

NON-WARRANTABLE CONDO

PROGRAM ID: SP J3

Program Description: Non-warrantable condo

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: Borrowers must have been continuously employed for 2 years, self-employed borrowers must have been operating the same business for 2 years

Maximum debt to income ratio: 46%

Minimum credit score: 680, 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)
80% to \$850,000*	70% to \$400,000	70% to \$150,000
75% to \$1,650,000**	65% to \$850,000	65% to \$250,000
65% to \$2,000,000**	55% to \$2,000,000**	60% to \$400,000 55% to \$850,000

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

Acceptable property types: Condominiums as follows: 35% of the units in the project must have been sold or under contract prior to the one-year anniversary of the date in which the units in the project were first marketed. 55% of the units in the project must have been sold or under contract prior to the eighteenth month anniversary of the date in which the units in the project were first marketed. 70% of the units must have been sold or under contract if the project has been marketed for more than eighteen months, Condotels and kiddie condos not permitted.

Required reserves: 4 months

Acceptable states: 50 states (US Territories not allowed)

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

*75% max LTV in NY. **For loans over \$1 million, Sprout client support desk must review/approve upfront.

*** No LTV adjustment for second homes.

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