



EXPANDED: PORTFOLIO C

Introducing the expanded Portfolio C Program. Non-QM/Alt-Doc Income Types have been added: 12 & 24 Months Bank Statements, Asset Depletion and Debt Service Coverage Ratio (DSCR) for investment properties.

Bulletin Date:	June 13, 2022
Primary Departments for Review:	Loan Officers, Processors, Underwriters, Closers
Effective Date:	June 13, 2022
Pipeline Transition Time:	N/A.

INFORMATIONAL:

- Section 1003: Portfolio C

Section 1003; Portfolio C – Eligibility Matrix

Full Doc - Purchase & Rate/Term Refinance					
	Maximum Loan Amount	LTV/CLTV ^{1,5}	Credit Score	DTI	Reserves
Primary / Second Home	\$3,000,000	90%	740	50%	6 months
		85%	720		
		80%	700		
		75%	660		
Non-Owner Occupied		85%	740		
		80%	720		
		75%	700		
		70%	680		
Alt Doc ² - Purchase & Rate/Term Refinance					
Primary / Second Home	\$3,000,000	90%	760	50%	6 months
		85%	740		

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		80%	700		
		75%	680		
Non-Owner Occupied		80%	740		
		75%	720		
		70%	680		
Full Doc - Cash Out Refinance ^{3,4}					
Primary / Second Home	\$1,500,000	80%	740	50%	9 months
		75%	720		
		70%	680		
Non-Owner Occupied		70%	720		
		65%	680		
Alt Doc ² - Cash Out Refinance ^{3,4}					
Primary / Second Home	\$1,500,000	75%	740	50%	9 months
		70%	700		
Non-Owner Occupied		65%	700		

Portfolio C				
Program Name	Product Code	Caps	Loan Term (in years)	
Full Doc & Alt Doc				
Non-Conforming 5/6 SOFR ARM	P56C	2/1/5	30	
Non-Conforming 7/6 SOFR ARM	P71C	5/1/5	30	
Non-Conforming 30Y Fixed	P30C	NA	30	
Non-Conforming 5/6 SOFR ARM Interest Only	P56CIO	2/1/5	30	
Non-Conforming 7/6 SOFR ARM Interest Only	P71CIO	5/1/5	30	
Non-Conforming 30Y Fixed Interest Only	P30CIO	NA	30	
DSCR				
Non-Conforming 5/6 SOFR ARM DSCR	P56CDSCR	2/1/5	30	
Non-Conforming 7/6 SOFR ARM DSCR	P71CDSCR	5/1/5	30	
Non-Conforming 30Y Fixed DSCR	P30CDSCR	NA	30	
Non-Conforming 5/6 SOFR ARM DSCR Interest Only	P56CDSCRIO	2/1/5	30	
Non-Conforming 7/6 SOFR ARM DSCR Interest Only	P71CDSCRIO	5/1/5	30	
Non-Conforming 30Y Fixed DSCR Interest Only	P30CDSCRIO	NA	30	

The Portfolio C program is designed for Non-QM/Alt-Doc income types and Non-Warrantable Condos.

- Primary 1-4 unit
- Second Home 1-unit
- Investment 1-4 unit

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Eligible Transactions:

- Purchase
- Rate & term Refi
- Cash-out Refi
 - TX50a6 ineligible

The following Documentation Types are Eligible:

- Full Doc
- Alt Doc
 - Bank Statement – 12 Month
 - Bank Statement – 24 Month
 - 1 Year Tax Returns
 - Asset Depletion
- Debt Service Coverage Ratio:
 - ≥ 1.0
 - < 1.0 – Minimum 0.75

Encompass selection:

- (A) Alternative
- (F) Full Documentation
- (R) Reduced
- (B) Streamline Refinance
- (C) No Documentation
- (D) No Ratio
- (E) Limited Documentation
- (U) No Income, No Employment, and No Assets on 1003
- (G) No Income and No Assets on 1003
- (H) No Assets on 1003
- (I) No Income and No Employment on 1003
- (J) No Income on 1003
- (K) No Verification of Stated Income, Employment, or Assets
- (L) No Verification of Stated Income or Assets
- (M) No Verification of Stated Assets
- (N) No Verification of Stated Income or Employment
- (O) No Verification of Stated Income
- (P) Verbal Verification of Employment(VVOE)
- (Q) One paystub
- (S) One paystub and VVOE
- (T) One paystub and one W-2 and VVOE or one year 1040 No Income on 1003
- Bank Statement - 12 Month
- Bank Statement - 24 Month
- 12 Month P&L
- Asset Depletion
- DSCR < 1
- DSCR > 1

Underwriting

- All loans must be manually underwritten
- Supreme Lending underwriting will underwrite then send to the investor for pre-close review.

Qualifying Ratios:

All Documentation Types: 50%

LLPAs

The highlighted LLPAs have been added for Portfolio C based on Doc Type:

Purpose / Property	TLTV <=50	50.01-55	55.01-60	60.01-65	65.01-70	70.01-75	75.01-80	80.01-85	85.01-90
Second Home	(0.250)	(0.250)	(0.500)	(0.750)	(0.750)	(0.750)	(1.000)	(1.500)	(2.000)
Investment	(0.250)	(0.500)	(0.625)	(0.750)	(0.750)	(1.000)	(1.500)	(2.000)	N/A
2-4 Unit	(0.250)	(0.250)	(0.250)	(0.375)	(0.500)	(0.750)	(0.875)	(1.000)	(1.250)
Non-War. Condo	(0.250)	(0.375)	(0.500)	(0.750)	(1.000)	(1.250)	(1.500)	N/A	N/A
Purchase	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Cash Out Refinance	(0.250)	(0.250)	(0.375)	(0.500)	(0.625)	(0.750)	(1.000)	N/A	N/A
Escrow Waiver	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)
Interest Only	(0.125)	(0.250)	(0.375)	(0.500)	(0.625)	(0.750)	(0.875)	N/A	N/A
Asset Depletion	0.000	(0.250)	(0.375)	(0.500)	(0.500)	(0.750)	(1.000)	(1.250)	(1.500)
12mo Bank Statement	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(1.000)	(1.750)	(2.000)
24mo Bank Statement	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(1.000)	(1.500)	(1.750)
1yr Tax Returns + YTD PnL	(0.750)	(0.750)	(0.750)	(1.000)	(1.000)	(1.250)	(1.500)	(1.750)	(2.000)
PRICE ADJ: P30CDSCR, P56CDSCR, P76CDSCR, P30CDSCRIO, P56CDSCRIO, P76DSCRIO									
Credit Score	TLTV <=50	50.01-55	55.01-60	60.01-65	65.01-70	70.01-75	75.01-80	80.01-85	85.01-90
Credit Score > 759	(1.875)	(2.000)	(2.125)	(2.500)	(3.000)	(3.750)	(4.250)	N/A	N/A
Credit Score 740 -759	(2.125)	(2.250)	(2.375)	(2.875)	(3.250)	(4.000)	(4.500)	N/A	N/A
Credit Score 720 -739	(2.250)	(2.375)	(2.625)	(3.250)	(3.500)	(4.250)	N/A	N/A	N/A
Credit Score 700 -719	(2.375)	(2.500)	(2.875)	(3.500)	(4.000)	(4.500)	N/A	N/A	N/A
Credit Score 680-699	(2.500)	(2.750)	(3.125)	(3.750)	(4.250)	N/A	N/A	N/A	N/A
Credit Score 660-679	(2.750)	(3.000)	(3.375)	(4.000)	(4.500)	N/A	N/A	N/A	N/A
Credit Score 640-659	(4.250)	(4.500)	(4.875)	(5.500)	N/A	N/A	N/A	N/A	N/A
Credit Score 620-639	(4.750)	(5.000)	(5.375)	(6.000)	N/A	N/A	N/A	N/A	N/A

See Guidelines Section 1003 for complete details.

Please contact the Product Desk at products@supremelending.com for questions.

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