PACIFIC BAY LENDING GROUP

Last Update: 11/4/2026

LITE DOC OWNER OCCUPIED (PRIMARY & SECOND HOME ONLY)

LITE DOC O/O (PRIMARY & SECOND HOME ONLY)

[Asset Depletion / Bank Statement / P&L/WVOE]

Program Code: PPA30(AD/BS/PL/VOE), PPA56(AD/BS/PL/VOE), PPA76(AD/BS/PL/VOE)

Loan Size	FICO	Asset Deplettion		Bank Statement		P&L		WVOE	
		Purch / No Cash Out	Cash-Out	Purch / No Cash Out	Cash-Out	Purch / No Cash Out	Cash-Out	Purch / No Cash Out	Cash-Out
$100,000 - $1,000,000	720	80	75	90	80	85	80	85	80
	700	80	75	90	80	80	75	80	75
	680	75	70	90	80	80	70	80	70
	660	75	70	80	75	75	70	75	70
	640	-	-	80	70	-	-	-	-
	620	-	-	80	70	-	-	-	-
$1,000,001 - $1,500,000	720	80	75	90	80	85	80	85	80
	700	80	75	90	80	80	75	80	75
	680	75	70	85	75	75	70	75	70
	660	75	65	80	75	75	65	75	65
	640	-	-	70	65	-	-	-	-
	620	-	-	70	65	-	-	-	-
$1,500,001 - $2,000,000	720	75	70	90	80	85	80	85	80
	700	75	70	85	75	80	75	80	75
	680	70	65	80	75	75	65	75	65
	660	70	65	75	65	75	65	75	65
	640	-	-	65	-	-	-	-	-
$2,000,001 - $2,500,000	720	75	70	80	75	80	70	80	70
	700	75	70	80	70	75	65	80	70
	680	70	65	75	65	70	65	70	65
	660	70	65	70	65	70	65	70	65
$2,500,001 - $3,000,000	720	70	65	80	70	70	65	80	65
	700	70	65	75	65	70	65	70	65
	680	70	65	70	65	70	65	70	65
$3,000,001 - $3,500,000	720	-	-	70	55	-	-	-	-
	700	-	-	70	55	-	-	-	-
$3,500,001 - $4,000,000	720	-	-	70	50	-	-	-	-

Income Documentation - Alternate Documentation

Asset Depletion (6 mo)	▪ Most recent 6 months asset documentation verified by: cash in bank (100%); stocks, bonds, and/or mutual funds (90%); IRAs, 401K, and/or retirement accts (80%) ▪ Allowable assets divided by 60 months = qualifying income ▪ Maximum 50% DTI - No Expanded DTI available
Bank Statement Personal & Business – Combined (24 mo, 12 mo)	▪ ≥1 borrower must be self-employed ≥2 years (≥25% ownership) ▪ Asset depletion allowed with bank statement documentation ▪ 50% standard expense factor ▪ Lower expense factor allowed with CPA / CTEC / EA letter or P&L ▪ CPA / CTEC / EA expense factor must be reasonable
Bank Statement Personal & Business – Separated (24 mo, 12 mo)	▪ ≥1 borrower must be self-employed ≥2 years (≥25% ownership) ▪ Asset depletion allowed with bank statement documentation ▪ Personal used to qualify; 2 mo business stmts to verify cash flow and allow 100% business deposits (no expense factor).
P&L (12 mo) [CPA, CTEC, EA]	▪ Self-employed (2yrs - 25% or greater ownership) P&L prepared by CPA, CTEC or EA ▪ Qualifying income based on the net income as reflected on P&L statement (multiplied by borrower's ownership percentage) / 12 months
WVOE	▪ FNMA 1005 from HR/Payroll/Officer, or online WVOE (Work Number, Finicity, etc.). ▪ Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program

Program Guidelines

Loan Purpose	▪ Purchase	▪ Rate & Term Refinance	▪ Cash-Out Refinance		
Occupancy Type	▪ Primary Residence	▪ Second Home			
Max LTV for Second Home	85%				
Property Type	▪ SFR	▪ PUD	▪ 2-4 Unit	▪ Condo (Warrantable & Non Warrantable)	▪ Modular
Product Type	30 Year Fixed, 5/6 SOFR ARM, 7/6 SOFR ARM				
Interest Only Option	▪ Eligible (10/20 IO & 10/30 IO), ARMs & Fixed	▪ Max LTV 90%			
Prepayment Penalty	Not Allowed				
Citizenship Status	▪ U.S Citizen	▪ Permanent Resident	▪ Non-Permanent Resident		
Foreign National	Not Allowed				
Minimum Loan Amount	$100,000				
Max Loan Amount	$4,000,000				
Non-Permanent Resident Alien	Eligible with US Credit				
Max Cash-out	Unlimited				
Min Fico	620				
DTI > 43%	▪ Residual Income is required for all transactions.	▪ Per VA or 2,500+150/dependent			
Max DTI - Standard	50%				
Max DTI - Expanded	55%	▪ Primary - Additional 3 Mo. Reserves & Max LTV 80 & Min FICO 680 & Max Loan $1.5M ▪ 2nd Home - Additional 3 Mo. Reserves & Max LTV 70 & Min FICO 680 & Max Loan $1.5M			
Tradeline Requirement	3 tradelines (12+ mo) or 2 tradelines (24+ mo), all active in last 12 mo; requirement met if borrower has 3 credit scores				
Housing Lates - LTV Matrix Adjustment	▪ 1x30x12: No Adjustment	▪ 0x60x12: -5 LTV & Cash-Out Not Allowed	▪ 0x90x12: -20 LTV		

Credit Event Seasoning - LTV Matrix Adjustment							
▪ Recent events are allowed with LTV Matrix Adjustment	**FC, SS, DIL**	**36 months**	No Adjustment	**BK**	**36 months**	No Adjustment	
		24 months	-5 LTV		**24 months**	-5 LTV	
		12 months	-15 LTV ▪ No Cash Out		**12 months**	-5 LTV	▪ No Cash Out
▪ All open judgments, garnishments, and all outstanding liens must be paid off prior to or at loan closing							

Reserves	Not required for No-Cash Out Refinance ≤ 65% LTV, Max 50% DTI		
	$100,000 - $1,000,000	6 Months	
	$1,000,001 - $2,000,000	9 Months	
	$2,000,001 - $4,000,000	12 Months	
Cash-Out Used as Reserves	Allowed		
Use of Gift Funds	Acceptable for use toward down payment and loan costs		
Max Interested Party Contributions (IPC)	▪ 6% (> 75% LTV)	▪ 9% (≤ 75% LTV)	

Max LTV by Property Type & Transaction Type		**Purchase / No-Cash Out**	**Cash-Out**	
	Condo	90	80	
	Non-Warratable Condo	85	80	▪ FNMA Full Review Form Required for Non-Warrantable Condos
	2-4 Unit	85	80	

Appraisal requirement		
	Loan AMT ≤ $2,000,000	One Full Appraisal + AVM or FNMA CU Risk score of 2.5 or less
	Loan AMT > $2,000,000	Two Full Appraisals
	2nd Full Appraisal required if AVM Confidence Score is below 90%	