VICTORY WHOLESALE LOANS

# Activator Equity First | Consumer Purpose

## Activator Equity First | 1 Year Income

| Product Parameters | | | | | |
|---|---|---|---|---|---|
| **Loan Amounts** | **FICO** | **LTV** | **CLTV** | **Reserves** | **Notes** |
| $250,000 to <$2,000,000 | No Minimum FICO / No FICO Required | 60%** | 60%** | 6 Months | *Minimum $150,000 Remaining Equity (RE) in Property Required |

| | |
|---|---|
| ***Remaining Equity Calculation** | Value minus Loan Amount = Remaining Equity (RE) Use lower of sales price or appraised value<br>$455,000 value x 55% LTV = $250,250 Loan Amount<br>$455,000 - $250,250 = $204,750 > $150,000 RE calcuation met |
| **Geographic Restrictions** | |
| **State Specific Restrictions** | Asset |
| **Eligible States** | CT (<=$417,000), DC, MD, ME, MN, NV, PA \| No Exceptions\| |
| **Ineligible Locations** | Puerto Rico, Guam, The US Virgin Islands, Baltimore MD |
| **Product Highlights** | |
| **Loan Purpose** | Purchase, Rate-Term, and Cash Out |
| **Exceptions** | Considered on a case-by-case basis |
| **Loan Product** | 30 Year Fixed |
| **Loan Amounts**** | 55% LTV/CLTV: 1-4 Unit Minimum $250,000\| Maximum $1,999,999<br>60% LTV/CLTV: 1-4 Unit Minimum $300,000 \| Maximum $1,500,000 |
| **State Specific**** | Reduce Max LTV/CLTV by 5% in the following states: CT, DC, MD, ME, MN, NV, PA |
| **Interest Only** | Not permitted |
| **Impounds** | Required |
| **Prepayment Penalty** | Not permitted |
| **Occupancy** | Primary, Second Home |
| **Property Type and Restrictions** | Eligible: SFR, SFR + 1 ADU, PUD, Townhome, 2-4 Units, Mixed-Use, Condominium: Warrantable\| Non-warrantable: Eligible per guidelines. |
| **Cash Out** | Unlimited |
| **Subordinate Financing** | Secondary financing must be institutional. Follow FannieMae. Seller Carrybacks not permitted. |
| **Appraisals** | 1 Full Appraisal required. 2nd Level Appraisal review required on all properties regardless of CU score. Transferred appraisals acceptable. Appraisal version UAD 3.6 not eligible. |
| **Declining Market** | Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV. |
| **Acreage** | Properties up to 10 acres are eligible, provided they are not identified as Rural within the appraisal report. Champions rural definition does not apply. |
| **Tradelines** | No minimum tradeline requirements. |
| **First Time Home Buyer** | Allowed |
| **Credit Event Seasoning** | 1 day out of bankruptcy<br>Minimum 12 months since Foreclosure - Applies only to subject<br>No Foreclosure bailouts (Currently 1x120, DIL, NOD, NOS, Lis Pendens) |
| **Forbearance** | Not permitted. Exceptions considered on a case by case basis. |
| **Homeowner Education** | Counseling Required on all transactions *At least 1 borrower must complete |
| **Subject Property Housing History** | Must be < 90 days late at time of closing. Borrower to provide documentation to demonstrate subject property mortgage is less than 90 days past due at the time of closing. |
| **Current Residence Housing History** | Not Required on Second Home |
| **Collections** | Do not require Payoff |
| **Charge Offs** | Do not require Payoff |
| **Judgments** | Judgments appearing on Credit Report, Fraud Report, or Title Report must be paid off prior to or at closing. Paid off prior to closing requires cancelled check or electronic payment receipt, if reflected on title, Title Company to verify on company letterhead the Judgment will not appear on final title policy. Judgments may be paid through the proceeds of the loan at closing. |
| **Liens/Tax Liens** | Liens / Tax Liens appearing on Credit Report, Fraud Report, or Title Report must be paid off prior to or at closing. Paid off prior to closing requires cancelled check or electronic payment receipt, if reflected on title, Title Company to verify on company letterhead the Lien/Tax Lien will not appear on final title policy. Liens / Tax Liens may be paid through the proceeds of the loan at closing. |
| **IRS Tax Debt** | Tax Debt may be paid through closing |
| **Income Documentation** | Salary/Wage: Most recent 30 days Paystubs, most recent year W2, IRS Form 4506-C. Variable income sources (Bonus, OT, Commission) require a 2 year history documented on a Written Verification of Employment and year end paystubs.<br>Self-Employed: 1-Yr Personal and Business Tax Returns as applicable, YTD P&L, IRS Form 4506-C<br>Retirement: Social Security, pension annuity or other forms of retirement or non-taxable income. May be grossed up by 125%.<br>• 12 mos Personal Bank Statements: Should be self-employed minimum 2 years. May qualify with less than 2 years but more than 1 year if borrower can document at least 2 years of previous employment in the same line of work or related occupation or 1 year of employment and formal education/training in the same line of work.<br>• 12 mos Business Bank Statements: Business should be established and in existence minimum 2 years. May qualify with less than 2 years but more than 1 year of self-employment, then the business should be established for the same length of time and borrower must document they have been in the same line of work or related occupation or 1 year of employment and formal education/training in the same line of work.<br>• P&L Only: Must cover most recent 12 mos. Completed, reviewed and signed by CPA/Acceptable Third Party tax preparer<br>• Asset Utilization: 100% of checking, savings, money market accounts and stock/bonds. 100% of retirement assets eligible retirement age/70% under eligible age. 100% Trust Account (Refer to guidelines for requirements) |
| **DTI** | 55% |
| **Assets** | Min of 30-days asset verification required for funds to close. Business assets require evidence of 100% ownership of Business. Cash Out can be used for reserves. |
| **Reserves** | 6 Months Reserves - Cash Out can be used to meet reserve requirement. |
| **Seller Contribution** | 9% Max |
| **Gift Funds** | Gift funds are permitted for down payment/cash to close. Gift funds ineligible for reserves. Gift of Equity permitted. |
| **Citizenship** | U.S. citizen, Permanent Resident Alien, and Non-Permanent Resident Alien (With US Credit and acceptable VISA), ITIN |



Champions Funding, LLC, DBA Victory Wholesale Loans. NMLS ID #2254210. Equal Housing Opportunity.