

Hercules Non-QM

Maximum LTV/CLTV Matrix

Hercules Primary Residence				Hercules Non-Owner				
Loan Amount	Score	P / R&T	C/O	Loan Amount	Score	P / R&T	C/O	
\$1,000,000	720	90%*	N/A	\$1,000,000	660	80%	75%	
	700	85%	80%		\$2,000,000	700	80%	75%
	680	80%	80%			680	75%	70%
	660	80%	75%			660	70%	65%
\$1,500,000	720	90%*	N/A	\$2,500,000		720	75%	70%
	700	85%	80%		700	75%	65%	
	660	80%	75%		680	70%	65%	
\$2,000,000	720	85%	75%	\$3,000,000	720	75%	70%	
	700	80%	75%		700	75%	65%	
	660	75%	70%		680	70%	65%	
\$2,500,000	720	80%	70%	\$3,500,000	700	70%	N/A	
	700	75%	65%					
	660	70%	65%					
\$3,000,000	740	75%	70%					
	700	75%	65%					
\$3,500,000	700	70%	65%					

Any amount over a whole number rounds up to the next tenth (e.g., 80.0001 → 80.1)

Program Restrictions
* > 85% LTV: Purchase Only
Florida Condo: Max 85% LTV
CPA Gross Receipts: Max 80% LTV
CPA P&L Program: Max 80% LTV
Asset Utilization Program: Max 80% LTV
Rural Property: Max 70% LTV
TX 50(a)(6): Max 80% LTV
Second Homes
Loan Amount: Max \$3,000,000
LTV Max: 85% Purch / R&T 75% C/O
Otherwiar follow Primary Residence

DTI
50% unless otherwise noted
45% for > 85% LTV
45% for Loan Amount > \$3M
55% allowed w/restrictions, see guidelines
Reserves
3 months for ≤ \$1.5mm
6 months for > \$1.5mm
9 months for > \$2.5mm
Cash Out Limits
Max Cash Out is \$2,500,000
Any LTV

General Requirements

Eligible Doc Types	Full Doc 1-2 years, Bank Statement 12-24 Months, 1099 1-2 Years, Asset Depletion, Asset Utilization, CPA Gross Receipts, P&L			
Available Products	Product	Qualifying Rate	Term	I.O. Term
	30 Year Fixed	Note Rate	360	N/A
	40 Year Fixed	Note Rate	480	N/A
	30 Year Fixed I.O.	Note Rate	360	120
	40 Year Fixed I.O.	Note Rate	480	120
Occupancy	Owner Occupied, 2nd Home, Investment			
Loan Amount	Minimum: \$100,000 Max \$3,500,000			
Ineligible States	Baltimore City, MD; Massachusetts; New York. Non owner occupied properties and/or business purpose loans in Philadelphia County, PA			

Interest Only	<p>Allowed at all LTV's and Credit Scores</p> <p>30 Year I/O, qualify using original principal balance and note rate over 240 months</p> <p>40 Year I/O, qualify using original principal balance and note rate over 360 months</p>
Property Type	<p>Single Family (attached and detached)</p> <p>PUD (attached and detached)</p> <p>2 - 4 Units</p> <p>Warrantable Condo - Follow FNMA Requirements</p> <p>Condo in New projects eligible only with FNMA CPM approval or professional 3rd party review</p> <p>Non-warrantable Condo in established projects, case-by-case, by exception only</p>
Declining Market	<p>5% LTV reduction from above matrix when LTV >70%</p>
Rural	<p>Allowed - Max 70% LTV; Max 20 Acres</p> <p>A property is considered rural if the appraiser indicates "rural" in the neighborhood section of the report OR any 2 of the following are present:</p> <ul style="list-style-type: none"> - The property is located on a gravel road - 3 comps are more than 5 miles from the subject property - Less than 25% of the surrounding area is developed
Borrower Requirements	
Eligible Borrowers	<p>US Citizens</p> <p>Permanent Resident Alien</p> <p>Non-Permanent Resident Alien</p>
First Time Home Buyer	<p>Defined as borrower who has not owned residential property in the US in the past 3 years, based on note date. All occupancy types allowed. If one borrower is FTHB and the other is not, then FTHB restrictions do not apply.</p> <p>Property owned outside of the US is not considered in FTHB determination.</p> <p>FTHB restrictions</p> <ul style="list-style-type: none"> - Subject rents on investment property transaction not allowed - 660 minimum credit score (required on Expanded) - Maximum DTI is 50% - >45% DTI requires 300% max payment shock - Max loan amount is \$2,000,000 <p>Payment Shock = Proposed Housing Payment/Present Housing Payment * 100</p> <p>For borrowers with no housing obligation in the previous 12 months, payment shock calculation is not required</p>
Non-occupant Co-borrower	<ul style="list-style-type: none"> - Purchase and Rate/Term Refinances only - Cash-out transactions are not allowed <p>Blended Ratios are allowed using one of the three following options:</p> <p>Option 1:</p> <ul style="list-style-type: none"> - Occupying borrower must have a DTI ≤ 60% AND - A minimum of 5% of the down payment must come from occupying borrower's own funds AND - Occupant borrower is responsible for 50% of the reserve requirement <p>Option 2:</p> <ul style="list-style-type: none"> - Occupying borrower must have a DTI ≤ 75% with combined DTI ≤ 40% AND - A minimum of 5% of the down payment must come from occupying borrower's own funds AND - Occupant borrower is responsible for 50% of the reserve requirement <p>Option 3:</p> <ul style="list-style-type: none"> - True blended ratios are allowed at ≤ 70% LTV/CLTV - No occupant contribution required for down payment or reserves
Credit and Liabilities	
Housing Payment History	<p>Maximum of 0x30 in past 12 months</p>
Major Credit Events	<p>4 year seasoning is required on all major credit events</p> <p>Seasoning is measured from date of credit event to note date and includes: Bankruptcy, Foreclosure, Deed-in-Lieu, Short-Sale / Short-Refinance, and Modification</p> <p>Simple rate reduction modifications or modifications that were a result of a COVID-19 forbearance plan are acceptable with no restrictions</p>