

Expanded Document

| Maximum LTV/CLTVs | | Bank Statements, Asset Utilization and 1099 Only - Primary Residence 1 Unit | | | | |
|--|--|---|------------------|--------------------|--|-----------------------------|
| Credit Score | Loan Amount | Purchase | R/T Refinance | Cash-Out Refinance | | |
| 720+ | <=1,500,000 | 90 | 85 | 80 | | |
| | 1,500,001 – 2,000,000 | 85 | 80 | 80 | | |
| | 2,000,001 – 2,500,000 | 80 | 75 | 75 | | |
| | 2,500,001 – 3,000,000 | 75 | 70 | 70 | | |
| | 3,000,001 – 4,000,000 | 70 | NA | NA | | |
| 700+ | <=1,500,000 | 90 | 85 | 80 | | |
| | 1,500,001 – 2,000,000 | 85 | 80 | 80 | | |
| | 2,000,001 – 2,500,000 | 80 | 75 | 75 | | |
| | 2,500,001 – 3,000,000 | 70 | 65 | 65 | | |
| 680 - 699 | <=1,000,000 | 85 | 80 | 80 | | |
| | 1,000,001 – 1,500,000 | 85 | 75 | 75 | | |
| | 1,500,001 – 2,000,000 | 80 | 70 | 70 | | |
| | 2,000,001 – 3,000,000 | 70 | 65 | 65 | | |
| 660 - 679 | <=1,000,000 | 80 | 75 | 75 | | |
| | 1,000,001 – 1,500,000 | 80 | 75 | 75 | | |
| | 1,500,001 – 2,500,000 | 70 | 65 | 65 | | |
| 640 - 659 | <=1,000,000 | 75 | 70 | 70 | | |
| | 1,000,001 – 1,500,000 | 70 | NA | NA | | |
| | 1,500,001 – 2,000,000 | 65 | NA | NA | | |
| Housing History Restrictions | | | | | Occupancy Restrictions – Second Home & Investment (First Time Investor 5% LTV Reduction) | |
| Housing History: | 0x30x12 | 1x30x12 | 0x60x12 | 0x90x12 | Max LTV/CLTV: Purchase | 80 |
| Max LTV/CLTV: Purchase | 90 | 85 | 80 | 70 | Max LTV/CLTV: R/T or C/O | 75 |
| Max LTV/CLTV: Refin | 80 | 80 | 75 | NA | Max Loan Amt: | \$3,000,000 |
| Max Loan Amt: | See Above | \$3,000,000 | \$1,500,000 | \$1,000,000 | | |
| Housing Event Seasoning Restrictions – Forbearance, Mod or Deferral – refer to the guideline | | | | | Condotels or Non-Warrantable Restrictions | |
| BK/FC/SS/DIL/Mod: | >=48 Mo | >=36 Mo | >=24 Mo | >=12 Mo | Max LTV/CLTV -Purchase: | 75% |
| Max LTV/CLTV: Purchase | 90 | 85 | 80 | 70 | Max LTV/CLTV R/T: | 65% |
| Max LTV/CLTV: Refin | 80 | 80 | 75 | NA | Max LTVCLTV – Cash-out: | 65% |
| Max Loan Amt: | See Above | \$3,000,000 | \$1,500,000 | \$1,000,000 | Occupancy Type: | OO/2 nd Home/NOO |
| State Restrictions | | 12 Mo Bank Statement, 1 Year 1099, WVOE | | | | |
| IL, NJ: Max LTV/CLTV: Purchase or Rate/Term 85%, Cash-out 80% | | LLPA applies – see rate sheet | | | | |
| Declining Market Restrictions | | | | | | |
| Maximum LTV/CLTV is limited to 5% LTV reduction for purchases and all refinances if the appraisal report identifies the property as a declining market. When the LTV/CLTV is < 65% and the appraisal is in a declining market, no reduction is required. | | | | | | |
| General Requirements | | | | | | |
| Product Type | 40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature) | | | | | |
| Interest Only | • Min Credit Score: 660 | | • Max LTV 85% | | | |
| Loan Amounts | • Min: 150,000 | | • Max: 4,000,000 | | | |
| Loan Purpose | Purchase, Rate/Term, and Cash Out | | | | | |
| Occupancy | Primary, Second Home, Investment | | | | | |
| Property Type | Single Family, Attached, Detached: No restrictions. 2-4 Units, Condominium: Max LTV/CLTV 80% (Purchase); Max LTV/CLTV 75% (R/T or Cash out) Rural and AG Zoned – Not eligible (no exceptions) Condotels or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase) – 65% (R/T or Cash-out) -- Max Loan Amount: \$1.5MM Florida Condominiums: A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible. | | | | | |
| Acres | Property up to 10-acres, not meeting the rural definition, eligible, 5+ acres limited to a max LTV/CLTV 80% | | | | | |
| Cash-in-Hand | • LTV <= 65% - Cash-in-Hand: Unlimited • LTV > 65% - 70% - Cash-in-Hand: \$1.5MM • LTV > 70% - Max – Cash-in-Hand: \$1MM | | | | | |
| Appraisals | FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000. | | | | | |

Expanded Document, continued

| Income and Program Requirements | | | | |
|--|--|---|---|--|
| Income | <ul style="list-style-type: none"> • Personal Bank Statements: <ul style="list-style-type: none"> ○ 24 or 12-months of Personal and 2-months of business bank statements. ○ Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements. ○ The business bank statements must reflect business activity and transfers to the personal account. | | | |
| | <ul style="list-style-type: none"> • Business Bank Statements: 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ○ Fixed Expense Ratio (50%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide. ○ Expense ratio provided by a 3rd party (CPA/EA/CTEC) min ratio of 10% ○ 3rd party prepared Profit & Loss Statement (CPA or EA) | | | |
| | <ul style="list-style-type: none"> • Profit & Loss Statement Only <ul style="list-style-type: none"> ○ 24- or 12-months CPA prepared Profit & Loss Statement Only. ○ P&L end date must be less than 90 days old at closing. ○ CPA must be licensed and verified. ○ Most recent 2-month of business bank statements to support P&L. ○ Borrower narrative on nature of business required. ○ CPA must attest they have prepared the borrower's most recent tax return. ○ Self-employed borrowers who file their own tax returns are not eligible. ○ Minimum FICO 660 | | <p>LTV/CLTV: Max LTV/CLTV: 80% Purchase Max LTV/CLTV: 70% Refinance</p> | |
| | <ul style="list-style-type: none"> • Written Verification of Employment Only (wages/salary) <ul style="list-style-type: none"> ○ Max LTV 80% Purchase/R/T Refinance, Max LTV 75% Cash-Out, Max Loan Amount \$1.5MM ○ Max LTV 70% Purchase/T/T Refinance, Max LTV 65% Cash-Out, Loan Amount >\$1.5MM - \$3.0MM ○ Complete Fannie Mae® Form 1005 and it must be completed by Human Resource, Payroll Department or Officer of the Company. ○ Employment documentation provided by a 3rd party – (The Work Number®). ○ An internet search of the company is required to support the existence of the company. ○ Two years' history with the same employer is required. ○ Employed by family members or a Relative/Friend are not eligible. ○ Two (2) Month personal bank statement required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. ○ First-Time Home Buyer maximum LTV 70%, no gift funds allowed. ○ Minimum FICO 660 ○ 24-month 0x30 housing history required. ○ Primary residence only. | | | |
| | <ul style="list-style-type: none"> • Asset Utilization – Minimum FICO 680 - Non-Occupant co-borrower not allowed. <ul style="list-style-type: none"> ○ Eligible assets divided by 60 to determine a monthly income. ○ Gift funds not eligible ○ Crypto, Non-vested or restricted stock are not eligible liquid assets. ○ Max LTV 80% Purchase/R/T Refinance, Max LTV 75% Cash-Out, Max Loan Amount \$1.5MM ○ Max LTV 70% Purchase/T/T Refinance, Max LTV 65% Cash-Out, Loan Amount >\$1.5MM - \$3.0MM ○ Max 50% DTI | | | |
| <ul style="list-style-type: none"> • IRS Form 1099 <ul style="list-style-type: none"> ○ 2-Years or 1-Year of 1099s | | <ul style="list-style-type: none"> ○ Fixed Expense Ratio of 10% ○ YTD Documentation to support continued receipt of income from same source | | |
| Underwriting Requirements | | | | |
| Credit Score | Middle of 3 scores or lower of 2 | DTI Requirements | <ul style="list-style-type: none"> • Standard Max 50% | |
| Assets | Min of 30-days asset verification required; any large deposit must be sourced | Reserves | <ul style="list-style-type: none"> • 6 months of PITIA if LTV <= 85% • 12 months of PITIA if LTV > 85% • 12 months of PITIA if loan amount >\$1.5M • Cash out may be used to satisfy requirement | |
| Gift Funds | Owner-Occupied – Min contribution 5% 2 nd Home or Investment – Min contribution 10% | Document Age | <ul style="list-style-type: none"> • 120-days – Credit Report • 90-days - Assets | |
| Tradelines | <ul style="list-style-type: none"> • The minimum tradeline is <u>not</u> required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity. | Prepayment Penalty - Investment Property Only | <ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in NM • Penalties not allowed on loans vested to individuals in NJ | |