

## ASSET DEPLETION

PROGRAM ID: SP A2

**Program Description:** Ability to repay documented through assets

### Products and Terms:

**5/1 ARM:** Fully Amortizing

**5/1 ARM:** With 7 or 10 year Interest Only period

**7/1 ARM:** Fully Amortizing

**7/1 ARM:** With 10 year Interest Only period

**Eligible borrowers:** Must satisfy the following requirements: Net assets equal to or greater than 175% of the principal amount of the applied for mortgage; divided by 180, plus monthly income. Residual income derived from VA residual test must be greater than 200% of the requirement for region and household size.

**Maximum debt to income ratio:** Not applicable

**Minimum credit score:** 700, based on no less than three trade lines established for one or more years, no history of foreclosure or bankruptcy over past four years, and no late mortgage or rental payments over past two years

### Loan amounts and loan to value limits:

Purchase and rate & term refinance	Cash-out	Max Cash-out (Seasoning rules apply)
75% to \$1,000,000	70% to \$1,000,000	\$250,000 at 70%
70% to \$1,650,000	65% to \$1,650,000	\$400,000 at 65%
65% to \$2,000,000	60% to \$2,000,000	\$850,000 at 55%

**Acceptable occupancy:** Primary residence and second homes (no investor occupancy properties)

**Acceptable property types:** Single family and Fannie eligible condominiums

**Required reserves:** 6 months

**Acceptable states:** 50 states

**Acceptable borrowers:** US Citizens and permanent resident aliens only

ARM re-prices at 1 year LIBOR + 3.99% subject to 5% Initial, 2% periodic and 5% lifetime caps

Escrow for taxes and insurance