

## theSecond Matrix

Effective Date: 11.06.23

				Owner Occupied		2 <sup>nd</sup> Home		Non-Owner Occupied	
				Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
Loan Amount	Max Combined Liens	Max DTI	FICO	CLTV		CLTV		CLTV	
\$75,000 - \$350,000	\$2M	50%	720	80%	80%	80%	75%	80%	75%
			700	80%	80%	80%	70%	80%	70%
			680	80%	75%	75%	65%	75%	65%
			660	80%	70%	70%	60%	70%	60%
\$350,001 - \$450,000	\$2.5M	50%	720	80%	80%	75%	70%	80%	70%
			700	80%	75%	75%	65%	75%	65%
			680	80%	70%	70%	60%	70%	60%
			660	75%	65%	65%	55%	65%	55%
	\$2.5M	50%	720	80%	75%	70%	65%	75%	65%
			700	80%	70%	70%	60%	70%	60%
\$450,001 - \$550,000			680	75%	65%	65%	55%	65%	55%
			660	70%	60%	60%	50%	60%	50%
Appraisal Requirements		<ul> <li>New Appraisal and AVM supporting value within 10% variance. Greater than 10% variance, use lower of two values.         OR -         For Non-HPML loans - Previous appraisal within 12 months + CDA. Review value must be equal to or greater than appraisal.</li> <li>Non-O/O         Previous appraisal within 12 months + CDA. Review value must be equal to or greater than appraisal.         OR -             New 2055 Appraisal and Appraisal Desk Review supporting value within 10% variance. Greater than 10% variance, use lower of two values.</li> <li>Declining markets maximum 75% CLTV on Owner Occupied/2nd Home. Maximum 70% CLTV on Non-Owner Occupied</li> </ul>							
Assets		Declining markets maximum 75% CLTV on Owner Occupied/2nd nome. Maximum 70% CLTV on Non-Owner Occupied      None Required							
Cash-Out		Proceeds from second lien may be all cash-out							
Credit Event Seasoning		48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.							
Credit Score  Derogatory Credit		<ul> <li>Lowest of 2 scores, middle of 3 scores. Qualifying score is lowest of all borrowers.</li> <li>Non-traditional credit ineligible.</li> <li>Charge-offs or Collections acceptable if paid off over 12 months prior.</li> <li>No delinquent tradelines at closing.</li> <li>Open Collections and Charge-offs ≤ \$1,000 may remain open</li> </ul>							
DTI		<ul> <li>Open Medical collections ≤ \$1000 per occurrence ok.</li> <li>50%</li> <li>45% with an I/O senior lien</li> <li>US Citizen</li> </ul>							
Eligible Borrowers		<ul> <li>Non-Permanent Resident Alien (with US Credit)</li> <li>Permanent Resident Alien</li> </ul>							
Geographic Restrictions		Not available in							



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	<ul> <li>Massachusetts</li> </ul>					
	<ul><li>New Jersey</li><li>New York</li></ul>					
	o New York o Pennsylvania					
	o Tennessee					
	o Texas					
	O Vermont					
Housing Lates	<ul> <li>0x30x12 on all mortgages for all borrowers.</li> <li>Minimum 12-month housing history required</li> </ul>					
	Non-occupant co-borrowers					
Ineligible Borrowers	Vesting is not permitted to be in the name of an LLC, Corporation or Partnership					
	Private party mortgages					
	Loans in active forbearance or deferment					
Ineligible Senior Liens	Deferred balance due to a documented hardship may remain open. Without documented hardship, deferred amounts must be paid through closing. Negative					
	amortization  Reverse mortgages					
	Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien					
Senior Lien Payment Calc	1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment					
20 2.0 2.7	SFR					
	• PUD					
	Condo-Warrantable					
Property Type	Modular					
	• 2-4 Units max 75% LTV for O/O, 70% for non-O/O					
	Rural — Full doc only, Primary residence, 5 acres maximum					
Qualifying Payment	Qualifying ratios based on Full Note Rate					
Recently Listed Properties	Properties listed for sale in the last 12 months are not eligible					
Seasoning	> 6 months seasoning no restrictions. Less than 6 months seasoning ineligible					
Terms Available	• Full Am: 10 yr, 15 yr , 20 yr & 30 year					
Title Report	Short ALTA - Lenders Policy					
T 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.					
Tradeline Requirement	<ul> <li>On Primary residence only, borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit report reporting 0x30x12 (no private party mortgages).</li> </ul>					
Vesting	Vesting as an individual, Living Trusts and Business Entities allowed					
	Documentation Options					
Full Doc – 2 years	Standard Fannie Mae Documentation					
	NonQM					
	NonQM: Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding.					
Full Doc — 1 year	Wage Earner - 1 year most recent W-2 plus 30 days paystubs					
	<ul> <li>Self-Employed - 1 year most recent tax returns plus either:</li> <li>Borrower prepared YTD P&amp;L</li> </ul>					
	o 3 months bank statements verifying cash flow (No P&L)					
	Personal & Business-Combined or Business (12mo or 24mo):					
	At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)					
	<ul> <li>Asset Depletion allowed with Bank Statement documentation</li> <li>Standard expense factors apply: 50% expense factor</li> </ul>					
David. Chartering arts	If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled					
Bank Statements	Agent) required					
	Minimum expense factor with 3rd party prepared P&L or letter is 20%					
	<ul> <li>Personal &amp; Business Separated (12mo or 24mo):</li> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> </ul>					
	<ul> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> <li>Asset Depletion allowed with Bank statement documentation</li> </ul>					
	and the minimum additional additiona					



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 Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)