principal payments that have reduced their original balance. Additional draws are not permitted if they would cause the draw limit or credit limit to be exceeded. <ul style="list-style-type: none"> ✓ Minimum draw is \$500 or required by state law.
Unallowable 1st Mortgage Types:	<p>AmWest will not allow 1st mortgages that have:</p> <ul style="list-style-type: none"> • Negative Amortization payment terms • Land Contracts or Contracts for Deed • Reverse Mortgages • Home Equity Lines of Credit or any other future advance liens
Ineligible Transaction:	<ul style="list-style-type: none"> • Texas 50(a)(6) transactions are ineligible • Prepayment Penalties are ineligible
Eligible Properties:	<ul style="list-style-type: none"> • 1-4 Unit properties (second homes must be 1-unit) • PUD attached or detached • Warrantable condos
Ineligible Property Type:	<ul style="list-style-type: none"> • Manufactured Housing • Mixed-Use Properties • Non-Warrantable Condos • Condominiums • Conditions Ratings at C5 or C6 • Agricultural properties • Timeshares • Houseboats • Co-op • Lot Loans • Log Homes • Mobile Homes • Leasehold properties / Land Trusts • Hobby Farms • Properties zoned Commercial or Agricultural • Properties with Deed/Resale Restrictions • Properties in a business name
Eligible Borrowers:	<ul style="list-style-type: none"> • U.S. citizens • Permanent resident aliens • Non-permanent resident aliens • Revocable/"living" trusts are acceptable provided it is established by, and the primary beneficiary is, an individual; for concurrent HELOCs, loans closing in a trust must follow the same trust requirement as the first mortgage. • Maximum number of borrows on a loan transaction is limited to four (4). <p>Note: Borrowers who are party to a lawsuit are ineligible.</p>
Combined Loan to Value:	<p>LTV/CLTV/HCLTV is generally calculated based on the appraisal value or valuation of the property.</p> <ul style="list-style-type: none"> • Properties purchased within 120 days of the application will use the lesser of the purchase price or appraised value to calculate LTV/CLTV/HCLTV, measured from the date on which the property was purchased to the disbursement date of the new mortgage loan.
Tradelines Requirements:	<ul style="list-style-type: none"> • A minimum of two (2) tradelines from traditional credit report that reports for 12 months or more (tradelines may be open or closed). • A minimum of two (2) credit scores are required per borrower.
Credit Accounts with Modification, Deferment or Forbearance:	<p>For installment or revolving accounts that are reporting a modification plan, a payment deferral plan, or forbearance plan to the account, AmWest follows FNMA guidance. Please refer to the FNMA Selling Guide.</p>
Recent Credit Inquiries:	<p>All recent credit inquiries (within last 90 days) must be explained via LOX or Processor's Certification. Any new debt must be verified and factored into DTI ratio.</p>
Maximum number of Borrower owned properties:	<p>10 properties owned is maximum allowed in total between all borrowers on the loan application.</p>
Income:	<p>The borrower(s) should have a history of generating steady income for at least 2 years. AmWest follows Agency Income Guidelines (refer to FNMA Selling Guide) unless otherwise specified.</p> <ul style="list-style-type: none"> • Salaried Borrower: <ul style="list-style-type: none"> ✓ A copy of most recent paystub and most recent W-2. ✓ Must include all year-to-date earnings. <p><i>(continued onto next page)</i></p>

- **Self-Employed Borrower:**
 - ✓ Most recent 2 years tax returns
 - ✓ Follow FNMA guidelines and requirements for calculating the income derived from Self-Employed businesses.
- **Rental Income Requirements:**
 - ✓ Follow FNMA guidelines and requirements for calculations and documentations.

12 months Bank Statement Income Option:

The borrower have been continuously self-employed for at least 2 years, AND incomes used to qualify must be generated from self-employment/business. (Wage earner income from a co-borrower may be used if not associated with the Borrower's business.) Borrowers may use Personal or Business bank statements.

- Using Business Bank Statements to Qualify:**
 - Most recent 12 months business bank statements.
 - Business or Professional license for the past 2 years (if available – depending on nature of business).
 - A Letter from a Licensed Tax Preparer (CPA, CTEC, EA, etc.) with their business letterhead showing the Licensed Tax Preparer's address, phone number & license number. The letter must also document the following information:
 - i. Document that the Licensed Tax Preparer has either prepared or reviewed the most recent 2 years of business tax return filing.
 - ii. The name of the business, borrower's name, and percentage of business ownership by the borrower.
 - Business bank statements require 50% deduction for business expenses and overhead. **Less than 50% (minimum 30%) deduction may be considered with a P&L prepared by a Licensed Tax Preparer.**
- Using Personal Bank Statements to Qualify:**
 - Most recent 12 months personal bank statements of each account.
 - When borrower is operating a business out of a personal bank statement, the business must either be a Sole Proprietor or 1099 based. Business entity may not be a Corporation or a Partnership.
 - Borrower must be a 100% owner of the business.
 - Business or Professional license for the past 2 years (if available – depending on nature of business).
 - A Letter from a Licensed Tax Preparer (CPA, CTEC, EA, etc.) with their business letterhead showing the Licensed Tax Preparer's address, phone number & license number. The letter must also document the following information:
 - i. Document that the Licensed Tax Preparer has either prepared or reviewed the most recent 2 years of business tax return filing.
 - ii. The name of the business, borrower's name, and percentage of business ownership by the borrower.
 - Personal bank statements require 50% deduction for business expenses and overhead. **Less than 50% (minimum 30%) deduction may be considered with P&L prepared by a Licensed Tax Preparer.**
 - **For Joint bank accounts:**
 - ✓ Must deduct deposit(s) not associated with the borrower's business (i.e. co-account holder's payroll, etc.)
 - ✓ May only consider the percentage of account ownership (ex: If borrower holds a joint account with another account holder, only 50% of the deposits will be considered in the income/bank statement analysis) .

The following restrictions apply:

- Borrowers must be self-employed for at least 2 years
- Statements must be consecutive and reflect the most recent months available.
- Ineligible deposits, such as non-business related account transfers, one-time deposits, cash advances from credit cards, income sources already taken into account, product returns/credits, gift funds and credit line deposits/business financing related must be deducted from the calculation.
- Large deposits (defined as any single deposits exceeding 150% of average monthly total deposits) should be omitted or sourced/explained with LOE from the borrower.
- Additional income deposited into the bank statements but derived from a source other than the self-employed business may not be included in the bank statement average.
- Transfers between accounts should be excluded.
- The percentage of the income used must coincide with the percentage of the business ownership (when using personal bank statement, borrower must be a 100% owner).

NOTE: An executed 4506-C/tax transcripts not required on Bank Statement Income Option.

- Income based on future earnings (unless documented from a source such as social security income or retirement account/annuity/disability or other sources of protected income based upon reliability and regularity of income where the source and term are verifiable).
- Draw income
- Capital withdrawals
- VA Education Benefits
- Income from Mortgage Certificates
- Illegal income/income not listed on tax returns
- Any income that cannot be documented and verified
- Room/Boarder rent from subject property

Loan Amounts <= \$250,000 and CLTV <= 75%:

- AVM from an approved provider with acceptable Forecast Standard Deviation (FSD) and a Property Data Report (PDR) ,or
- Prior use appraisal if report completed within 6 months of settlement, or
- Drive-by appraisal (Fannie Mae Form 2055 or 1075), or
- A full appraisal.

(continued onto next page):

**Income
(continued):**

**Unacceptable Sources of
Income:**

Appraisal:

<p>Appraisal (continued):</p>	<p>Loan Amounts >\$250,000 or CLTV >75%:</p> <ul style="list-style-type: none"> • A full appraisal, or • Prior use appraisal if report completed within 6 months of settlement <p>**AVMs must be ordered within 60 days of the note date. **AVMs are not acceptable for condominiums or rural properties</p> <p>Note: <i>Investment transactions being qualified with rental income require a comparable rent schedule (Form 1007) along with the appraisal/valuation report being used.</i></p>
<p>Credit Reports:</p>	<p>The credit report is good for 120 days and must contain complete information supplied by all repositories used and must be issued by an independent credit-reporting agency. A Tri-Merged Credit Report is required. A minimum of credit information from two bureaus is required to proceed with the transaction.</p>
<p>Verification of Mortgage:</p>	<p>Verification of Mortgage - Not on Credit: If there is a first lien on the subject property where the borrower is not a Note holder (e.g. mortgage hold by another party on title), or is not reporting on credit, a verification of mortgage must be provided to verify no late or missed payments in the last 12 months.</p> <p>Verification of Mortgage Requirements: Credit Report must reflect 12 months of trended data to demonstrate timely payments made for all mortgages, both subject and non-subject, to demonstrate no late or missed payment in the last 12 months or one of the following will be required:</p> <ul style="list-style-type: none"> • A loan payment history ledger from the servicer the last 12-months mortgage account statements and/or cancelled checks from the borrower • A verification of mortgage from the servicer, including credit supplements verified with servicer name and contact provided.
<p>Signification Derogatory Credit Events (Bankruptcy, Foreclosure, Short-Sale, Deed-In-Lieu):</p>	<ul style="list-style-type: none"> • Bankruptcy (Chapter 7/11): 4 years measured from discharge or dismissal date. • Bankruptcy (Chapter 13): 2 years from the discharge date, or 4 years from the dismissal date. • Foreclosure: 7 years from the completion date • Deed-In-Lieu, Pre-foreclosure, Short-Sale: 4 years from completion or sale • Borrowers must not be a party to a lawsuit.
<p>Collections and Charge-Offs of Non-Mortgage Accounts:</p>	<ul style="list-style-type: none"> • Accounts that are reported as past-due, not report as collection accounts, must be brought current. <ul style="list-style-type: none"> ✓ For owner-occupied properties, borrowers are not required to pay off outstanding collections or charge-offs, regardless of the amount, provided the collection will not threaten first-lien position. ✓ For second homes and investment properties, collections and charge-offs totaling more than \$5,000 must be paid in full prior to closing. • Delinquent credit, including taxes, judgments, charge-offs of non-mortgage accounts, tax liens, and other liens that have the potential to affect lien position or diminish the borrower's equity, must be paid off at or prior to closing. • Judgements, Garnishments, and Liens: Open judgments, garnishments, and all outstanding liens that are in the public records section of the credit report will be identified and must be paid off prior to closing. Documentation of the satisfaction of these liabilities, along with verification of funds sufficient to satisfy these obligations, must also be obtained.
<p>Assets:</p>	<p>The borrower must utilize the HELOC's Draw Amount for closing costs/funds to close.</p> <ul style="list-style-type: none"> • Borrower cannot bring funds to closing.
<p>Title:</p>	<ul style="list-style-type: none"> • All loans require a minimum of an Owner and Encumbrance Property Report (the "O&E Property Report) ordered/obtained by approved title insurer or vendor. The title to the property must be in at least one of the Borrower(s) name at the time of the loan application and Note Date. • The O&E Property Report, and related closing documents if applicable, must indicate that the lien for the Product on Collateral is subordinate to a first lien, and that no other liens or encumbrances remain. The O&E Property Report must be dated no more than 60 days to the Note Date. • The title documentation must include, but not limited to the following: <ul style="list-style-type: none"> ✓ Current grantee and grantor ✓ Last deed of record information ✓ Property address ✓ Recordable legal description ✓ Ownership interest (i.e., fee simple) ✓ Status of real estates taxes ✓ Open mortgages and voluntary encumbrances ✓ Judgments, liens, and involuntary encumbrances <p>At least one borrower must be a current owner (on title) of the subject property at the time of the initial loan application.</p>
<p>Hazard Insurance:</p>	<p>Hazard insurance coverage must be sufficient.</p> <ul style="list-style-type: none"> • Requires Guaranteed Replacement Cost or an updated policy which covers both 1st and 2nd lien.

Additional Requirements:	<ul style="list-style-type: none">• Current first mortgage statement showing:<ul style="list-style-type: none">✓ Current principal balance✓ Fully amortized✓ Term• Note/Deed (if applicable)• HOA statement (if applicable)• HOI, flood insurance (if applicable)
Continuation of Guidelines	<ul style="list-style-type: none">• Refer to Fannie Mae's Selling Guide for any underwriting guidelines not stated on AmWest's HELOC program guidelines.
Approved States:	<ul style="list-style-type: none">• Refer to eligible states at: https://www.amwestwholesale.com/Company/Licensed-States

