

				Owner Occupied		2 nd 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	90%	85%	80%	75%	75%	70%
			700	90%	80%	80%	70%	65%	60%
			680	85%	75%	75%	65%	N/A	N/A
\$350,001 - \$450,000	\$2.5M	50%	720	85%	80%	80%	70%	75%	65%
			700	85%	75%	75%	65%	65%	60%
			680	80%	70%	70%	60%	N/A%	N/A
\$450,001 - \$550,000	\$2.5M	50%	720	80%	75%	75%	65%	75%	65%
			700	80%	70%	70%	60%	65%	60%
			680	75%	65%	65%	55%	N/A%	N/A

Guidelines

	<p>On purchase transactions, a copy of the appraisal with original pictures and any secondary valuation used on the 1st mortgage is acceptable.</p> <ul style="list-style-type: none"> • Higher-Priced Mortgage Loan (HPML) <ul style="list-style-type: none"> ○ Primary and 2nd Homes: <ul style="list-style-type: none"> ▪ Full Appraisal (1004, 1025, 1073) ▪ Declining markets maximum 75% CLTV • Non-HPML <ul style="list-style-type: none"> ○ Primary and 2nd Homes: <ul style="list-style-type: none"> ▪ Loan amounts < \$250,000 AVM with a 90% Confidence Factor and a Property Condition Inspection from: <ul style="list-style-type: none"> • Clear Capital • Collateral Analytics • CoreLogic • HouseCanary ▪ Full appraisal required when AVM has less than 90% Confidence Factor. ▪ Loan amounts > \$250,000 <ul style="list-style-type: none"> • Full Appraisal (1004, 1025, 1073) ▪ Declining markets maximum 75% CLTV • Investor <ul style="list-style-type: none"> ○ Declining markets maximum 70% CLTV. ○ Loan Amount ≤ \$250,000 <ul style="list-style-type: none"> ▪ 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. ○ Loan Amount > \$250,000 <ul style="list-style-type: none"> ▪ A full appraisal is required ○ Or ○ Previous appraisal within 12 months and an Appraisal Desk Review. The Desk Review value must be equal to or greater than the Appraisal value.
Assets	<ul style="list-style-type: none"> • None Required
Cash-Out	<ul style="list-style-type: none"> • Proceeds from second lien may be all cash-out
Credit Event Seasoning	<ul style="list-style-type: none"> • 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.
Credit Score	<ul style="list-style-type: none"> • Lowest of 2 scores, middle of 3 scores. • The occupying borrower with the highest income is the primary borrower and their representative credit score is to be used. <ul style="list-style-type: none"> ○ When borrowers are self-employed and have equal ownership of a business, the lowest representative score of all borrowers is to be used.

	<ul style="list-style-type: none"> ○ Minimum credit score for co-borrowers is 500. ● Non-traditional credit ineligible.
Derogatory Credit	<ul style="list-style-type: none"> ● Charge-offs or Collections acceptable if paid off over 12 months prior. ● No delinquent tradelines at closing. ● Open Collections and Charge-offs ≤ \$1,000 may remain open ● Open Medical collections ≤ \$1000 per occurrence ok.
DTI	<ul style="list-style-type: none"> ● 50% ● 45% with an I/O senior lien ● Alt Doc with a CLTV greater than 80% limited to a max DTI of 45%
Eligible Borrowers	<ul style="list-style-type: none"> ● US Citizen ● Permanent Resident Alien ● Non-Permanent Resident Alien (with US Credit) – Full doc only
Geographic Restrictions	<ul style="list-style-type: none"> ● Not available in <ul style="list-style-type: none"> ○ Illinois ○ Massachusetts ○ New Jersey ○ New York ○ Pennsylvania ○ Tennessee ○ Texas ○ Vermont
Housing Lates	<ul style="list-style-type: none"> ● 0x30x12 on all mortgages for all borrowers. ● Minimum 12-month housing history required
Ineligible Borrowers	<ul style="list-style-type: none"> ● Non-occupant co-borrowers ● Vesting is not permitted to be in the name of an LLC, Corporation or Partnership
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"> ● Private party mortgages ● Loans in active forbearance or deferment <ul style="list-style-type: none"> ○ 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
Senior Lien Payment Calc	<ul style="list-style-type: none"> ● 1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment ● Copy of the Senior lien note must be in the file
Property Type	<ul style="list-style-type: none"> ● SFR ● PUD ● Condo-Warrantable ● Modular ● 2-4 Units max 75% LTV for O/O, 70% for non-O/O ● Rural – Full doc only, Primary residence, 5 acres maximum, reduce CLTV by 10%
Qualifying Payment	<ul style="list-style-type: none"> ● Qualifying ratios based on Full Note Rate
Recently Listed Properties	<ul style="list-style-type: none"> ● Properties listed for sale in the last 6 months are not eligible
Seasoning	<ul style="list-style-type: none"> ● > 6 months seasoning required ● Properties owned < 12 month must use the lower of the acquisition cost plus documented improvements or the appraised value
Terms Available	<ul style="list-style-type: none"> ● Full Am: 10 yr, 15 yr, 20 yr & 30 year
Title Report	<ul style="list-style-type: none"> ● Short ALTA - Lenders Policy
Tradeline Requirement	<ul style="list-style-type: none"> ● 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months. ● 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).

Vesting	<ul style="list-style-type: none"> Vesting as an individual, Living Trusts and Business Entities allowed
Documentation Options	
Full Doc – 2 years	<ul style="list-style-type: none"> Standard Fannie Mae Documentation
Full Doc – 1 year	<ul style="list-style-type: none"> NonQM <ul style="list-style-type: none"> Alternative Loan Review Form or DU Approve/Ineligible finding. Wage Earner - 1 year most recent W-2 plus 30 days paystubs Self-Employed - 1 year most recent tax returns plus either: <ul style="list-style-type: none"> Borrower prepared YTD P&L 3 months bank statements verifying cash flow (No P&L)
Bank Statements	<ul style="list-style-type: none"> Personal & Business-Combined or Business (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Asset Depletion allowed with Bank Statement documentation <ul style="list-style-type: none"> Limited to 60% DTI on the BK statement income Standard expense factors apply: 50% expense factor <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required <ul style="list-style-type: none"> Minimum expense factor with 3rd party prepared P&L or letter is 20% Personal & Business Separated (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Asset Depletion allowed with Bank statement documentation 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) CLTV ≥ 80%, DTI is capped at 45%