

Effective 05/01/2025

RISING STAR CREDIT MATRIX

INCOME

Eligibility	Description				
Income Types	Full Document: 1 or 2 Years • W-2 & Paystubs • Tax Returns Alternative Document: 1 or 2 Years • 1099 Bank Statements: Personal or Business • 12 or 24 Months Bank Statements: 2 Years self-employed in same business required Asset Qualifier: Assets post close must be greater than 110% of the loan amount + reserves Asset Qualifier: Income equals Qualified Assets / 60 months Asset Income Lift: Income equals Qualified Assets / 120 months Asset Income Lift: Must be paired with Full Doc, Bank Statements, or 1099 Income				
Bank Statement Expense Ratio	Fixed Expense Ratio:	# of Non-Owner Employees	0	1 - 5	6+
		Service Business	20%	40%	60%
		Product Business	40%	60%	80%
	Business Expense Letter:	Letter from CPA/accountant, IRS enrolled agent, or tax preparer subject to a minimum total expense percentage of 10%			
	Profit and Loss Statement:	Expense factor provided on a profit and loss statement prepared by a CPA/accountant, IRS enrolled agent, or tax preparer subject to a minimum total expense percentage of 10%			
Debt Ratio	45% Max DTI when LTV is greater than 80% 50% Max DTI when LTV is equal to or less than 80% 43% Max DTI for Asset Qualifier income method 45% Max DTI for Income Lift income method 43% Max DTI when living rent free 45% Max DTI when Interest Only				
Residual Income	Minimum \$1,250 plus \$250 is required for the first dependent and then \$125 for each additional dependent to a max requirement of \$1,750.00				

LOAN TYPE RESTRICTIONS

Transaction Type	Fico	Primary				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Purchase	760 +	85%	85%	80%	70%	70%
	740 - 759	85%	85%	80%	70%	70%
	720 - 739	85%	85%	80%	70%	70%
	700 - 719	85%	85%	80%	70%	70%
	680 - 699	80%	80%	75%	70%	65%
	660 - 679	80%	80%	75%	70%	65%
	640 - 659	80%	80%	70%	NA	NA
Transaction Type	Fico	Primary				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Rate/Term Refinance	760 +	80%	80%	80%	70%	70%
	740 - 759	80%	80%	80%	70%	70%
	720 - 739	80%	80%	80%	70%	70%
	700 - 719	80%	80%	80%	70%	70%
	680 - 699	80%	80%	75%	70%	65%
	660 - 679	80%	80%	75%	70%	65%
	640 - 659	80%	75%	65%	NA	NA
Transaction Type	Fico	Primary				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Cash Out Refinance	760 +	80%	80%	80%	60%	60%
	740 - 759	80%	80%	80%	60%	60%
	720 - 739	80%	80%	80%	60%	60%
	700 - 719	80%	80%	80%	60%	60%
	680 - 699	75%	75%	75%	60%	60%
	660 - 679	75%	75%	75%	60%	60%
	640 - 659	75%	70%	60%	NA	NA

LOAN TYPE RESTRICTIONS CONTINUED

Transaction Type	Fico	Second Home				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Purchase	760 +	80%	80%	80%	70%	65%
	740 - 759	80%	80%	80%	70%	65%
	720 - 739	80%	80%	80%	70%	65%
	700 - 719	80%	80%	80%	70%	60%
	680 - 699	80%	80%	75%	70%	60%
	660 - 679	80%	80%	75%	70%	60%
	640 - 659	75%	75%	NA	NA	NA
Transaction Type	Fico	Second Home				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Rate/Term Refinance	760 +	75%	75%	75%	65%	65%
	740 - 759	75%	75%	75%	65%	65%
	720 - 739	75%	75%	75%	65%	65%
	700 - 719	75%	75%	75%	65%	60%
	680 - 699	75%	75%	75%	65%	60%
	660 - 679	75%	75%	75%	65%	60%
	640 - 659	70%	70%	NA	NA	NA
Transaction Type	Fico	Second Home				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Cash Out Refinance	760 +	75%	75%	75%	NA	NA
	740 - 759	75%	75%	75%	NA	NA
	720 - 739	75%	75%	75%	NA	NA
	700 - 719	75%	75%	75%	NA	NA
	680 - 699	75%	75%	75%	NA	NA
	660 - 679	75%	75%	75%	NA	NA
	640 - 659	NA	NA	NA	NA	NA

LOAN TYPE RESTRICTIONS CONTINUED

Transaction Type	Fico	Investment Property				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Purchase	760 +	80%	80%	80%	NA	NA
	740 - 759	80%	80%	80%	NA	NA
	720 - 739	80%	80%	80%	NA	NA
	700 - 719	80%	80%	80%	NA	NA
	680 - 699	80%	80%	75%	NA	NA
	660 - 679	80%	80%	75%	NA	NA
	640 - 659	75%	75%	NA	NA	NA
Transaction Type	Fico	Investment Property				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Rate/Term Refinance	760 +	80%	80%	80%	NA	NA
	740 - 759	80%	80%	80%	NA	NA
	720 - 739	80%	80%	80%	NA	NA
	700 - 719	80%	80%	80%	NA	NA
	680 - 699	80%	80%	75%	NA	NA
	660 - 679	80%	80%	75%	NA	NA
	640 - 659	70%	70%	NA	NA	NA
Transaction Type	Fico	Investment Property				
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$2.5M	≤ \$3.0M
Cash Out Refinance	760 +	75%	75%	75%	NA	NA
	740 - 759	75%	75%	75%	NA	NA
	720 - 739	75%	75%	75%	NA	NA
	700 - 719	75%	75%	75%	NA	NA
	680 - 699	75%	75%	75%	NA	NA
	660 - 679	75%	75%	75%	NA	NA
	640 - 659	65%	65%	NA	NA	NA

PRODUCT TYPE RESTRICTIONS

Eligibility	Max LTV Purchase	Max LTV Rate/Term	Max LTV Cash Out
Credit Grade A	85%	80%	80%
Credit Grade B	80%	70%	70%
Credit Grade C	80%	70%	NA
Asset Qualifier	80%	75%	70%
Interest Only	80%	80%	75%
Foreign National	75%	70%	65%
Non-Permanent Resident	75%	70%	70%
Non-Warrantable Condo	75%	75%	70%
Condotel	75%	70%	65%

Loan Credit Grade

Credit Grade	A	B	C
All Mortgage History	0x30x12	1x30x12	1x60x12
Foreclosure	36 Months	24 Months	12 Months
Bankruptcy	36 Months	24 Months	12 Months
Short Sale	36 Months	24 Months	12 Months
Deed in Lieu	36 Months	24 Months	12 Months
Modification	36 Months	24 Months	12 Months
Loan Amount	\$3,000,000	\$2,000,000	\$1,000,000
Occupancy	All	All	Primary Only

PRODUCT

Eligibility	Description
Fixed Products	30 Year fixed or 40 Year fixed interest only
Arm Products (30 Year Amortization)	5 year 6 month SOFR arm • 7 year 6 month SOFR arm Margin 3.5% • Index: 30-day average SOFR • Floor: Start rate 2.0% Initial cap / 2.0% Annual cap / 5.0% Life cap
Interest Only Term	120 Months
Consumer Purpose Investment Property	Consumer purpose qualified with any of the above eligible document types. No prepayment penalty allowed on consumer loans.
Business Purpose Investment Property	Bona fide business purpose qualified with any of the above eligible document types. Prepayment penalty allowed on business purpose loans, see guide for restrictions. Business purpose certification must be completed and validated by underwriter. Must be registered and locked as Rising Star Business Purpose.

PRODUCT CONTINUED	
Loan Amount	Minimum loan amount \$100,000 • Maximum loan amount \$3,000,000
Prepay Restrictions (Business Purpose Only)	Not allowed in AK, KS, MN, NM, RI Allowed with conditions in IL, MS, NJ, OH, PA
Escrows	Escrow waiver allowed with conditions, see client guide
Cash Out Proceeds	Max cash in hand limited to \$500,000 for LTV greater than 65% There is no cash in hand limitation for loans equal to or less than 65% LTV
Seasoning	No seasoning to use appraised value for a Rate and Term Refinance 3 months seasoning for a Cash Out Refinance <ul style="list-style-type: none"> • Max loan amount lesser of \$750,000 or purchase price plus improvements • Minimum Fico of 680 6 months seasoning for a Cash Out Refinance <ul style="list-style-type: none"> • No additional restrictions No seasoning required to use appraised value on properties obtained through inheritance, divorce, or separation
Occupancy	Primary, Second Home, and Investment Property
Secondary Financing	Max CLTV is restricted to the max qualifying LTV
Land Contract • Lease with Option to Purchase	Eligible as a rate and term refinance if seasoned for 12 months with a payment history of 0x30 for 12 months supported by canceled checks
Texas Cash Out 50(a)(6)	Max 80% LTV • Financed points cannot exceed 80% LTV • 12 day waiting period required
Delayed Financing	Eligible when a property was purchased by a borrower for cash with 180 days of the loan application <ul style="list-style-type: none"> • Purchase loan/LTV limits apply
Fees	\$1,395 Underwriting Fee • \$1,595.00 Bank Statement Underwriting Fee \$150.00 Desk Review Fee If applicable: \$250.00 Texas Legal Document Review If applicable: \$250.00 Entity Review Fee • If applicable: \$695.00 Processing Fee
BORROWER	
Eligibility	Description
Eligible Borrowers	US Citizen • Permanent Resident • Non-Permanent Resident • Foreign National
Foreign National	Minimum credit score 680 • Default score of 680 when US credit unavailable • \$150,000 minimum loan amount 12 Months Reserves • Second Home or Non-Owner Only • See guide for visa requirements ACH required on all loans
Max Borrowers	Max 4 individuals
Vesting	Natural persons • US Domiciled Entity • Living Trusts
First Time Homebuyer	See Client Guide
Exposure	No more than \$5,000,000 or 15 properties to one single borrower

CREDIT

Eligibility	Description
Qualifying Credit Score	Minimum score 640 A minimum of two scores must be reporting Use the lower of two or middle of three credit scores to determine the decision score Use the decision score of the primary wage earner
Mortgage Status	All mortgages must be current at the time of closing
Mortgage Rating	See loan credit grade in Product Type Restrictions
Consumer Credit	No requirement
Credit Event Seasoning (BK, FC, SS, FB, Mod)	See loan credit grade
Covid Forbearance	Eligible if all missed payments are repaid or 3 regular payments over 90 days have been paid after forbearance has ended.
Charge-Offs and Collections	Individual collection and non-mortgage charge-off accounts equal to or greater than \$250, and accounts that total more than \$2,000, must be paid in full prior to or at closing. Medical collections are excluded up to a cumulative balance of \$10,000
Judgements and Liens	All open judgments, garnishments, and outstanding liens affecting title must be paid off prior to or at closing.
Tradelines	One (1) active tradeline rated for 24 months and Two (2) tradelines rated 12 months open or closed • One (1) mortgage tradeline rated for 12 months open or closed in last 24 months and One (1) additional tradeline

ASSETS / RESERVES

Eligibility	Description
Assets	Seasoned for 60 days Large deposits that exceed 50% of the qualifying income must be sourced
Reserves	<ul style="list-style-type: none"> • 0 Months PITIA when LTV ≤ 65% • 6 Months PITIA when LTV > 65% <ul style="list-style-type: none"> • Purchase Transactions: 3 Months PITIA with a credit score > 720 and LTV < 80 • 12 Months PITIA for loan amounts greater than \$1,500,000 regardless of LTV • 12 Months PITIA for foreign nationals Loan proceeds can be used for reserves
Concessions	6% for LTV ≤ 80% • 4% for LTV > 80% LTV Must be used for closings costs and prepaids
Gift Funds	Gift funds are allowed with a minimum 5% borrower contribution with a max 80% LTV or Gift funds are allowed with no borrower contribution to a max 75% LTV on Primary Home Gift funds are allowed with a minimum 10% borrower contribution for Second Home Gift funds are allowed with a minimum 10% borrower contribution for Investment Home
Gift Equity	A gift of equity is allowed with a minimum 5% borrower contribution with a max 80% LTV or A gift of equity is allowed with no borrower contribution to a max 75% LTV on Primary Home A gift of equity is allowed with a minimum 10% borrower contribution for Second Home

PROPERTY

Eligibility	Description
Property Type	SFR 1 - 4 Units • PUD • Condo • Non-Warrantable Condo • Condotel
Non - Warrantable Condo	680 Min Fico
Property Condition	C4 or better
Minimum Sq Ft	SFR & PUD 600 sq ft • Condo Units 500 sq ft • 2-4 Units 400 sq ft
Acreage	Max 10 acres • No rural properties
Appraisal Requirements	<p>Approved AMC required • SSRs required unless transferred</p> <p>SFR - 1004 • 2 to 4 Units - 1025 • Condo - 1073</p> <p>Second appraisal required for loan amounts greater than \$2,000,000</p> <p>Appraisal must be dated within 120 days of the Note</p> <p>Desk review required on all loans or CU Score of 2.5 or less with restrictions</p> <p>1007 is required for all Investment Properties when income is used to qualify</p>
Appraisal Transfers	Allowed with signed transfer letter from lender, invoice, and first generation report
Listed for Sale	<p>Listing must be canceled prior to the Note date for a Rate and Term Refinance</p> <p>Listing must be canceled 90 days prior to the Note date for a Cash Out Refinance</p> <p>The lessor of the recent list price or appraised value will be used within 6 months of the listing</p>
States not available - Business Purpose	ND, SD
States not available - Consumer Purpose	AK, HI, MO, ND, NY, SD

COMPLIANCE

Eligibility	Description
Max Broker Fees	<ul style="list-style-type: none"> • Loan Amounts < \$150,000: Max broker compensation which includes borrower paid compensation, lender paid compensation, business purpose premium, and total fee compensation, which includes all other fees charged by the broker such as the credit report fee, processing fee, etc., is 5% in aggregate. • Loan Amounts > \$150,000: Max broker compensation which includes borrower paid compensation, lender paid compensation, business purpose premium is 3%. Total fee compensation which includes all other fees charged by the broker such as the credit report fee, processing fee, etc. is 5% in aggregate. • Stacking Fees does not affect or allow the broker to charge in excess of the above max compensation.
High Cost	No High Cost Loans (Max 5% of Amount Financed or Rate 6.5% above APOR)
Section 32	No Section 32
Ability to Repay	All loans require the ability to repay
State and Federal Laws	All federal and state regulations must be followed

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