Phone: 800-203-5719
www.phlcorrespondent.com

Home Equity Loan 2nd Lien (HELOAN) Program

Occupancy	Maximum LTV[1]	Maximum CLTV[2]	Credit Score
Primary Residence	80%	85%	700+
			680-699
			640-679
Second Home	80%	85%	700+
		80%	680-699
	N/A	N/A	640-679
Investment Property	75%	75%	700+
	N/A	N/A	680-699
	N/A	N/A	640-679

Reference:
1. The maximum LTV for the first lien is based on the first lien loan amount.
2. See "Available Markets" for LTV restrictions based on state and minimum FICO.

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply.
Refer to the Planet Home Lending HELOAN 2nd Lien Guidelines for any item not addressed by this matrix.

All Planet overlays are notated in bold, light blue text and footnote "O".

1st Lien Eligibility	• The 1st lien mortgage must be fully amortizing or interest only. 1st lien mortgages with negative amortization, balloon payment, reverse mortgages, and loans in forbearance are ineligible. • 1st liens with ARM adjustments must be underwritten to fully amortized rate for determining ATR. • Free and clear properties are ineligible.

Appraisals	• The original appraisal must be ordered from a Planet Approved provider.
	• New Appraisals/AVMs must be ordered through a Planet Approved AMC or AVM provider. Reference the guidelines for a complete list.
	• Loans classified as Higher Priced Mortgage Loans (HPML) must obtain a full appraisal regardless of the loan amount.
	• Loan amount < $150,000:
	  • Automated Valuation Model ("AVM"): ≥ 90% confidence score, or
	  • A Desktop Appraisal when AVM results in a confidence scores of < 90%:
	    • Stewart Valuation Intelligence Appraisal Desktop Interior Inspection (SVI ADII); or
	    • ValPRAZE Interior from Valligent.
	• Loan amount ≥ $150,000:
	  • A full appraisal must be attained; and include
	    • Adequate support for the value of the Mortgaged Property
	    • Present and future marketability of the Mortgaged Property
	    • Completeness and correctness of the appraisal forms and exhibits
	    • Applicability and timeliness of data used to determine marketability
	    • Consistency, logic and accuracy of the appraisal.
	• All appraisals delivered to Planet must be accompanied with a successful FNMA and FHLMC SSRs.

AUS	Manual underwrite only. All loans must be submitted to Planet for prior approval underwriting.

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply.
Refer to the Planet Home Lending HELOAN 2nd Lien Guidelines for any item not addressed by this matrix.

All Planet overlays are notated in bold, light blue text and footnote "O".

Available Markets	• The Seller must be expressly authorized by Planet to submit loans under the Home Equity Loan 2nd Lien (HELOAN) Program. • Loans may only be underwritten on a non-delegated basis. • Planet will purchase prior approved loans submitted to Planet for underwriting and closed by the Seller. • The following states and U.S. territories are ineligible: • District of Columbia (D.C.) • Hawaii • Indiana • Iowa • Massachusetts • New Jersey • New York • Puerto Rico • Rhode Island • South Carolina • Washington

California	Colorado	Illinois	Minnesota	Ohio	Oregon	Texas
• LA must be ≥$50,000 for a primary residence. • No restriction for 2nd home / Investment Minimum FICO: 660 • Max 80% CLTV (FICOS 660-719)	• Minimum FICO: 660 • Max 80% CLTV (FICOS 660-719)	• LA must be ≥$50,000 for a primary residence • No restriction for 2nd home / investment • Minimum FICO: 660 • Max 80% CLTV (FICOS 660-719)	• LA must be ≥$100,000	• LA must be ≥$35,000 • Minimum FICO: 660 • Max 80% CLTV (FICOS 660-719)	• LA must be ≥$50,000	• LA must be ≥$50,000. (see guides for exceptions) • Texas homestead permitted, must comply with Texas 50(a)(6) requirements

Borrower Eligibility- Eligible	• All borrowers must have a valid Social Security Number • Inter Vivos Trust • Non-permanent residents • Permanent residents • U.S. citizens
Borrower Eligibility- Ineligible	• Borrowers possessing: Diplomatic status, deferred enforced departure, humanitarian parole, or temporary protected status • Borrowers without a Social Security Number. • Corporations, General and Limited Partnerships, or Doing Business As (DBA) • Employees, including employees of Planet Home Lending and its affiliates, and the Seller • Foreign Nationals • Investment trusts • Land Trusts (other than Illinois Land Trusts). • Life Estates. • Non-occupying co-borrower, guarantor, or co-signer • Power of attorney • Real estate syndications • Religious / Non-Profit Organization

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply.
Refer to the Planet Home Lending HELOAN 2nd Lien Guidelines for any item not addressed by this matrix.

All Planet overlays are notated in bold, light blue text and footnote "O".

Credit	• Minimum FICO**:** 640
	• Credit Report Requirements:
	  • A tri-merged credit report is required for all borrowers.
	  • Use the lowest middle credit score among all borrowers for qualification.
	  • A UDM through an approved reporting agency or a credit refresh report is required within 10 business days of the Note date.

Credit: **Derogatory Credit**	Significant derogatory events must meet the following seasoning requirements: • Foreclosure - 7 years • Charge-off of a mortgage account, deed-in-lieu, pre-foreclosure sale, or short sale - 7 years • Modified, restructured, or short payoff of a mortgage secured by a property other than the subject property - 4 years • Bankruptcy (Ch 7, 11, or 13): 4 years from discharge or dismissal • Multiple events: Not permitted Other Derogatory Requirements: • Disputed tradelines: must be resolved. A new credit report reflecting updated scores must be obtained and used for qualification.

Credit:
Housing History
	Mortgage Payment History:
	• 0x30 in the past 24 months for all REO
	• If the mortgage was modified due to CARES ACT Forbearance:
	  • 12-month seasoning if the borrower remained current during forbearance
	  • 24-month seasoning if any delinquency occurred during forbearance or a standalone partial claim was used
	Rental History:
	• 12 months satisfactory verification required, documented via:
	  • Canceled checks + lease agreement or
	  • Credit report reflecting timely rental payments; or
	  • Third-party Verification of Rent (VOR)
	• If the borrower was living rent free, a letter from the landlord is required confirming rent-free status.

Credit: **Tradeline Requirements**	Borrower must meet one of the following: • Minimum of three tradelines, with at least one open and active for 12 months; or • 36 months mortgage or rental payment history * Note: Authorized user accounts are not acceptable for meeting tradeline requirements.
DTI	• Maximum 50%

Employment and Income	The following documentation must be obtained:
	• For Wage Earner:
	  • Most recent two YTD paystub(s) covering the most recent 30-days for the borrower's current employment(one paystub is acceptable if it covers the most recent 30 days)
	  • Most recent two years W-2s
	  • Verbal verification of employment
	• For Self-Employed Borrowers:
	  • Two years business and personal tax returns, including YTD P&L statement
	  • Tax transcripts

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply.
Refer to the Planet Home Lending HELOAN 2nd Lien Guidelines for any item not addressed by this matrix.
All Planet overlays are notated in bold, light blue text and footnote "O".

Escrows	An escrow account for the second lien is not permitted. An escrow account for the first lien is permitted, but not required
Financed Properties	• Each borrower is limited to no more than 5 financed properties. • **Planet will purchase a maximum of five loans to one borrower, up to a combined total of $2.5M.**
Loan Amount	• Minimum loan amount: $25,000 • Maximum loan amount: $350,000
Occupancy	• Primary residence, Second home, Investment property
Pre-Payment Penalty	• Not permitted
Product	• Fixed Rate: 15- and 30-year fully amortizing

Properties: Eligible	• Maximum allowable acreage: Five
	• 1-unit properties
	  • Attached
	  • Detached
	• Condominium
	  • Fannie Mae warrantable condominiums
	  • Established condominium projects only
	• Factory Built Housing
	  • Modular / Prefabricated / Panelized / Sectional Housing
	• Manufactured Homes
	  • Doublewide or greater
	• PUDs
	  ▪ Attached
	  ▪ Detached

Properties: Ineligible	• Properties greater than five acres • 2-4 units • Condotel, Condo rental, Cooperatives • Free and clear properties • Singlewide Manufactured Homes • Mobile homes • Properties listed for sale within the most recent 12 months • Manufactured Homes in any flood zone regardless of elevation
Transaction Types-Eligible	• Stand-alone 2nd lien • The borrower must have purchased the home at least six months prior to the note date of the 2nd lien.

Transaction Types-Ineligible	• Purchase transactions
	• Interest Only HELOANs
	• Second mortgages with a simultaneous 1st lien transaction.
	• Employee loans, including employees of Sage, Planet Home Lending, and the Seller.
	• 1st lien mortgages with the following terms:
	  • Tax and judgement liens
	    ○ Proceeds from the subject transaction cannot be used to satisfy a tax or judgement lien.
	  • Mortgages with balloon terms
	  • Subordinate mortgages that allow negative amortization (this does not include language in the mortgage note warning borrowers that the lack of payment may result in negative equity and negative amortization is not a feature of the product).