

Standard Doc				
Loan Amount	Credit Score	Primary	2 nd Home	Investment
\$250,000	740	90%	75%	75%
	700	85%	75%	65%
	680	75%	75%	N/A
\$350,000	740	85%	75%	65%
	700	85%	75%	65%
	680	75%	70%	N/A
\$500,000	740	75%	75%	N/A
	700	75%	70%	N/A
	680	75%	65%	N/A
Alt Doc				
Loan Amount	Credit Score	Primary	2 nd Home	Investment
\$250,000	740	80	75	70
	700	75	70	65
\$350,000	740	75	75	65
	700	75	70	65
\$500,000	740	75	70	N/A
	700	70	65	N/A

Guidelines

Product Type & Term

- Variable Rate – Terms of 15, 20, 25 & 30 years
 - Index: Prime as published in the Wall Street Journal (WSJ)
 - Margin: See Rate Sheet
 - Floor Rate: 4.0
 - Maximum Rate: 18%
 - Daily Periodic Interest Rate: Index plus Margin
 - Finance Charges: Interest accrues on the day of an advance and continues until the outstanding balance is paid in full. Interest is calculated daily based upon the Daily Periodic Rate and the daily balance.

	<ul style="list-style-type: none"> • Draw Period: 2-year, 3 year, or 5 year • Minimum Payment: <ul style="list-style-type: none"> ○ Draw Period: Interest only calculation, greater of accrued interest or \$100 ○ Repayment Period: Amortizing principal and interest payment based upon the total line amount, repayment term, current rate (Index plus Margin)
Advances	<ul style="list-style-type: none"> • Initial Advance: Minimum 75% of total line amount • Minimum Advance: \$1,000.00 • Maximum Advance: Line amount • Lock-out Period: Advances not available for a period of 90-days after closing
Responsible Lending	<ul style="list-style-type: none"> • State High-Cost loans are ineligible • HOEPA loans are ineligible • Points/Fees not to exceed 5%
City/County/State Restrictions	<p>Max 80%, 720 FICO Minimum</p> <ul style="list-style-type: none"> • Connecticut <p>Max 80% LTV</p> <ul style="list-style-type: none"> • Louisiana • Idaho • Austin-Round Rock, TX • San Francisco-Oakland-Hayward, CA • San Jose-Sunnyvale-Santa Clara, CA • Santa Cruz-Watsonville, CA • Boulder, CO • Breckenridge, CO • Sevierville, TN • Phoenix-Mesa-Scottsdale, AZ • Sacramento-Roseville, CA <p>Not Eligible</p> <ul style="list-style-type: none"> • Hawaii • Illinois • Massachusetts • New Jersey • New York • Pennsylvania • Tennessee • Texas • Vermont Puerto Rico, Guam & US Virgin Islands • Any state HEM is not licensed in
Loan amounts	<ul style="list-style-type: none"> • \$75,000 minimum • \$500,000 maximum
Combined Loan Balance	<ul style="list-style-type: none"> • Maximum combined loan balance not to exceed \$2,000,000
Loan Purpose	<ul style="list-style-type: none"> • Stand-alone only • Minimum ownership of 12 months required
Occupancy	<ul style="list-style-type: none"> • Primary residence • 2nd Home • Investor
Cash-out	<ul style="list-style-type: none"> • \$500,000
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizen • Permanent Resident Alien
Ineligible Borrowers	<ul style="list-style-type: none"> • Non-Permanent Resident Aliens • Foreign Nationals • Non-occupant Co-borrowers
Ineligible Loan Features	<ul style="list-style-type: none"> • Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date.

	<ul style="list-style-type: none"> Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months. All existing subordinate liens must be satisfied.
Income	
Standard Doc	<p>Income documentation must meet the standards from FNMA Seller Guide dated 6/03/2020.</p> <ul style="list-style-type: none"> Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOE Self-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C
Personal Bank Statements	<ul style="list-style-type: none"> 12- or 24-months of personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. The business bank statements must reflect business activity and transfers to the personal account
Business Bank Statements	<ul style="list-style-type: none"> 12- or 24-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%) Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10% 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
Underwriting Requirements	
First Lien	<ul style="list-style-type: none"> First lien documentation requirements: <ul style="list-style-type: none"> Copy of 1st lien Note; and <ul style="list-style-type: none"> Default interest rate on Note cannot exceed Note rate If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) Copy of most recent monthly mortgage payment statement <ul style="list-style-type: none"> Utilized to determine if payment includes escrows (See DTI Requirements) Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12- months of the Note date Loans in active forbearance or deferment Negative amortization including loans with Paid-In-Kind (PIK) features Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien Reverse Mortgages First liens for the subject property not reporting on credit report <ul style="list-style-type: none"> e.g., Private party mortgages including any loan not reporting on credit report Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages Home Equity Line of Credit Note with default interest rate greater than the Note rate
Application	<ul style="list-style-type: none"> FNMA Form 1003 - Current version of the Uniform Residential Loan Application
Age of Documents	<ul style="list-style-type: none"> Credit Documents: May not be over 90-days old at the time of closing. Title Report (or O&E): May not be over 60-days old at time of closing. Appraisal: May not be over 120- days old at the time of closing for Full Appraisal and Exterior Drive-By. New appraisal is required after 120- days. <ul style="list-style-type: none"> AVM may not be over 90- days old at time of closing.
Credit and Fraud Documentation	<ul style="list-style-type: none"> Credit report Gap credit report or Undisclosed Debt Monitoring (UDN) Fraud report OFAC
Qualifying Credit Score	<ul style="list-style-type: none"> Middle of 3 scores or lower of 2 determines the representative score Use the lowest representative score amongst all borrowers Rapid rescoring not allowed
Housing History	<ul style="list-style-type: none"> 0x30x12 – verification of mortgage history required on all loans Verify the 1st lien P&L payment with all of the following: <ul style="list-style-type: none"> Copy of 1st lien Note, and Copy of most recent monthly mortgage payment statement
Credit Events	<ul style="list-style-type: none"> Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 84-month seasoning Forbearance, Modification, Deferral: 24-months of consecutive payments since exiting plan Multiple Derogatory Credit Events: 84-month waiting period
Tradelines	<ul style="list-style-type: none"> Minimum: All borrowers must have three (3) reporting with one (1) currently open and active for at least 24-months based on credit report pull date. Other two (2) reported for 12-months can be open or closed.

DTI and Qualifying Payment	<ul style="list-style-type: none"> • Maximum DTI ratio: <ul style="list-style-type: none"> ○ 50% DTI for HCLTV less than or equal to 80% ○ 45% DTI for HCLTV greater than 80% • Qualifying Payment: <ul style="list-style-type: none"> ○ Subject loan: Amortizing principal and interest payment based upon the total line amount, repayment term, current rate (Index plus Margin) <ul style="list-style-type: none"> ▪ Index: Prime rate as published in the Wall Street Journal ▪ Margin: Published on the rate sheet ○ First lien: Principal and Interest payment <ul style="list-style-type: none"> ▪ Fixed rate: Note rate amortized over the total term <ul style="list-style-type: none"> • Interest Only: Note rate amortized over the remaining term after the expiration of the interest only period ▪ ARMs: Qualifying rate is the higher of the fully indexed rate or note rate <ul style="list-style-type: none"> • Interest Only: Qualifying rate amortized over the remaining term after the expiration of the interest only period 	
Reserves	<ul style="list-style-type: none"> • Not required 	
Appraisal and Property		
Eligible Property	<ul style="list-style-type: none"> • Single Family (Attached, Detached, PUD) • 2-4 Unit residential properties (Max CLTV 75%) • Condominiums (Max CLTV 80%) 	
Ineligible Properties	<ul style="list-style-type: none"> • Property > 10-acres • Manufactured Homes • Agricultural Zoned • Rural • Mixed-Use • Unique Properties 	
Appraisal	<ul style="list-style-type: none"> • HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. • Any simultaneous transaction requires a full appraisal. • Transferred appraisals are eligible. <p>Loan Amount <=\$250,000</p> <ul style="list-style-type: none"> • AVM within 90- days of the Note date from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or • Exterior Drive-By appraisal (Hybrid or 2055 or 1075), or <ul style="list-style-type: none"> ○ One (1) unit property, with or without an accessory dwelling unit • New Appraisal (FNMA Form 1004/1025/1073), or • Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, ○ Recertification of value by the original appraiser. <p>Loan Amount >\$250,000</p> <ul style="list-style-type: none"> • New Appraisal (FNMA Form 1004/1025/1073), or • Prior 1st lien appraisal dated within 12- months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, and ○ Recertification of value by the original appraiser, and ○ AVM within 30- days of the Note date from approved vendor with acceptable FSD. <ul style="list-style-type: none"> ▪ The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV. <p>Secondary Valuation Product</p> <ul style="list-style-type: none"> • Secondary valuation product is not required 	
AVM	The following are acceptable AVMs	
	AVM Vendor	Acceptable FSD Score at 90%
	Clear Capital	≤ 0.13
	Collateral Analytics	≤ 0.10
	House Canary	≤ 0.10
Red Bell Real Estate (Homegenius)	≤ 0.10	
Property Condition Report	<ul style="list-style-type: none"> • When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics. 	
Property	<ul style="list-style-type: none"> • Minimum property size 750 Square Feet 	

	<ul style="list-style-type: none"> • Condition Rating of C5/C6 not eligible • Any property located in a declining market as reported by the appraiser requires a 5% CLTV reduction.
Properties Recently Listed for Sale	<ul style="list-style-type: none"> • Properties listed for sale in the past 6-months are not eligible
Title Insurance	<p>Loan Amount <=\$250,000, provide one of the following</p> <ul style="list-style-type: none"> • Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> ○ Current Grantee / Owner ○ How property was conveyed to current owner ○ Liens (e.g., mortgage, UCC, other financing) ○ Involuntary liens and judgements ○ Property Tax Information with break-down of all taxes including special assessments ○ Legal Description • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy <p>Loan Amount >\$250,000, provide one of the following</p> <ul style="list-style-type: none"> • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy
Flood Certificate	<ul style="list-style-type: none"> • Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA • Loss payee clause must reflect seller as additional insured
Homeowners Insurance	<ul style="list-style-type: none"> • Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect seller as additional insured