

# Product Matrix

## Carrington Investor Advantage Program

Program Codes – See Table

Version 8.7 – 03/02/26



Investor Advantage – Maximum LTVs							
		DSCR 1.0+		DSCR 0.75-0.99		DSCR < 0.75	
Loan Amount	FICO	Purchase & R/T	Cash-Out	Purchase & R/T	Cash-Out	Purchase & R/T	Cash-Out
≤ \$1,000,000	700	85%	75%	70%	70%	65%	60%
	680	80%	75%	70%	70%	65%	-
	660	75%	70%	70%	70%	-	-
	640	75%	65%	70%	65%	-	-
	620	75%	65%	70%	65%	-	-
\$1,000,001 up to \$2,000,000	720	75%	70%	70%	70%	65% <sup>1</sup>	-
	700	75%	70%	70%	70%	65% <sup>1</sup>	-
	680	70%	65%	70%	65%	65% <sup>1</sup>	-
	660	65%	60%	65%	60%	-	-
\$2,000,001 up to \$3,000,000	720	65%	-	65%	-	-	-
	700	65%	-	65%	-	-	-
	680	60%	-	60%	-	-	-

Notes: <sup>1</sup> Max Loan Amount \$1.5M

Program Parameters				
Limits		Additional LTV Limits		Max LTV
Minimum Loan Amount	\$100,000	2-4 Units		80%
Maximum Loan Amount	\$3,000,000	Modular Homes		80%
Maximum Cash Out	\$1,000,000 ≤ 65% LTV \$500,000 > 65% LTV	Unleased Subject Prop (R/T Refi)		70%
		Unleased Subject Prop (Cash-out Refi)		65%
Mortgage/Rental History	1x30x12	Short Term Rental Properties with 12-month history of rents		75%
Foreclosure Seasoning	36 Months			
Short Sale/DIL Seasoning	36 Months	First-Time Investor with FICO ≥ 700		80%
Chapter 13 BK Seasoning	36 Months (Discharged or Dismissed)	First-Time Investor with FICO 680-699		75%
		First-Time Investor with FICO < 680		65%
Chapter 7/11 BK Seasoning	36 Months	First-Time Investor with DSCR < 1.00		65%
<b>Interest Only</b>		Rural - Purchase and Rate/Term		75%
Not available in West Virginia		Rural – Cash-Out		70%
DSCR				
Debt-Service Coverage Ratio (DSCR) = Gross Rental Income/ Monthly PITIA Payment.				
Interest-Only DSCR = Gross Rental Income / Monthly ITIA Payment				

Product Parameters		
Product Types		
30-Year Fixed, 40-Year Fixed, 5/6 and 7/6 ARM		
<b>Interest-Only: 30-Year Fixed-IO, 40-Year Fixed-IO 5/6 and 7/6 ARM-IO Terms</b>		
IO Period	Amort Term	Final Maturity
10 Years	20 Years	30 Years
10 Years	30 Years	40 Years
ARM Margins and Caps		
<ul style="list-style-type: none"> <li>Margin: 6% - Caps: 5/6 - 5/2/5, 7/6 - 5/2/5</li> <li>Index: 30-day Average Compounded SOFR - Floor Rate = Start Rate</li> <li>ARM amortization is based on 30-year loan term and is fully amortizing for the life of the loan.</li> <li>Index Lookback Period: 45 Days</li> </ul>		
Qualifying Rate (see also Qualifying Payment Below)		
Fixed, ARM and Interest Only = Qualify using the Note Rate		

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Investor Advantage – ITIN Maximum LTVs				
The following FICO and LTV restrictions apply when any borrower uses an Individual Taxpayer Identification Number (ITIN) instead of a Social Security Number (SSN). Refer also to ITIN section below.				
		DSCR 1.0+	DSCR 0.75-0.99	DSCR < 0.75
Loan Amount	FICO	Purchase & R/T	Purchase & R/T	Purchase & R/T
≤ \$1,000,000	750	80%	70%	65%
	730	75%	70%	65%
	680	70%	70%	65%
	670	70%	70%	-
\$1,000,001 up to \$2,000,000	750	70%	70%	65% <sup>1</sup>
	730	65%	65%	65% <sup>1</sup>
	710	60%	60%	60% <sup>1</sup>

Note: <sup>1</sup> Max Loan Amount \$1.5M

Additional Program Requirements	
Occupancy	Investment Properties Only
Residual Income	Residual Income not required on Investment Properties.
Seller Concessions	Up to 4% toward closing for Investment Properties.
Minimum Reserves	3 Months. Cash out proceeds permitted for reserves with ≥ 620 FICO.
Qualifying Reserves on ARM Loans	Reserves on ARM loans must be determined based on the <b>Qualifying Payment</b> . Reserves are measured by the number of months of the qualifying payment amount for the subject mortgage (based on PITIA or ITIA if Interest-Only) that a borrower could pay using his or her financial assets.
Qualifying Payment	<b>Fixed, ARM: Use PITIA at the Note Rate</b> <b>Interest-Only: Use ITIA at the Note Rate</b>
Interest-Only Qualifying Payment	Interest-only loans qualify using the <b>starting ITIA payment at the Note Rate</b> .
Secondary/Subordinate Financing	Not Permitted.
Gross Rental Income	Lesser of Estimated Market Rent from Form 1007 or monthly rent from an existing lease for the subject property Unleased Subject Property (Refinance only): Max LTV - Cash-out Refi = 65% / Rate/Term Refi = 70%

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**Guideline Requirements**

**COLLATERAL**

General	Property must be in average or better condition. Properties in C5 or C6 condition are not acceptable. Deferred maintenance is allowed subject to the requirements below.
Deferred Maintenance	<p>CMS permits appraisals to be based on the “as is” condition of the property provided existing conditions are minor and do not affect the safety, soundness, or structural integrity of the property, and the appraiser’s opinion of value reflects the existence of these conditions.</p> <p>Deferred maintenance is typically due to normal wear and tear from the aging process and the occupancy of the property. While such conditions generally do not rise to the level of a required repair, they must be reported. Examples of minor conditions and deferred maintenance include worn floor finishes or carpet, minor plumbing leaks, holes in window screens, or cracked window glass.</p>
Property Repairs	All property repairs must be completed prior to closing. Escrow holdbacks are permitted for new construction landscaping. Escrow holdbacks are not permitted for any other reasons.
Appraisal	1 Full appraisal required. Exterior and Interior inspection. Color photographs required.
Appraisal Review	<p>The Appraisal Review Process requires a secondary due diligence product to support the appraised value for the transaction. Acceptable products include:</p> <ul style="list-style-type: none"> <li>• FNMA Collateral Underwriter score <math>\leq 2.5</math> for LTVs <math>\leq 80\%</math></li> <li>• Desk Review (must contain a value and comparative sales data to support the valuation result)</li> <li>• Second Full Appraisal</li> </ul> <p>The following require a Desk Review (CU Score not permitted):</p> <ul style="list-style-type: none"> <li>• CU Score <math>&gt; 2.5</math> or</li> <li>• LTV <math>&gt; 80\%</math></li> </ul> <p>The following require a Second Full Appraisal:</p> <ul style="list-style-type: none"> <li>• Loan amount <math>&gt; \\$2,000,000</math></li> <li>• Flip Transactions</li> </ul> <p>When two appraisals are required, the lower of the two values must be used to determine value.</p> <p>Appraised value <math>\geq \\$1,500,000</math> requires a Carrington Capital Management (CCM) review. When two appraisals are present the lowest value is used.</p> <p>Desk Reviews and Second Full Appraisals, when required, must be ordered from a CMS-approved AMC. <b>A Second Full Appraisal must be completed by a different certified or licensed appraiser than the one who prepared the first appraisal.</b> CMS reserves the right to request additional appraisal products at our discretion based on review of the appraisal and loan file.</p> <p>See the Carrington Investor Advantage Program Guidelines for full details on available review products.</p>

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**COLLATERAL, continued**

Appraisal Re-Use	Re-use of an appraisal inspection report is not permitted. Appraisal inspections must be specific to the CMS loan transaction.
Appraisal Updates	Permitted. Follow guidelines and acceptable extension dates. The appraisal may be no older than 240 days at closing with an appraisal update.
Condominiums	<p>All attached condominiums must have a valid project review along with a completed CMS Homeowners' Association Certification (InterIsland HOA Questionnaire).</p> <p>ATTACHED CONDOS: For properties in established condo projects, comparable sales from within the same project as the subject property must be used if the subdivision or project has resale activity. Use of comparable properties located outside of the established subject neighborhood must be explained in the appraisal analysis.</p> <p>For properties in new condo projects, the subject property must be compared to other properties in its general market area as well as to properties within the subject project. The appraiser must select one comparable sale from the subject project and one comparable sale from outside the subject project. The third comparable sale can be from inside or outside of the subject project, provided it is a good indicator of value for the subject property.</p> <p>DETACHED CONDOS: Appraisal must support market acceptance of site condominiums in the subject's market area. HOA Cert is not required; appraisals for site condos may use the 1004 URAR or 1073 Individual Condominium Unit Appraisal Report. The appraiser should include an adequate description of the project, information about the homeowners' association fees, and note the quality of the project maintenance.</p> <p>See Carrington Investor Advantage Program Guidelines for condominium specifications.</p>
Short Term Rentals	<p>Short term rental properties may not be modified in a way that affects the residential character of the property. For example, parking lots and reception areas are not acceptable. Examples of short-term rentals are Air BNB, Vacation Rental By Owner (VRBO), etc.</p> <p>Short term rentals of less than one month in term will be qualified as an unleased property unless the borrower is able to demonstrate a 12-month history of rents on the subject property. The borrower may provide documentation from their property management service documenting 12 months gross rents.</p> <p>Determining the Loan-to-Value - Refer to <a href="#">Additional LTV Limits</a> chart.</p> <p>The Debt-Service Coverage Ratio (DSCR) must be calculated using the lesser of the documented rents from the property management service or the appraiser's estimate of market rents.</p>
All Properties Square Footage	Minimum of 600 square feet of gross living area.
Eligible Property Types	One Unit Single Family Residences (Attached and Detached), PUDs (Attached and Detached), Condos (Low and High Rise), Site Condo, Townhouse, 2-4 Unit Properties, Modular Homes, and Agriculturally Zoned Properties

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**COLLATERAL, continued**

Ineligible Property Types	<p>Manufactured, Co-ops, Condotels, Mixed Use properties, Leaseholds, Log Homes, Farms or Hobby/Working/Income Producing Farms, Unique Properties, Properties with oil, gas, or mineral rights, Builder Model Leaseback, Non-Conforming zoning regulations that prohibit rebuilding, Illegally zoned properties, Hawaiian properties in lava zones 1 and 2, Group homes or boarding houses, including convalescent and/or healthcare homes, <b>Nursing homes, Adult care centers</b> and State-approved medical marijuana producing properties.</p> <p>Non-Warrantable Condominiums (case-by case exceptions)</p> <p>Note: Mixed Use properties are defined as properties that have a business use in addition to their residential use, such as a property with space set aside for a day care facility, a beauty or barber shop, or a doctor's office are not eligible.</p>
Rural Property Determination	<p>Rural properties are permitted on case-by-case basis. Properties are considered rural if the appraiser indicates the subject Location as Rural in the Neighborhood section of the appraisal report. A property may also be determined to be rural by the underwriter based upon their review of the appraisal. All rural properties require additional review and approval by CCM. See Carrington Investor Advantage Underwriting Guidelines for additional requirements.</p>
Property Flipping	<p>Title transfers within 180 days are subject to additional requirements. See Carrington Investor Advantage Underwriting Guidelines for specifications.</p>
Resale/Deed Restrictions	<p>Communities where the minimum age requirement is 55 are permitted.</p>
Maximum Number of Financed Properties	<p>No limit for other servicers; Limit 5 financed properties serviced by Carrington Mortgage Services. See Carrington Investor Advantage Program Guidelines for additional requirements.</p>
Maximum Acreage	<p>Maximum 5 acres</p>
Declining Market Values	<p>When the appraiser indicates the subject property is in an area of Declining Property Values, Oversupply Demand/Supply, or Over 6 months Marketing Time, the maximum LTV available must be reduced by 5%. The LTV reduction is in addition to any other LTV reductions or restrictions.</p>

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**TYPES OF FINANCING**

<p>General Refinance Requirements</p>	<p>Rate/term refinance and cash-out refinance transactions are allowed.  All investment property refinances require an appraisal review product. See Appraisal Review Process for detailed requirements.  Any refinance of a Carrington Serviced Non-QM loan that has not made at least 12 payments since it was last originated requires review and approval. The loan may be subject to manual pricing if approved.  <b>Determining Loan-to-Value</b>  If the subject property was purchased between 6 months and 12 months from the note date of the new mortgage, the current appraised value may be used to determine the loan amount when two full appraisals are obtained. The lower of the two values must be used.  If the property was purchased &lt; 6 months from the note date of the new mortgage, the lesser of the current appraised value or the previous purchase price plus documented improvements (if any) must be used. The purchase settlement statement and any invoices for materials/labor will be required.</p>
<p>Rate &amp; Term Refi/ Limited Cash Out</p>	<p>No seasoning of first mortgage (no minimum number of payments required on current mortgage).  If value has increased more than 15%, photos of improvements are required.  Maximum cash in hand is the lesser of 2% of the principal of the new loan amount or \$2000.  Closing Disclosure (CD) or HUD-1 settlement statement, as applicable required from any transaction within past 6 months. If the most recent mortgage transaction was a cash-out refinance within the last 6 months, the new mortgage must be processed as a cash out refinance. If new transaction combines a 1st and non-purchase money 2nd into a new 1st loan, it is considered cash out.  Must demonstrate there is a Benefit to the borrower by utilizing the CMS benefit to borrower form currently in use through Encompass for refinance transactions.</p>
<p>Listed For Sale or Purchase</p>	<p>To be eligible for either a rate/term or a cash-out refinance, the subject property must be taken off the market on or before application date, provide a letter of explanation for the MLS listing and statement of intent to retain the property for 12 months after closing. For cash-out transactions, if the subject property was listed for sale in the 6 months prior to application date, a minimum 2-year prepayment penalty* or 10% LTV reduction from the maximum available for the specific transaction is required. <b>The lesser of the most recent list price or the current appraised value should be used to determine loan-to-value for both rate/term or cash-out transactions.</b>  *Note - Prepayment penalties may only be applied to Investor Loans. Please refer to the state-specific matrices for details.</p>
<p>Cash-out Refinance</p>	<p>For all cash-out refinance transactions: at least one borrower must have been on title a minimum of six (6) months prior to the new note date unless the requirements for <a href="#">Delayed Financing</a> are met. Note date to note date is used to calculate the 6 months.  For cash-out refinance transactions where the property is currently vested in a trust or LLC, the borrowers must have owned the property in the name of the trust or LLC for at least six (6) months prior to closing.  <b>Note:</b> Properties removed from a Trust are not required to meet the title seasoning requirement if the property moves from the Trust to the owner of Trust and 6-month seasoning is met in the Trust.  There is no waiting period if the borrower was legally awarded the property through divorce, separation, or dissolution of a domestic partnership.</p>

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<b>TYPES OF FINANCING (continued)</b>	
Cash Out	Refer to the <a href="#">Program Parameters</a> matrix for the Maximum Cash Out requirements. Cash Out proceeds must be used for “real estate” business purposes only. Proceeds of the loan are limited to the purchase of an additional investment property or the improvement and/or maintenance of the subject property or other investment properties. Utilizing proceeds of the loan for personal, family, or household purposes is prohibited.
Delayed Financing	Cash-out on properties purchased by the borrower with cash and owned less than 6 months is allowed. The following requirements apply: <ul style="list-style-type: none"> <li>• Original transaction was an arm’s-length transaction</li> <li>• Settlement statement from purchase confirms no mortgage financing used to acquire subject</li> <li>• Source of funds used for purchase documented (gift funds may not be included)</li> <li>• New loan amount can be no more than the actual documented amount of the borrower’s initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan</li> <li>• All other cash-out refinance eligibility requirements must be met</li> </ul>
Business Purpose Loans	Business Purpose Loans are not subject to the Points and Fees Test, Anti-Steering or Consumer Credit Counseling requirements.
All Refinances	As a best practice, CMS requires that all refinance transactions must have Net Tangible Benefit to Borrower.
Non-Arm’s Length Transactions	Non-arm’s length transactions involve a direct relationship outside of the subject transaction between a borrower and a party to the loan. See Carrington Investor Advantage Program Guidelines for specific requirements.
Construction-to-Perm	Not permitted
Texas A(6) Refinances	Not permitted
<b>CREDIT</b>	
Minimum Credit History	Standard Credit: 3 tradelines reporting for 12+ months OR 2 tradelines reporting for 24+ months Trade lines must meet the following: The credit line must be reflected on the borrower’s credit report <ul style="list-style-type: none"> <li>• The account may be open or closed</li> <li>• Tradelines used to qualify may not exceed 0x60 in the most recent 12 months of reporting</li> <li>• An acceptable 12- or 24-month housing history not reporting on credit may also be used as a tradeline</li> <li>• Manually rated utility bills with at least 12 or 24 payments made may be used to meet Minimum Tradelines if they are added to the credit report or credit supplement. Utilities include mobile and landline phone, internet, cable and satellite, gas, electricity, water, solar, and trash. Video streaming services are not permitted.</li> </ul> <p>Credit lines on which the borrower is not obligated to make payments are not acceptable for establishing a minimum history. e.g., loans in a deferment period, collection or charged-off accounts, accounts discharged through bankruptcy, and authorized user accounts.</p>
Limited Tradelines	Not permitted
Non-Traditional Credit	Not permitted

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**CREDIT (continued)**

<p>Evidence of Primary Residence</p>	<p>All borrowers must presently own or rent their primary residence or meet the requirements below for living rent-free. Evidence is required. Borrowers who own a primary residence and are purchasing a 1-unit Single Family Residence that appears to have a greater value or Gross Living Area must provide a signed letter to explain their motivation to continue occupying their primary residence. Borrowers who rent a primary residence and are purchasing a 1-unit Single Family Residence must provide:</p> <ul style="list-style-type: none"> <li>• Evidence of an active lease in place or lease terms verified on an institutional VOR</li> <li>• Primary residence should be supported by one of the following characteristics: <ul style="list-style-type: none"> <li>○ Geographically consistent with borrower’s place of employment. If the URLA employment section is blank, the Underwriter must add a condition for the URLA to list the borrower’s Employer name and address; or</li> <li>○ General appeal and location of primary is superior to subject property</li> </ul> </li> </ul> <p>Borrowers living rent-free are acceptable under the following circumstances:</p> <ul style="list-style-type: none"> <li>• A married borrower whose primary residence is titled or leased to their spouse’s name only, documentation must be provided to support the borrower occupies the spouse’s residence and the mortgage or rent rating on the primary residence complies with Mortgage and Rental Payment Verification.</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• Borrowers living rent-free at other than at their spouse’s residence are acceptable with a minimum 660 FICO and must not be a first-time investor. A signed rent-free letter must be provided from the person providing the borrower’s free housing identifying their relationship to the borrower and the location and time period of the borrower’s residence.</li> </ul>
<p>Mortgage/ Rental History</p>	<p>Rental payments must be documented via a Verification of Rent (VOR). A combined total of all late mortgage and rental payments in the past 12 months must be used to determine the housing history. All mortgages on the borrower’s credit report, the subject property (for refinance transactions), and the borrower’s primary residence must be rated. Mortgages on the subject property and primary residence must be rated even if the mortgage is not in the borrower’s name.</p> <p>Twelve (12) months of cancelled checks or bank statements must be obtained when:</p> <ul style="list-style-type: none"> <li>• the borrower is making rental payments to an interested party, or</li> <li>• the borrower is making mortgage payments to an individual or an interested party.</li> </ul> <p>A VOR/VOM is not required but may be requested for clarification.</p> <p>All mortgages and rental payments requiring a rating must be current at time of closing. If the credit report or VOR/VOM reflects a past-due status, updated documentation is required to verify account is current.</p>
<p>Forbearance Due to FEMA Disaster</p>	<p>CMS will permit forbearance only in cases of a FEMA Disaster Declaration. Documentation from the servicer must be obtained and the cause outside the disaster (i.e. loss of work, damage, etc.) must be cured and documented (i.e. back to work).</p>

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**CREDIT, continued**

<p>Late Payments after Forbearance</p>	<p>The forbearance may be resolved through one of the following two options:</p> <ol style="list-style-type: none"> <li>1. Remove the disaster forbearance status and reinstate the mortgage by making a lump-sum payment to bring the mortgage current. The impact of any lump sum payment must be considered in the asset analysis. Funds may not be borrowed for the purpose of a full reinstatement after the date of the loan application. Or</li> <li>2. Complete three (3) regular monthly payments after an approved loss mitigation option with the current servicer, such as a repayment plan, payment deferral, or trial payments for a loan modification. Any remaining balance due after three timely payments are made pursuant to a loss mitigation option may be included in a rate and term or cash out refinance.</li> </ol> <p>Borrowers who have missed payments pursuant to a disaster forbearance must provide documentation of acceptable resolution of any hardship. Missed mortgage payments during the period of a disaster forbearance will not be deemed as “late” payments for the purpose of establishing eligibility or credit grade, provided the forbearance is documented per the requirements above. Missed mortgage payments after termination of the forbearance plan or during an approved loss mitigation option will be considered late for the purposes of establishing eligibility and graded accordingly. A borrower who experiences a Housing Event, including foreclosure, short sale, or deed-in-lieu of foreclosure after a forbearance must continue to meet all program guidelines related to Housing Events, including seasoning and credit grading.</p>
<p>Late Payments - Consumer Debts</p>	<p>This Late Payments section applies to every credit account that is not a mortgage or home equity loan. E.g. revolving/installment accounts.</p> <p><b>Rolling Late Payments:</b> Rolling late payments are not considered a single event. Each occurrence of a contractual delinquency is considered individually for loan eligibility. Rolling late payments are not permitted on Investor Advantage.</p> <p><b>Past Due Accounts:</b> Past due consumer debts can be no more than 30 days past due at time of closing. Consumer late payments may not exceed 1x60 over the prior 12 months for Investor Advantage.</p>
<p>All Bankruptcy</p>	<p>36 Months Seasoning whether Discharged or Dismissed; see Matrix Above.</p>
<p>Short Sale/ Foreclosure/ Deed-in-Lieu/ Modification</p>	<p>36 Months Seasoning; see Matrix Above.</p>
<p>Collections/ Charge Offs</p>	<p>The following accounts may remain open:</p> <ul style="list-style-type: none"> <li>• Collections and unsecured charge-offs &lt; 24 months old with a maximum cumulative balance of \$2,000</li> <li>• Collections ≥ 24 months old with a maximum of \$2,500 per occurrence</li> <li>• Unsecured charge-offs ≥ 24 months old</li> <li>• Collections and charge-offs that have passed beyond the statute of limitation for that state (supporting documentation required)</li> <li>• All medical collections</li> </ul> <p>Collection and charge-off balances exceeding the amounts listed above must be paid in full. Charge offs secured by real estate must be paid in full.</p>
<p>Judgments/Liens</p>	<p>Judgments and tax liens must be paid off prior to or at closing</p>

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**CREDIT, continued**

IRS Taxes Owed (No Lien)	For IRS taxes owed and no lien is present all of the following requirements must be met: <ul style="list-style-type: none"> <li>• A copy of the repayment agreement is obtained;</li> <li>• A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided.</li> </ul>
Minimum FICO	Each borrower and/or guarantor must have a valid score from at least 2 of the following 3 agencies: Experian (FICO), Trans Union (Empirica), and Equifax (Beacon). Only scores from these agencies are acceptable.  The applicable credit score is the middle of three scores provided for any borrower. If only two credit score are obtained, the lesser of two will be used. When there are multiple borrowers, the lowest applicable score from the group of borrowers is the representative credit score for qualifying.

**INCOME/ASSETS**

Employment/ Income Analysis	There is no employment verification or income analysis under the Investor Advantage Program.
Assets	Must be sourced/seasoned for 60 days. Asset statements must be dated within 120 days of closing and verified. Deposit verification and seasoning of assets must be documented by two months bank statements. Marketable securities require a copy of the stock certificate. Retirement accounts require documentation verifying the lending terms of the account. All large deposits must be sourced per FNMA guidelines. Asset documentation must be dated within 90 days of the date of the note. Evidence of liquidation is required for all securities and real estate. Evidence of transfer of funds is required for all cash accounts. Gifts are acceptable for down payment provided minimum borrower investment requirements are met. Sources of funds used for the minimum required investment and reserves must be owned by the borrower.
Eligible Sources of Assets	Acceptable sources of funds are bank deposits (checking/savings), marketable public traded securities, loans secured by borrower's assets, sale of real estate, funds borrowed secured by real estate, withdrawals from trust funds, proceeds from surrendered life insurance, retirement accounts using 60% of available/vested balance (SEP-IRA, 401K), business assets provided they are used for down payment and closing costs only and borrowers are at least 50% owners of the business with documented access to funds, see guidelines.
Ineligible Sources of Assets	Cash-on-hand, Sweat equity, Gift or grant funds which must be repaid, Down payment assistance programs, Bridge loans, Unsecured loans or cash advances, Section 8 Voucher Assistance, and Cryptocurrency (digital assets such as bitcoins)
Borrower Investment/ Contribution	5% own funds (excludes Seller Contributions as detailed below)
Gift Funds	Gift funds permitted for down payment. Must be from relative. Signed Gift letter required. Excess gift funds verified in the borrower's bank account prior to closing are permitted for reserves. Gift funds provided at closing may not be considered towards reserves. See guidelines for detailed requirements.
Gifts of Equity	Gifts of equity are allowed after meeting borrower's minimum contribution requirement.

**PURCHASE MONEY**

Seller Contribution/ Sale Concessions	Maximum seller contribution up to 4% toward closing. Sales concessions exceeding the seller contribution limits must be deducted from the sales price before calculating the LTV/CLTV. Financing concessions are not permitted.
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**GENERAL**

Individual Taxpayer Identification Number (ITIN)	<p>ITIN borrowers work and reside in the U.S. but do not possess U.S. citizenship or a Social Security Number (SSN). Refer to grid above for FICO and LTV restrictions when any borrower is using an ITIN. Maximum Unpaid Principal Balance (UPB) = \$2MM</p> <p>The following requirements apply to all ITIN borrowers.</p> <ul style="list-style-type: none"> <li>• All ITIN borrowers must provide: <ul style="list-style-type: none"> <li>○ Unexpired government ID with photo (driver's license, passport, visa, etc.), and</li> <li>○ Unexpired ITIN card or CP565 letter from the IRS assigning the ITIN to the borrower. The letter must be unexpired through the closing date. IRS form W7 is not an acceptable alternative to the ITIN card or CP565 letter. <ul style="list-style-type: none"> <li>▪ ITINs are expired if the ITIN card or IRS CP565 letter is more than three years old at closing.</li> <li>▪ If the ITIN is expired, one of the following must be provided: E-file receipt or letter from a Tax Preparer confirming the borrower's most recent return has been filed with the IRS; or fully executed IRS W7 renewing the ITIN including agent signature.</li> </ul> </li> </ul> </li> <li>• A U.S. credit report must be obtained for each borrower using the valid ITIN number. <ul style="list-style-type: none"> <li>○ Limited tradelines are not permitted. The primary wage earner must meet the requirements for Standard Tradelines.</li> </ul> </li> <li>• The following are ineligible: <ul style="list-style-type: none"> <li>○ Limited tradelines</li> <li>○ ITIN borrowers with documentation referencing a SSN</li> </ul> </li> <li>• The above requirements apply when any borrower on the loan application is using an ITIN.</li> </ul>
Age of Documents	The Title Report and Closing Protection Letter (CPL) must be dated within 90 days of closing. All other loan documentation, including appraisal, credit report, income, and asset documentation, must be dated within 120 days of closing.
Loan Terms Available	30-Year Fixed, 40-Year Fixed, 5/6 ARM, 7/6 ARM, 30-Year Fixed-IO, 40-Year Fixed-IO, 5/6 ARM-IO and 7/6 ARM-IO
Escrow Waivers	All States excluding DC: Property tax and insurance escrows may be waived with FICO ≥ 700 and LTV ≤ 80%. DC loans: Property tax and insurance escrows may be waived if the LTV is 80% or lower.
Assumptions	Not Permitted
Ineligible States	All States are eligible. Interest Only not permitted in West Virginia.
New York CEMA	NY CEMA Loans are permitted (NY CEMA not eligible for CMS Correspondent channel).

# Product Matrix

## Carrington Investor Advantage Program

Program Codes – See Table

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### GENERAL, continued

Eligible Borrowers	U.S. Citizens, Permanent Resident Aliens, and Non-Permanent Resident Aliens. Permanent Resident Aliens must provide proof of lawful residence, green card and permanent right to work in the U.S. Non-Permanent Resident Aliens must provide proof of lawful residency, work authorization, and an unexpired, valid visa with at least three years left to work in the U.S., Business entities (e.g. Limited Liability Companies, Limited and General Partnerships, Corporations, S-Corps).
Ineligible Borrowers	Foreign Nationals, Deferred Action for Childhood Arrivals (DACA - EAD Category C33), Borrowers with Diplomatic Immunity, Non-Permanent Resident Aliens who do not have a green card or a valid visa, Borrowers without a credit score, Borrowers holding title in the name of a trust, Borrowers with more than 5 CMS financed properties, including the subject property.
First Time Investors	Permitted. A First-Time Investor is a borrower who has not owned at least one investment property for at least 12 months anytime during the most recent 36-month period. Refer to page 1 for the Maximum LTVs for First-Time Investors.
Loans to Employee(s) of Broker/Seller	Permitted. See Carrington Investor Advantage Program Guidelines for specific requirements.
Borrower's Spouse Owns Primary Residence	See Evidence of Primary Residence in Credit Section.
Power of Attorney	A Limited Power of Attorney (POA) is acceptable. Refer to Carrington Investor Advantage Program Guidelines for requirements.
Rent Loss Insurance	Rent Loss insurance for the subject property is required and must equal at least 6 months of local average monthly rents. Blanket policies covering the subject property are permitted. Refer to the Carrington Investor Advantage Program Guidelines for complete property insurance requirements.
Mortgage Insurance (MI)	Not Required
Prepayment Penalty	Permitted for Investment Properties and may only be charged when permissible by State law. <b>Note:</b> A Business Purpose Affidavit must be executed at closing if a prepayment penalty is charged.
Investor Advantage Required Forms	Business Purpose & Occupancy Affidavit (all borrowers are required to sign at closing to declare that the property is, or will be, for commercial business or investment purpose only). Two copies are required: The initial disclosure provided is for informational purpose only and does not need to be signed and the disclosure generated with the closing documents must be signed AND notarized. <ul style="list-style-type: none"> <li>• Guaranty (if applicable)</li> <li>• 1-4 Family Rider/Assignment of Rents (FNMA Form 3170)</li> </ul>

## Product Matrix

### Carrington Investor Advantage Program

Program Codes – See Table

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#### PROGRAM CODES

Product Code	Loan Program Description
N3056AINVADV	Investor Advantage - 30 Year - 5/6 SOFR ARM
N3056AINVADVIO	Investor Advantage - 30 Year - 5/6 SOFR ARM IO
N3076AINVADV	Investor Advantage - 30 Year - 7/6 SOFR ARM
N3076AINVADVIO	Investor Advantage - 30 Year - 7/6 SOFR ARM IO
N30FINVADV	Investor Advantage - 30 Year - Fixed
N30FINVADV10IO	Investor Advantage - 30 Year – Fixed IO
N4056AINVADV	Investor Advantage - 40 Year - 5/6 SOFR ARM
N4056AINVADVIO	Investor Advantage - 40 Year - 5/6 SOFR ARM IO
N4076AINVADV	Investor Advantage - 40 Year - 7/6 SOFR ARM
N4076AINVADVIO	Investor Advantage - 40 Year - 7/6 SOFR ARM IO
N40FINVADV	Investor Advantage - 40 Year - Fixed
N40FINVADV10IO	Investor Advantage - 40 Year – Fixed IO