

Prime Ascent Plus - Standard Doc and Alt Doc

			Maximum LT\	//CLTV			
Minimum Credit	Maximum Loan	Primary Residence			Second Home / Investment		
Score	Amount	Purchase	Rate/Term	Cash-out	Purchase	Rate/Term	Cash-out
	1,000,000	90	80	80	75	70	70
720	2,000,000	80	75	75	75	70	70
	2,500,000	75	70	70	NA	NA	NA
	1,000,000	85	75	75	75	70	70
700	2,000,000	80	70	70	75	70	70
	2,500,000	70	65	65	NA	NA	NA
	1,000,000	80	75	75	75	70	70
680	2,000,000	75	70	70	75	70	70
	2,500,000	70	NA	NA	NA	NA	NA

**Property Type** 

- Single Family: Attached, Detached
- Condominium: Max LTV/CLTV 80%
- Rural: Max LTV/CLTV 80% Purchase, 75% Refinance
- Not Eligible: 2-4 Units, Condo Hotel

Housing History	Credit Event Seasoning
0x30x12	Bankruptcy/Foreclosure/Short Sale/Deed-In-Lieu/Pre-Foreclosure/Mortgage Charge-Off: >=48 Mo Forbearance, Modification, or Deferral: > 12 Mo

### State Eligibility

- Ineligible states: AK, HI, MA, MO, NY
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

### **Declining Market**

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 85% for purchase and 75% for rate/term and cash-out transactions

	General Requirements
Product Type	<ul> <li>Fixed Rate Terms: 15 &amp; 30 years; 5/6 ARM, 7/6 ARM, 10/6 ARM</li> </ul>

Interest Only • Min Credit Score: 700 • Max LTV: 80% Loan Amounts Min: 150,000 • Max: 2,500,000

Loan Purpose Purchase, Rate/Term, and Cash Out

Occupancy • Primary, Second Home, Investment

Acreage Property up to 20-acres

Cash-In-Hand • Max Cash-In-Hand: \$1,000,000 (Not applicable to Delayed Financing transactions)

• FNMA Form 1004, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. **Appraisals** 

2<sup>nd</sup> Appraisal required for loans > \$2,000,000.

# **Income Requirements**

Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE Standard Doc Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C • 12- or 24-months of personal and 2-months of business bank statements.

Personal Bank • Qualifying income is determined by total eligible deposits from 12- or 24-months of personal statements divided by the number of statements. Statements

The business bank statements must reflect business activity and transfers to the personal account.

12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: **Business Bank**  Fixed Expense Ratio (50%) Statements

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)

Ineligible • Profit & Loss Statement • Written VOE

• IRS Form 1099

Asset Utilization

	Underwriting Requirements			
Credit Score	Use representative credit score of the borrower with the highest qualifying income	Assets	Min of 30-days asset verification required; any large deposit must be sourced	
Reserves	LTV ≤ 85%: 6-months of PITIA LTV > 85%: 12-months of PITIA Loan Amount > \$1.5 M: 9-months of PITIA Cash out may be used to satisfy requirement	DTI Requirements	• Max: 43%	
Gift Funds	Min contribution: 5% primary/second home, 10% investment	Document Age	• 120-days	
			- 5	

Investment

Property

Only

Tradelines	Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity     If the primary borrower has three (3) credit scores,
	the minimum tradeline requirement is waived

**Escrows** 

Prepayment Penalty -

• Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in KS, MI, MN, NM, and RI

• 30-year total loan term, qualification based upon 20-year amortizing pmt

- Penalties not allowed on loans vested to individuals in IL and NJ
- Penalties allowed on loan amounts less than \$319,777 in PA when the property is vested in an entity Only declining prepayment penalty structures allowed in MS
- HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable)
- See Section 2.4.5 Escrow/Impounds for non-HPML loans



			Maximum LTV/CLTV	/ – Primary Residence	е		
Minimum	Maximum	Stand	ard, Bank Statement,	1000	Profit & Lo	oss Statement Only, W	ritten VOE,
Credit Score	Loan Amount	Purchase	Rate/Term	Cash-out	Purchase	Asset Utilization Rate/Term	Cash-o
	1,000,000	90	85	80	80	75	70
720	1,500,000	90	85	80	80	75	70
	2,000,000	85	85	80	80	75	70
	2,500,000	80	75	75	75	70	70
, 20	3,000,000	75	70	70	70	NA NA	NA NA
	3,500,000	70	70	NA NA	NA NA	NA	NA NA
	4,000,000	70	65	NA	NA	NA	NA
	1,000,000	90	85	80	80	75	70
	1,500,000	90	85	80	80	75	70
	2,000,000	85	85	70	80	75	70
700	2,500,000	75	75	65	75	70	65
	3,000,000	75	70	65	70	NA	NA
	3,500,000	70	65	NA	NA	NA	NA
	1,000,000	90	85	75	80	75	70
	1,500,000	85	80	75	80	75	70
680	2,000,000	80	75	70	75	70	65
	2,500,000	75	70	65	70	65	60
	3,000,000	70	65	65	NA	NA	NA
	1,000,000	80	80	75	75	70	NA
	1,500,000	80	75	75	75	70	NA
660	2,000,000	75	70	65	NA	NA	NA
	2,500,000	70	65	65	NA	NA	NA
	1,000,000	80	80	70	NA	NA	NA
640	1,500,000	70	65	65	NA	NA	NA
	2,000,000	65	NA	NA	NA	NA	NA
620	1,000,000	70	70	NA	NA	NA	NA
		Ма	ximum LTV/CLTV – S	econd Home / Invest	ment	,	
Minimum	Maximum		lard, Bank Statement,			oss Statement Only, W	ritten VOE,
Credit Score	Loan Amount	Purchase	Rate/Term	Cash-out	Purchase	Asset Utilization Rate/Term	Cash-o
	1,000,000	85	80	75	80	75	70
	1,500,000	85	80	75	80	75	70
	2,000,000	85	80	75	80	75	70
720	2,500,000	80					
			75	75	75	70	70
	3,000,000	75	75 70	75 70	75 NA	70 NA	70 NA
	3,000,000 3,500,000		_		-	ļ	
	ļ	75	70	70	NA	NA	NA
	3,500,000	75 70	70 65	70 NA	NA NA	NA NA	NA NA
	3,500,000 4,000,000	75 70 NA	70 65 NA	70 NA NA	NA NA NA	NA NA NA	NA NA NA
700	3,500,000 4,000,000 1,000,000	75 70 NA 85	70 65 NA 80	70 NA NA 75	NA NA NA 80	NA NA NA 75	NA NA NA 70
700	3,500,000 4,000,000 1,000,000 1,500,000	75 70 NA 85 85	70 65 NA 80	70 NA NA 75 75	NA NA NA 80 80	NA NA NA 75 75	NA NA NA 70 70
700	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000	75 70 NA 85 85	70 65 NA 80 80 75	70 NA NA 75 75 70	NA NA NA 80 80	NA NA NA 75 75	NA NA NA 70 70
700	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000	75 70 NA 85 85 85 75	70 65 NA 80 80 75	70 NA NA 75 75 70 65	NA NA NA 80 80 80 75	NA NA NA 75 75 75 76	NA NA NA 70 70 70 65
700	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000	75 70 NA 85 85 85 75 75	70 65 NA 80 80 75 75	70 NA NA 75 75 70 65 65	NA NA NA 80 80 80 75	NA NA NA 75 75 75 75 70 NA	NA NA NA 70 70 70 65 NA
700	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 3,500,000	75 70 NA 85 85 85 75 75 70	70 65 NA 80 80 75 75 70 65	70 NA NA 75 75 70 65 65 NA	NA NA NA 80 80 80 75 NA	NA NA NA 75 75 75 70 NA NA	NA NA NA 70 70 70 65 NA
700	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 1,000,000	75 70 NA 85 85 85 75 75 70	70 65 NA 80 80 75 75 70 65	70 NA NA NA 75 75 70 65 65 NA 75	NA NA NA 80 80 80 75 NA NA 80	NA NA NA 75 75 75 70 NA NA NA 75	NA NA NA 70 70 70 65 NA NA
	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 1,000,000 1,500,000	75 70 NA 85 85 85 75 75 70 85 85 80 75	70 65 NA 80 80 75 75 70 65 80	70 NA NA NA 75 75 70 65 65 NA 75 75	NA NA NA 80 80 80 75 NA NA 80 80	NA NA NA NA 75 75 75 70 NA NA 75 75 70 O NA NA O O O O O O O O O O O O O O O O	NA NA NA 70 70 70 65 NA NA 70 70
	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 1,000,000 1,500,000 2,000,000	75 70 NA 85 85 85 75 75 70 85 85	70 65 NA 80 80 75 75 70 65 80 80 75	70 NA NA NA 75 75 70 65 65 NA 75 75 70	NA NA NA 80 80 80 75 NA NA 80 80 75	NA NA NA NA 75 75 75 70 NA NA 75 75 70 70	NA NA NA 70 70 70 65 NA NA 70 65 65
	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 2,500,000 3,000,000 1,000,000 1,500,000 2,000,000 2,500,000	75 70 NA 85 85 85 75 75 70 85 85 80 75	70 65 NA 80 80 75 75 70 65 80 80 75 70	70 NA NA NA 75 75 70 65 65 NA 75 70 65 65 065	NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA 75	NA NA NA NA 75 75 75 70 NA NA 75 75 70 O NA NA O O O O O O O O O O O O O O O O	NA NA NA 70 70 70 65 NA NA 70 65 65 65
680	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 1,500,000 1,500,000 2,500,000 2,500,000 2,500,000 3,000,000 1,500,000 1,500,000 1,000,000 1,500,000 1,500,000	75 70 NA 85 85 85 75 70 85 87 70 85 80 80 80	70 65 NA 80 80 75 75 75 70 65 80 80 75 70 65 80 75	70 NA NA NA 75 75 70 65 65 65 NA 75 70 65 75 70 70 75 77 70 70 75 77 70 77 70 77 70 77 70 77 77 77 77 77	NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA 75 70 NA	NA NA NA NA 75 75 75 70 NA NA 75 75 70 NA NA 75 75 70 65 NA 70 70	NA NA NA 70 70 65 NA NA 70 66 NA NA
	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 3,500,000 1,500,000 2,500,000 2,500,000 3,000,000 1,500,000 1,500,000 1,000,000 1,000,000 1,000,000	75 70 NA 85 85 85 75 70 85 87 70 85 80 75 70 80	70 65 NA 80 80 75 75 75 70 65 80 80 75 70 65 80	70 NA NA NA 75 75 70 65 65 NA 75 70 65 75 77 70 75 77 75 77 77 75 77 77	NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA 75	NA NA NA NA 75 75 75 70 NA NA 75 75 70 NA NA 75 75 70 65 NA	NA NA NA 70 70 65 NA NA 70 65 NA NA NA NA NA NA
680	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 1,500,000 1,500,000 2,500,000 2,500,000 2,500,000 3,000,000 1,500,000 1,500,000 1,000,000 1,500,000 1,500,000	75 70 NA 85 85 85 75 70 85 87 70 85 80 80 80	70 65 NA 80 80 75 75 75 70 65 80 80 75 70 65 80 75	70 NA NA NA 75 75 70 65 65 65 NA 75 70 65 75 70 70 75 77 70 70 75 77 70 77 70 77 70 77 70 77 77 77 77 77	NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA 75 70 NA	NA NA NA NA 75 75 75 70 NA NA 75 75 70 NA NA 75 75 70 65 NA 70 70	NA NA NA NA 70 70 65 NA NA 70 65 NA NA NA NA NA NA
680	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 3,500,000 1,500,000 2,500,000 2,500,000 2,500,000 1,000,000 1,000,000 1,500,000 1,500,000 2,000,000 2,000,000 1,500,000 2,000,000	75 70 NA 85 85 85 75 70 85 87 70 85 87 80 80 80 75	70 65 NA 80 80 75 75 70 65 80 80 75 70 65 80 75 70 70 70 70 70 70 70 70 70 70 70 70 70	70 NA NA NA 75 75 70 65 65 NA 75 70 65 65 75 70 65 65 65 65	NA NA NA 80 80 80 75 NA NA 80 80 80 75 NA NA 75 70 NA 75 NA	NA NA NA NA 75 75 75 70 NA NA 75 75 70 NA NA 75 77 70 65 NA 70 70 NA	NA NA NA NA 70 70 70 65 NA NA 70 65 NA NA NA NA NA NA
680	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 1,000,000 1,500,000 2,500,000 3,000,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000	75 70 NA 85 85 85 75 70 85 85 80 75 70 80 80 70	70 65 NA 80 80 80 75 75 70 65 80 80 75 70 65 70 65 80 65	70 NA NA NA 75 75 70 65 65 NA 75 70 65 65 65 65 65 65 65 65 65 65 65 65	NA NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA NA NA NA NA	NA NA NA NA NA NA NA 75 75 75 70 NA NA 75 75 70 05 NA NA 70 70 NA NA NA NA NA	NA NA NA NA 70 70 70 65 NA NA 70 65 NA NA NA NA NA NA NA NA
680	3,500,000 4,000,000 1,000,000 1,500,000 2,000,000 3,000,000 1,000,000 1,500,000 2,500,000 3,000,000 1,500,000 1,500,000 2,000,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,500,000 1,000,000	75 70 NA 85 85 85 85 75 70 85 85 80 75 70 80 80 80 80 80	70 65 NA 80 80 75 75 70 65 80 80 75 70 65 80 65 80 80 75 70 65 80 80 80 80 80 80 80 80 80 80 80 80 80	70 NA NA NA 75 75 70 65 65 65 NA 75 70 65 65 65 70 65 65 65 77 70 65 65 77 70 70 70 70 70 70 70 70 70 70 70 70	NA NA NA NA 80 80 80 75 NA NA 80 80 75 NA NA NA NA NA NA NA	NA NA NA NA NA NA NA 75 75 75 70 NA NA NA 75 70 65 NA 70 70 NA NA NA NA NA	NA NA NA NA 70 70 70 65 NA NA 70 65 NA NA NA NA NA NA NA



## Prime Ascent - Standard Doc and Alt Doc, cont.

### **Property Type**

- Single Family: Attached, Detached
- 2-4 Units and Condominiums: Max LTV/CLTV 85%
- Condo Hotel: Max LTV/CLTV 85%, Max Loan Amount \$2,500,000
- Rural: Max LTV/CLTV 85% Purchase, 75% Refinance

	Housin	ng History	
Housing History:	1x30x12	0x60x12	0x90x12
Max LTV/CLTV: Purchase	See matrix above	80	70
Max LTV/CLTV: Refinance	See matrix above	75	NA
Max Loan Amt:	See matrix above	\$1,500,000	\$1,000,000
	Credit Eve	ent Seasoning	
BK/FC/SS/DIL/PreFC/MC:	>= 36 Mo	>= 24 Mo	>= 12 Mo
Max LTV/CLTV: Purchase	See matrix above	80	70
Max LTV/CLTV: Refinance	See matrix above	75	NA
Max Loan Amt:	See matrix above	\$1,500,000	\$1,000,000

Forbearance, Modification, or Deferral:  $\leq$ = 12 Mo to be treated as 0x90x12

## State Eligibility

- Consumer Purpose: Ineligible states AK, HI, MA, MO, NY
- Business Purpose: Investment occupancy only
  - o Ineligible state AK
  - Business Purpose caveats:
    - AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT: Broker required to hold a license.
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, IL, NJ, NY:
  - o Maximum LTV/CLTV limited to 85% for purchase and 80% for rate/term and cash-out transactions
  - Maximum loan amount limited to \$2.0MM

### **Declining Market**

If appraisal report identifies the property in declining market, max LTV/CLTV is limited to 85% for purchase and 80% for refinance, max loan amount limited to \$2.0MM

	General Requirements
Product Type	• Fixed Rate Terms: 15, 30, 40-years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term
Interest Only	Min Credit Score: 660     Max LTV: 90%     40-year term ARMs eligible when combined with interest only feature
Loan Amounts	• Min: 150,000 • Max: 4,000,000
Loan Purpose	Purchase, Rate/Term, and Cash Out
Occupancy	Primary, Second Home, Investment
Acreage	Property up to 20-acres max
Cash-In-Hand	Max Cash-In-Hand: Unlimited
Appraisals	<ul> <li>FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2<sup>nd</sup> appraisal obtained.</li> <li>2<sup>nd</sup> Appraisal required for loans &gt; \$2,000,000.</li> </ul>
	Income Requirements
Standard Doc	<ul> <li>Standard Doc:</li> <li>Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE</li> <li>Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&amp;L, IRS Form 4506-C</li> </ul>
Personal Bank Statements	<ul> <li>12- or 24-months of personal and 2-months of business bank statements.</li> <li>Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements.</li> <li>The business bank statements must reflect business activity and transfers to the personal account.</li> </ul>
Business Bank Statements	<ul> <li>12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:</li> <li>Fixed Expense Ratio (50%)</li> <li>Expense ratio provided by a 3<sup>rd</sup> party (CPA, EA, or tax preparer) min ratio of 10%</li> <li>3<sup>rd</sup> party prepared Profit &amp; Loss Statement (CPA, EA, or tax preparer)</li> </ul>
Profit & Loss Statement Only	<ul> <li>12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit &amp; Loss Statement Only</li> <li>CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return</li> <li>Max 1x30x12 housing</li> <li>Min 36 months credit event seasoning</li> </ul>
Written VOE	<ul> <li>FNMA Form 1005</li> <li>Max 1x30x12 housing</li> <li>Min 36 months credit event seasoning</li> </ul>
IRS Form 1099	<ul> <li>1-year or 2-years 1099</li> <li>Fixed Expense Ratio of 10%</li> <li>YTD Documentation to support continued receipt of income from same source</li> </ul>
Asset Utilization	Eligible assets divided by 84 to determine a monthly income stream     Max 1x30x12 housing     Min 36 months credit event seasoning



Prime Ascent - Standard Doc and Alt Doc, continued

	Underwriting Requirements			
Credit Score	Use representative credit score of the borrower with the highest qualifying income	Assets	Min of 30-days asset verification required; any large deposit must be sourced	
Reserves	<ul> <li>LTV &lt;= 80%: 3-months of PITIA</li> <li>LTV 80.01 to 85%: 6-months of PITIA</li> <li>LTV &gt; 85%: 12-months of PITIA</li> <li>Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>Loan Amount &gt; \$2.5M: 12-months of PITIA</li> <li>Cash out may be used to satisfy requirement</li> </ul>	DTI Requirements	Max: 50% See FTHB guidelines for DTI restrictions Primary Residence - Up to 55% allowed: Min residual income of \$3,500 Max LTV/CLTV <= 80% Standard Doc 2-years Minimum 6- months reserves First time homebuyer not eligible Min credit score: 660	
Gift Funds	Min contribution: 5% primary/second home, 10% investment	Document Age	• 120-days	
Tradelines	Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity.  If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Prepayment Penalty — Investment Only	Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in KS, MI, MN, NM, and RI Penalties not allowed on loans vested to individuals in IL & NJ Penalties allowed on loan amounts less than \$319,777 in PA when the property is vested in an entity Only declining prepayment penalty structures allowed in MS	
Escrows	<ul> <li>HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable)</li> <li>See waiver options in Section 2.4.5 – Escrow/Impounds for non-HPML and Business Purpose loans</li> </ul>			



### ITIN - Standard Doc and Alt Doc

Primary Residence	and Second Home	Maximum LTV/CLTV			
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance	
700	1,000,000	80	80	75	
700	1,500,000	80	80	75	
680	1,000,000	80	80	70	
680	1,500,000	75	75	70	
660	1,000,000	75	75	70	
000	1,500,000	70	70	65	

### **Property Type**

- Single Family: Attached, Detached
- 2-4 Units, Condominiums, Condotels: Max LTV/CLTV Purchase 75%, Refinance 70%
- Rural: Max LTV/CLTV Purchase 75% Refinance 70%

kordi: Max Erv/CErv Forchase 7576, Refindice 707	0
Housing History	Credit Event Seasoning
1x30x12	BK/FC/SS/DIL/PreFC/MC: >= 36 Mo Forbearance, Modification, or Deferral: > 12 Mo

## State Eligibility

- Ineligible states: AK, HI, MA, MO, NY
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

### **Declining Market**

	Maximum eligible LTVs do not require a market adjustment for the ITIN program.
Product Type	• Fixed Rate Terms: 15, 30; 5/6 ARM, 7/6 ARM, 10/6 ARM
Interest Only	Min Credit Score: 680
Loan Amounts	• Min: 150,000 • Max: 1,500,000
Loan Purpose	Purchase, Rate/Term, and Cash Out
Occupancy	Primary, Second Home
Acreage	Property up to 20-acres
Cash-In-Hand	• \$300,000 if LTV > 50% • \$500,000 for LTV <= 50%
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required.
	Income Requirements
Standard Doc	<ul> <li>Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOE</li> <li>Self-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&amp;L, 2-monthly bank statements, IRS Form 4506-C</li> </ul>
Personal Bank	12- or 24-months of personal and 2-months of business bank statements.  Ovalifying income is determined by total eligible deposite from the 12- or 24-months of personal statements divided by the number of statements.

Qualifying income is determined by total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements.

**Statements** The business bank statements must reflect business activity and transfers to the personal account.

• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: Fixed Expense Ratio (50%)

o Expense ratio provided by a 3<sup>rd</sup> party (CPA, EA, or tax preparer) min ratio of 10% Statements o 3<sup>rd</sup> party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

> • YTD Documentation to support continued • 1-year or 2-years 1099 • Fixed Expense Ratio of 10% receipt of income from same source

• FNMA Form 1005 Written VOE

**Business Bank** 

IRS Form 1099

Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements

• Minimum credit score 680

### **Underwriting Requirements**

	• Copy of unexpired government-issued ID (e.g., passport, Matricula Consular, U.S. State-issued ID), and		
Documentation	Copy of ITIN card or letter from IRS assigning the ITIN number to the borrower		
Requirements	Proof ITIN was assigned to the borrower prior to application		
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	<ul> <li>IRS form W/ is not acceptable evidence if the I</li> </ul>	IIN letter is not provide	ed, or if the IIIN lefter submiffed is not legible
Credit Score	Use credit score of the borrower with the highest qualifying income Middle of 3 scores or lower of 2	DTI Requirements	Max: 50%     See FTHB guidelines for DTI restrictions
Assets	Min of 30-days asset verification required; any large deposit must be sourced	Reserves	<ul> <li>6-months of PITIA if LTV = 80%</li> <li>3-months of PITIA if LTV &lt; 80%</li> <li>Cash out may be used to satisfy requirement</li> </ul>
Gift Funds	• 100% gift allowed	Document Age	• 120-days
Tradelines	Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity or 1 mortgage/installment/revolving reporting 36-months with activity in last 6 months		

If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived

• Non-traditional credit not eligible

• HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) **Escrows** • See waiver options in Section 2.4.5 – Escrow/Impounds for non-HPML



## Investor Solutions - DSCR

	Si	ingle Investment Property		
Maximur	n LTV/CLTV	>= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
	1,000,000	80	75	75
	1,500,000	80	75	75
700	2,000,000	80	75	70
	3,000,000	70	65	65
	3,500,000	70	65	NA
	1,000,000	75	75	70
	1,500,000	75	75	70
660	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	NA	NA
	1,000,000	75	75	NA
640	1,500,000	65	65	NA
040	2,000,000	65	NA	NA
	3,000,000	60	NA	NA
Maximum LTV/CLTV			< 1.00	
	1,000,000	75	70	70
	1,500,000	75	70	70
700	2,000,000	70	70	65
	2,500,000	65	NA	NA
	3,000,000	60	NA	NA
	1,000,000	70	70	65
680	1,500,000	70	70	65
080	2,000,000	65	60	60
	3,000,000	60	NA	NA
660	1,000,000	65	NA	NA

• Single Family: Attached, Detached

- Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance 65%, Max Ioan \$1.5MM
- $\bullet~$  2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%
- Rural: Max LTV/CLTV 75% Purchase, 70% Refinance

Housing History	Credit Event Seasoning	Investor Experience	
• 1x30x12 – No reduction	BK/FC/SS/DIL/PreFC/MC:	<b>Experienced Investor:</b> Borrower/guarantor must have a history of owning and managing	
• 0x60x12 - Max 70% LTV	<ul> <li>&gt;=36 Mo – No reduction</li> </ul>	commercial or non-owner occupied residential real estate for at least 1 year in last 3 years.	
Purchase & Max 65% LTV	<ul> <li>&gt;=24 Mo – Max 75% LTV</li> </ul>	First Time Investor: A borrower/guarantor that is purchasing an investment property for	
Rate/Term & Cash-out	Purchase & Max 70% LTV	the first time, meaning they have not previously owned a property intended for rental	
,	Rate/Term & Cash-out	income, resale, or other investment purposes.	
		<ul> <li>First time investors eligible subject to the following restrictions:</li> </ul>	
		<ul> <li>First-time homebuyer not allowed</li> </ul>	
	Forbearance, Modification, or	<ul> <li>Min credit score: 700</li> </ul>	
	Deferral: > 12 Mo	<ul> <li>&gt;= 36 Mo seasoning from any credit event</li> </ul>	
		1-Unit only	
		<ul><li>DSCR &gt; 1.00</li></ul>	
		Must own a primary residence	
		First Time Homebuyer: Not eligible except as allowed in Wholesale Broker Guide	
All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%. Not applicable		ant or unleased property is allowed subject to max LTV of 70%. Not applicable for short-term	
Unleased Properties	rentals, see short-term rental income s	ection for specific criteria.	
State Eligibility			

- Ineligible states: AK
- IL, NY: 2-4 Units not eligible
- DSCR Business Purpose caveats:

  O AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT: Broker required to hold a license.
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, IL, NJ, NY:
  - Maximum LTV/CLTV limited to 75% for purchase and 70% for rate/term and cash-out transactions, maximum loan amount limited to \$2.0MM

# **Declining Market**

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 75% for purchase and 70% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.

and the maximom to	and the maximon four amounts infinited to \$2.0707.				
	General Requirements				
Product Type	• Fixed Rate Terms: 15, 30, 40-years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 3	30-year term			
Interest Only (IO)	Min Credit Score: 680     Max LTV: 75% all transactions	40-year term ARMs eligible with IO feature			
Loan Amounts	• Min: 100,000 • Max: 3,500,000				
Loan Amt < 150K	Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)				
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Occupancy	Investment				
Acreage	Property up to 5-acres				



May Cash In Ham	DSCR, continued  • Total equity withdrawn cannot exceed these limits (Not
Max Cash-In-Hand	applicable to Delayed Financing transactions)
Appraisals	<ul> <li>FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2<sup>nd</sup> appraisal obtained.</li> <li>2<sup>nd</sup> Appraisal required for loans &gt; \$2,000,000.</li> </ul>
	Income Requirements
	Long-Term Rental Documentation and DSCR Calculation
	<ul> <li>Purchase Transactions:         <ul> <li>Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually.</li> <li>If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> <li>A vacant or unleased property is allowed without LTV restriction.</li> <li>On this subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</li> </ul> </li> <li>Refinance Transactions:         <ul> <li>Required documentation:</li> <li>Original appraisal report reflecting tenant-occupied, and</li> <li>FNMA Form 1007 or 1025 reflecting long-term market rents, and</li> <li>Executed lease agreement</li> <li>Leases that have converted to month-to-month are allowed.</li> <li>If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or per DSCR/FICO/Loan balance matrix.</li> <li>A vacant property as indicated on the appraisal is allowed subject to the following:</li></ul></li></ul>
Income	<ul> <li>Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</li> <li>DSCR Calculation:         <ul> <li>Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property.</li> <li>PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR</li> </ul> </li> <li>Short Town Postal (o.g., Airhob, VPRO, ElipKov) Decumportation and DSCR Calculation.</li> </ul>
	Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.
	<ul> <li>Short-Term Rental Income – Purchase and Refinance Transactions:</li> <li>LTV is lesser of 75% for purchase and 70% for refinance, or LTV based upon the DSCR/FICO/Loan balance. (Excludes condotels)</li> <li>DSCR Calculation:</li> </ul>
	<ul> <li>Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>Gross rents reduced by 10% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 10% expense factor. If actual expenses are less than 10%, a minimum 10% expense factor is required to be utilized. If actual expense exceeds 10%, the actual expense factor should be used.</li> <li>PITIA: (Gross Rents * .90) divided by PITIA = DSCR, ITIA: (Gross Rents * .90) divided by ITIA = DSCR</li> <li>When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.</li> </ul>
	Any of the following methods may be used to determine gross monthly rental income:
	<ul> <li>Short-term rental (STR) analysis form may be used, analysis to include the following:</li> <li>Provide the source of the data used to complete the STR analysis.</li> </ul>
	<ul> <li>Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.</li> </ul>
	<ul> <li>Include daily rental rate and occupancy percentage.</li> </ul>
	<ul> <li>Factor seasonality and vacancy into the analysis.</li> </ul>
	<ul> <li>Must be completed by a licensed appraiser.</li> <li>The most recent 12-month rental history statement from the 3<sup>rd</sup> party rental/management service.</li> </ul>
	The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management
	fees. The qualifying income must be net of all vendor or management fees.
	<ul> <li>The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.</li> </ul>
	<ul> <li>AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data, must meet the following:</li> </ul>
	<ul> <li>Rentalizer (Property Earning Potential Report)</li> </ul>
	Allowed for purchase and refinance transactions Gross route agual revenue projection from the Property Earning Potential Pepart less 10% extraordingry expense factor.
	<ul> <li>Gross rents equal revenue projection from the Property Earning Potential Report less 10% extraordinary expense factor</li> <li>Forecast period must cover 12-months and dated 90-days within the Note date</li> </ul>
	<ul> <li>Maximum occupancy limited to 2 individuals per bedroom</li> <li>Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy</li> </ul>
	<ul> <li>Must have filtee (3) comparable properties similar in size, room coom, amenines, availability, and occupancy</li> <li>Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report.</li> </ul>



Investor Solutions - DSCR, continued

Credit Score borre representation of the	representative credit score of the ower/guarantor with the highest esentative score.  of 30-days asset verification required	Tradelines Reserves	If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived     Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity     2-months of PITIA     Loan Amount > \$1.5M: 6-months of PITIA
	of 30-days asset verification required	Reserves	
Gift Funds • 100°			<ul> <li>Loan Amount &gt; \$2.5M: 12-months of PITIA</li> <li>Cash out may be used to satisfy requirement</li> </ul>
	% Gift funds allowed	Document Age	• 120-days
Prepayment OF Penalty - OF Investment Property	Acceptable Structures include the following: Fixed percentage of no less than 3% 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%)		<ul> <li>Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>Penalties not allowed in KS, MI, MN, NM, and RI</li> <li>Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>Penalties allowed on loan amounts less than \$319,777 in PA wher the property is vested in an entity</li> <li>Only declining prepayment penalty structures allowed in MS</li> </ul>



• Vacant commercial space not allowed.

	DSCR (5-8 Units or 2-8 Mixed	Single Investment Property			
		5 – 8 Residential Units and 2 – 8 M			
	Maximum LTV/CLTV		>= 1.00		
Minimum Credit	Score Maximum Loan Am	ount Purchase	Rate/Term Refinance	Cash-Out Refinance	
700	1,500,000	75	70	65	
700	2,000,000	70	65	65	
Housing Hist	ory Credit Event Season	ing	Investor Experience		
0x30x12	BK/FC/SS/DIL/PreFC/N  • >=36 Mo – Any events  Forbearance, Modification  Deferral: > 12 Mo	ent commercial or non-owner occ			
		Unleased Units			
Maximum	n: 1 vacant unit on 2-3 Unit property. 2	2 vacancies on 4+ Units • Va	cant unit(s) qualify at 75% of market	rent	
		State Restrictions			
<ul> <li>State Over</li> <li>O</li> <li>Ineligible Id</li> <li>DSCR Busine</li> </ul>	tates: IL, NY lays for CT, NJ: Purchase Transactions: Max LTV/CLTV Refinance Transactions: Max LTV/CLT ocations: Puerto Rico, Guam, & the US ess Purpose caveats: AZ/CA/ID/KS/MN/ND/NV/OR/SD/	V 65%, min credit score 720 Virgin Islands	ultifamily and 2-8 mixed use propert	v tynes.	
	Maximum engible E1 v3 do not rec	General Requirements	omitaminy and 2-0 mixed use propert	7 17 PC3.	
D	F: 15 7 15 20	· · · · · · · · · · · · · · · · · · ·			
Product Type		5/6 ARM, 7/6 ARM, 10/6 ARM. Maxii	mum loan term cannot exceed 30-yea	irs.	
nterest Only	Eligible				
oan Amounts	• Min: 400,000 • Max: 2,000,000				
.oan Purpose	Purchase, Rate/Term, and Cash Out				
Cash-In-Hand	Max cash-in-hand \$1,000,000				
Occupancy	Investment				
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien				
Eligibility Restrictions	Citizens and individuals from OFAC sanctioned countries are not eligible				
Property Type	Residential 5 — 8 Units  Mixed use 2 — 8 Units  Commercial usage limited to Retail/Office/Restaurant  2-3 Units: Max 1 commercial Unit  4-5 Units: Max 2 commercial Units  6-8 Units: Max 3 commercial Units  Commercial space must not exceed 49.99% of the total building area  Rural: Not eligible				
Acreage	Property up to 2-acres, not meeti	ing the rural definition, eligible			
Appraisals	A full interior inspection with photos is required for all units.  5-8 Residential  FHLMC 71A, FHLMC 71B, FNMA 1050 or similar short form used to appraise 5+ residential properties, or  Narrative report can be utilized but not required.  2-8 Mixed Use  General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)  The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports:  Rent Roll  Income and Expense Statement  Photos of subject including exterior/interior and street scene  Aerial photo  Sketch or floor plan of typical units  Map  Appraiser qualifications  Review Product — A commercial BPO or second appraisal.				
roperty Condition	<ul> <li>In Pennsylvania and North</li> <li>No fair or poor ratings</li> <li>No environmental issues (Storage</li> <li>No health or safety issues (As not</li> <li>No excessive deferred maintena</li> <li>No structural deferred maintena</li> </ul>	carolina, a commercial evaluation processor or use of hazardous material i.e., Dry ted by appraiser, i.e., broken windows, note that could become a health or safet note, (i.e., Foundation, roof, electrical, plu restaurant, or office space. Residential	Cleaners, Laundromat) stairs) ty issue for tenants umbing)	PO.	
Nixed Use	Vacant commercial space not all		Commercial zoning acceptable.		



# Investor Solutions - DSCR (5-8 Units or 2-8 Mixed Use), continued

	Inc	come Requirements	
Income	<ul> <li>Leased – Use lower of Estimated market rent or lease agreement.</li> <li>Short-Term Rental Income not eligible</li> <li>Vacant Unit(s) – Use 75% of market rents. <ul> <li>Max: 1 vacant unit on 2-3 Unit property: 2 vacancies on 4+ Units.</li> <li>Vacant residential units must be actively marketed for rent. Provide screenshot of listing or other documentation.</li> <li>Vacant commercial space not allowed.</li> </ul> </li> <li>Reduce qualifying rents by any management fee reflected on appraisal report.</li> <li>2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income</li> </ul>		
DSCR	<ul> <li>Minimum DSCR &gt;= 1.00</li> <li>DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment).</li> <li>Reduce qualifying rents by any management fee reflected on the appraisal report</li> </ul>		
	Unde	erwriting Requirements	
Credit Score	Use representative credit score of the borrower/guarantor with the highest representative score.	Tradelines	<ul> <li>Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity</li> <li>For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).</li> </ul>
Assets	Min of 30-days asset verification required	Reserves	6-months of PITIA     Loan Amount > \$1.5M: 9-months of PITIA     Loan Amount > \$2.5M: 12-months of PITIA     Cash out may not be used to satisfy requirement
Gift Funds	Not eligible	Document Age	• 120-days
Prepayment Penalty	Acceptable structures include the following:     Fixed percentage of no less than 3%     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-Years eligible, see rate sheet Penalties not allowed on loans vested to individuals in IL and NJ Penalties allowed on loan amounts less than \$319,777 in PA when the property is vested in an entity Only declining prepayment penalty structures allowed in MS
Escrows	• Escrows may be waived, see Section 2.4.5 – Escr	ow/Impounds for requi	rements



### Foreign National - Investment Property Only

Maximum LTV/CLTV				DSCR (Investment Only)	
DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
		1,000,000	75	75	70
	680	1,500,000	75	75	65
	000	2,000,000	70	70	60
>=1.00		2,500,000	65	NA	NA
>-1.00		1,000,000	75	75	70
	No Credit Score	1,500,000	75	75	65
		2,000,000	70	70	60
		2,500,000	65	NA	NA
		1,000,000	70	70	65
	680	1,500,000	65	65	65
<1.00		2,000,000	60	60	60
<1.00		1,000,000	70	70	65
	No Credit Score	1,500,000	65	65	65
		2,000,000	60	60	60

### **Property Type**

- Single Family: Attached, Detached
- 2-4 Units and Condominiums: Max LTV/CLTV Purchase 70%, Refinance 65%
- Condo Hotel: Max LTV/CLTV Purchase 70%, Refinance 65%
- Rural: Not Eligible

Income

Housing History	Credit Event Seasoning	First Time Investor	Unleased Properties
0x30x12, if documented	BK/FC/SS/DIL/PreFC/MC: >= 36 Mo Forbearance, Modification, or Deferral: > 12 Mo	Allowed	Refinance: LTV reduction not required

### **State Restrictions**

- Consumer Purpose: Ineligible states AK, HI, MA, MO, NY
- DSCR Ineligible States: AK
- IL, NY: 2-4 Units not eligible
- DSCR Business Purpose caveats:
  - AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT: Broker required to hold a license.
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

#### **Declining Markets and State Overlays** Maximum eligible LTVs do not require a market adjustment for the Foreign National program. **General Requirements Product Type** • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term • Fixed Rate Terms: 15, 30, 40-years Interest Only 40-year term ARMs eligible when combined with interest only feature • Eligible Loan Amounts • Min: 150,000 Max: 2,500,000 Loan Purpose • Purchase, Rate/Term, and Cash Out Investment for all eligible foreign citizens Occupancy 2<sup>nd</sup> Home for Canadian citizens (see guide for criteria) **Eligible Borrowers** • Foreign Nationals Citizens and individuals from OFAC sanctioned countries are not eligible • Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one Eligibility of the following Affidavits published by the Florida Land Title Association: Restrictions Conveyances to Foreign Entities – By Individual Buyer Conveyances to Foreign Entities - By Entity Buyer Acreage · Property up to 2-acres, not meeting the rural definition, eligible Cash-In-Hand • \$300,000 if LTV > 50% • \$500,000 for LTV <= 50% • Total equity withdrawn cannot exceed above limits • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. **Appraisals** 2<sup>nd</sup> Appraisal required for loans > \$2,000,000

### Income Requirements

# Long-Term Rental Documentation and DSCR Calculation

- Purchase Transactions:
  - o Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.
  - If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually.
    - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
    - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
    - If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.
  - o A vacant or unleased property is allowed without LTV restriction.
  - Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.



### Foreign National - Investment Property Only, continued

### • Refinance Transactions:

- Required documentation:
  - · Original appraisal report reflecting tenant-occupied, and
  - FNMA Form 1007 or 1025 reflecting long-term market rents, and
  - Executed lease agreement
    - Leases that have converted to month-to-month are allowed.
- Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.
  - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
  - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
  - If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.
- o A vacant or unleased property is allowed, LTV reduction not required.
- o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

#### • DSCR Calculation:

- Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property. See this matrix for required Debt Service Coverage Ratios.
- PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR

### Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation

Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.

### • Short-Term Rental Income - Purchase and Refinance Transactions:

- LTV is lesser of 70% for a purchase and 65% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects).
- DSCR Calculation:
  - Monthly gross rents based upon a 12-month average to account for seasonality required.
  - Gross rents reduced by 10% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 10% expense factor. If actual expenses are less than 10%, a minimum 10% expense factor is required to be utilized. If actual expense exceeds 10%, the actual expense factor should be used.
  - PITIA: (Gross Rents \* .90) divided by PITIA = DSCR, ITIA: (Gross Rents \* .90) divided by ITIA = DSCR
- When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
- Any of the following methods may be used to determine gross monthly rental income:
  - O Short-term rental (STR) analysis form may be used, analysis to include the following:
    - Provide the source of the data used to complete the STR analysis.
    - Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.
    - Include daily rental rate and occupancy percentage.
    - Factor seasonality and vacancy into the analysis.
    - Must be completed by a licensed appraiser.
    - The most recent 12-month rental history statement from the 3<sup>rd</sup> 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 must be net of all vendor or management fees.
  - The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits.
    - Borrower/guarantor must provide rental records for the subject property to support monthly deposits.
  - AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental Data, must meet the following requirements:
    - Rentalizer (Property Earning Potential Report)
      - Only allowed for purchase and refinance transactions
      - Gross rents equal the revenue projection from the Property Earning Potential Report less the 10% extraordinary expense factor
      - Forecast period must cover 12-months and dated 90-days within the Note date
      - Maximum occupancy limited to 2 individuals per bedroom
      - Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy
      - Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report

	Under	rwriting Requirements	
Credit Score	<ul> <li>If score available, use representative credit score of the borrower/guarantor with the highest representative score.</li> </ul>	DTI Requirements	(DSCR – no DTI component)
Assets	<ul> <li>Min of 30-days asset verification</li> <li>Large deposits only need to be sourced for 2<sup>nd</sup></li> <li>Home for Canadian citizen</li> </ul>	Reserves	6-months of PITIA     Cash out may be used to satisfy requirement
Gift Funds	100% Gift funds allowed	Document Age	• 120-days
Tradelines	Tradelines not required, if borrower has U.S. credit score see section 2.5.12 of the Wholesale Broker Guide	Prepayment Penalty - Investment Property Only	<ul> <li>Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>Penalties not allowed in KS, MI, MN, NM, and RI</li> <li>Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>Penalties allowed on loan amounts less than \$319,777 in PA when the property is vested in an entity</li> <li>Only declining prepayment penalty structures allowed in MS</li> </ul>
Escrows	• Escrows may be waived, see Section 2.4.5 – Escrow/Impounds for requirements		



# <u>Closed End Second – Standard and Alt Doc</u>

Maximum CLTV — Standard Doc								
Loan Amount Credit Score Primary Residence Second Home Investment								
	740	90	80	75				
\$350,000	700	85	80	65				
	680	75	<i>75</i>	NA				
\$500,000	740	85	75	75				
	700	85	75	65				
	680	75	70	NA				

Maximum CLTV - Alf Doc							
Loan Amount	Credit Score	Primary Residence	Second Home	Investment			
	740	85	75	70			
\$350,000	700	80	70	60			
	680	75	65	NA			
	740	80	70	65			
\$500,000	700	75	65	60			
	680	70	60	NA			

### **Property Type**

- Single Family (Attached, Detached, PUD)
- 2-4 Unit residential properties (Max CLTV 75%)
- Condominiums (Max CLTV 80%)
  - Rural: Not eligible

Housing History	Credit Event Seasoning	Forbearance, Modification, or Deferral	First Time Home Buyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 48 Mo	> 12 Mo	Not Allowed

- State Eligibility
- Consumer Purpose: Ineligible states AK, HI, MA, MO, NY, TX
- Business Purpose: Investment occupancy only
  - o Ineligible states: AK, TX
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, IL, NJ:
  - $\circ\quad$  Single Family, Condominiums: Max CLTV 80%, min credit score 720
  - o 2-4 Units: Max CLTV 75%, min credit score 720

### Declining Market

If the appraisal report identifies the property in a declining market, the maximum CLTV is limited to 80% for all transactions.

	General Requirements
Product and Term	Fixed Rate - Fully amortizing terms of 10, 15, 20, 25 & 30 years
Loan Amounts	• Min: \$75,000 • Max: \$500,000
Combined Loan Balance	The CLTV of the combined loan balances are restricted as follows: Combined loan balance > \$2,000,000 – maximum 80% CLTV Combined loan balance > \$3,000,000 – maximum 75% CLTV  Maximum combined loan balance for all liens not to exceed \$4,000,000
Loan Purpose	<ul> <li>Stand-Alone Cash Out (minimum ownership of 6 months required)</li> <li>Simultaneous Purchase, First Lien must be an Agency-eligible loan</li> </ul>
Occupancy	Primary, Second Home, Investment
Cash-Out	Max cash-out: \$500,000
Eligible Borrower	U.S. Citizen     Permanent Resident Alien     Non-Permanent Resident Alien: Max 80% CLTV
Ineligible Loan Features	<ul> <li>Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible.</li> <li>Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date.</li> <li>Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.</li> <li>All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of the Wholesale Broker Guide.         <ul> <li>All Solar Panel loans and leases with PACE/HERO financing must be paid off.</li> </ul> </li> </ul>
	Income Requirements
Standard Doc	<ul> <li>Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE</li> <li>Self-Employed: 1-year or 2-years of Personal and Business (If applicable) Tax Returns, YTD P&amp;L, IRS Form 4506-C</li> </ul>
Personal Bank Statements	<ul> <li>12- or 24-months of personal and 2-months of business bank statements</li> <li>Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements</li> <li>The business bank statements must reflect business activity and transfers to the personal account</li> </ul>
Business Bank Statements	<ul> <li>12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:</li> <li>Fixed Expense Ratio (50%)</li> <li>Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) with min ratio of 10%</li> <li>3rd party prepared Profit &amp; Loss Statement (CPA, EA, or tax preparer)</li> </ul>
IRS Form 1099	<ul> <li>1-year or 2-years 1099</li> <li>Fixed Expense Ratio of 10%</li> <li>YTD documentation to support continued receipt of income</li> </ul>
Written VOE	<ul> <li>FNMA Form 1005</li> <li>Max CLTV 80%</li> </ul>



#### Closed End Second - Standard and Alt Doc. continued

<u>Closed End Second – Stand</u>	dard and Alt Doc, continued
	Income Requirements, Continued
	• Final AUS findings must be included in the loanfile
	o Fannie Mae: DU Approve/Eligible, or
Desktop Underwriter (DU)	Freddie Mac: LPA Accept/Eligible     Ineligible, Caution, or Refer with Caution not allowed
or Loan Product Advisor	For simultaneous purchase transactions only
(LPA)	Findings permitted to be used for income, asset, and liability documentation
	Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible)
	Max DTI based upon CLTV restrictions for this program. See DTI section.
	Underwriting Requirements
Eligibility Criteria	For criteria that is not referenced in this matrix, follow the Closed End Second chapter in the Wholesale Broker Guide
,	First lien documentation requirements, all of the following apply:
	o Copy of 1st lien Note
	■ Default interest rate on Note cannot exceed Note rate
	<ul> <li>If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements)</li> </ul>
	Copy of most recent monthly mortgage payment statement
	<ul> <li>Utilized to determine if payment includes escrows (See DTI Requirements)</li> </ul>
First Lien	<ul> <li>Ineligible First liens with high-risk features which can include, but are not limited to:</li> <li>Forbearance, modifications, or deferrals completed or reinstated within 12- months of the Note date</li> </ul>
	Loans in active forbearance or deferment
	Negative amortization including loans with Paid-In-Kind (PIK) features
	<ul> <li>Balloon, if the balloon payment becomes due during the amortization period of the new 2<sup>nd</sup> lien</li> </ul>
	Reverse Mortgages
	<ul> <li>Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages</li> <li>Home Equity Line of Credit</li> </ul>
	Note with default interest rate greater than the Note rate
	Credit report
	Gap credit report or Undisclosed Debt Monitoring (UDM)
Credit and Fraud	Fraud report
	OFAC
Qualifying Credit Score	Use representative credit score of the borrower with the highest qualifying income
	Verify the 1 <sup>st</sup> lien P&I payment with all of the following:
First Lien Payment Verification	o Copy of 1st lien Note, and
Vernication	Copy of most recent monthly mortgage payment statement
Tradelines	Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity
	If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Reserves	None required
Assets	Asset verification required if funds needed to consummate the transaction
	Maximum DTI ratio:     FOO( DTI ( CUT)   1   1   000 / 1   00
	<ul> <li>50% DTI for CLTV less than or equal to 80%</li> <li>45% DTI for CLTV greater than 80%</li> </ul>
	Qualifying payment for first lien:
DTI Requirements	Stand-alone: Utilize senior lien mortgage payment from credit report
	o Simultaneous: Utilize 1st lien qualifying method
	■ Fixed rate: Note rate amortized over the total term
	ARMs: Qualifying rate is the higher of the fully indexed rate or note rate
	Interest Only (Fixed/ARM): Qualifying rate amortized over remaining term after expiration of the interest only period
Age of Documents	Credit Documents: May not be over 120-days old at the time of closing.      Appreciate Title Papert (or 0.85) May not be over 120 days old at time of closing.
Age of Docoments	<ul> <li>Appraisals, Title Report (or O&amp;E): May not be over 120-days old at time of closing.</li> <li>AVM may not be over 90- days old at time of closing.</li> </ul>
	Appraisal Requirements
	HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of loan balance.
	Any simultaneous transaction requires a full appraisal.
	Transferred appraisals are eligible.
	Primary valuation and secondary valuation are required for all loan files.
	Primary Valuation - Loan Amount <=\$250,000
	Provide one of the following:
	AVM from approved vendor with an acceptable FSD score <u>and</u> a new Property Condition Report with acceptable findings
	<ul> <li>AVM may not be more than 90 days old at closing (date the Note is signed)</li> </ul>
Appraisals	Exterior Drive-By appraisal (Hybrid or 2055 or 1075)
, that areas	o Only allowed for one (1) unit property, with or without an accessory dwelling unit
	• New Appraisal (FNMA Form 1004/1025/1073)
	Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to:      The leader on the prior appraisal must be able arms on the subject loan, and
	<ul> <li>The lender on the prior appraisal must be the same as the subject loan, and</li> <li>A new Property Condition Report with acceptable findings, and</li> </ul>
	Recertification of value by the original appraiser.
	Real Estate Broker Price Opinion (BPO) from one of the following:
	O Clear Capital, or
	Consolidated Analytics, or
	<ul> <li>Nationwide Appraisal Network (NAN)</li> </ul>



	lard and Alt Doc, continued				
	Primary Valuation - Loan Amount >\$250,000				
	Provide one of the following:				
	<ul> <li>New Appraisal (FNMA Form 1004/1025/1073)</li> </ul>				
	Prior 1st lien appraisal dated within 12- months of su	· · · · · · · · · · · · · · · · · · ·			
	<ul> <li>The lender on the prior appraisal must be the sa</li> <li>A new Property Condition Report with acceptable</li> </ul>	• •			
	Recertification of value by the original appraise	• • •			
	AVM from approved vendor with an acceptable				
	<ul> <li>AVM may not be more than 90 days old at</li> </ul>	closing (date the Note is signed)			
	<ul> <li>The lower of the Prior Appraisal value or the</li> </ul>	e current AVM will be used to determine CLTV			
	Consider Volument Book of				
	Secondary Valuation Product Secondary valuation (review product) required in every	file through one of the following:			
	Acceptable review products include one of the follow	-			
	_ · · · · · · · · · · · · · · · · · · ·	ible score is 2.5 or less. The file must include a copy of the Submission			
	1	the file must include either an enhanced desk review, field review, or second			
	appraisal; or				
Appraisals,	An enhanced desk review product from one of the state of the stat				
continued	ARR from Stewart Valuation Intelligence FKA	A Pro Teck.			
I	<ul><li>CDA from Clear Capital.</li><li>CCA from Consolidated Analytics.</li></ul>				
	•	ects a value more than 10% below the appraised value or cannot provide a			
		iew or a second appraisal. A field review or a second appraisal is			
	1	praiser or appraisal company as the original report.			
	AVM from an approved vendor with an acceptable FSD score.				
	<ul> <li>AVM may not be more than 90 days old at closing (date the Note is signed).</li> </ul>				
	If primary valuation is based on an AVM, review must be from a different vendor.  The state of				
	If two AVMs are ordered, the AVM with the higher FSD score (closest to zero) will be treated as the primary valuation product.				
	o The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%.				
	If the second AVM does not support the primary AVM within 10%, the file must include either a BPO, exterior-only				
	appraisal, or full appraisal.				
	<ul> <li>If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV.</li> </ul>				
	Real Estate Broker Price Opinion (BPO)  - If the BRO in the B				
	<ul> <li>If two BPOs are ordered, the BPO with the lowest value will be treated as the primary valuation product.</li> <li>If two BPOs are ordered, they must be completed by different real estate brokers.</li> </ul>				
	The following AVM vendors are acceptable:				
	AVM Vendor	Acceptable FSD Score			
AVM and FSD Score	Clear Capital	0.00 to 0.13			
	Collateral Analytics	0.00 to 0.10			
	·				
Property Condition Report	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 r	ating of the property's physical condition and characteristics.			
Recently Listed Properties	exterior photo of the subject property along with a r     Properties currently listed for sale or previously listed.	ating of the property's physical condition and characteristics.			
Recently Listed Properties	Properties currently listed for sale or previously listed	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
Recently Listed Properties	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
Recently Listed Properties	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow      Owner and Encumbrance Report (O&E) to include:	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
Recently Listed Properties	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
Recently Listed Properties	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include: Current Grantee / Owner How property was conveyed to current owner	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
Recently Listed Properties	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner  How property was conveyed to current owner  Liens (e.g., mortgage, UCC, other financing)	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include: Current Grantee / Owner How property was conveyed to current owner Liens (e.g., mortgage, UCC, other financing) Involuntary liens and judgements	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing			
Recently Listed Properties  Title Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner  How property was conveyed to current owner  Liens (e.g., mortgage, UCC, other financing)  Involuntary liens and judgements	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include: 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	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing  I taxes including special assessments  Loan Policy			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing  I taxes including special assessments  Loan Policy			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  ing  I taxes including special assessments  Loan Policy			
	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include: 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 al Legal Description  ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the followin	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy			
Title Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include: 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 Legal Description  ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the following  ALTA Full Title Policy	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy			
Title Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follows: Owner and Encumbrance Report (O&E) to include: 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 al Legal Description ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junion  ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junion  ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junion	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy  Loan Policy			
Title Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Short Form Residential Limited Coverage Junion  Flood determination required for every loan file  Properties within a flood zone require evidence of in	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy  Loan Policy			
Title Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Short Form Residential Limited Coverage Junion  Flood determination required for every loan file  Properties within a flood zone require evidence of in	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy  Guarance coverage in accordance with the HFIAA additional insured: VRL, LLC C/O Shellpoint Servicing			
Title Insurance  Flood Certificate and Flood Insurance	Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the follow  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junion  ALTA Short Form Residential Limited Coverage Junion  Flood determination required for every loan file  Properties within a flood zone require evidence of in Course Loss payee clause must reflect the following as continuous.	ating of the property's physical condition and characteristics.  If for sale within the past 6-months are not eligible  Ing  I taxes including special assessments  Loan Policy  Guarantee coverage in accordance with the HFIAA additional insured: VRL, LLC C/O Shellpoint Servicing  r second lien programs			



### Home Equity Line of Credit (HELOC) - Standard and Alt Doc

Maximum CLTV — Standard Doc						
Loan Amount	Credit Score	Primary Residence	Second Home	Investment		
	740	90	75	70		
\$250,000	700	85	75	65		
	680	75	75	NA		
	740	85	75	65		
\$350,000	700	85	75	65		
	680	75	70	NA		
	740	75	75	NA		
\$500,000	700	75	70	NA		
	680	75	65	NA		

#### Maximum CLTV - Alt Doc Credit Score **Primary Residence** Second Home Loan Amount Investment 740 80 70 75 \$250,000 700 75 70 65 740 75 65 75 \$350,000 700 75 70 65 75 740 70 NA \$500,000 700 70 65 NA

### **Property Type**

- Single Family (Attached, Detached, PUD)
- 2-4 Unit Residential (Max CLTV 80%)
- FNMA Warrantable Condo (Max CLTV 80%)
- Rural: Not eligible

Housing History	Credit Event Seasoning	Forbearance, Modification, or Deferral	First Time Home Buyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 84 Mo Multiple Derogatory Events: >= 84 Mo	> 12 Mo	Not Applicable

### **State Eligibility**

- Ineligible states AK, HI, MA, MO, NY, TX
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, FL, IL, NJ: Max CLTV 80%, min credit score 720
- TN: Maximum total loan term is 15 years

### **Declining Market**

#### If the appraisal report identifies the property in a declining market, the maximum CLTV is limited to 80% for all transactions. **General Requirements** • Variable Rate - Terms of 15, 20, 25 & 30 years o Index: Prime as published in the Wall Street Journal (daily) O Margin: See Rate Sheet o Floor Rate: 4.0 o Maximum Rate: 18% o Daily Periodic Interest Rate: Index plus Margin **Product and Term** o 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. • Draw Period: 2 year, 3 year, or 5 year Minimum Payment: o Draw Period: Interest only calculation, greater of accrued interest or \$100 o Repayment Period: Amortizing principal and interest payment based upon the total line amount, repayment term, current rate (Index plus Margin) • Initial Advance: Minimum 50% of total line amount Minimum Advance: \$1,000.00 Advances Maximum Advance: Line amount $Lock-out\ Period:\ Advances\ not\ available\ for\ a\ period\ of\ 90-days\ after\ closing\ to\ allow\ for\ servicing\ transfer$ Ineligible loans include State High Cost and HOEPA Responsible Lending • Points/Fees not to exceed 5% • Min: \$75,000 Loan Amounts Max: \$500,000 Combined Loan to Value • Total line amount of the HELOC combined with the total outstanding balance of the first lien are used for the CLTV ratio (CLTV) **Combined Loan Balance** • Total line amount of the HELOC combined with the total outstanding balance of the first lien not to exceed \$2,000,000 Loan Purpose • Stand-Alone Cash Out (minimum ownership of 12 months required) Occupancy • Primary, Second Home, Investment Cash-Out • Max cash-out: \$500,000 U.S. Citizen **Eligible Borrower** • Permanent Resident Alien • 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. Ineligible Loan **Features**

• Frequent Refinances - Two (2) or more cash-out refinances in the past twelve (12) months.

• All existing subordinate liens must be satisfied.



Home Equity Line of Credit (HELOC), continued

	Income Requirements
Standard Doc	Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOE
Siandara Doc	Self-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C
	12- or 24-months of personal and 2-months of business bank statements.
Personal Bank Statements	Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number
craonar bank statements	of statements.
	The business bank statements must reflect business activity and transfers to the personal account.
	12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:
Business Bank Statements	o Fixed Expense Ratio (50%)
	<ul> <li>Expense ratio provided by a 3<sup>rd</sup> party (CPA, EA, or tax preparer) min ratio of 10%</li> <li>3<sup>rd</sup> party prepared Profit &amp; Loss Statement (CPA, EA, or tax preparer)</li> </ul>
	Underwriting Requirements
Eligibility Criteria	Refer to Chapter 4 of the Wholesale Broker Guide.
ingionity difficult	First lien documentation requirements, all of the following apply:
	Copy of 1st lien Note
	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> <li>Utilized to determine if payment includes escrows (See DTI Requirements)</li> </ul>
First Lien	Ineligible First liens with high-risk features which can include, but are not limited to:
First Lien	o Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12- months of
	the Note date  o Loans in active forbearance or deferment
	Negative amortization including loans with Paid-In-Kind (PIK) features
	O Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien
	Reverse Mortgages
	<ul> <li>Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages</li> </ul>
	Home Equity Line of Credit
	Note with default interest rate greater than the Note rate
	Credit report
Credit and Fraud	Gap credit report or Undisclosed Debt Monitoring (UDM)
	Fraud report
	• OFAC
Qualifying Credit Score	Use representative credit score of the borrower with the lowest qualifying income
	Rapid rescoring not allowed
First Lien Payment	Verify the 1st lien P&I payment with all of the following:      Capy of 1st lien Note and
Verification	<ul> <li>Copy of 1st lien Note, and</li> <li>Copy of most recent monthly mortgage payment statement</li> </ul>
	Minimum: All borrowers must have three (3) reporting with one (1) currently open and active for at least 24-months based on credit
Tradelines	report pull date. Other two (2) reported for 12-months can be open or closed.
Reserves	None required
	Maximum DTI ratio:
	o 50% DTI for CLTV less than or equal to 80%
	o 45% DTI for CLTV greater than 80%
	Qualifying Payment:
	<ul> <li>Subject loan: Amortizing principal and interest payment based upon the total line amount, repayment term, current rate (Index</li> </ul>
DTI and Qualifying	plus Margin)
Payment	Index: Prime rate as published in the Wall Street Journal (daily)
	<ul> <li>Margin: Published in the Verus rate sheet</li> <li>First lien: Principal and Interest payment</li> </ul>
	Fixed rate: Note rate amortized over the total term
	ARMs: Qualifying rate is the higher of the fully indexed rate or note rate
	<ul> <li>Interest Only (Fixed/ARM): Qualifying rate amortized over remaining term after expiration of the interest only period</li> </ul>
	Credit Documents: May not be over 120-days old at the time of closing.
	Title Report (or O&E): May not be over 60-days old at time of closing.
Age of Documents	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> <li>AVM may not be over 90- days old at time of closing.</li> </ul>



Home Equity Line of Credi	(HELOC), continued  Appraisal Require	amants			
		sine iii s			
	Transferred appraisals are not eligible.				
	<u>Loan Amount &lt;=\$250,000</u>				
	Provide one of the following:				
	AVM from approved vendor with an acceptable FSD score <u>and</u> a new Property Condition Report with acceptable findings     AVM may not be more than 90 days old at closing (the date the Note is signed)				
	<ul> <li>Exterior Drive-By appraisal (2055 or 1075)</li> <li>Only allowed for one (1) unit property, with or without an accessory dwelling unit</li> </ul>				
	• New Appraisal (FNMA Form 1004/1025/1073)				
	<ul> <li>Prior 1<sup>st</sup> lien appraisal dated within 6- months of subject loan Note date allowed subject to:</li> <li>The lender on the prior appraisal must be the same as the subject loan, and</li> </ul>				
	<ul> <li>A new Property Condition Report with acceptabl</li> <li>Recertification of value by the original appraise</li> </ul>	= :			
Appraisals	Loan Amount >\$250,000				
	Provide one of the following:				
	<ul> <li>New Appraisal (FNMA Form 1004/1025/1073)</li> </ul>				
	Prior 1st lien appraisal dated within 6- months of sub-	ect loan Note Date allowed subject to:			
	The lender on the prior appraisal must be the sail				
	A new Property Condition Report with acceptable	· · · · · · · · · · · · · · · · · · ·			
	Recertification of value by the original appraiser, and				
	AVM from approved vendor with an acceptable FSD score.				
	AVM may not be more than 90 days old at closing (the date the Note is signed)				
	■ The lower of the Prior Appraisal value or the				
	Secondary Valuation Product				
	Secondary valuation product is not required.				
	The following AVM vendors are acceptable:				
AVM and FSD Score	AVM Vendor	Acceptable FSD Score			
ATTACAMA TOP SCOTE	Clear Capital	0.00 to 0.13			
TOTAL CONTRACTOR STORES	Collateral Analytics	0.00 to 0.13 0.00 to 0.10			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Cle exterior photo of the subject property along with a re	0.00 to 0.13			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Cle exterior photo of the subject property along with a reinspection of the property is required.	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior			
	Collateral Analytics  When required, a Property Condition Report (i.e., Cle exterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed.	0.00 to 0.13  0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Cle exterior photo of the subject property along with a reinspection of the property is required.	0.00 to 0.13  0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Cle exterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed.	0.00 to 0.13  0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  • When required, a Property Condition Report (i.e., Clar exterior photo of the subject property along with a rainspection of the property is required.  • Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following	0.00 to 0.13  0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Clar exterior photo of the subject property along with a rainspection of the property is required.  Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Clarexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner  How property was conveyed to current owner	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Clarexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner  How property was conveyed to current owner  Liens (e.g., mortgage, UCC, other financing)	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Clarexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  Current Grantee / Owner  How property was conveyed to current owner  Liens (e.g., mortgage, UCC, other financing)  Involuntary liens and judgements	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  If or sale within the past 6-months are not eligible			
Property Condition Report	Collateral Analytics  When required, a Property Condition Report (i.e., Clar exterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  If or sale within the past 6-months are not eligible			
Property Condition Report Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  If or sale within the past 6-months are not eligible			
Property Condition Report Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  If or sale within the past 6-months are not eligible  ag  taxes including special assessments			
Property Condition Report Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  If or sale within the past 6-months are not eligible  ag  taxes including special assessments			
Property Condition Report  Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an arting of the property's physical condition and characteristics. Exterior  I for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy			
Property Condition Report  Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 allaberated Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an arting of the property's physical condition and characteristics. Exterior  I for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy			
Property Condition Report  Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed  Loan Amount <=\$250,000, provide one of the following  Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy			
Property Condition Report  Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a reinspection of the property is required.  Properties currently listed for sale or previously listed  Courrent Grantee / Seport (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy			
Property Condition Report  Recently Listed Properties	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the following ALTA Short Form Residential Limited Coverage Junior	0.00 to 0.13 0.00 to 0.10 ear Capital Property Condition Inspection) should be obtained to include an ating of the property's physical condition and characteristics. Exterior  I for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy  Loan Policy			
Property Condition Report  Recently Listed Properties  Title Insurance	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the following ALTA Short Form Residential Limited Coverage Junior	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an arting of the property's physical condition and characteristics. Exterior  for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy  Loan Policy  surance coverage in accordance with the HFIAA			
Property Condition Report  Recently Listed Properties  Title Insurance	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the following ALTA Short Form Residential Limited Coverage Junior  Flood determination required for every loan file  Properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany is the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany is the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany is the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidence of incompany in the properties within a flood zone require evidenc	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an arting of the property's physical condition and characteristics. Exterior  I for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy  Loan Policy  surance coverage in accordance with the HFIAA onal insured: VRL, LLC C/O Shellpoint Servicing			
Property Condition Report Recently Listed Properties  Title Insurance	Collateral Analytics  When required, a Property Condition Report (i.e., Claexterior photo of the subject property along with a rinspection of the property is required.  Properties currently listed for sale or previously listed Loan Amount <=\$250,000, provide one of the following Owner and Encumbrance Report (O&E) to include:  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 Legal Description  ALTA Full Title Policy  ALTA Short Form Residential Limited Coverage Junior  Loan Amount >\$250,000, provide one of the following ALTA Short Form Residential Limited Coverage Junior  Flood determination required for every loan file  Properties within a flood zone require evidence of in Loss payee clause must reflect the following as additional contents of the subject to the following as additional contents of the follow	0.00 to 0.13 0.00 to 0.10  ear Capital Property Condition Inspection) should be obtained to include an arting of the property's physical condition and characteristics. Exterior  I for sale within the past 6-months are not eligible  ng  taxes including special assessments  Loan Policy  Loan Policy  surance coverage in accordance with the HFIAA onal insured: VRL, LLC C/O Shellpoint Servicing r second lien programs			



	andard Doc and Alt Doc		Maximum LTV				
Minimum Credit	Maximum Loan	Primo	ıry Residence		Se	cond Home / Investm	ent
Score	Amount		Rate/Term	Cash-out	Purchase	Rate/Term	Cash-out
	4,000,000	70	65	60	70	65	55
740	5,000,000	65	60	55	65	60	50
	, ,	70					55
720	4,000,000		65	60	70	65	
	5,000,000	65	55	55	60	55	50
700	4,000,000	70	60	55	70	60	50
, 00	5,000,000	65	50	50	60	50	50
			Property Type				
<ul> <li>Single Family</li> </ul>	: Attached, Detached	<ul> <li>Non-Warrantable</li> </ul>	Condominium, Cond	o Hotel, 2-4	Unit • Not eli	gible: Co-op, Rural	
Hous	sing History				vent Seasoning		
O	x30x12	BK/I			No - See Wholesale Bro		
				ance, Modifi	cation, or Deferral: >	12 Mo	
• Consumar Burn	anno Inglinible states AV H	AAA AAO NIV	State Eligibility  Business Purpo		ent occupancy only		
	oose: Ineligible states AK, HI tions: Puerto Rico, Guam, & t		<ul> <li>business rui po</li> <li>Ineligible st</li> </ul>		eni occupancy omy		
- mengible loca	nonsi rocito kieo, obam, a n	ne oo mgiirisianas	<ul> <li>Business Pur</li> </ul>		S:		
					I/ND/NV/OR/SD/UT:	Broker required to ho	ld a license.
			Declining Market				
	If the apprai	sal report identifies the p	roperty in a declini	ng market, s	5% reduction to be app	olied.	
			eneral Requireme	nts			
Product Type	• Fixed Rate Terms: 15, 3					A (40 years available	only with IO)
Interest Only	<ul> <li>30-year total loan tern</li> </ul>						
•	40-year total loan term	n, qualification based upo	on 30-year amortizi	ng payment			
Secondary Financing	<ul> <li>Not allowed</li> </ul>						
Loan Amounts	• Min: 3,000,000	• Max: 5	000 000				
Loan Purpose	Purchase, Rate/Term, a		,000,000				
Occupancy	Primary, Second Home,						
	· ·	invesimeni					
Borrower Eligibility	<ul><li>U.S. Citizen</li><li>Permanent Resident Ali</li></ul>	on					
Acreage	Property up to 20-acre		ofinition oligible				
Cash-In-Hand	Max Cash-In-Hand: \$1,			ina transact	ionsl		
Appraisals	FNMA Form 1004, 107		•		appraisals required		
Арргигана	• 114/MA 10/111 1004, 107	·	ncome Requiremen		арргаізаіз гедопеа		
	Wage/Salary: Paystub		•		Poturns IDS Form 4504	S C Varbal VOE	
Standard Doc	Self-Employed: 1-year					J-C, Verbui VOL	
	• 12- or 24-months of pe	•		•	12, 110 TOTAL 4000 C		
Personal Bank	Qualifying income is de				hs of personal statemer	nts divided by the num	ber of statements.
Statements	<ul> <li>The business bank state</li> </ul>	ments must reflect busine	ss activity and trans	fers to the p	ersonal account.	,	
	• 12- or 24-months of bu	siness bank statements. C	Qualifying income is	determined	by one of the following	g analysis methods:	
Business Bank	<ul> <li>Fixed Expense Ra</li> </ul>		DA FA .	, .	. (100/		
		vided by a 3rd party (C ed Profit & Loss Stateme		•	tio of 10%		
Statements				oreparer,			
Asset Utilization	<ul> <li>Eliaible assets divided in</li> </ul>	ov 84 to determine a mo	ithiy income stream				
Asset Utilization	<ul> <li>Eligible assets divided l</li> <li>Profit &amp; Loss Statement</li> </ul>	•	•	• IRS F	orm 1099		
	Eligible assets divided I     Profit & Loss Statement	Written VC	DE		orm 1099		
Asset Utilization	Profit & Loss Statement	Written VC     Unc	•	nents			
Asset Utilization	_	Written VC     Und dit score of the borrower	DE	nents • M	in of 60-days asset ver	ification required; any	r large deposit mu
Asset Utilization Ineligible	Profit & Loss Statement     Use representative cree	Written VC     Una dit score of the borrower ing income	DE lerwriting Requiren	nents • M		ification required; any	r large deposit mu
Asset Utilization Ineligible Credit Score	Profit & Loss Statement     Use representative creawith the highest qualify	Written VC     Una dit score of the borrower ing income	DE lerwriting Requiren Assets	• M	in of 60-days asset ver e sourced	ification required; any	r large deposit mu
Asset Utilization Ineligible	Profit & Loss Statement      Use representative crewith the highest qualify     All borrowers must mee     12-months of PITIA     Cash out may not be us	Written VC     Unc     dit score of the borrower ing income at the 700 min credit scor and to satisfy requirement	Assets  DTI Requirem	• M	in of 60-days asset ver	ification required; any	r large deposit mu
Asset Utilization Ineligible Credit Score	Profit & Loss Statement      Use representative crewith the highest qualify     All borrowers must mee     12-months of PITIA     Cash out may not be us     Primary/Second Homes	Written VC  Unc  dit score of the borrower ing income at the 700 min credit scor  ted to satisfy requirement Permitted after 20%	Assets  DTI Requirem	• M	in of 60-days asset ver e sourced	ification required; any	r large deposit mu
Asset Utilization Ineligible Credit Score	Use representative cree with the highest qualify All borrowers must mee 12-months of PITIA Cash out may not be us Primary/Second Home-contribution towards do	Written VC  Unc  dit score of the borrower ing income et the 700 min credit scor  ded to satisfy requirement Permitted after 20% own payment, closing cost	Assets  DTI Requirem	• M bo	in of 60-days asset ver e sourced	ification required; any	r large deposit mu
Asset Utilization Ineligible Credit Score Reserves	Vise representative cree with the highest qualify     All borrowers must mee     12-months of PITIA     Cash out may not be us     Primary/Second Home contribution towards deprepaids, and reserves	Written VC  Unc  dit score of the borrower ing income at the 700 min credit scor  ted to satisfy requirement Permitted after 20%	Assets  DTI Requirem	• M bo	in of 60-days asset ver e sourced ax: 45%	ification required; any	r large deposit mu
Asset Utilization Ineligible Credit Score Reserves	Use representative cree with the highest qualify All borrowers must mee 12-months of PITIA Cash out may not be us Primary/Second Home contribution towards do prepaids, and reserves Investment ineligible	Written VC  Unc  dit score of the borrower ing income  et the 700 min credit scor  ded to satisfy requirement  Permitted after 20%  own payment, closing cost from borrower's own fur	Assets  DTI Requirem  S, ds  Document Ag	• M belients • M	in of 60-days asset ver e sourced ax: 45% 20-days		
Asset Utilization Ineligible Credit Score Reserves	Use representative cree with the highest qualify All borrowers must mee 12-months of PITIA Cash out may not be us Primary/Second Home contribution towards de prepaids, and reserves Investment ineligible Min: 2 reporting 24-months	Written VC  Unc  dit score of the borrower ing income  et the 700 min credit scor  ded to satisfy requirement  Permitted after 20%  own payment, closing cost from borrower's own fur	Assets DTI Requirem  S, ds Document Ag Prepayment	• M belients • M electric • P e	in of 60-days asset ver e sourced ax: 45% 20-days	to 5-Years eligible, se	e rate sheet
Asset Utilization Ineligible Credit Score Reserves	Use representative crewith the highest qualify All borrowers must mee 12-months of PITIA Cash out may not be us Primary/Second Home-contribution towards deprepaids, and reserves Investment ineligible Min: 2 reporting 24-months or 3 reporting 1 If the borrower with the	• Written VC  Unc  Unc  dit score of the borrower ing income  et the 700 min credit score  ded to satisfy requirement  Permitted after 20%  Down payment, closing cost from borrower's own fur  onths w/activity in last 12  2-months w/recent activity in light incomes	Assets  DTI Requirem  S, ds  Document Ag  Prepayment Penalty - Investment	enents  Mbd	in of 60-days asset ver e sourced ax: 45% 20-days repayment periods up to enalties not allowed in	to 5-Years eligible, se KS, MI, MN, NM, and	e rate sheet RI
Asset Utilization Ineligible Credit Score Reserves Gift Funds	Vise representative crewith the highest qualify     All borrowers must mee     12-months of PITIA     Cash out may not be use contribution towards do prepaids, and reserves linvestment ineligible     Min: 2 reporting 24-months or 3 reporting 1     If the borrower with the has three (3) credit score	• Written VC  Unc  dit score of the borrower ing income  et the 700 min credit scor  eed to satisfy requirement Permitted after 20% own payment, closing cost from borrower's own fur  onths w/activity in last 12 2-months w/recent activi	Assets  DTI Requirem  S, ds  Prepayment Penalty - Investment Property	• M bi	in of 60-days asset ver e sourced ax: 45% 20-days	to 5-Years eligible, se KS, MI, MN, NM, and loans vested to individ	e rate sheet RI duals in IL and NJ
Asset Utilization Ineligible Credit Score Reserves Gift Funds	Use representative crewith the highest qualify All borrowers must mee 12-months of PITIA Cash out may not be us Primary/Second Home-contribution towards deprepaids, and reserves Investment ineligible Min: 2 reporting 24-months or 3 reporting 1 If the borrower with the	• Written VC  Unc  Unc  dit score of the borrower ing income  et the 700 min credit score  ted to satisfy requirement  Permitted after 20%  own payment, closing cost from borrower's own fur  onths w/activity in last 12  2-months w/recent activity in highest qualifying incomes, the minimum tradeline	Assets  DTI Requirem  S, ds  Prepayment Ag  Prepayment Penalty - Investment Property Only	enents  Moderners  Moderners  Properties	in of 60-days asset ver e sourced ax: 45% 20-days repayment periods up t enalties not allowed in enalties not allowed on only declining prepaym	to 5-Years eligible, se KS, MI, MN, NM, and loans vested to individ	e rate sheet RI duals in IL and NJ



<u>Prime Jumbo – Standard Doc (QM)</u>

Maximum LTV/CLTV FIXED RATE Loan/LTV Matrix							
Score	Amount	Purchase & R/T	Cash-out	Purchase & R/T	Cash-out	Purchase & R/T	Cash-out
	1,000,000	85	80	80	75	80	75
740	2,000,000	85	80	80	75	80	75
740	2,500,000	80	75	80	75	NA	NA
	3,000,000	80	75	80	75	NA	NA
	1,000,000	85	80	80	70	80	75
720	2,000,000	85	80	80	70	80	75
	2,500,000	80	NA	NA	NA	NA	NA
700	1,000,000	85	80	80	70	75	70
700	2,000,000	85	80	80	70	NA	NA
680	1,000,000	85	80	80	NA	75	70
000	2,000,000	85	80	80	NA	NA	NA

### ADJUSTABLE-RATE Loan/LTV Matrix

ADJOSTABLE-KATE LOGII/LITY MUITA								
Minimum Credit Maximum Loa		Primary Residence		Second Home		Investment		
Score	Amount	Purchase & R/T	Cash-out	Purchase & R/T	Cash-out	Purchase & R/T	Cash-out	
	1,000,000	80	65	80	65	80	65	
760	2,000,000	80	65	80	65	80	65	
	2,500,000	80	65	NA	NA	NA	NA	
	3,000,000	80	65	NA	NA	NA	NA	
740	1,000,000	80	65	80	65	80	65	
	2,000,000	80	65	80	65	80	65	
	2,500,000	80	NA	NA	NA	NA	NA	
	3,000,000	80	NA	NA	NA	NA	NA	
720	1,000,000	80	65	75	NA	80	NA	
	2,000,000	80	NA	NA	NA	NA	NA	
700	1,000,000	70	NA	75	NA	NA	NA	

# **Property Types**

## **Fixed Rate**

- Single Family: Attached, Detached
- Warrantable Condo: Max LTV/CLTV 75%
- 2-4 Units: LTV reduced by 5% on all tiers, max 75% LTV
- Ineligible: Rural, Leaseholds, Non-Warrantable Condo

# Adjustable-Rate

- Single Family: Attached, Detached
- Warrantable Condo: Max LTV/CLTV 75%
- Ineligible: 2-4 Units, Rural, Leaseholds, Non-Warrantable Condo

## State Eligibility

- Ineligible States: AK, HI, MA, MO, NY
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands
- Texas: Home Equity 50(a)(6) not eligible

· Texus. II	Texas: Home Equity 30(a)(b) not eligible					
		Declining Market				
If the appraisal report identifies the property in a declining market, max LTV/CLTV is reduced by 10%						
Housing History		Credit Event Seasoning				
0x30x12		BK/FC/SS/DIL: >=84 Months - See Wholesale Broker Guide for details				
General Requirements						
Product Type	• Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM, 10/6 ARM					
Interest Only	Not eligible					
Loan Amounts	• Min: \$1 > Agency limit • Max: 3,000,000					
Loan Purpose	Purchase, Rate/Term, and Cash Out					
Occupancy	Primary, Second Home, Investment					
Acreage	Property up to 20-acres, not meeting the rural definition, eligible.					
Cash-In-Hand	<ul> <li>Max Cash-In-Hand: \$500,000</li> <li>TX Home Equity 50(a)(6) not eligible</li> </ul>					
Appraisals	<ul> <li>FNMA Form 1004, 1073 with interior/exterior inspection. Appraisal review product required unless 2<sup>nd</sup> appraisal obtained.</li> <li>2<sup>nd</sup> Appraisal required for loans &gt; \$2.000,000.</li> </ul>					



Prime Jumbo - Standard Doc (QM), continued

	Income Requirements						
Standard Doc	<ul> <li>Wage/Salary: Paystubs, 2-years W-2's, IRS Form 4506-C, Verbal VOE</li> <li>Self-Employed: 2-years of Personal and Business Tax Returns, YTD P&amp;L, IRS Form 4506-C, Verbal</li> <li>Must meet QM standards utilizing the FNMA Seller Guide dated 6/03/2020, Chapter B3-3</li> </ul>						
Underwriting Requirements							
Credit Score	Use credit score of the borrower with the lowest representative score	Document Age	• 120-days				
Qualifying Payment	<ul> <li>Fixed Rate: Note rate</li> <li>5/6 ARM: Higher of the fully indexed or initial note rate plus 2%</li> <li>7/6 &amp; 10/6 ARM: Higher of the fully indexed or initial note rate</li> </ul>	DTI Requirements	Max: 45%, if > 43% Rate Spread Safe Harbor as well as Verification Safe Harbor standards must be satisfied				
Tradelines	Min: 3 reporting 24-months w/activity in last 12- months	First-Time Homebuyer	<ul> <li>ARMs restricted as follows:</li> <li>Min credit score of 740</li> <li>Max loan amount \$1,250,000</li> </ul>				
Gift Funds	<ul> <li>Min contribution: 5% primary/second home, investment ineligible for gift funds</li> </ul>	Assets	Min of 60-days asset verification required; any large deposit must be sourced				
Reserves	Primary Residence  • Loan balance up to \$2M: 6-months of PITIA  • Loan balance > \$2.0M - \$2.5M: 12-months of PITIA  • Loan balance > \$2.5M: 18-months of PITIA  • LTV > 80%: 12-months of PITIA  • Cash-out loan balance > \$2M: 18-months of PITIA  Second Home  • Minimum of 12-months of PITIA  • Loan balance > \$2.5M: 18-months of PITIA  • Loan balance > \$2.5M: 18-months of PITIA  • Loan balance > \$2.0M: 18-months of PITIA  • Cash out loan balance > \$2.0M: 18-months of PITIA  Investment  • Minimum of 12-months of PITIA  All Occupancy — Cash-out may not be used to satisfy reserve requirements						
Escrows	<ul> <li>HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable)</li> <li>See Section 2.4.5 – Escrow/Impounds for non-HPML loans</li> </ul>						