



Streamline Jumbo

stockton.com

SMC NMLS 8259 Equal Housing Lender

Overview

- Product Codes
- General Eligibility
- Maximum Loan Amount, LTV, CLTV and DTI, Minimum Credit Score and Reserves
- Maximum Cash Out Minimum Loan Amount Ratios
- Eligible Property Types
- Ineligible Property Types
- Maximum Financed Properties
- Interested Party Contributions
- Borrower Contribution
- Mortgage Insurance
- Subordinate Financing
- Escrow Holdback
- Non-Occupant Co-borrowers

Credit & Collateral Requirements

- Automated Underwriting System (AUS)
- Credit Report & Credit Scores
- Income Documentation
- Asset Documentation
- Verification of Mortgage or Rent
- Appraisal Report

Miscellaneous

- Underwriting Method
- Escrow Accounts
- Temporary Buydowns
- Document Age
- Lock Commitment & Delivery Option(s)

Stockton Mortgage's Streamline Jumbo loan program is a non-agency offering allowing for loan amounts greater than the conforming limit as set by the Federal Housing Finance Agency. All loans must meet the Ability to Repay rules and Qualified Mortgage requirements established by Regulation Z under the Truth-in-Lending Act. Loans require manual underwriting and documentation according to Appendix Q to Part 1026 of Regulation Z – Standards for Determining Monthly Debt and Income. In addition, loans must be submitted to Desktop Underwriter®(DU) or Loan Product Advisor® (LPA) with a feedback certificate included. Regardless of the AUS findings, loans must meet Stockton Mortgage's guidelines and credit and collateral requirements. Underwriting topics not addressed in Appendix Q and Stockton Mortgage guidelines, follow the manual underwriting requirements for the applicable agency based on the automated underwriting system utilized.

GENERAL ELIGIBILITY

Maximum Loan Amount, LTV, CLTV and DTI, Minimum Credit Score and Reserves

Purchase & Rate/Term Refinancel				
Property Type	Max Loan Amount	Max LTV / CLTV	Min Credit Score	Min Reserves
1-Unit Primary Owner-Occupied	\$1,500,000	85%	700	12 months
	\$2,500,000	85%	720	15 months
	\$3,000,000	75%	740	24 months
2-Unit Owner Occupied	\$2,000,000	70%	720	15 months
1-Unit Second Home	\$1,500,000	80%	720	12 months
	\$2,000,000	75%	720	18 months
	\$2,500,000	70%	720	24 months
1-Unit Investment	\$1,000,000	70%	720	18 months
	\$1,500,000	70%	740	24 months
	\$2,000,000	70%	760	24 months
	\$2,000,000	60%	740	24 months
2-4 Unit Investment	\$1,000,000	65%	720	18 months
	\$1,500,000	65%	740	24 months
	\$2,000,000	65%	760	24 months
	\$2,000,000	60%	740	24 months

Cash Out Refinancel				
Property Type	Max Loan Amount	MaxLTV / CLTV	Min Credit Score	Min Reserves
1-Unit Primary Owner-Occupied	\$1,000,000	80%	720	12 months
	\$1,000,000	75%	700	12 months
	\$1,500,000	80%	740	15 months
	\$2,000,000	75%	740	15 months
	\$2,500,000	70%	740	24 months
1 Unit Second Home	\$1,000,000	70%	720	12 months
	\$2,500,000	65%	740	24 months

1 Refinance properties listed for sale within 6 months of application date are not permitted

Maximum Cash Out

Property	Maximum Loan Amount	Max Cash Out
1-Unit Primary Owner-Occupied	\$2,000,000	\$350,000
	\$2,500,000	\$500,000
1 Unit Second Home	\$2,500,000	\$350,000

Minimum Loan Amount

Agency conforming loan limit + \$1

Ratios

Maximum DTI 43%

Eligible Property Types

- Single Family Residence, attached or detached, 1 unit
- Condominiums; standard Fannie Mae or Freddie Mac documentation required
- PUDs
- Rural Properties - highest and best use of the subject property is residential - no agricultural or commercial use

Ineligible Property Types

- Manufactured Homes
- Modular Homes
- Co-ops
- Condotels
- Live/work condos
- Fractional Ownership/Time Shares
- Mandatory Country Club Membership
- Properties under construction
- Working farm
- Properties with more than 15 acres
- Unique properties without acceptable comparables, geodesic domes, log homes, etc.

Maximum Financed Properties

The maximum number of financed properties to any one borrower is limited to six (6) residential properties

Interested Party Contributions

Property	LTV / CLTV	Max Financing Contribution
1-Unit Primary Owner-Occupied	75.01-85%	6%
Investment	All LTVs	2%

Borrower Contribution

- The borrower(s) must have a minimum of 5% of own funds available
- Gift funds permitted after borrower contribution requirements have been met with the following requirements:
 - Gift funds cannot be counted towards reserves
 - Purchase transaction only
 - Primary residence only

Mortgage Insurance

Not required

Subordinate Financing

- Subordinate lien(s) must not have negative amortization features, prepayment penalties or balloon payments due within five (5) years of the loan closing date
- Principal balance of a HELOC used in determination of the L1V/CL1V ratio is based upon the fully drawn balance
- Cases with HELOC resubordinated to the subject property, the monthly amount listed on the credit report for the HELOC will be used. Cases if no monthly amount is listed, one (1) percent minimum payment of the maximum line amount will be used for qualifying

Escrow Holdback

Not permitted

Non-Occupant Co-borrowers

Not permitted

CREDIT & COLLATERAL REQUIREMENTS

Automated Underwriting System (AUS)

- Loans must be submitted to Desktop Underwriter® or Loan Product Advisor® with a feedback certificate included in the Underwriting Submission and Closed Loan Credit packages
- Regardless of the AUS findings, loans must meet Stockton Mortgage's credit and collateral requirements consistent with Appendix Q.

Credit Report & Credit Scores

- The credit report and AUS submission must be based on three bureau merged credit report
- The representative credit score is the middle score or the lower of two scores
- Credit report must be dated within 120 days of the note date

Income Documentation

All loans must meet the Ability to Repay rules and Qualified Mortgage requirements established by Regulation Z under the Truth-in-Lending Act. Loans require manual underwriting and the credit requirements, such as Income liability, asset and employment documentation, closely follow Appendix Q - Standards for Determining Monthly Debt and Income. Unless otherwise specified in Stockton Mortgage's Correspondent Lending Guide and this program description, follow the manual underwriting requirements for applicable Agency based on the automated underwriting system utilized.

- Employment and Income documentation must be dated within 60 days of the note date
- Follow the agency age of documentation requirements; military income documented using leave and Earnings Statement, Social Security, retirement Income, long-term disability, mortgage credit certificates, public assistance, foster care, or royalty payments
- Full Documentation Is required
- When analyzing the business income and profit and loss and balance sheet statement follow agency COVID guidelines to ensure proper qualification of the self-employed Income. The year to date profit and loss statement and balance sheet must not be more than 60 days aged as of the note date.
- Verbal Verification of Employment for the last two (2) years required for:
- For all employment used for qualifying Income, and If using third party employment verification vendor, the Information In the vendor's database cannot be more than 60 days aged as of the note date.

Income Documentation continued...

- Verbal Verifications of employment
 - Wage Earners - within 10 business days prior to note date
 - Self-Employed
 - Verification of existence of the borrower's business within 120 days of the note date, and
 - Verification that the business is open and operating within 20 business days of the note date. Examples of methods to confirm the business is operating:
 - Evidence of current work, such as executed contracts or signed invoices that indicate the business is operating on the day the Lender verifies self-employment;
 - Evidence of current business receipts within 20 days of the note date, such as payment of services performed;
 - Business website demonstrating activity supporting current business operations, timely appointments for estimates or service, etc.

For further COVID-19 related guidance, follow the agency requirements applicable to the automated underwriting system utilized.

Asset Documentation

Full asset documentation is required, including:

- All pages of the most recent two (2) consecutive months' statements or the most recent quarterly statement may be provided, as applicable
- All asset documentation must be dated within 90 days of the note date.
- All funds must be owned by the borrower(s)
- Verification of Deposits (VOD) are not acceptable

Stocks, Stock, options and mutual funds

- When used for down payment or closing cost, evidence of the borrower's actual receipt of funds realized from the sale or liquidation must be documented in all cases
- When used for reserves, only 70% of the value of the asset must be considered and liquidation is not required
- All funds must be owned by the borrower(s)

Verification of Mortgage or Rent

- The most recent 24 months mortgage or rental payment history is required.
- If the mortgage account is not reported on the credit report, a VOM is required. Acceptable methods of VOM are:
 - Completed VOM form and computerized payment history printout from the mortgage servicer;
 - Credit bureau report reflecting a payment history over the last 24 months;
 - Canceled checks, front and back, reflecting necessary mortgage payments over the last 24 months; or
 - Canceled checks, front and back, reflecting necessary mortgage payments over the most recent 12 months and a completed VOM form and computerized payment history printout from the mortgage servicer for the preceding 12 months.
- If the borrower does not have an outstanding mortgage loan, a VOR must be completed to verify the borrower's rental payment history. Acceptable methods of VOR are:
 - Canceled checks, front and back, reflecting necessary rent payments;
 - Bank statements reflecting rent payments and a signed lease agreement; or
- Landlord completed VOR form if the landlord is a professional management company.

Appraisal Report

- Full URAR Interior and Exterior appraisal report on agency applicable Form
- Two (2) appraisal reports are required if the loan amount is greater than 1,500,000. For purchase transactions, if two (2) appraisals are cash out refinance transactions, if two (2) appraisals are required then the property value will be the lesser of the two (2) appraisal reports. Any inconsistencies between the two (2) appraisal reports must be addressed and reconciled.
- Appraisal report must be dated within 120 days of the note date. A new appraisal is required after 120 days
- Transferred appraisal report is not allowed
- Appraisal report must be Appraiser Independence Requirements (AIR) compliant

MISCELLANEOUS

Underwriting Method

Manual underwrite

Escrow Accounts

Required with LTV ratios greater than 80%

Temporary Buydowns

Not permitted

Document Age

The date of the credit report, appraisal report and all other documentation may not exceed 120 days from the date of the note date.

Lock Commitment & Delivery Option(s)

Best Effort Commitments