theNONI - DSCR ≥ 1.00[1,6,7]				
Investment 1-4 Units		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase[5]	Rate/Term	Cash-Out
740	$1,000,000	85[2]	85[2]	80[2,8]
	$1,500,000	85[2]	85[2]	80[2,8]
	$2,000,000	80	80	75[2,8]
	$2,500,000	75	75	70
	$3,000,000	75	75	65
	$3,500,000	70	70	65
720	$1,000,000	85[2]	85[2]	80[2,8]
	$1,500,000	80	80[2]	80[2,8]
	$2,000,000	75	75	75[2,8]
	$3,500,000	70	70	65
700	$1,000,000	85[2]	85[2]	75
	$1,500,000	80	80	75
	$2,000,000	75	75	70
	$3,500,000	70	70	65
680	$1,000,000	80[2]	80[2]	70
	$1,500,000	75	75	70
	$2,500,000	70	70	65
	$3,000,000	65	65	NA
660	$1,000,000	80	80	70
	$1,500,000	75	75	70
	$2,500,000	70	70	65
	$3,000,000	65	65	NA
640	$1,000,000	70	70	60
	$2,000,000	65	65	NA
	$3,000,000	60	60	NA
620	$1,000,000	65	65	55
	$1,500,000	60	60	NA
	$2,000,000	55	55	NA

theNearNONI – DSCR ≥ 0.75 – < 1.00[3,6,7]				
Investment 1-4 Units		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase[5]	Rate/Term	Cash-Out
720	$1,500,000	80	80	70
	$2,000,000	75	75	65
	$2,500,000	70	70	60
	$3,000,000	70	70	NA
700	$1,500,000	75	75	70
	$2,000,000	70	70	65
	$3,000,000	70	70	NA
680	$1,500,000	70	70	65
	$2,000,000	65	65	60
	$3,000,000	60	60	NA
660[4]	$1,000,000	65	65	NA

theNearNONI – DSCR < 0.75[3,6,7]				
Investment 1-4 Units		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase[5]	Rate/Term	Cash-Out
700	$1,500,000	75	75	70
	$2,000,000	70	70	65
	$3,000,000	70	70	NA
680	$1,500,000	70	70	65
	$2,000,000	65	65	60
	$3,000,000	60	60	NA
660[4]	$1,000,000	65	65	NA

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<table>
<tr><th colspan="3">LTV Restrictions:</th></tr>
<tr><td colspan="2">theSuperNONI Eligibility – Final DSCR ≥ 1.15</td><td>theNearNONI DSCR <1.00</td></tr>
<tr><td colspan="2">[1]Asset utilization allowed with initial DSCR 0.75 – 0.99. Assets used to augment a higher DSCR. Min FICO ≥ 680 and max loan amount $2.0M
[2] Max LTV/CLTV reduced by 5%</td><td>[3]First-time investor – Minimum FICO ≥ 680. Cannot live rent free.
[4]Experienced investors only.</td></tr>
<tr><td colspan="2">Cash-Out DSCR ≥ 1.00</td><td>Gift Funds</td></tr>
<tr><td colspan="2">[8]Ownership < 6 months and LTV/CLTV > 75%: value = lesser of purchase price plus documented improvements or appraised value.</td><td>[5]Gift allowed with 10% LTV/CLTV reduction from maximum or verify a minimum 5% of borrower's own funds. See Assets guidelines for details.</td></tr>
<tr><td colspan="2">Reserves</td><td colspan="2">[6]Credit Requirements</td></tr>
<tr><td>theNONI/theNearNONI</td><td>• ≤ $1,000,000 Loan Amount
○ 0 months - Purch or Rate/Term
○ 3 months - Cash-Out
• > $1,000,000 Loan Amount
○ 3 months – Purch or Rate/Term
○ 6 months – Cash-Out</td><td rowspan="2"><u>Housing History:</u>
0x60x12 (>1x30x12) - except theSuperNONI
• Max 70% LTV/CLTV – Purchase
• Max 65% LTV/CLTV – Refinance
See Credit - Housing History for details.</td><td rowspan="2"><u>Credit Event:</u> BK, Foreclosure, Short Sale, DIL – except theSuperNONI
• A minimum of 24 months (≥ 24 Mo)
○ Max 75% LTV/CLTV – Purchase
○ Max 70% LTV/CLTV – Refinance
See Credit - Credit Event for details.</td></tr>
<tr><td>theSuperNONI</td><td>• 3 months – Purch • 6 months - Refinance</td></tr>
<tr><td colspan="3">[7]Property Requirements</td></tr>
<tr><td colspan="2"><u>Condo Hotel</u> – Max $1,500,000:
• Max 75% LTV/CLTV – Purchase; Max 65% LTV/CLTV – Refinance
<u>Non-Warrantable Condo:</u> Max 70% LTV – Cash-Out</td><td><u>Declining Market</u> - A 5% LTV/CLTV reduction applies when LTV/CLTV > 70%.
<u>Property > 2 acres:</u> Max 75% LTV/CLTV - Purchase; Max 70% LTV/CLTV - Refinance
<u>Vacant/Unleased Property</u>:
• theNONI/theNearNONI: Max 80% LTV/CLTV – Refinance
• theSuperNONI: Max 70% LTV/CLTV – Refinance</td></tr>
</table>

Program Requirements	
Appraisal	A completed full appraisal with interior/exterior inspection is required: • Either UAD 2.6 legacy forms (1004, 1073, 1025) or UAD 3.6 (URAR) are acceptable • Form 1007/1025 Comparable Rent Schedule (UAD 2.6) or the URAR Rental Information section (UAD 3.6) is required. ○ No condition ratings of C5, C6 or quality rating of Q6. ○ Appraisal review required if CU risk score > 2.5 or no score/undetermined. See Non-Agency Guide 1.9.1.3 Appraisal Review Requirements for approved vendors. Appraisal review is not required when 2 appraisals are obtained. ○ 2nd appraisal required for loans > $2,000,000. The appraised value will be the lower of 2 appraisals. **Appraisal Transfers** are acceptable with the following: 1) Transfer letter, 2) AIR Cert, and 3) CDA or AVM. • CDA or AVM must not vary more than 10% or a new appraisal will be required. • AVM must have either: ○ An FSD score ≤ 0.13, ○ A confidence score ≥ 90%, or ○ A new appraisal will be required. • See Cash-Out section for details. **Declining Market:** See LTV Restrictions - Property Requirements, if the appraisal states the property in a declining market.
Assets	Refer to Non-Agency Guide – Section 1.6.2 Asset Documentation for details. Minimum 30 days' asset verification required for the following eligible assets: • 100% of checking, savings, and money market accounts • 100% of acceptable web-based money management accounts such as Venmo • 100% of vested retirement accounts • 100% of the net stocks and bonds account value **theSuperNONI:** All funds must be seasoned for 90 days: • All business funds used must be transferred to the borrower's personal account • 3 months' bank statements are required. • Large deposits must be sourced and seasoned. **Note:** Closing costs and downpayment must be deducted if coming from an account used. **Gift Funds** – verify a minimum 5% of borrower's own funds or requires an LTV reduction (see LTV Restrictions – Gift Funds). **Gift of Equity** allowed; max LTV reduced 10% unless 5% of borrower's own funds are verified.
Borrower Eligibility	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien
Cash-Out	• Unlimited – no seasoning required. LTV is based on appraised value. • Cash-out must be for business purposes. Loan proceeds may not be used for personal/consumer purposes. • Ownership < 6 months: ○ No credit exceptions allowed, ○ Additional 6 months reserves required, ○ DSCR ≥ 1.15, and ○ Transferred appraisals allowed only when ordered through an approved AMC. Additional valuation product required to confirm value; enhanced appraisal review may also be required. ○ > 75% LTV/CLTV: use lesser of (purchase price + documented improvements) or appraised value.

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<table>
<tr><td rowspan="4">Credit</td><td>Credit Score Model: Classic FICO® only. VantageScore® 4.0 and FICO® Score 10T are ineligible.
Use credit score of the borrower/guarantor with the highest representative score. Minimum 1 score required.
• Three credit scores: use middle of 3. Two credit scores: use lowest of 2.
• The minimum tradeline requirement is waived with 3 credit scores.
<u>Tradelines:</u> Minimum 2 reporting 24 months or 3 reporting 12 months with activity in last 12.</td></tr>
<tr><td><u>Credit Event:</u> Borrower(s) with significant derogatory credit events such as BK, Foreclosure, Short Sale, DIL are eligible provided the credit event meets the seasoning requirement- Minimum ≥ 36 Months
• Minimum ≥ 24 Months – Eligible except theSuperNONI; see Credit Event LTV restrictions.
• Forbearance, Modification or Deferrals – must be completed prior to application. Refer to Non-Agency Guide for details.</td></tr>
<tr><td><u>Housing History:</u> The most recent 12-month housing history review is required for borrower's primary residence, subject property, and any mortgaged property reported on the credit report; it is not required for free and clear properties.
• Housing payment must be paid current within 45 days of the loan application date.
  ○ An updated mortgage history is only required for the primary residence and subject property.
• No primary housing history is available:
  ○ Borrower resides in marital home owned or leased by the spouse – A 12-month housing history for the marital residence must be verified as current.
  ○ Living rent free is acceptable for an experienced investor who currently owns rental property.
• FTHB living in spouse's primary residence can satisfy housing history requirement with the following:
  ○ Evidence spouse is on title or lease and
  ○ Provide a 12-month payment history or evidence primary residence is owned free & clear.</td></tr>
<tr><td><u>theNONI/theNearNONI:</u>
• ≤ 1x30x12
• (>1x30x12) 0x60x12- See LTV Restrictions – Housing History

<u>theSuperNONI:</u>
0x30x12</td></tr>
<tr><td rowspan="3">Debt Service Coverage Ratio (DSCR) Calculation</td><td>Employment/income, and 4506-C are not required. Cash flow from the subject property for income qualification, utilizing the market rent survey and/or lease agreements.</td></tr>
<tr><td>DSCR = Gross rents divided by PITIA or ITIA (subject property). Use Note rate to calculate PITIA and ITIA payment.</td></tr>
<tr><td>• <u>Long Term Rental DSCR</u> = Gross monthly rents divided by PITIA (or ITIA for interest-only loans). Loans with I/O feature may use ITIA payment.
• <u>Short Term Rental DSCR</u> = Gross monthly rents (12-month average for seasonality) reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short-term property. (Gross Rents x .80) divided by PITIA or ITIA for I/O = DSCR.
  ○ When short term rental income is documented using multiple sources, the lowest monthly income source is to be utilized for calculating DSCR,
  ○ When the rental documentation includes expenses, the actual expenses should be compared to the 20% expense factor:
  ▪ If actual expenses < 20%, use a minimum expense factor of 20% or
  ▪ If actual expenses > 20%, use the actual expense factor. See Short Term Rental section for rental documentation.
<u>theSuperNONI DSCR</u> = Gross monthly rents plus eligible assets (divide by 60) divided by PITIA (subject property).</td></tr>
<tr><td rowspan="2">DSCR Documentation</td><td>Long Term Rental (LTR)</td></tr>
<tr><td>Monthly gross rents are monthly rents established on Form 1007 or 1025 reflecting long term market rents. See LTR DSCR calculation above.
<u>Purchase:</u> If the subject property is currently tenant occupied, Form 1007 or 1025 must reflect the current monthly rent.
<u>Refinance:</u> Lease agreement is required in addition to Form 1007 or 1025 reflecting long-term market rents. Monthly gross rents are determined as follows:
• Use the lower of actual lease amount or estimated market rent.
• Use the higher of actual lease amount - document 1-month of receipt is required or evidence of the receipt and clearance of the security deposit.
• Use the higher of estimated market rent (Form 1007/1025) – it must be within 120% of the lease amount. If the estimated market rent exceeds 120% of lease amount, it must be capped at 120%.
<u>Vacant/</u>unleased <u>property:</u> A vacant or unleased single-family residence (refinance transactions only) or a 2–4 unit property with 50% or more of the units vacant or unleased.
• See LTV Restrictions – Property Requirements for max LTV.
Note: Leases executed after the loan application date require the security deposit documentation.
• Lease agreements made to entities are acceptable, provided the borrower is not affiliated with the entity.
• Expired long term leases or rental agreements that have converted or are inherently month-to-month, are acceptable and treated as tenant occupied. No additional documentation is needed.
The intent of the lease must be for more than 30 days to not be classified as a short-term rental.</td></tr>
<tr><td>Short Term Rental (STR)</td></tr>
<tr><td></td><td>Short term rentals are properties leased on a nightly, weekly, monthly (not month-to-month), or seasonal basis. Monthly gross rents based upon a 12-month average to account for seasonality requirements. See STR DSCR calculation above.
<u>Vacant/</u>unleased <u>property:</u> Not applicable for short-term rentals
• Any of the following methods may be used to determine gross monthly rental income:
o Form 1007 or 1025 Comparable Rent Schedule or short-term rent narrative prepared by the appraiser reflecting long-term or short-term market rents. If long-term rent is utilized, 20% expense factor is not to be applied.</td></tr>
</table>

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	o An alternative market rent analysis similar to Form 1007/1025 is allowed, subject to the following: ▪ Analysis must be completed pursuant to the lender's appraisal management process. ▪ Must be completed by a licensed appraiser. ▪ Must include daily rental rate and occupancy percentage. o The most recent 12-month rental history statement from the 3rd party rental/management service. ▪ The statement must identify the subject property/unit, rents collected for the previous 12 months, and all vendor management fees. The qualifying rental income will exclude all vendor or management fees. ○ The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. The borrower must provide rental records for the subject property to support monthly deposits. ○ AIRDNA Report Requirements: AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental data, must meet the following requirements: Rentalizer (Property Earning Potential) ▪ Only allowed for purchase transactions. ▪ AirDNA default comparables only. No manual selection, substitution, or exclusion. ▪ Gross Rents equal the revenue projection from the Rentalizer Report. ▪ The gross rents are subject to the application of the 20% extraordinary expense factor. ▪ Revenue projection equals the average daily rental rate times the occupancy rate. ▪ Forecast Period must cover 12 months from the Note date. ▪ Must have three (3) comparable properties. ▪ Must be similar in size, room count, amenities, availability, and occupancy. ▪ Maximum occupancy limited to 2 individuals per bedroom. ▪ Market score or Sub-Market score must be 60 or greater.			
	theSuperNONI – Asset Utilization			
	• Asset utilization may be used to support a higher DSCR. Final DSCR ≥ 1.15 (LTR initial DSCR must be at lease 0.75 – 0.99). • Cash-out from subject loan cannot be used for asset utilization. • No exceptions on the loan allowed. STR is not allowed. **Note:** Leases executed after the loan application date require the security deposit documentation. Lease agreements made to entities are acceptable, provided the borrower is not affiliated with the entity.			
Document Age	120 Days			
Escrow / Impounds	Escrow may be waived – Refer to Non-Agency Guide - Section 1.4.5 – Escrow/Impounds for requirements.			
Experienced Investor	• Borrower/guarantor must have a history of owning and managing non-owner occupied residential real estate for a minimum of 1 year within last 5 years. Ownership of commercial income producing property may also be used as investor experience. Loans with multiple borrowers/guarantors, only 1 borrower/guarantor required to meet the above requirement.			
First Time Investor	Borrower/guarantor does not meet the above experienced investor criteria.			
	theNearNONI DSCR <1.00 – See LTV Restrictions		*theSuperNONI* - INELIGIBLE	
First Time Homebuyer (FTHB)	• FTHB eligible with the following: ○ 700 min FICO ○ 1.00 min DSCR ○ 10% min borrower contribution ○ $1,500,000 max loan amount ○ 75% max LTV/CTLV ○ No STR ○ No living rent free		*theSuperNONI:* FTHB - INELIGIBLE	
Geographic Restriction	**State Condominium Requirements:** Projects with an unacceptable or no inspection are ineligible. • *California:* ○ An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground, as evidenced on the condo questionnaire. If no wood components are present in these structures (i.e., concrete or steel construction), an inspection is not required under California law. • *Florida:* ○ An inspection is required for projects 3 stories or greater and more than 30 years old (or 25 years old if located within 3 miles of the coast). **Enhanced Valuation Review Required:** Follow Review Protocols by Seasoning & Value Increase for the following – • FL: ZIP 33837, 34746 & 34747 Communities: ○ Davenport (Polk County) -Veranda Palms, Reunion, Bellavida, Solara Resort Vacation Villas Replat ○ Kissimmee (Osceola County) -Watersong Community • MD: Baltimore • NJ: Bergen County, Essex County • NY: Brooklyn, Orange County, Rockland County ***INELIGIBLE:*** • *Hawaii* properties located in lava zones 1 and/or 2 • MD: Baltimore City • PA: Philadelphia County			
Loan Amount	MIN $100,000	MAX $3,500,000 - theNONI	MAX $3,000,000 - theNearNONI	MAX $2,000,000 - theSuperNONI

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Loan Terms	Fixed Rate Term: 30, 40 years 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature).	
Max LTV / CLTV	See LTV eligibility tables above.	
Prepayment Penalty	Acceptable Structures include the following: • 6 months' interest, on the amount of any prepayment that exceeds 20% of the unpaid principal balance during any 12-month period • Fixed percentage: 3% or 5% • Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. • For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) • Prepayment periods up to 5-Yrs eligible, see rate sheet Prepay terms: 12, 24, 36, 48, and 60 months	• IL: Penalties not allowed on loans vested to individuals • MS: Only declining prepayment penalty structures are allowed • NJ: Prepayment penalty eligible only when the borrower is a corporate entity (C-Corp, S-Corp or LLC) with documented business purpose. LLC vesting -no credit exceptions allowed. • PA: Penalties not allowed on loan amounts ≤ $329,411 • Penalties not allowed in AK, KS, MI, MN, NM, OH & RI
Property Types	**Eligible[11,12,13]** • SFR/PUD (detached/attached), Modular • Condo[10] • Condo Hotel[10] • Non-Warrantable Condo[10] • 2-4 Units • Rural • Leaseholds	**Ineligible** • Manufactured, Mobile homes, houseboats • Dome/geodesic, unique home • Co-op development, Timeshare, fractional ownership • Healthcare facilities, nonresidential, income-producing structures on premises • Vacant land/developments, zoning violations or illegal use • Single Room Occupancy, boarding houses, bed/breakfast • Native American Land/Reservations, • Cultivation/distribution/manufacture or sale of marijuana
	[10]See Geographic Restrictions for State condo requirements. [11]Minimum SQ FT: SFR 500 sq ft, Condo Hotel 500 sq ft, 2-4 Units 400 sq ft per unit; Condo (no min.) requires similar comps size. [12]See LTV Restrictions – Property Requirements for max LTV. [13]Max 10 acres.	
Reserves	**theNONI / theNearNONI** • Loan Amount ≤ $1,000,000 o 0 months - Purchase or Rate/Term o 3 months PITIA – Cash-Out • Loan Amount > $1,000,000 o 3 months PITIA – Purchase or Rate/Term o 6 months PITIA – Cash-Out	**theSuperNONI** • 3 months PITIA - Purchase • 6 months PITIA - Refinance
	Cash-out may be used to satisfy reserves requirement.	
Other Requirements		
HEM Lending Resources	All loans must be underwritten to the standards contained within this product matrix and HEM Non-Agency Guidelines.	
Loan Exposure	• Aggregate exposure must not exceed $9,000,000 or 9 loans. Borrowers with no prior Company loan performance history require Credit Committee approval for above 6 loans. • Multi-pack submissions are not allowed on the theSuperNONI.	
Section 8 Rental Income	Section 8 rental income is eligible with documented lease and housing authority contract for the following states: • Alabama • Alaska • Arizona • Arkansas • California • Colorado • District of Columbia (D.C.) • Georgia • Hawaii • Idaho • Maryland • Massachusetts • Michigan • Minnesota • Mississippi • Missouri • Montana • Nebraska • Nevada • New Hampshire • North Carolina • Oregon • Rhode Island • Tennessee • Texas • Utah • Virginia • Washington • West Virginia • Wyoming	
Settlement Agent	Ineligible: • Block Land Transfer LLC, • Edge Abstract Independence LLC, • Lichter Law Group – Erik Lichter, • MidLantic Abstract • Sperry & Hatley, PC (atty Ryan Hatley)	

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ELIGIBLE TERMS						PRODUCT CODES	
FIXED	DSCR 30 YR FIXED					TBDFX30	
	DSCR 30 YR FIXED IO					TBDFX30IO	
	DSCR 40 YR FIXED					TBDFX40	
	DSCR 40 YR FIXED IO					TBDFX40IO	
ARM	Description		Index	Caps	Margin	PRODUCT CODES	
	7/6	7/6 IO	30-Day Avg - SOFR	2/1/5	4.50	TBD30AL07	TBD30AL07IO
	10/6	10/6 IO				TBD30AL010	TBD30AL010IO

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