



Seller’s Guide Updated from 1.6.2025 - Side by Side – Revised 3.21.2025

Previous Version (1.6.2025) – Redline for Reference/Snippets of changes		New Version (3.21.2025)
Section I. EXPIRATION OF CREDIT / COLLATERAL DOCUMENTS		Section I. EXPIRATION OF CREDIT / COLLATERAL DOCUMENTS
VERIFICATION OF MORTGAGE / RENT / HOUSING HISTORY	<p>If housing history over last 12-month period is 0x30, expiration is 3090 days as of the date of closing.</p> <p>If there are any late payments, then every 30 days evidence is required.</p>	<ul style="list-style-type: none">Housing History added to Section name.90 day expiration date if 0x30 history over last 12 months (vs. 30 day expiration date). Caveat that if any mortgage lates, then every 30 days evidence required (i.e., 30 day expiration date)
WRITTEN VERIFICATION OF EMPLOYMENT	<p>3090 days as of the date of closing.</p>	<ul style="list-style-type: none">Written VOE, Paystubs, Bank Statements used for income and bank statements used for Assets now have expiration date of 90 days (vs 30 or 45 days).
PAY STUBS	<p>4590 days as of the date of closing or 31 days for borrowers who are only paid once per month.</p>	<ul style="list-style-type: none">Consumer Debt/requirement for statement w/in 90 days removed.
BANK STATEMENTS (INCOME)	<p>4590 days from the statement ending date as of the date of closing (cannot use an online transaction history to update income).</p>	
BANK STATEMENTS (VERIFICATION OF FUNDS / ASSETS)	<p>Statement may be 4590 days and an online transaction history as of the date of closing or final escrow deposit may be used to document an updated balance; must have most recent two (2) months consecutive statements for LTVs >65%.</p> <p>An updated on-line history should be obtained to update a quarterly account.</p>	
CONSUMER DEBTS	<p>Creditor statement issued within 90 days or less prior to the closing of file.</p>	

3.9 INDIVIDUAL TAX IDENTIFICATION NUMBER (“ITIN”) BORROWERS

3.9
INDIVIDUAL TAX
IDENTIFICATION
NUMBER (“ITIN”)
BORROWERS

Individual Tax Identification Number (“ITIN”) Borrowers may be eligible under the following measured circumstances:

- To a maximum LTV / CLTV as described on the Program Matrix;
- To a maximum loan amount of \$1M; and
- Qualify Full Doc, 12-Month or 24-Month Bank Statement, 1099 Program, P&L Program, or ATR-in-Full ~~for Owner Occupied Properties~~, or DSCR+ with a ratio as prescribed by the program for Investment Properties.

When qualifying as Full Doc, ITINs may utilize a written VOE dated within 30 days of funding in lieu of a paystub and W-2s / tax returns, as otherwise required for Full Doc. In supplement, file should also document the most recent bank statement that includes ACH / Direct Deposit of payroll as validation to the written VOE.

Non-Permanent Resident Aliens, where otherwise allowable under §3.4, would also be underwritten to this sub-section.

SPECIFIC CLOSING DOCUMENT REQUIREMENTS

Each of the following must be met:

- A copy of current Passport, Visa, or ITIN.
- All loans must be closed with a title and closing agent approved and /or vetted by Acra.
- Power of Attorney is acceptable provided it conforms to Acra requirements and is acceptable to the title company.
- Documents signed outside of the U.S. may be notarized by a U.S. embassy or consular official. The certificate of acknowledgement must include the embassy or consular seal and be acceptable to the title company.
- For documents signed in a country that is party to the “Hague Convention Treaty Abolishing the Requirement of Legalization for Foreign Public Documents” a certificate of acknowledgment completed and signed by a notary public authorized or commissioned to perform such duties plus authentication by ~~apostle~~ apostille in English and attached to the executed documents and certification of acknowledgement with title company acceptance is agreeable to Acra.
- Executed W-8 (BEN) IRS form.

3.9 INDIVIDUAL TAX IDENTIFICATION NUMBER (“ITIN”) BORROWERS

- Removed verbiage associated with ATR In Full for Owner Occupied Properties (as now also allowed on 2nd homes)
- Spelling correction at apostille

3.13 FIRST TIME HOME BUYER

3.13
FIRST TIME HOME
BUYER

Acra defines a First Time Home Buyers ("FTHB") as an application where all Applicants have never previously owned a home (real property).

If an FTHB, for a primary residence purchase, is absent a complete rental history for the prior twelve (12) consecutive months, or is currently not paying any rent, that borrower is limited to:

- (a) 70% maximum LTV;
- (b) 43% maximum DTI; and
- (c) Qualifying income with Full Doc or 12-Month Month Bank Statement Programs. Other income documentation may be considered by Acra Senior Management on a case-by-case basis.

Where a FTHB is purchasing a Second Home or Investment property, Acra Senior Management will assess on a case-by-case basis. If originating as an investment is approved file will require DTI (versus DSCR) with ≤ 43%.

3.13 FIRST TIME HOME BUYER

Additional guidance provided at FTHB for 2nd Home or Investment Property specifically: If originating as an investment is approved, file will require DTI (versus DSCR) with ≤ 43%.

3.28 MAXIMUM CONTRIBUTIONS

Owner Occupied

Limited to recurring and / or non-recurring closing costs ("NRCC") only by seller.

≤ ~~65~~80% CLTV max 6.0%

> ~~65~~80% CLTV max 3.0%

3.28 MAXIMUM CONTRIBUTIONS

Seller paid recurring/non-recurring closing costs now 6% if CLTV ≤80 and 3% if CLTV >80.

3.31 INCIDENTAL CASH OUT ON RATE AND TERM OR DEBT CONSOLIDATION REFINANCE TRANSACTIONS AND DELAYED FINANCING

The borrower may receive incidental cash back up to \$1,000.00 or 1.0% of the loan amount, whichever is greater, not to exceed \$5,000.00 on rate-and-term refinance transactions.

If the final settlement statement (CD / HUD-1) reflects incidental cash back to the borrower exceeding these limits, the loan will be considered cash out.

Should, at Closing, excessive cash be calculated as going back to the borrowers, but intention is to maintain classification as a R&T Refinance, cash can be contributed at Closing as a contribution to paying down principal. Maximum amount of principal paydown at Closing is limited to the lessor of 2% of the loan amount or \$2,500. If there is still too much cash-in-hand, a redraw is appropriate to reduce the loan amount.

If the subject has been recently acquired via a non-financed / cash purchase transaction less than 120 days (measured from purchase closing date to application date) then the transaction should not be priced as a "cash-out". LTV tolerance is that of cash-out refinance transaction. The transaction would be considered as delayed finance and the borrower may recoup with cash-in-hand based upon a maximum of the initial purchase price. Delayed financing is available on loan amounts up to \$1.5M.

Note: The Texas State Constitution has greater limitations for compliance to avoid classification as a Home Equity Loan (reference §3.50).

3.31 INCIDENTAL CASH OUT ON RATE AND TERM OR DEBT CONSOLIDATION REFINANCE TRANSACTIONS AND DELAYED FINANCING

Clarified that Delayed financing is available on loan amounts up to \$1.5M.

3.32 CASH OUT

Cash out is any amount paid out of the settlement proceeds that is not applied to valid liens secured by the subject property and acceptable closing costs. A refinance of a property that is free-and-clear of any existing liens is considered cash out. Any type of IRS / income tax lien, mechanic's lien (labor and / or work performed), or other judgment that is attached to title is considered cash out.

3.32 CASH OUT

Added that payoff of mechanic's lien (labor and / or work performed), included to be considered as cash-out transaction.

3.41 INVESTMENT PROPERTY (NON-OWNER OCCUPIED)

Investment property is a one- to four-unit residential dwelling or a unit in a condominium complex or a PUD owned by an individual who does not occupy the dwelling. The dwelling is leased and occupied as a principal year-round residence to individuals other than the owner.

- Vacant investment properties are not eligible for a refinance transaction. On a case-by-case basis Acra senior management will review when supported with evidence of improvement and intent to keep.
- Acra limits the number of investment properties a borrower may own including subject to 20 properties, whether mortgaged or not.

All borrowers purchasing or refinancing a one- to four-family investment property must execute a One- to Four-Family Rider with loan documents and provide rent-loss insurance coverage. If the subject is qualified with the full PITIA payment, then no rent loss coverage will be required.

3.38 INVESTMENT PROPERTY (NON-OWNER OCCUPIED)

Included at Vacant investment properties not eligible for refinance: On a case-by-case basis Acra senior management will review when supported with evidence of improvement and intent to keep.

3.50 TEXAS 50(A)(6) HOME EQUITY LOAN

- Texas 50(f)(2) loans cannot close before the closing anniversary date of an existing Texas 50(a)(6) or 50(f)(2) loan being refinanced;

3.50 TEXAS 50(A)(6) HOME EQUITY LOAN

Added to this section as was not previously included.

4.5 MINIMUM CREDIT DEPTH

~~A minimum credit depth of (a) is met with~~ three (3) acceptable reported FICO scores.

~~If two (2) or fewer FICO scores are reported, then (a) three (3) acceptable~~ tradelines aged individually for a 12 month minimum OR (b) two (2) acceptable tradelines aged individually for a 24 month minimum is required. If minimum credit depth is not met, Underwriter may review for compliance with the One Score / No Score / No Depth program while requiring 24-month housing history.

Depth is considered to be the months reviewed as provided on an individual credit line item on the consumer's tri-merge credit report.

Acra does not consider supplemental tradelines (i.e.: utilities, cell phone, taxes, etcetera) toward depth under this subsection. However, depth can include a rental history when documented with either (i) a VOR from a Rental Management Company or (ii) cancelled checks.

Unacceptable tradelines include, but are not limited to Authorized Users, Collection Accounts, Charged Off Accounts, Participating, and Undesignated.

Acra Senior Management has the discretion to determine the acceptability of a tradeline including use of a rental history.

4.5 MINIMUM CREDIT DEPTH

Specifically addresses number of FICO's as follows:

- Minimum credit depth is met with three (3) acceptable reported FICO scores.
- If two (2) or fewer FICO scores are reported, then (a) three (3) acceptable tradelines aged individually for a 12 month minimum OR (b) two (2) acceptable tradelines aged individually for a 24 month minimum is required. If minimum credit depth is not met, Underwriter may review for compliance with the One Score / No Score / No Depth program while requiring 24-month housing history.

5.2 ASSET DEPLETION and ATR-IN-FULL

~~Borrowers with verifiable liquid assets may use those assets to qualify as a supplementary source of income. The assets may make up no more than 50.0% of the overall income (if utilized to the minimum extent to achieve 50% DTI).~~ Viable assets upon any reductions will be divided by sixty (60) months for the calculated qualifying monthly income.

5.2 ASSET DEPLETION and ATR-IN-FULL

Removes requirement if a supplementary source of income, assets may make up no more than 50% of the overall income (if utilized to the minimum extent to achieve 50% DTI).

5.6 MAXIMUM DEBT-TO-INCOME RATIO (DTI)

The ~~M~~maximum Debt-to-Income ("DTI") ratio for any loan is 50% of total income including any asset depletion component rounded down (i.e.: 50.49% rounds to 50%).

A maximum of 55.000% DTI ratio can be allowed when (i) income is qualified utilizing Full Doc, Bank Statements, or 1099 income, (ii) ≤ 60% LTV / CLTV; and (iii) FICO ≥ 740.

5.6 MAXIMUM DEBT-TO-INCOME RATIO (DTI)

Expands Maximum DTI as follows specific to income type, LTV and FICO: A Maximum of 55.000% DTI ratio can be allowed when (i) income is qualified utilizing Full Doc, Bank Statements, or 1099 income, (ii) ≤ 60% LTV / CLTV; and (iii) FICO ≥ 740.

II. INCOME SOURCES

5.22 Wage Earner and Salaried Plus ≥ 25% Commission/Bonus

- Written VOE completed in full by employer (Verbal verification of VOE also required under §3. I. Expiration of Credit Collateral Documents) verifying most recent one (1) or two (2) years and current year-to-date earnings on a current pay stub; OR
- W-2 for most recent one (1) or two (2) years & current pay stub reflecting year-to-date earnings; OR
- Signed 1040's for most recent one (1) or two (2) & current pay stub reflecting year-to-date earnings;
- For Commission / Bonus: pay stub must reflect commission / bonus and wages where appropriate.
- Restricted Stock Units ("RSU"): must reflect having past liquidation, recent disbursement (i.e.: within the last six (6) months), future vesting schedule, and be from a publicly traded company(ies).

5.28 1099 Only and Profit & Loss (P&L) Programs

Bank Statements for the last three (3) months overlap of the P&L needs to be provided for LTVs > 70% OR FICO < 700. Average qualifying deposits on these bank statements should be consistent to (i.e.: within 90% of) the Revenue on the P&L:

5.30 Full Doc (VI Rental Income Requirements)

Rental Properties Owned (excluding owner occupied primary residence)

- Current rental / lease agreements; AND
- Complete Schedule of Real Estate Owned; AND
- Signed Schedule E for most recent two (2) years or like evidence such as Lease Agreements and evidence of deposits for three (3) months (subject to Trailing 12-Month ("T12") ledger on any short-term or boarder rent scenarios on refinance transactions).

Tenant occupied properties will require documentation of timely receipt for the prior two (2) months rental payments. If a vacant property is being purchased for investment, ~~75~~100% of market rents may be used to offset payment and inclusion in calculation for qualifying income or liabilities.

NOTE: If the borrower owns any 5+ units / apartments, the income figure will be taken from Schedule E.

II. INCOME SOURCES

Added a Section # to this topic of Income Sources

- 5.11 Sources
- 5.13 Hourly
- 5.14 Weekly
- 5.15 Bi-Weekly
- 5.16 Semi-Monthly
- 5.18 Teachers/Education Professionals
- 5.19 Part-Time, Second Job, Seasonal, Contract, Temporary, or Unemployment Income
- 5.20 Income Calculation for bonus, Overtime or Shift Differential
- 5.21 Declining Income of Unusual Fluctuations

5.22 Wage Earner and Salaried Plus ≥ 25% Commission/Bonus

- Includes guidance if using Restricted Stock Units to qualify - must reflect having past liquidation, recent disbursement (i.e.: within the last six (6) months), future vesting schedule, and be from a publicly traded company(ies).

5.23 Fixed & Other Sources

5.24 Self-Employed

5.25 100% Commission/Bonus

5.26 Written VOE Program

5.27 Twelve or Twenty Four (12 or 24) Month Bank Statement Program – Self-Employed Only
(Must be able to verify self-employment)

5.28 1099 Only and Profit & Loss (P&L) Programs

- Update is specific to the following: Bank Statements for the last three (3) months overlap of the P&L needs to be provided for LTVs > 70% OR FICO < 700. Average qualifying deposits on these bank statements should be consistent to (i.e.: within 90% of) the Revenue on the P&L

5.29 Self-employed Hybrid Applications and/or Borrower(s)

5.30 Full Doc (VI Rental Income Requirements)

- Now allows use of 100% (vs. 75%) of market rents to offset payment and inclusion in calculation for qualifying income or liabilities.

5.32 Debt Service coverage ratio (DSCR)

Acra calculates the DSCR by dividing (a) the lesser of (i) annual in-place rent or (ii) market rent (reference §14.14) by (b) the sum of annual principal, interest, real estate taxes, property insurance, and homeowner's / condominium association fees (collectively, "PITIA"). Subordinate financing, if applicable, would also be included in the denominator for the sake of this calculation.

Note: ~~When the difference between actual and market rent is no more than 10% (to a maximum of \$300)~~ Acra may use the higher of actual or market rents. Where actual rents exceed market rents, then evidence of actual rents must be documented via ~~two (2)~~three (3) months proof of rental income receipt and lease agreement(s) to continue at a minimum of three (3) months after closing.

5.31 Alt Doc

5.32 Debt Service coverage ratio (DSCR)

- Revised guidance around difference between actual and fair market rent Note: Acra may use the higher of actual or market rents. Where actual rents exceed market rents, then evidence of actual rents must be documented via three (3) months proof of rental income receipt and lease agreement(s) to continue at a minimum of three (3) months after closing.

5.33 No Ratio DSCR

5.34 Principal Business Structures For Self-Employed Borrowers

5.35 Sole Proprietorship

5.36 Partnership

5.37 S Corporation

5.38 Corporation

5.39 Length of Self-Employment

5.40 Analyzing Self-Employment borrower's Income Tax Returns

5.41 Income Averaging

5.42 Self-employed Income Analysis Form

5.43 Deductible Expenses

5.44 Declining Income

V. INCOME DOCUMENTATION CHART – WAGE EARNER, FIXED INCOME, & OTHER SOURCES

SOURCE OF INCOME	RECEIPT HISTORY	CONTINUATION PERIOD	REQUIRED VERIFICATION	CALCULATION METHOD
ALIMONY / CHILD SUPPORT	Last Three (3) Months	Two (2) Years	<ul style="list-style-type: none">• Divorce decree or legally binding separation agreement (signed by the courts) specifying the duration of payments no less than three (3) years remaining and amount of the monthly payments; <u>AND</u>• Three (3) months canceled checks; <u>OR</u>• Three (3) months personal bank statements; <u>OR</u>• Three (3) months court payment records.	Use verified monthly income for qualifying. <u>Child Support to be grossed up by 25% of deposit.</u>

V. INCOME DOCUMENTATION CHART – WAGE EARNER, FIXED INCOME, & OTHER SOURCES

Alimony/Child Support – May now be grossed up by 25% of deposit.

Disability (Permanent) – If documented as non-taxable, the deposit to be grossed up by 25%.

Foster Care Income - If documented as non-taxable, the deposit to be grossed up by 25%.

Housing Allowance - If documented as non-taxable, the deposit to be grossed up by 25%.

Restricted Stock Units/RSU (added to chart):

- Receipt History: 1 year receipt history
- Continuance Period Must continue at least 1 year

DISABILITY (PERMANENT)	Evidence of Receipt	Three (3) Years	<ul style="list-style-type: none"> Copy of Insurance Award Letter reflecting amount of monthly payment; <u>AND</u> Most recent bank statements showing automatic deposits matching award letter; <u>OR</u> Two (2) most recent disability check. 	Use verified current monthly disability payment. <u>If documented as non-taxable, the deposit to be grossed up by 25%.</u>	<ul style="list-style-type: none"> Required verification: • Evidence of past liquidation; • Distribution on paystub within prior six (6) months; and • Vesting Schedule. Calculation Method: Prior Year payout unless less units are apparent on future vesting. RSU must be from a publicly traded company. <p>Retirement and Pension (Including Self-Distributing) - If documented as non-taxable, the deposit to be grossed up by 125%.</p> <p>Social Security – If documented as non-taxable, the deposit to be grossed up by 25%.</p> <p>Supplemental (Dependent's) Social Security: If documented as non-taxable, the deposit to be grossed up by 25%.</p> <p>VA Benefits - If documented as non-taxable, the deposit to be grossed up by 25%.</p>
FOSTER CARE INCOME	One (1) Year	Likely to Continue	<ul style="list-style-type: none"> Letter(s) from agency showing the amount received for each child & Copy of bank statements covering most recent 12 months reflecting direct deposit (deposit must specifically reference the source of the deposit). 	Average of foster care income received the last twelve (12) months. <u>If documented as non-taxable, the deposit to be grossed up by 25%.</u>	
HOUSING ALLOWANCE	Two (2) Years	Two (2) Years	<ol style="list-style-type: none"> Housing allowances are allowed as additional sources of income only for members of the military or clergy. The amount must be considered reasonable and normal. The borrower must submit proof of historical payments and certification of continuation from the employer. Not applicable for military. In addition, the monthly allotment statement is required for the military and a copy of the employment contract is required for the clergy. 	Verified amount of the monthly housing allowance added to the monthly income. <u>If documented as non-taxable the deposit to be grossed up by 25%.</u>	
<u>RESTRICTED STOCK UNITS (RSU)</u>	<u>One (1) Year</u>	<u>One (1) Year</u>	<ul style="list-style-type: none"> <u>Evidence of past liquidation;</u> <u>Distribution on paystub within prior six (6) months; and</u> <u>Vesting Schedule.</u> 	<u>Prior Year payout unless less units are apparent on future vesting.</u> <u>RSU must be from a publicly traded company.</u>	

RETIREMENT AND PENSION (INCLUDING SELF-DISTRIBUTING)	Evidence of Receipt	Two (2) Years	<ul style="list-style-type: none"> Copy of Retirement/Pension Award Letter reflecting amount of monthly payment (*Self-distributing does not require an "Award Letter", but must not be subject to penalties); <u>AND</u> Most recent bank statement showing automatic deposit (deposit must specifically reference the source of the deposit); <u>OR</u> 1099 for the most recent 	<p>Use verified current monthly payment.</p> <p>Balance of Retirement by self-distributing payments cannot deplete the underlying assets.</p> <p><u>If documented as non-taxable, the deposit to be grossed up by 125%.</u></p>	
SOCIAL SECURITY	Evidence of Receipt	Likely to Continue	<ul style="list-style-type: none"> Current Award letter; <u>AND</u> Most recent bank statement showing automatic deposit (deposit must specifically reference the source of the deposit); <u>OR</u> 1099 for the most recent year. 	<p>Use verified current monthly income.</p> <p><u>If documented as non-taxable, the deposit to be grossed up by 25%.</u></p>	
SUPPLEMENTAL (DEPENDENT'S) SOCIAL SECURITY	Two (2) Years	Three (3) Years	<ul style="list-style-type: none"> Current Award letter; <u>AND</u> Most recent bank statement showing automatic deposit (deposit must specifically reference the source of the deposit); <u>OR</u> 1099 for the most recent year. 	<p>Use verified current monthly income. Dependent's age must be disclosed on 1003 and proof of dependent's age will be required.</p> <p><u>If documented as non-taxable, the deposit to be grossed up by 25%.</u></p>	
VA BENEFITS	Two (2) Years	Three (3) Years	<ul style="list-style-type: none"> Award Letters covering most recent two (2) years; <u>AND</u> Most recent bank statement reflecting direct deposit (deposit must specifically reference the source of the deposit). <p>NOTE: Education Benefits are not acceptable income.</p>	<p>Average of income received for most recent two (2) years, or current income, whichever is lower.</p> <p><u>If documented as non-taxable, the deposit to be grossed up by 25%.</u></p>	
IX. ACCEPTABLE EVIDENCE OF SELF-EMPLOYED BUSINESS					IX. ACCEPTABLE EVIDENCE OF SELF-EMPLOYED BUSINESS

One (1) item from the following list may be used for verification of a current and active business.

1. Copy of the business license covering the current business year as of the date of the application. A vocational or occupational license (e.g. as a non-exhaustive list: cosmetology, server permit, medical licensing, real estate, etcetera) is not independently evidence of self-employment.
2. Copy of the Articles of Incorporation, Operating Agreement, or Partnership Agreement with recorded filing date.
3. Tax Preparer's Letter:
 - Letter must be on tax preparer's letterhead;
 - Tax preparer's license verification, from municipal, state or federal licensing boards or proof of their business' existence; and
 - Signed letter from the borrower's tax preparer explaining:
 - (i) tax preparer's relationship to the business;
 - (ii) personal knowledge of the length of time the business has been in existence; and
 - (iii) percentage of borrower's ownership in the business entity.
4. One (1) year of business tax returns in the form of 1065, 1120 or 1120S and corresponding Schedule K1 (if applicable).
5. One (1) year of business tax returns in the form of 1040 and corresponding Schedule C.

BRIDGE THE GAP - If tax returns are not available for the most recent tax year, the following must be obtained:

Prior to April 15 th	<ol style="list-style-type: none">1. Previous two <u>(one (1))</u> year tax returns; <u>AND</u>2. Year-end P & L statement covering 12 months of the most recent tax year and current tax year through year to date.
After April 15 th	<ol style="list-style-type: none">1. Previous two <u>(one (1))</u> year tax returns; <u>AND</u>2. Copy of IRS Extension for Filing; <u>AND</u>3. Year-end P & L statement covering the most recent tax year and the most recent quarter of the current tax year.

- **Expands requirement for evidence of self-employment to include the following at 1.:** A vocational or occupational license (e.g. as a non-exhaustive list: cosmetology, server permit, medical licensing, real estate, etcetera) is not independently evidence of self-employment.
- Bridge the Gap show shows requirement for 1 year vs. 2 years tax returns.

<p>6.6 LINES OF CREDIT</p> <p>Monthly payments must be calculated on revolving lines of credit and included in the applicant's debt-to-income ratio. The monthly payment is determined based on the present outstanding balance.</p> <p><u>Open Charge Cards that require the full balance to be paid monthly (commonly American Express Credit Cards) require evidence that the borrower has (a) funds to pay the total balance or (b) a minimum payment to be applied for debt servicing of 5% of the balance.</u></p>	<p>6.6 LINES OF CREDIT</p> <p>The following has been added specific to Open Charge Cards that require full balance to be paid monthly: Open Charge Cards that require the full balance to be paid monthly (commonly American Express Credit Cards) require evidence that the borrower has (a) funds to pay the total balance or (b) a minimum payment to be applied for debt servicing of 5% of the balance.</p>
<p>6.10 STUDENT LOANS</p> <p>Independent of any actual or potential deferment, the monthly payment will be included in the debt-to-income ratio for qualifying.</p> <p><u>For debt servicing student loans require a minimum payment. This is the higher of 1% of the outstanding balance OR the current monthly reported payment.</u></p> <p>At LTVs of 65% or less on purchase and 60% or less on refinances:</p> <ul style="list-style-type: none">• Student loans with greater than three (3) years from their DLA do not need to be paid off, nor, if remaining outstanding, included in the DTI ratio; and• Student loans in collection status for longer than three (3) year old do not need to be paid off, nor, if remaining outstanding, included in the DTI ratio.	<p>6.10 STUDENT LOANS</p> <p>Clarification of amount of payment used required to be included in DTI: For debt servicing student loans require a minimum payment. This is the higher of 1% of the outstanding balance OR the current monthly reported payment.</p>
<p>8.4 VERIFICATION OF ASSETS / FUNDS</p> <p>Where the account(s) serving as the source of funds must be verified, verification of the seasoned funds may include the following:</p> <ul style="list-style-type: none">• Copy of the borrower's bank statement(s) for the most recent month(s); or• A VOD reflecting a current and average balance for the most recent month(s). <p>Consumer</p> <p><u>All transactions require a minimum of 6030-days documentation-versus-business purpose, which require a minimum of 30-day documentation.</u></p>	<p>8.4 VERIFICATION OF ASSETS / FUNDS</p> <p>Clarifies that all transactions now require a minimum of 30 days documentation (vs. 60 days).</p>
<p>8.7 GIFT FUNDS</p> <p>Limitations to gift funds:</p> <ul style="list-style-type: none">• Primary Residence – No limit to amount of transaction; or• Investment Property or Second Homes – Applicant(s) will be required to contribute a portion of their own sourced and seasoned funds to the transaction <u>at a minimum</u> of the larger of (a) 1510% of the purchase price or (b) \$50,000.	<p>8.7 GIFT FUNDS</p> <p>Guideline for Gift Funds if 2nd home or Investment property: Applicant now required to contribute their own sourced and seasoned funds to the transaction at a minimum of 10% of the purchase price.</p>

8.22 RESERVE FUNDS

- Unacceptable sources of funds include, but are not limited to:
- Credit card advances & any unsecured loan;
 - Non-liquid funds, real-estate, or other assets;
 - Cyber-currency(ies) (aka "Crypto-currency(ies)); unless liquidated and traced to borrower consistent with §8.4 of this Guide;
 - Funds held in a business or trust name*; and / or
 - Gift Funds.

8.22 RESERVE FUNDS

Clarification specific to Cyber/Crypto Currency: Unacceptable unless liquidated and traced (paper trailed) to borrower consistent with §8.4 of the Seller’s Guide.