

# Junior Lien Guidelines

BLUE



September 16, 2024

Higher Loan Balances, Higher CLTVs, Investor Properties, and Bank Statement income options

Contact us at [lending@buttonfinance.com](mailto:lending@buttonfinance.com) to get started or select Blue program in our price lock portal:

<https://modelportal.buttonfinance.com/>

## \$100k to \$350k Loan Balance

FICO	Max CLTV					
	Primary Residence		Second Home		Investor Property	
	Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
660-679	80%	70%	70%	60%	70%	60%
680-699	85%	75%	75%	65%	75%	65%
700-719	90%	80%	80%	70%	80%	70%
720-739	90%	85%	80%	75%	80%	75%
740+	90%	85%	80%	75%	80%	75%

## \$351k to \$500k Loan Balance

FICO	Max CLTV					
	Primary Residence		Second Home		Investor Property	
	Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
660-679	70%	60%	60%	50%	60%	50%
680-699	75%	65%	65%	55%	65%	55%
700-719	80%	70%	70%	60%	70%	60%
720-739	80%	75%	70%	65%	70%	65%
740+	80%	75%	70%	65%	75%	65%

Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions

<b>Property type Considerations</b>	Max 70 CLTV for Condo - Warrantable and 2-4 unit properties Max 65 CLTV for Condotel
<b>Appraisal Requirements</b>	Loans will most likely require full appraisals due to HPML considerations
<b>Mortgage History</b>	Minimum 12 months housing history required. No mortgage lates for any borrower over the last 12 months.
<b>States</b>	AL, AZ, CA, CO, DC, FL, GA, IA, IL, KS, MD, MI, NC, NE, NJ, OR, PA, SC, TN, TX, UT, WA, WI, WY Texas - Minimum \$200k loan balance at application
<b>Products</b>	Closed End Seconds. HELOCs not available at this time
<b>Seasoning</b>	> 6 month seasoning
<b>DTI</b>	Max 50 DTI
<b>Channel</b>	Broker only, no correspondent
<b>Ineligible Properties</b>	Rural properties - 2nd home and investment Agricultural or Commercially zoned >10 acres
<b>Ineligible Borrowers</b>	No Wells Fargo employees without an exception

## Bank Statement Loans Documentation Requirements

### Bank Statement Documentation

- At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)
- Asset Depletion allowed with Bank Statement documentation

### Combined Personal & Business - Bank Statement

- Standard expense factors apply: 50% expense factor
  - Minimum expense factor with 3rd party prepared P&L or letter is 20%
  - If business operates < standard expense factor, P&L or expense letter from CPA, EA, CTEC NEEDED

### Separated Personal & Business - Bank Statement

- Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business related deposits in personal account