HELOAN / HELOC Guidelines

BUTTON FINANCE

November 3, 2026
Contact us at lending@buttonfinance.com to get started

Price loans: modelportal.buttonfinance.com

BUTTON FINANCE — HELOAN

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%	70%	70%	75%	60%
680-699	80%	70%	70%	80%	65%
700-719	85%	70%	70%	80%	65%
720-739	85%	70%	70%	80%	70%
740+	85%	70%	70%	85%	75%

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

Overlays for Jumbo Loans $500k to $1mm

- Unit Count: 1-unit only
- Maximum DTI: 43%
- Minimum FICO Score: 700
- Major Derogatory Event Seasoning Requirements: 7 years (Foreclosure, Bankruptcy, Short Sale, etc.)
- 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
- Second / Vacation Home: 75% Investment Property 70%

Overlays for Bank Statement Loans

- Maximum Loan Balance: $750k
- Maximum CLTV: 80%
- Maximum DTI: 43%
- Minimum FICO Score: 660
- HELOCs not eligible

HELOC

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%	70%	70%	75%	60%
680-699	80%	70%	70%	80%	65%
700-719	85%	70%	70%	80%	65%
720-739	85%	70%	70%	80%	70%
740+	85%	70%	70%	85%	75%

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Overlays for Bank Statement Loans

- HELOCs not eligible

TERMS AND ELIGIBILITY

	HELOAN	HELOC
Product Terms	HELOAN: Fixed Rate. 10, 15, 20, or 30 year. Fully amortizing.	HELOC: 3yr/5yr/10yr IO term - 10yr/15yr/20yr/30yr final term. ARM, indexed to Prime
States	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: Available in all HELOAN states except Texas
Loan Amounts	• Minimum: $50,000 • Maximum Standalone: $1,000,000 • Maximum Piggyback: $1,000,000	• Minimum: $50,000 • Maximum Standalone: $1,000,000 • Maximum Piggyback: $1,000,000
Initial Draw Required	N/A	HELOC: Greater of $50,000 or 75% of the total line amount
Lifetime Floor	N/A	HELOC: Initial Fully Indexed Rate - 2%
Monthly and Lifetime Caps	N/A	HELOC: No Monthly Cap, Lifetime Cap 18%
Qualifying Rate	HELOAN: Fixed Note Rate	HELOC: Fully Indexed Rate + 2%
Adjustment Period	N/A	HELOC: Monthly with a 30-day lookback

Debt to Income (DTI) Limits

FICO / CLTV	Max DTI: 60 (< = 60)	65 (>60-65)	70 (>65-70)	75 (>70-75)	80 (>75-80)	85 (>80-85)	90 (>85-90)	95 (>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%		

DTI for piggyback transactions: Based off of first lien requirements

FICO / CLTV	Max DTI: 60 (< = 60)	65 (>60-65)	70 (>65-70)	75 (>70-75)	80 (>75-80)	85 (>80-85)	90 (>85-90)	95 (>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%		

DTI for piggyback transactions: Based off of first lien requirements

	HELOAN	HELOC
Housing Ratio	N/A	N/A
Occupancy	• Owner-Occupied • 2nd Home • Investor Properties	• Owner-Occupied • 2nd Home • Investor Properties
Income Requirements	• Income calculations must comply with all Appendix Q requirements in the ATR Final Ruling	• Income calculations must comply with all Appendix Q requirements in the ATR Final Ruling
Employment / Income Verification	• Must adhere to FNMA requirements	• Must adhere to FNMA requirements

Short-term Rental Income	• Eligible for Purchase, Cash-out and No-Cashout Refis. Capped at 15% of total income.
	• Must provide:
	  • Two years personal tax returns showing Schedule E Part I Rental Income
	  • Two years personal tax return transcripts
	  • Year-To-Date Print out of payout records from source of income
		• Eligible for Purchase, Cash-out and No-Cashout Refis. Capped at 15% of total income.
		• Must provide:
		  • Two years personal tax returns showing Schedule E Part I Rental Income
		  • Two years personal tax return transcripts
		  • Year-To-Date Print out of payout records from source of income

Credit Score	• Qualifying FICO must be either a Tri-Merge FICO or a Single Bureau Experian (recommended)
	  • Single Bureau reports are permitted, however, if a Tri-Bureau report is available it must be used
	  • When using Single Bureau reports, the qualifying credit score is from the primary wage earner. The primary wage earner is the applicant with the greatest income
	  • If Tri-merge is available, the representative credit score is the middle of 3 FICO scores, or the lower of 2
	  • When using Tri-Merge reports, when multiple borrowers exist, the lowest representative FICO is used
	  • Credit scores must be available from at least 2 credit bureaus in case of frozen credit
	  • Non-traditional credit is not eligible for financing
		• Qualifying FICO must be either a Tri-Merge FICO or a Single Bureau Experian (recommended)
		  • Single Bureau reports are permitted, however, if a Tri-Bureau report is available it must be used
		  • The qualifying credit score is from the primary wage earner. The primary wage earner is the applicant with the greatest income on application.
		  • If Tri-merge is available, the representative credit score is the middle of 3 FICO scores, or the lower of 2
		  • When multiple borrowers exist, the lowest representative FICO is used
		  • Credit scores must be available from at least 2 credit bureaus in case of frozen credit
		  • Non-traditional credit is not eligible for financing

Significant Derogatory Credit	• Foreclosure – 7 Years • Charge-Off of a Mortgage Account, DIL, Pre-foreclosure Sale, Short Sale or Short Payoff – 5 Years • Modified or Restructured of any mortgage – 4 years • Chapter 7 or 11 Bankruptcy – 4 years from discharge or 4 years from dismissal • Chapter 13 Bankruptcy – 2 years from discharge or 4 years from dismissal • See Button Finance Underwriting Guidelines for Multiple Derogatory Events	• Foreclosure – 7 Years • Charge-Off of a Mortgage Account, DIL, Pre-foreclosure Sale, Short Sale or Short Payoff – 5 Years • Modified or Restructured of any mortgage – 4 years • Chapter 7 or 11 Bankruptcy – 4 years from discharge or 4 years from dismissal • Chapter 13 Bankruptcy – 2 years from discharge or 4 years from dismissal • See Button Finance Underwriting Guidelines for Multiple Derogatory Events
Trade Lines	• All trade lines must be current	• All trade lines must be current

Appraisal Requirements

HELOAN

Full appraisals are required if any of the following conditions are true, else AVMs are acceptable:
- Loan Amount **> $400,000**
- Loan is **HPML** and requires a full appraisal under CFPB guidelines
- Loan is a **piggyback** or a **first-lien HELOC with CLTV > 65%**
- Subject property is an **investment property (2–4 units)**

Full Appraisals	Automated Valuation Models (AVMs)
If any conditions above are met, a full 1004 appraisal is needed • Full appraisal must be within 120 days of note date. • Appraisal recertification is allowed within 12-months of note (recertified value is at least as high as the original appraisal)	**If none of the above conditions apply, an AVM may be used:** • AVMs must be completed within 30 days of closing • If available AVMs do not meet standards below, a full appraisal is required **AVM Rules for loans up to and including $250,000** One AVM with an FSD ≤ 0.20 or lower required **AVM rules for loan Amounts $250,000.01 – $400,000** AVMs may be used only if all of the following criteria are met: • **CLTV ≤ 75%** • **At least two AVMs** are obtained • Button will attempt to obtain at least one AVM with **FSD ≤ 0.10** • If no AVM returns an FSD ≤ 0.10, two AVMs with **FSD ≤ 0.20** may be used • The **Subject Property Value** is the **lower of the two AVM values**

HELOC

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Title Requirements	• 2nd liens <=$250,000 require either O&E Property Report, Instant Title or Attorney Opinion Letter • 1st liens, piggybacks or loans > $250,000 require Full Title Insurance and a Closing Protection Letter • Texas Loans closing in a Trust require Full Title Insurance and a Survey • Borrower is responsible for all title insurance costs associated with the transaction	• Loans <=$250,000 require a title search with Owner and Encumbrance property report with E&O insurance • Full Title Insurance is required on loans that are >/=$250,000 or are first liens • Texas Loans closing in a Trust require Full Title Insurance and a Survey • Borrower is responsible for all title insurance costs associated with the transaction
Reserve Requirements	No Reserves Required	No Reserves Required
Housing History	• Max 0x30x6, 1x30x24 mortgage payment history is required inclusive of all REO for all borrowers on the transaction • Piggyback FTHB Housing History: 1st lien provider to verify housing history on first-time homebuyer • Continuity of Obligation: at least one borrower who is on the 1st mortgage be on the Button Finance, Inc. loan. • Piggyback transactions follow FNMA DU AUS guidance	• Max 0x30x6, 1x30x24 mortgage payment history is required inclusive of all REO for all borrowers on the transaction • Piggyback FTHB Housing History: 1st lien provider to verify housing history on first-time homebuyer • Continuity of Obligation: at least one borrower who is on the 1st mortgage be on the Button Finance, Inc. loan. • Piggyback transactions follow FNMA DU AUS guidance
Eligible First Liens	• Fixed Rate • ARMs: If the senior lien is an ARM, follow FNMA guidance for qualifying payment • IOs: If the senior lien is an IO loan, then the fully amortizing payment will be used to qualify • Fully amortizing • Terms up to 30 years • Mortgages must be held in title holder's name	• Fixed Rate • ARMs: If the senior lien is an ARM, follow FNMA guidance for qualifying payment • IOs: If the senior lien is an IO loan, then the fully amortizing payment will be used to qualify • Fully amortizing • Terms up to 30 years • Mortgages must be held in title holder's name
Ineligible First Liens	• Negative Amortization or reverse mortgages • Loans with ballon payments during the life of our loan • Capitalizations or other non-standard features • TX 50(a)(6). Texas regulations allow for only one 50(a)(6) loan on a property at a time	• Negative Amortization or reverse mortgages • Loans with ballon payments during the life of our loan • Capitalizations or other non-standard features • TX 50(a)(6). Texas regulations allow for only one 50(a)(6) loan on a property at a time

OTHER REQUIREMENTS	HELOAN	HELOC
Borrower Age	• 18 years or older	• 18 years or older
Citizenship / Eligible Borrowers	• US Citizens • Permanent Residents • Non-Permanent Residents with valid US H, L, E-1, F-1 with OPT, G or TN visa or EAD card • Non-Occupant Co-Borrowers Eligible	• US Citizens • Permanent Residents • Non-Permanent Residents with valid US H, L, E-1, F-1 with OPT, G or TN visa or EAD card • Non-Occupant Co-Borrower Eligible on Owner Occupied Purchase Transactions only
Ineligible Borrowers	• LLCs, Corporations, Partnerships • POA on Cash-out deals is not permitted • Borrower's holding diplomatic immunity • Temporary protected status • Foreign nationals • Deferred enforced depature • Humanitarian parole • Irrevocable trusts are not permitted • Life Estates • Land Trusts	• LLCs, Corporations, Partnerships • POA on Cash-out deals is not permitted • Borrower's holding diplomatic immunity • Temporary protected status • Foreign nationals • Deferred enforced depature • Humanitarian parole • Irrevocable trusts are not permitted • Life Estates • Land Trusts
Eligible Property Types	• Single Family Residence (1-4 Units) • Condominium (Warrantable) • PUDs • Townhouses • Modular Homes • 1-unit Second Homes only	• Single Family Residence (1-4 Units) • Condominium (Warrantable) • PUDs • Townhouses • Modular Homes • 1-unit Second Homes only
Ineligible Property Types	• Non-warrantable condos • Condotels • New construction condos • Mobile Homes • Manufactured Homes • Commercial Operations • Properties listed for sale in the last 6 months (on cash-outs) • Geodomes • Working farm with ranch • Properties > 10 Acres • Timeshares • Leaseholds • Tenants In Common • Property must be worth over $200,000	• Non-warrantable condos • Condotels • New construction condos • Mobile Homes • Manufactured Homes • Commercial Operations • Properties listed for sale in the last 6 months (on cash-outs) • Geodomes • Working farm with ranch • Properties > 10 Acres • Timeshares • Leaseholds • Tenants In Common • Property must be worth over $200,000
Condominimums	• Established projects only • Limited Project Review to be completed by lender • Confirmation of subject property not being a condotel • H06 policy is required	• Established projects only • Limited Project Review to be completed by lender • Confirmation of subject property not being a condotel • H06 policy is required
Geographic Restrictions: Texas	Max CLTV Minimum FICO / Owner Occupied Cash Out / Owner Occupied Purchase & / 2nd Home Cash Out / 2nd Home Purchase & Rate / Term / Investment 620-659: 65% / 65% / 65% / 65% / 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% *Owner Occupied 2-4 units, Purchase / Rate and Term - refer to HELOAN Max CLTV limits* *Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions*	**HELOCs not available in Texas**
Mixed Use Properties	Mixed Use properties are not allowed	Mixed Use properties are not allowed
Piggyback Additional Requirements	• Final closing disclosure from first lien lender to confirm final CLTV and DTI Calculation • Use of existing appraisal from first lien is acceptable subject to collateral review • Agreement of sale on purchase contracts • Note, Mortgage, Deed of Trust	• Final closing disclosure from first lien lender to confirm final CLTV and DTI Calculation • Use of existing appraisal from first lien is acceptable subject to collateral review • Agreement of sale on purchase contracts • Note, Mortgage, Deed of Trust
Liabilities	• Paying off debt is allowed for qualifying purposes • Paying down installment debt is allowed to <=10 Months • Lease payments not be excluded • Student Loan - 1% of the balance is used to calculate the payment to qualify when no payment is reported • See Button Finance Underwriting Guidelines for Liabilities and Ratios	• Paying off debt is allowed for qualifying purposes • Paying down installment debt is allowed to <=10 Months • Lease payments not be excluded • Student Loan - 1% of the balance is used to calculate the payment to qualify when no payment is reported • See Button Finance Underwriting Guidelines for Liabilities and Ratios
Solar Panel UCC	• Recorded UCCs and liens on title do not impact lien position • Obtain copy of monthly statement unless able to obtain payment from credit report	• Recorded UCCs and liens on title do not impact lien position • Obtain copy of monthly statement unless able to obtain payment from credit report
Assumptions	• Loans are not assumable	• Loans are not assumable
Prepayment Penalty	• Not permitted	• Not permitted
Escrows	• No escrow	• No escrow
Ineligible Transaction Types	• Non-arms length transaction	• Non-arms length transaction

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BUTTON FINANCE	HELOAN	HELOC

Age of Documents	**Expiration dates are based upon the note date**
	• Credit documents (credit, income, and assets) - 120 days. VOE within 10 days of closing.
	• Credit refresh done at final Underwriting Approval, prior to clear to close
	• Title documents - 90 days
	• **Appraisal/AVMs**
	  • A full appraisal must be within 120 days of the note date when used to determine the value of the home
	  • A full appraisal can be used for HPML purposes for up to 365 days, but it cannot be used for CLTV calculation
	  • AVMs must be within 30 days of the note date
		Expiration dates are based upon the note date
		• Credit documents (credit, income, and assets) - 120 days. VOE within 10 days of closing.
		• Credit refresh done at final Underwriting Approval, prior to clear to close
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		  • A full appraisal can be used for HPML purposes for up to 365 days, but it cannot be used for CLTV calculation
		  • AVMs must be within 30 days of the note date

Identity	**Any of:** • Valid state driver's license with photo • Valid state non-driver's license with photo • Valid US passport with photo • Valid international passport with photo • Valid Permanent Resident card with photo • Birth Certificate • Valid Military photo ID • Valid Medicare card • Valid Military dependents photo ID	**Any of:** • Valid state driver's license with photo • Valid state non-driver's license with photo • Valid US passport with photo • Valid international passport with photo • Valid Permanent Resident card with photo • Birth Certificate • Valid Military photo ID • Valid Medicare card • Valid Military dependents photo ID
Citizenship	**Any of:** • Valid US passport with photo • Valid Permanent Resident card with photo • Valid international passport with photo (must be accompanied by valid visa) • Valid US H, L, E-1, G or TN visa with photo • Valid Employment Authorization Document (EAD) card with photo	**Any of:** • Valid US passport with photo • Valid Permanent Resident card with photo • Valid international passport with photo (must be accompanied by valid visa) • Valid US H, L, E-1, G or TN visa with photo • Valid Employment Authorization Document (EAD) card with photo
Social Security Verification	**Any of:** • Valid Social Security Card • Current Paystub • W-2 • Tax transcript	**Any of:** • Valid Social Security Card • Current Paystub • W-2 • Tax transcript
Income	**Wage Earners:** • VOIE from The Work Number OR • Paystubs covering most recent 30 days • Borrower provided most recent 2 years W2 **Self-Employed** • Most recent 2 years 1040s, including all schedules • Borrower provided most recent 2 years 1040 • Borrower provided most recent 2 years W2 • Paystubs covering most recent 30 days • Most recent 2 years business tax returns (≥25% ownership), including all schedules • Unaudited Year-to-date Profit and Loss Statement • Unaudited Year-to-date Balance Sheet	**Wage Earners:** • VOIE from The Work Number OR • Paystubs covering most recent 30 days • Borrower provided most recent 2 years W2 **Self-Employed** • Most recent 2 years 1040s, including all schedules • Borrower provided most recent 2 years 1040 • Borrower provided most recent 2 years W2 • Paystubs covering most recent 30 days • Most recent 2 years business tax returns (≥25% ownership), including all schedules • Unaudited Year-to-date Profit and Loss Statement • Unaudited Year-to-date Balance Sheet
Mortgage and Collateral	• Latest statements for mortgage and / or additional liens on additional real estate owned • AUS DU or LP Findings, if applicable • Latest HOA statement, if applicable • Completed homeowner's association questionnaire, if condo **Standalone Transactions** • Latest mortgage statement for all liens on subject property • Homeowners insurance and flood insurance **PiggybackTransactions** • 1003 reflecting the terms of both mortgages • 1008 reflecting the terms of both mortgages • Fully-executed purchase agreement and all addenda • First Mortgage Approval Letter • Appraisal supporting estimated value/purchase price • Title report to be reviewed by Button Finance	• Latest statements for mortgage and / or additional liens on additional real estate owned • AUS DU or LP Findings, if applicable • Latest HOA statement, if applicable • Completed homeowner's association questionnaire, if condo **Standalone Transactions** • Latest mortgage statement for all liens on subject property • Homeowners insurance and flood insurance **PiggybackTransactions** • 1003 reflecting the terms of both mortgages • 1008 reflecting the terms of both mortgages • Fully-executed purchase agreement and all addenda • First Mortgage Approval Letter • Appraisal supporting estimated value/purchase price • Title report to be reviewed by Button Finance