

New AltQM™ Series Program Changes

Impac's AltQM™ Series programs have been changed and upgraded as follows:

AltQM™ Agency and AltQM™ Jumbo are combined into AltQM™ Agency Plus.

AltQM™ Income and AltQM™ Asset Qualifier are combined into AltQM™ Alternative Documentation.

AltQM™ Investor benefits from changes to the AltQM™ Series and remains titled AltQM™ Investor.

Highlights

Generally the AltQM™ Series programs allow larger loan amounts, higher LTVs, and more cash out.

- Grids have been simplified
 - No longer segmented by # of units, 1-4 units have same tiers
 - Most loan types (purchase, rate/term, cash-out) have three LTV/loan amount tiers
- Maximum cash out increased from \$500,000 to \$1,500,000

Minimum loan size is \$100,000 for all programs.

Loan types have been standardized across all programs.

- 5/1, 7/1, 10/1 ARMs – fully amortizing and interest only
(Note: AltQM™ Investor only allows interest only for 5/1 ARM)
- 15 year fixed – fully amortizing

For ARM loans, the adjustable rate floor is now the start rate.

Credit depth has been reduced.

- Minimum 5 trade lines, open or closed
- One trade line with 24 month rating
- One trade line with at least \$5,000 high credit limit

Base reserves have been simplified and tied to DTI for loans below \$2,000,000.

- DTI ≤ 43% requires 6 months reserves
- DTI > 43% requires 12 months reserves
- Loan amount > \$2,000,000 requires 12 months reserves
- Foreign National requires 12 months reserves

Up to 50% of business funds may be used for reserves.

Removed the 45% DTI limit for HPML loans.

Points and Fees have been expanded to allow up to 5%.

- AltQM™ Investor = 5%
- AltQM™ Alternative Documentation = 5% (bona fide discount points not included in limit)
- AltQM™ Agency Plus
 - Maximum 5% for loans with DTI > 43% and/or interest only feature
 - Maximum 3% for fully amortizing loans with DTI ≤ 43% (without interest only feature)
- Beware of HOEPA (Section 32) Points and Fees limitations for primary residence properties

Condominium project approval flexibilities

- FNMA warrantable projects are allowed with Full Review (CPM) or Limited Review
- Non-warrantable exception
 - Investment property concentration limits (N/O/O) for Full Review do not apply, and
 - Minimum 50% of units in project (or subject legal phase, considered with prior legal phases) must be sold or under contract

Foreign Nationals

- Payment shock has been eliminated
- Seasoning of funds for Foreign Nationals in U.S. bank prior to closing has been eliminated if funds are documented in major international financial institutions (Acceptable Bank List)

Income Changes

- Self-employed borrower on AltQM™ Alternative Documentation may also use retirement and other income to qualify