



PRODUCT:	ALT95	
E3 CODES:	ALT95 15YR	ALT95 15YR LPMI
	ALT95 20YR	ALT95 20YR LPMI
	ALT95 30YR	ALT95 30YR LPMI

Amortization: 15, 20, and 30 year. Also available in a 5/1 and 7/1 arm (LIBOR indexed).

Appraisal Requirements: A full URAR is required on all transactions.

ARM Specifics:

Caps	5/1 7/1	5/2/5 5/2/5
Margin	2.50	
Index	One Year LIBOR	
Adjustments	Fixed for 5 or 7 years. Thereafter, adjusts annually.	
Conversion	Not available	
Assumability	Assumable per FHLMC guidelines	

Cash out Refinance: Not allowed.

Construction to Permanent

LTV Calculation:

LTV /CLTV requirements for construction to permanent financing are as follows:

- Acquisition cost must be documented.
- LTV/CLTV must be within the guidelines posted above.
- When the lot is owned less than 12 months prior to the close of interim financing
 - LTV/CLTV ratio is based on the lesser of:
 - Current appraised value of the subject property (both the lot and the improvements), or
 - Total acquisition costs (sum of documented costs of construction and the sales price of the lot).
- When the lot is owned greater than 12 than or equal to 12 months prior to the close of interim financing
 - LTV/CLTV ratio is based on the lesser of:
 - Current appraised value of the subject property (both the lot and the improvements), or
 - The sum of the documented costs of construction and the appraised value of the lot.
- As a reminder acquisition cost must be documented as follows: Purchase contract or construction statement (cost breakdown) signed by the borrower and the builder.
- If the lot is acquired separately, the borrower must also provide a copy of the recorded deed with the filing date (if applicable) and one of the following:
 - Copy of the land purchase agreement or contract for deed;

- Owner's title policy; or
- HUD-1 settlement statement.

Credit: Credit requirements will be determined by LP.

No late mortgage payments in the last 12 months allowed regardless of LP/DU findings.

Credit Score Minimum: Regardless of LP findings, all borrowers must meet the following credit score requirement:

Loan To Value	Credit Score Minimum
95.01 to 97.00	680
<=95.00	620

*A-minus loans must have 660 score and are limited to 95.00LTV

Debt to Income Ratio: 45% maximum regardless of findings.

Declining Markets: Properties located in a declining market will be subject to a 5% LTV reduction. A list of those areas can be located at pcmexpress.com. If the appraiser indicates property is in declining market, greater than 6 months marketing time, or over supply for the area, the property will be considered in a declining market. A-minus loans are not eligible in declining markets.

Down Payment: No minimum down payment or contribution is required by the borrower.

Geographic Restrictions: There are no geographic restrictions.

Gifts: Gifts are allowed for down payment, closing costs, and prepaids.

Identifier Code: When submitting a loan through Loan Prospector, the 210 identifier code needs to be used to identify loan as ALT 97

Maximum Loan Amount and LTV:

Purchase/Rate-Term Refinance		
1 Unit	\$417,000	97.00 LTV

Loans that receive A minus approve/eligible are limited to 95.00 LTV.

Minimum LTV: Minimum LTV is 90.00

Minimum Loan Amount: \$30,000

Multiple Property Ownership: The borrower may not own other real estate.

Non-Occupant

Co-Borrower: Non-occupant co-borrowers are not allowed.

Non-Arms Length Transactions: The following scenarios are considered non-arms length transactions and are not eligible for financing:

- Purchase transactions between family members.
- Purchase transactions between employer and employees.
- Applicants employed by family members.
- Loans for builders on properties they or their company have built.
- Renters buying from landlord.

Power of Attorney: **Primary Capital does not allow loans to close under a Power of Attorney.**

Private Mortgage Insurance:

LTV	30 Year
95.01-97.00%	35%
95.00%	30%

Lender-paid mortgage insurance is available for this product on transactions with credit scores 680 or higher. All borrowers must have 680 score and debt to income ratio can not exceed 45%.

Freddie Mac A minus loans are not eligible for LPMI regardless of credit score.

Freddie Mac A minus transactions will be subject to A minus mortgage insurance pricing. Minimum credit score is 660 and max LTV is 95.00. Mortgage insurance is not available on A minus loans in a declining market.

The above MI percentages per LTV brackets are the required amounts regardless of automated findings.

Private Mortgage Insurer:

MGIC, UG, RMIC, or Radian

Property Type:

Eligible properties include 1 unit properties, and PUDS.

Ineligible properties include condos, manufactured housing, modular homes, 2-4 unit properties, log homes, unique properties, model homes, non warrantable condominiums and properties that have been listed in the last 6 months are not eligible for refinance transactions.

Qualifying Ratios:

Buydown must be qualified at 1% above start rate. Arms must be qualified at the greater of note rate or fully indexed rate.

Reserves:	To be determined by LP.
Seller Contributions:	3% allowed.
Subordinate Financing:	Not allowed.
Temporary Buydowns:	Temporary buydowns are allowed.
Title:	A full title commitment with a complete 24-month chain of title is required on all loans.
Underwriting:	All loans must receive LP accept. Freddie Mac- Caution/Eligible- A-minus Offerings are acceptable if the property is not in a declining market. Maximum LTV is 95.00 with a minimum credit score of 660.