

				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%
\$450,001 - \$550,000	\$2.5M	50%	720	80%	75%	70%	65%	75%	65%
			700	80%	70%	70%	60%	70%	60%
			680	75%	65%	65%	55%	65%	55%
			660	70%	60%	60%	50%	60%	50%

**Guidelines**

Appraisal Requirements	<ul style="list-style-type: none"> <li>On purchase transactions, a copy of the appraisal with original pictures and any secondary valuation used on the 1st mortgage is acceptable.</li> </ul> <p>Higher-Priced Mortgage Loan (HPML)</p> <ul style="list-style-type: none"> <li>Primary and 2nd Homes:                             <ul style="list-style-type: none"> <li>Full Appraisal (1004, 1025, 1073)</li> </ul> </li> <li>Declining markets maximum 75% CLTV</li> </ul> <p>Non-HPML</p> <ul style="list-style-type: none"> <li>Primary and 2nd Homes:                             <ul style="list-style-type: none"> <li>Loan amounts &lt; \$400,000 AVM with a 90% Confidence Factor and a Property Condition Inspection from:                                     <ul style="list-style-type: none"> <li>Clear Capital</li> <li>Collateral Analytics</li> <li>CoreLogic</li> <li>HouseCanary</li> </ul> </li> <li>Full appraisal required when AVM has less than 90% Confidence Factor.</li> </ul> </li> <li>Loan amounts &gt; \$400,000                             <ul style="list-style-type: none"> <li>Full Appraisal (1004, 1025, 1073)</li> <li>Declining markets maximum 75% CLTV</li> </ul> </li> <li>Investor                             <ul style="list-style-type: none"> <li>New 2055 Appraisal and Appraisal Desk Review supporting value within 10% variance. If the review variance is greater than 10%, the lower of the two is to be used to calculate CLTV.</li> <li>OR</li> <li>Previous appraisal within 12 months and an Appraisal Desk Review. The Desk Review value must be equal to or greater than the Appraisal value.</li> <li>Declining markets maximum 70% CLTV.</li> </ul> </li> </ul>
Assets	<ul style="list-style-type: none"> <li>None Required</li> </ul>
Cash-Out	<ul style="list-style-type: none"> <li>Proceeds from second lien may be all cash-out</li> </ul>
Credit Event Seasoning	<ul style="list-style-type: none"> <li>48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>Lowest of 2 scores, middle of 3 scores.</li> <li>The occupying borrower with the highest income is the primary borrower and their representative credit score is to be used.</li> </ul>

	<ul style="list-style-type: none"> <li>○ When borrowers are self-employed and have equal ownership of a business, the lowest representative score of all borrowers is to be used.</li> <li>○ Minimum credit score for co-borrowers is 500.</li> </ul>
Derogatory Credit	<ul style="list-style-type: none"> <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> <li>• Open Medical collections ≤ \$1000 per occurrence ok.</li> </ul>
DTI	<ul style="list-style-type: none"> <li>• 50%</li> <li>• 45% with an I/O senior lien</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>• US Citizen</li> <li>• Non-Permanent Resident Alien (with US Credit)</li> <li>• Permanent Resident Alien</li> </ul>
Geographic Restrictions	<ul style="list-style-type: none"> <li>• Not available in             <ul style="list-style-type: none"> <li>○ Illinois</li> <li>○ Massachusetts</li> <li>○ New Jersey</li> <li>○ New York</li> <li>○ Pennsylvania</li> <li>○ Tennessee</li> <li>○ Texas</li> <li>○ Vermont</li> </ul> </li> </ul>
Housing Lates	<ul style="list-style-type: none"> <li>• 0x30x12 on all mortgages for all borrowers.</li> <li>• Minimum 12-month housing history required</li> </ul>
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• Non-occupant co-borrowers</li> <li>• Vesting is not permitted to be in the name of an LLC, Corporation or Partnership</li> </ul>
Ineligible Senior Liens	<p>A copy of the most current 1st mortgage statement is required to determine eligibility. Statement date to be within 60 days of Note date. Additional 1st mortgage documentation may be required to provide sufficient data for underwriting.</p> <ul style="list-style-type: none"> <li>• Private party mortgages</li> <li>• Loans in active forbearance or deferment             <ul style="list-style-type: none"> <li>○ Deferred balance due to a documented hardship may remain open.</li> <li>○ Without documented hardship, deferred amounts must be paid through closing.</li> </ul> </li> <li>• Negative amortization</li> <li>• Reverse mortgages</li> <li>• Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien</li> </ul>
Senior Lien Payment Calc	<ul style="list-style-type: none"> <li>• 1st lien ARMS with &lt; 3 years fixed period remaining qualified on fully indexed payment</li> </ul>
Property Type	<ul style="list-style-type: none"> <li>• SFR</li> <li>• PUD</li> <li>• Condo-Warrantable</li> <li>• Modular</li> <li>• 2-4 Units max 75% LTV for O/O, 70% for non-O/O</li> <li>• Rural – Full doc only, Primary residence, 5 acres maximum, reduce CLTV by 10%</li> </ul>
Qualifying Payment	<ul style="list-style-type: none"> <li>• Qualifying ratios based on Full Note Rate</li> </ul>
Recently Listed Properties	<ul style="list-style-type: none"> <li>• Properties listed for sale in the last 6 months are not eligible</li> </ul>
Seasoning	<ul style="list-style-type: none"> <li>• &gt; 6 months seasoning no restrictions. Less than 6 months seasoning ineligible</li> </ul>
Terms Available	<ul style="list-style-type: none"> <li>• Full Am: 10 yr, 15 yr, 20 yr &amp; 30 year</li> </ul>
Title Report	<ul style="list-style-type: none"> <li>• Short ALTA - Lenders Policy</li> </ul>
Tradeline Requirement	<ul style="list-style-type: none"> <li>• 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.</li> <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	<ul style="list-style-type: none"> <li>• Vesting as an individual or Living Trusts</li> <li>• Business Entities are not allowed</li> </ul>

Documentation Options	
Full Doc – 2 years	<ul style="list-style-type: none"> <li>• Standard Fannie Mae Documentation</li> </ul>
Full Doc – 1 year	<ul style="list-style-type: none"> <li>• NonQM                             <ul style="list-style-type: none"> <li>○ Alternative Loan Review Form or DU Approve/Ineligible finding.</li> </ul> </li> <li>• Wage Earner - 1 year most recent W-2 plus 30 days paystubs</li> <li>• Self-Employed - 1 year most recent tax returns plus either:                             <ul style="list-style-type: none"> <li>○ Borrower prepared YTD P&amp;L</li> <li>○ 3 months bank statements verifying cash flow (No P&amp;L)</li> </ul> </li> </ul>
Bank Statements	<ul style="list-style-type: none"> <li>• Personal &amp; Business-Combined or Business (12mo or 24mo):                             <ul style="list-style-type: none"> <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> <li>○ Standard expense factors apply: 50% expense factor                                     <ul style="list-style-type: none"> <li>▪ If business operates &lt; standard expense factor, P&amp;L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required</li> <li>▪ Minimum expense factor with 3rd party prepared P&amp;L or letter is 20%</li> </ul> </li> </ul> </li> <li>• Personal &amp; Business Separated (12mo or 24mo):                             <ul style="list-style-type: none"> <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> <li>○ 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)</li> </ul> </li> </ul>