



		Primary Residence		2nd Home	Investment OO/R&R	Investment Cash Out	Tips:
QM		First Lien	Second Lien				
	Points & Fees	Must Pass	Must Pass	Must Pass	Exempt and does NOT need to pass	May not be exempt. If cash out is being used for personal reasons then it could still be subject to the test. Excluded on exception basis	To reduce points and fees, make sure you are maximizing the bona fide discount. Reach out to Secondary to ensure the bonafide is accurate. If it is a wholesale Loan you can flip it from Lender Paid to Borrower Paid. If that is not sufficient then you need to reduce broker fees.
	HPML	To PROCEED as HPML loan: Make sure T&I escrowed (can't be waived) AND Make sure Appraisal requirements are met (eg. 2nd inspection completed, if applicable)	To PROCEED as HPML loan: Make sure Appraisal requirements are met (eg. 2nd inspection completed, if applicable)	Can Fail	Can Fail	Can Fail	Unless it is failing by a very narrow margin on the APR test and you need to pass HPML, your only option really is to reduce the interest rate.
	High Cost	Must Pass	Must Pass	Must Pass	Must Pass- Agency Requirements always require you to pass the High Cost Test even though the statute may allow you to exclude it.	Must Pass- Agency Requirements always require you to pass the High Cost Test even though the statute may allow you to exclude it.	To reduce points and fees, make sure you are maximizing the bona fide discount. Reach out to Secondary to ensure the bonafide is accurate. If it is a wholesale Loan you can flip it from Lender Paid to Borrower Paid. If that is not sufficient then you need to reduce broker fees.
Non-QM							
	Points & Fees	Can Fail	Can Fail	Can Fail	Can Fail	Can Fail	
	HPML	To PROCEED as HPML loan: Make sure T&I escrowed (can't be waived) AND Make sure Appraisal requirements are met (eg. 2nd inspection completed, if applicable)	To PROCEED as HPML loan: Make sure Appraisal requirements are met (eg. 2nd inspection completed, if applicable)	Can Fail	Can Fail	Can Fail	Unless it is failing by a very narrow margin on the APR test and you need to pass HPML, your only option really is to reduce the interest rate.
	High Cost	Must Pass	Must Pass	Must Pass	Exempt but verify with the applicable non-qm investor. Deephaven allows fails on Investment.	May not be exempt. If cash out is being used for personal reasons then it could still be subject to the test. Excluded on exception basis. Confirm with Investor	To reduce points and fees, make sure you are maximizing the bona fide discount. Reach out to Secondary to ensure the bonafide is accurate. If it is a wholesale Loan you can flip it from Lender Paid to Borrower Paid. If that is not sufficient then you need to reduce broker fees.