

# Junior Lien Guidelines

**GOLD**



February 23, 2026

Contact us at [lending@buttonfinance.com](mailto:lending@buttonfinance.com) to get started

Price loans: [modelportal.buttonfinance.com](http://modelportal.buttonfinance.com)

BUTTON FINANCE		Junior Liens				
FICO / CLTV / Occupancy Limits	FICO	Max CLTV				
		Owner Occupied 1-unit	Owner Occupied 2-units	Owner Occupied 3-4 units	2nd Home 1-unit	Investor
	620-659	65%	65%	65%	65%	
	660-679	75%	75%	75%	75%	60%
	680-699	80%	80%	80%	80%	65%
	700-719	85%	85%	85%	80%	65%
	720-739	85%	85%	85%	80%	70%
	740+	85%	85%	85%	85%	75%

*Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions; 620 FICO is subject to meeting company volume requirements*

<b>Overlays for Jumbo Loans \$500k to \$1mm</b>	<ul style="list-style-type: none"> <li>• Unit Count: 1-unit only</li> <li>• Maximum DTI: 43%</li> <li>• Minimum FICO Score: 700</li> <li>• Major Derogatory Event Seasoning Requirements: 7 years (Foreclosure, Bankruptcy, Short Sale, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum CLTV Primary Residence: up to 80% Above 75% CLTV: max combined liens of \$8mm Above 70% CLTV: max combined liens of \$10mm At or below 70% CLTV: no max combined liens</li> <li>• Second / Vacation Home: 75%    Investment Property 70%</li> </ul>
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<b>Overlays for Bank Statement Loans</b>	<ul style="list-style-type: none"> <li>• Maximum Loan Balance: \$750k</li> <li>• Maximum CLTV: 80%</li> <li>• Maximum DTI: 43%</li> <li>• Minimum FICO Score: 660</li> <li>• HELOCs not eligible</li> </ul>
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## TERMS AND ELIGIBILITY Junior Liens

<b>Product Terms</b>	HELOAN: Fixed Rate. 10, 15, 20, or 30 year. Fully amortizing.	HELOC: 3yr/5yr/10yr IO+Draw, 10yr/15yr/20yr/30yr maturity. ARM indexed to WSJ Prime								
<b>States</b>	HELOAN: AL, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, KS, MD, ME, MI, NC, NE, NJ, OH, OR, PA, SC, SD, TN, TX, UT, WA, WI, WY	HELOC: No TX								
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>• Minimum: \$50,000</li> <li>• Maximum Standalone: \$1,000,000</li> <li>• Maximum Piggyback: \$1,000,000</li> </ul>									
<b>Initial Draw Required</b>	HELOC: Greater of \$50,000 or 75% of the total line amount									
<b>Lifetime Floor</b>	HELOC: Initial Fully Indexed Rate - 2%									
<b>Monthly and Lifetime Caps</b>	HELOC: No Monthly Cap, Lifetime Cap 18%									
<b>Qualifying Rate</b>	HELOAN: Fixed Note Rate	HELOC: Fully Indexed Rate + 2%								
<b>Adjustment Period</b>	HELOC: Monthly with a 30-day lookback									
<b>Debt to Income (DTI) Limits</b>		<b>Max DTI</b>								
		<b>FICO / CLTV</b>	<b>60</b>	<b>65</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85</b>	<b>90</b>	<b>95</b>
			<= 60	>60-65	>65-70	>70-75	>75-80	>80-85	>85-90	>90-95
		620-659	50%	43%						
		660-679	50%	50%	50%	43%				
		680-699	50%	50%	50%	50%	43%			
		700-759	50%	50%	50%	50%	43%	43%		
	760-779	50%	50%	50%	50%	50%	43%			
	780+	50%	50%	50%	50%	50%	43%			
<b>Housing Ratio</b>	N/A									
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Owner-Occupied</li> <li>• 2nd Home</li> <li>• Investor Properties</li> </ul>									
<b>Income Requirements</b>	• Income calculations must comply with all Appendix Q requirements in the ATR Final Ruling									
<b>Employment / Income Verification</b>	<ul style="list-style-type: none"> <li>• Must adhere to FNMA requirements</li> </ul>									
<b>Short-term Rental Income</b>	<ul style="list-style-type: none"> <li>• Eligible for Purchase, Cash-out and No-Cashout Refis. Capped at 15% of total income.</li> <li>• Must provide: <ul style="list-style-type: none"> <li>• Two years personal tax returns showing Schedule E Part I Rental Income</li> <li>• Two years personal tax return transcripts</li> <li>• Year-To-Date Print out of payout records from source of income</li> </ul> </li> </ul>									
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Qualifying FICO must be either a Tri-Merge FICO or a Single Bureau Experian (recommended)</li> <li>• Single Bureau reports are permitted, however, if a Tri-Bureau report is available it must be used <ul style="list-style-type: none"> <li>• When using Single Bureau reports, the qualifying credit score is from the primary wage earner. The primary wage earner is the applicant with the highest income.</li> <li>• If Tri-merge is available, the representative credit score is the middle of 3 FICO scores, or the lower of 2</li> </ul> </li> <li>• When using Tri-Merge reports, when multiple borrowers exist, the lowest representative FICO is used</li> <li>• Credit scores must be available from at least 2 credit bureaus in case of frozen credit</li> <li>• Non-traditional credit is not eligible for financing</li> </ul>									
<b>Significant Derogatory Credit</b>	<ul style="list-style-type: none"> <li>• Foreclosure – 7 Years</li> <li>• Charge-Off of a Mortgage Account, DIL, Pre-foreclosure Sale, Short Sale or Short Payoff – 5 Years</li> <li>• Modified or Restructured of any mortgage – 4 years</li> <li>• Chapter 7 or 11 Bankruptcy – 4 years from discharge or 4 years from dismissal</li> <li>• Chapter 13 Bankruptcy – 2 years from discharge or 4 years from dismissal</li> <li>• See Button Finance Underwriting Guidelines for Multiple Derogatory Events</li> </ul>									
<b>Trade Lines</b>	• All trade lines must be current									

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BUTTON FINANCE	Junior Liens	
Appraisal Requirements	<p><b>Full appraisals are required if any of the following conditions are true, else AVMs are acceptable:</b></p> <ul style="list-style-type: none"> <li>• Loan Amount &gt; \$400,000</li> <li>• Loan is HPML and requires a full appraisal under CFPB guidelines</li> <li>• Loan is a piggyback or a first-lien HELOC with CLTV &gt; 65%</li> <li>• Subject property is an investment property (2–4 units)</li> </ul>	
	<p><b>Full Appraisals</b></p> <p>If any conditions above are met, a full 1004 appraisal is needed</p> <ul style="list-style-type: none"> <li>• Full appraisal must be within 120 days of note date.</li> <li>• Appraisal recertification is allowed within 12-months of note (recertified value is at least as high as the original appraisal)</li> </ul>	<p><b>Automated Valuation Models (AVMs)</b></p> <p>If none of the above conditions apply, an AVM may be used:</p> <ul style="list-style-type: none"> <li>• AVMs must be completed within 30 days of closing</li> <li>• If available AVMs do not meet standards below, a full appraisal is required</li> </ul> <p><b>AVM Rules for loans up to and including \$250,000</b></p> <p>One AVM with an FSD ≤ 0.20 or lower required</p> <p><b>AVM rules for loan Amounts \$250,000.01 – \$400,000</b></p> <p>AVMs may be used only if all of the following criteria are met:</p> <ul style="list-style-type: none"> <li>• <b>CLTV ≤ 75%</b></li> <li>• <b>At least two AVMs are obtained</b> <ul style="list-style-type: none"> <li>• Button will attempt to obtain at least one AVM with FSD ≤ 0.10</li> <li>• If no AVM returns an FSD ≤ 0.10, two AVMs with FSD ≤ 0.20 may be used</li> </ul> </li> <li>• The Subject Property Value is the lower of the two AVM values</li> </ul>
Title Requirements	<ul style="list-style-type: none"> <li>• 2nd liens &lt;=\$250,000 require either O&amp;E Property Report, Instant Title or Attorney Opinion Letter</li> <li>• 1st liens, piggybacks or loans &gt; \$250,000 require Full Title Insurance and a Closing Protection Letter</li> <li>• Texas Loans closing in a Trust require Full Title Insurance and a Survey</li> <li>• Borrower is responsible for all title insurance costs associated with the transaction</li> </ul>	
Reserve Requirements	No Reserves Required	
Housing History	<ul style="list-style-type: none"> <li>• Max 0x30x6, 1x30x24 mortgage payment history is required inclusive of all REO for all borrowers on the transaction</li> <li>• Piggyback FTHB Housing History: 1st lien provider to verify housing history on first-time homebuyer</li> <li>• Continuity of Obligation: at least one borrower who is on the 1st mortgage be on the Button Finance, Inc. loan.</li> <li>• Piggyback transactions follow FNMA DU AUS guidance</li> </ul>	
Eligible First Liens	<ul style="list-style-type: none"> <li>• Fixed Rate</li> <li>• ARMs: If the senior lien is an ARM, follow FNMA guidance for qualifying payment</li> <li>• IOs: If the senior lien is an IO loan, then the fully amortizing payment will be used to qualify</li> <li>• Fully amortizing</li> <li>• Terms up to 30 years</li> <li>• Mortgages must be held in title holder's name</li> </ul>	
Ineligible first Liens	<ul style="list-style-type: none"> <li>• Negative Amorization or reverse mortgages</li> <li>• Loans with ballon payments during the life of our loan</li> <li>• Capitalizations or other non-standard features</li> <li>• TX 50(a)(6). Texas regulations allow for only one 50(a)(6) loan on a property at a time</li> </ul>	
OTHER REQUIREMENTS	Junior Liens	
Borrower Age	<ul style="list-style-type: none"> <li>• 18 years or older</li> </ul>	
Citizenship / Eligible Borrowers	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Residents</li> <li>• Non-Permanent Residents with valid US H, L, E-1, F-1 with OPT, G or TN visa or EAD card</li> <li>• Non-Occupant Co-Borrowers Eligible</li> </ul>	
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• LLCs, Corporations, Partnerships</li> <li>• POA on Cash-out deals is not permitted</li> <li>• Borrower's holding diplomatic immunity</li> <li>• Temporary protected status</li> <li>• Foreign nationals</li> </ul>	<ul style="list-style-type: none"> <li>• Deferred enforced depature</li> <li>• Humanitarian parole</li> <li>• Irrevocable trusts are not permitted</li> <li>• Life Estates</li> <li>• Land Trusts</li> </ul>
Eligible Property Types	<ul style="list-style-type: none"> <li>• Single Family Residence (1-4 Units)</li> <li>• Condominium (Warrantable)</li> <li>• PUDs</li> </ul>	<ul style="list-style-type: none"> <li>• Townhouses</li> <li>• Modular Homes</li> <li>• 1-unit Second Homes only</li> </ul>
Ineligible Property Types	<ul style="list-style-type: none"> <li>• Non-warrantable condos</li> <li>• Condotels</li> <li>• New construction condos</li> <li>• Mobile Homes</li> <li>• Manufactured Homes</li> <li>• Commercial Operations</li> <li>• Properties listed for sale in the last 6 months (on cash-outs)</li> </ul>	<ul style="list-style-type: none"> <li>• Geodomes</li> <li>• Working farm with ranch</li> <li>• Properties &gt; 10 Acres</li> <li>• Timeshares</li> <li>• Leaseholds</li> <li>• Tenants In Common</li> <li>• Property must be worth over \$200,000</li> </ul>
Condominiums	<ul style="list-style-type: none"> <li>• Established projects only</li> <li>• Limited Project Review to be completed by lender</li> <li>• Confirmation of subject property not being a condotel</li> <li>• HO6 policy is required</li> </ul>	

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BUTTON FINANCE		Junior Liens					
		Max CLTV					
	Minimum FICO	Owner Occupied Cash Out	Owner Occupied Purchase & Rate / Term	2nd Home Cash Out	2nd Home Purchase & Rate / Term	Investment	
Geographic Restrictions: Texas	620-659	65%	65%	65%	65%		HELOCs not available in Texas
	660-679	75%	75%	75%	75%	60%	
	680-699	80%	80%	80%	80%	65%	
	700-719	80%	85%	80%	80%	65%	
	720-739	80%	85%	80%	80%	70%	
	740+	80%	85%	85%	85%	75%	
<i>Owner Occupied 2-4 units, Purchase / Rate and Term - refer to HELOAN Max CLTV limits</i> <i>Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions</i>							
Mixed Use Properties	Mixed Use properties are not allowed						
Piggyback Additional Requirements	<ul style="list-style-type: none"> <li>Final closing disclosure from first lien lender to confirm final CLTV and DTI Calculation</li> <li>Use of existing appraisal from first lien is acceptable subject to collateral review</li> <li>Agreement of sale on purchase contracts</li> <li>Note, Mortgage, Deed of Trust</li> </ul>						
Liabilities	<ul style="list-style-type: none"> <li>Paying off debt is allowed for qualifying purposes</li> <li>Paying down installment debt is allowed to &lt;=10 Months</li> <li>Lease payments not be excluded</li> <li>Student Loan - 1% of the balance is used to calculate the payment to qualify when no payment is reported</li> <li>See Button Finance Underwriting Guidelines for Liabilities and Ratios</li> </ul>						
Solar Panel UCC	<ul style="list-style-type: none"> <li>Recorded UCCs and liens on title do not impact lien position</li> <li>Obtain copy of monthly statement unless able to obtain payment from credit report</li> </ul>						
Assumptions	Loans are not assumable						
Prepayment Penalty	Not permitted						
Escrows	No escrow						
Ineligible Transaction Types	Non-arms length transaction						
Age of Documents	<p><b>Expiration dates are based upon the note date</b></p> <ul style="list-style-type: none"> <li>Credit documents (credit, income, and assets) - 120 days. VOE within 10 days of closing.</li> <li>Credit refresh done at final Underwriting Approval, prior to clear to close</li> <li>Title documents - 90 days</li> <li><b>Appraisal/AVMs</b> <ul style="list-style-type: none"> <li>A full appraisal must be within 120 days of the note date when used to determine the value of the home</li> <li>A full appraisal can be used for HPML purposes for up to 365 days, but it cannot be used for CLTV calculation</li> <li>AVMs must be within 30 days of the note date</li> </ul> </li> </ul>						
Identity	<p><b>Any of:</b></p> <ul style="list-style-type: none"> <li>Valid state driver's license with photo</li> <li>Valid state non-driver's license with photo</li> <li>Valid US passport with photo</li> <li>Valid international passport with photo</li> <li>Valid Permanent Resident card with photo</li> <li>Birth Certificate</li> <li>Valid Military photo ID</li> <li>Valid Medicare card</li> <li>Valid Military dependents photo ID</li> </ul>						
Citizenship	<p><b>Any of:</b></p> <ul style="list-style-type: none"> <li>Valid US passport with photo</li> <li>Valid Permanent Resident card with photo</li> <li>Valid international passport with photo (must be accompanied by valid visa)</li> <li>Valid US H, L, E-1, G or TN visa with photo</li> <li>Valid Employment Authorization Document (EAD) card with photo</li> </ul>						
Social Security Verification	<p><b>Any of:</b></p> <ul style="list-style-type: none"> <li>Valid Social Security Card</li> <li>Current Paystub</li> <li>W-2</li> <li>Tax transcript</li> </ul>						
Income	<p><b>Wage Earners:</b></p> <ul style="list-style-type: none"> <li>VOIE from The Work Number OR</li> <li>Paystubs covering most recent 30 days</li> <li>Borrower provided most recent 2 years W2</li> </ul> <p><b>Self-Employed</b></p> <ul style="list-style-type: none"> <li>Most recent 2 years 1040s, including all schedules</li> <li>Borrower provided most recent 2 years 1040</li> <li>Borrower provided most recent 2 years W2</li> <li>Paystubs covering most recent 30 days</li> <li>Most recent 2 years business tax returns (≥25% ownership), including all schedules</li> <li>Unaudited Year-to-date Profit and Loss Statement</li> <li>Unaudited Year-to-date Balance Sheet</li> </ul>						
Mortgage and Collateral	<ul style="list-style-type: none"> <li>Latest statements for mortgage and / or additional liens on additional real estate owned</li> <li>AUS DU or LP Findings, if applicable</li> <li>Latest HOA statement, if applicable</li> <li>Completed homeowner's association questionnaire, if condo</li> </ul> <p><b>Standalone Transactions</b></p> <ul style="list-style-type: none"> <li>Latest mortgage statement for all liens on subject property</li> <li>Homeowners insurance and flood insurance</li> </ul> <p><b>Piggyback Transactions</b></p> <ul style="list-style-type: none"> <li>1003 reflecting the terms of both mortgages</li> <li>1008 reflecting the terms of both mortgages</li> <li>Fully-executed purchase agreement and all addenda</li> <li>First Mortgage Approval Letter</li> <li>Appraisal supporting estimated value/purchase price</li> <li>Title report to be reviewed by Button Finance</li> </ul>						