

Prime Ascent Plus – Standard Doc

Primary Residence		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	90	80	80
	2,000,000	80	75	75
	2,500,000	75	70	70
700	1,000,000	85	75	75
	2,000,000	80	70	70
	2,500,000	70	65	65
680	1,000,000	80	75	75
	2,000,000	75	70	70
	2,500,000	70	NA	NA
Housing History		Occupancy Restrictions - Second Home	Occupancy Restriction – Investment	1-Year Standard Doc
0x30x12		Max LTV/CLTV: <ul style="list-style-type: none">75 – Purchase70 – Rate/Term & Cash-out Max Loan: \$2,000,000	Max LTV/CLTV <ul style="list-style-type: none">75 – Purchase70 – Rate/Term & Cash-out Max Loan: \$2,000,000	Price Adjustor applies See Rate Sheet for LLPA
Housing Event Seasoning				
BK/FC/SS/DIL: >=48 Months				
State Eligibility				
<ul style="list-style-type: none">Ineligible states: AK, HI, MA, MO, NY & VAIneligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Market and State/CBSA Overlays				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 85% for purchase and 75% for rate/term and cash-out transactions.				
General Requirements				
Product Type	<ul style="list-style-type: none">Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM, 10/6 ARM			
Interest Only	<ul style="list-style-type: none">Min Credit Score: 700Max LTV 80%			
Loan Amounts	<ul style="list-style-type: none">Min: 150,000Max: 2,500,000			
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out			
Occupancy	<ul style="list-style-type: none">Primary, Second Home, Investment			
Mortgage Insurance	<ul style="list-style-type: none">Not Required			
Property Type	<ul style="list-style-type: none">Single Family: Attached, DetachedCondominium: Max LTV/CLTV 80%Not Eligible: 2-4 Units, Condo Hotel, Rural		<u>Florida Condominiums:</u> <ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible	
Acreage	<ul style="list-style-type: none">Property up to 20-acres, not meeting the rural definition, eligible.			
Cash-In-Hand	<ul style="list-style-type: none">Max Cash-In-Hand: \$1,000,000 (Not applicable to Delayed Financing transactions)			
Appraisals	<ul style="list-style-type: none">FNMA Form 1004, 1073, or 1025 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.2nd Appraisal required for loans > \$2,000,000.			
Income Requirements				
Income	<ul style="list-style-type: none">Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOESelf-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C			
Underwriting Requirements				
Credit Score	<ul style="list-style-type: none">Use credit score of the borrower with the highest qualifying incomeMiddle of 3 scores or lower of 2	Assets	<ul style="list-style-type: none">Minimum of 30-days asset verification required; any large deposit must be sourced	
Reserves	<ul style="list-style-type: none">LTV ≤ 85%: 6-months of PITIALTV > 85%: 12-months of PITIALoan Amount > \$1.5 M: 9-months of PITIACash out may be used to satisfy requirement	DTI Requirements	<ul style="list-style-type: none">Max: 43%	
Gift Funds	<ul style="list-style-type: none">Minimum contribution: 5% primary, 10% investment	Document Age	<ul style="list-style-type: none">90-days	
Tradelines	<ul style="list-style-type: none">Minimum: 2 reporting 24-months w/activity in the 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	<ul style="list-style-type: none">Prepayment periods up to 5-Years eligible, see rate sheetPenalties not allowed in KS, MI, MN, NM, OH, and RIPenalties not allowed on loans vested to individuals in IL and NJPenalties not allowed on loan amounts less than \$312,159 in PAOnly declining prepayment penalty structures allowed in MS	

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Primary Residence		Maximum LTV/CLTV – Bank Statements		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	90	80	80
	2,000,000	80	75	75
	2,500,000	75	70	70
700	1,000,000	85	75	75
	2,000,000	80	70	70
	2,500,000	70	65	65
680	1,000,000	80	75	75
	2,000,000	75	70	70
	2,500,000	70	NA	NA
Housing History		Occupancy Restrictions – Second Home		12 Month Bank Statement
0x30x12	Max LTV/CLTV:	Max LTV/CLTV:		Price adjustor applies – see rate sheet
Housing Event Seasoning	<ul style="list-style-type: none">75 – Purchase70 – Rate/Term & Cash-out	<ul style="list-style-type: none">75 – Purchase70 – Rate/Term & Cash-out		
BK/FC/SS/DIL: >=48 Months	Max Loan: \$2,000,000	Max Loan \$2,000,000		
State Eligibility				
<ul style="list-style-type: none">Ineligible states: AK, HI, MA, MO, NY & VAIneligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Markets and State/CBSA Overlays				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 85% for purchase and 75% for rate/term and cash-out transactions.				
General Requirements				
Product Type	<ul style="list-style-type: none">Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM, 10/6 ARM			
Interest Only	<ul style="list-style-type: none">Min Credit Score: 700Max LTV 80%			
Loan Amounts	<ul style="list-style-type: none">Min: 150,000Max: 2,500,000			
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out			
Occupancy	<ul style="list-style-type: none">Primary, Second Home, Investment			
Mortgage Insurance	<ul style="list-style-type: none">Not Required			
Property Type	<ul style="list-style-type: none">Single Family: Attached, DetachedCondominium: Max LTV/CLTV 80%Not Eligible: 2-4 Units, Condo Hotel, Rural	<u>Florida Condominiums:</u> <ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible		
Acreage	<ul style="list-style-type: none">Property up to 20-acres, not meeting the rural definition, eligible.			
Cash-In-Hand	<ul style="list-style-type: none">Max Cash-In-Hand: \$1,000,000 (Not applicable to Delayed Financing transactions)			
Appraisals	<ul style="list-style-type: none">FNMA Form 1004, 1073, or 1025 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.2nd appraisal required for loans > \$2,000,000			
Income Requirements				
Personal Bank Statements:	<ul style="list-style-type: none">12 or 24-months of personal and 2-months of business bank statements.Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements.The business bank statements must reflect business activity and transfers to the personal account.			
Business Bank Statements:	<ul style="list-style-type: none">12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:<ul style="list-style-type: none">Fixed Expense Ratio (50%)Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10%3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)			
Income Types Not Eligible	<ul style="list-style-type: none">Profit & Loss Statement	<ul style="list-style-type: none">Written VOE	<ul style="list-style-type: none">IRS Form 1099	<ul style="list-style-type: none">Asset Utilization
Underwriting Requirements				
Credit Score	<ul style="list-style-type: none">Use credit score of the borrower with the highest qualifying incomeMiddle of 3 scores or lower of 2	DTI Requirements	<ul style="list-style-type: none">Max: 43%	
Assets	<ul style="list-style-type: none">Minimum of 30-days asset verification required; any large deposit must be sourced	Reserves	<ul style="list-style-type: none">LTV ≤ 85%: 6-months of PITIALTV > 85%: 12-months of PITIALoan Amount > \$1.5M: 9-months of PITIACash out may be used to satisfy requirement	
Gift Funds	<ul style="list-style-type: none">Minimum contribution: 5% primary, 10% Investment	Document Age	<ul style="list-style-type: none">90-days	
Tradelines	<ul style="list-style-type: none">Minimum: 2 reporting 24-months w/activity in the last 12-months or 3 reporting 12-months w/recent activityIf primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Prepayment Penalty – Investment Only	<ul style="list-style-type: none">Prepayment periods up to 5-Years eligible, see rate sheetPenalties not allowed in KS, MI, MN, NM, OH, and RIPenalties not allowed on loans vested to individuals in IL and NJPenalties not allowed on loan amounts less than \$312,159 in PAOnly declining prepayment penalty structures allowed in MS	

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Maximum LTV/CLTVs		Standard Doc - Primary Residence		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	80	80
	2,500,000	80	75	75
	3,000,000	75	70	70
	3,500,000	70	70	NA
	4,000,000	70	65	NA
700	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	75	70
	2,500,000	75	75	65
	3,000,000	75	70	65
	3,500,000	70	65	NA
680	1,000,000	90	85	75
	1,500,000	85	80	75
	2,000,000	80	75	70
	2,500,000	75	70	65
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000	80	75	75
	2,000,000	75	70	65
	2,500,000	70	65	65
Housing History		Occupancy Restrictions - 2 nd Home	Occupancy Restrictions - Investment	1 Year Standard Doc
1x30x12		Max LTV/CLTV: <ul style="list-style-type: none">85 – Purchase80 – Rate/Term75 – Cash-out Max Loan Amount: \$2,500,000	Max LTV/CLTV: <ul style="list-style-type: none">85 – Purchase80 – Rate/Term75 – Cash-out Max Loan Amount: \$2,500,000	Price adjustor applies – see rate sheet.
Housing Event Seasoning				
BK/FC/SS/DIL >=48 Months Forbearance, Mod or Deferral: See Verus Wholesale Broker Guide				
State Eligibility				
<ul style="list-style-type: none">Consumer Purpose: Ineligible states AK, HI, MA, MO, NY & VABusiness Purpose: Investment occupancy only<ul style="list-style-type: none">Ineligible state AKBusiness Purpose caveats:<ul style="list-style-type: none">AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Market and State/CBSA Overlays				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 85% for purchases and 80% for all refinances and the maximum loan amount is limited to \$2MM.				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40 years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	<ul style="list-style-type: none">Min Credit Score: 660Max LTV: 90%			
Loan Amounts	<ul style="list-style-type: none">Min: 150,000Max: 4,000,000			
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out			
Occupancy	<ul style="list-style-type: none">Primary, Second Home, Investment			
Property Type	<ul style="list-style-type: none">Single Family: Attached, Detached2-4 Units and Condominiums: Max LTV/CLTV 85%.Condo Hotel: Max LTV/CLTV 85%. Max Loan Amount \$2,500,000.Rural: Not Eligible		<u>Florida Condominiums:</u> <ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible	
Acreage	<ul style="list-style-type: none">Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%			
Cash-In-Hand	<ul style="list-style-type: none">Max Cash-In-Hand: Unlimited			
Appraisals	<ul style="list-style-type: none">FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.2nd Appraisal required for loans > \$2,000,000.			
Income Requirements				
Income	<ul style="list-style-type: none">Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOESelf-Employed: 1-year or 2-years of Personal and Business Tax Returns. YTD P&L. 2-monthly bank statements. IRS Form 4506-C			

Prime Ascent – Standard Doc, continued

Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • Use credit score of the borrower with the highest qualifying income • Middle of 3 scores or lower of 2 	Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced
Reserves	<ul style="list-style-type: none"> • LTV ≤ 85%: 6-months of PITIA • LTV > 85%: 12-months of PITIA • Loan Amount > \$1.5M: 9-months of PITIA • Loan Amount > \$2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement 	DTI Requirements	<ul style="list-style-type: none"> • Max: 50% <ul style="list-style-type: none"> ◦ See FTHB guidelines for DTI restrictions • Primary Residence - Up to 55% allowed: <ul style="list-style-type: none"> ◦ Min residual income of \$3,500 ◦ Max LTV/CLTV ≤ 80% ◦ Standard Doc 2-years ◦ Minimum 12-months reserves ◦ First time homebuyer not eligible
Gift Funds	<ul style="list-style-type: none"> • Min contribution: 5% primary, 10% investment 	Document Age	<ul style="list-style-type: none"> • 90-days
Tradelines	<ul style="list-style-type: none"> • 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 Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in KS, MI, MN, NM, OH. And RI • Penalties not allowed on loans vested to individuals in IL • Penalties not allowed on loan amounts less than \$312,159 in PA • Only declining prepayment penalty structures allowed in MS

Prime Ascent – Alt Doc

Maximum LTV/CLTVs		Bank Statements, 1099 & Asset Utilization - Primary Residence		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	80	80
	2,500,000	80	75	75
	3,000,000	75	70	70
	3,500,000	70	70	NA
	4,000,000	70	65	NA
700	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	75	70
	2,500,000	75	70	65
	3,000,000	70	70	65
	3,500,000	70	65	NA
680	1,000,000	90	85	75
	1,500,000	85	80	75
	2,000,000	80	75	70
	2,500,000	75	70	65
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000	80	75	75
	2,000,000	75	70	65
	2,500,000	70	65	65
Housing History		Occupancy Restrictions - 2 nd Home	Occupancy Restrictions – Investment	12 Mo Bank Statement, 1 Year 1099, & Asset Utilization
1x30x12		Max LTV/CLTV: <ul style="list-style-type: none">• 85 - Purchase• 80 – Rate/Term• 75 – Cash-out Max Loan Amount: 2,500,000	Max LTV/CLTV: <ul style="list-style-type: none">• 85 - Purchase• 80 – Rate/Term• 75 – Cash-out Max Loan Amount: 2,500,000	Price adjustor applies – see rate sheet
Housing Event Seasoning				
BK/FC/SS/DIL: >=48 Months Forbearance, Mod or Deferral: See Verus Wholesale Broker Guide				
Written Verification of Employment and P&L Only		Max LTV/CLTV: 80% Purchase, 75% Rate/Term, 70% Cash-out Min Credit Score: 680 Max Loan Amount: \$2,500,000		
State Eligibility				
<ul style="list-style-type: none">• Consumer Purpose: Ineligible states AK, HI, MA, MO, NY & VA• Business Purpose: Investment occupancy only<ul style="list-style-type: none">○ Ineligible state AK○ Business Purpose caveats:<ul style="list-style-type: none">▪ AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.• Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Market and State/CBSA Overlays				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 85% for purchases and 80% for all refinances and the maximum loan amount is limited to 2MM.				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40 years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	<ul style="list-style-type: none">• Min Credit Score: 660• Max LTV: 90%			
Loan Amounts	<ul style="list-style-type: none">• Min: 150,000• Max: 4,000,000			
Loan Purpose	<ul style="list-style-type: none">• Purchase, Rate/Term, and Cash Out			
Occupancy	<ul style="list-style-type: none">• Primary, Second Home, Investment			
Property Type	<ul style="list-style-type: none">• 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: Not Eligible		<u>Florida Condominiums:</u> <ul style="list-style-type: none">• A structural inspection is required for projects:<ul style="list-style-type: none">○ greater than 5 stories; and○ over 30 years old (or 25 years if within 3 miles of the coast)• Projects with an unacceptable or no inspection are ineligible	
Acreage	<ul style="list-style-type: none">• Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%			
Cash-In-Hand	<ul style="list-style-type: none">• Max Cash-In-Hand: Unlimited			
Appraisals	<ul style="list-style-type: none">• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.• 2nd Appraisal required for loans > \$2,000,000.			

Prime Ascent – Alt Doc, continued

Income Requirements			
Personal Bank Statements	<ul style="list-style-type: none">12- or 24-months of personal and 2-months of business bank statements.Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements.The business bank statements must reflect business activity and transfers to the personal account.		
Business Bank Statements	<ul style="list-style-type: none">12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:<ul style="list-style-type: none">Fixed Expense Ratio (50%)Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10%3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)		
Profit & Loss Statement Only	<ul style="list-style-type: none">12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement OnlyCPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return		
Written Verification of Employment	<ul style="list-style-type: none">FNMA Form 1005Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements		
IRS Form 1099	<ul style="list-style-type: none">1-year or 2-years 1099	<ul style="list-style-type: none">Fixed Expense Ratio of 10%	<ul style="list-style-type: none">YTD Documentation to support continued receipt of income from same source
Asset Utilization	<ul style="list-style-type: none">Eligible assets divided by 84 to determine a monthly income streamMin Credit Score: 660		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none">Use credit score of the borrower with the highest qualifying incomeMiddle of 3 scores or lower of 2	DTI Requirements	<ul style="list-style-type: none">Max: 50%<ul style="list-style-type: none">See FTHB guidelines for DTI restrictions
Assets	<ul style="list-style-type: none">Min of 30-days asset verification required; any large deposit must be sourced	Reserves	<ul style="list-style-type: none">LTV ≤ 85%: 6-months of PITIALTV > 85%: 12-months of PITIALoan Amount > \$1.5M: 9-months of PITIALoan Amount > \$2.5M: 12-months of PITIACash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none">Min contribution: 5% primary, 10% investment	Document Age	<ul style="list-style-type: none">90-days
Tradelines	<ul style="list-style-type: none">Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activityIf the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none">Prepayment periods up to 5-Years eligible, see rate sheetPenalties not allowed in KS, MI, MN, NM, OH. and RIPenalties not allowed on loans vested to individuals in ILPenalties not allowed on loan amounts less than \$312,159 in PAOnly declining prepayment penalty structures allowed in MS

Credit Ascent – Standard Doc

Maximum LTV/CLTVs			Standard Doc - Primary Residence		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance	
700	1,000,000	85	80	80	
	1,500,000	85	80	80	
	2,000,000	80	75	75	
	3,000,000	70	65	65	
680	1,000,000	85	80	75	
	1,500,000	80	75	75	
	2,000,000	80	70	70	
	3,000,000	70	65	65	
660	1,000,000	80	80	75	
	1,500,000	80	75	75	
	2,000,000	70	65	65	
640	1,000,000	80	75	70	
	1,500,000	70	65	65	
	2,000,000	65	NA	NA	
620	1,000,000	70	70	NA	
Housing History Restrictions				1 Year Standard Doc	
Housing History:	1x30x12	0x60x12	0x90x12		
Max LTV/CLTV: Purchase	85	80	70	Price adjustor applies – see rate sheet	
Max LTV: Refinance	80	75	NA		
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000		
Forbearance, Mod or Deferral Housing Event Seasoning Restrictions: See Verus Wholesale Broker Guide					
Housing Event Seasoning Restrictions				Occupancy Restrictions Second Home & Investment	
BK/FC/SS/DIL:	>=36 Mo	>= 24 Mo	>= 12 Mo		
Max LTV/CLTV: Purchase	85	80	70	Max LTV/CLTV: Purchase	80
Max LTV/CLTV: Refinance	80	75	NA	Max LTV/CLTV: Refinance	75
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	Max Loan Amt:	\$2,500,000
State Eligibility					
<ul style="list-style-type: none">Consumer Purpose: Ineligible states AK, HI, MA, MO, NY & VABusiness Purpose: Investment occupancy only<ul style="list-style-type: none">Ineligible state AKBusiness Purpose caveats:<ul style="list-style-type: none">AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands					
Declining Market and State/CBSA Overlays					
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 80% for purchases and 75% for all refinances and the maximum loan amount is limited to 2MM.					
General Requirements					
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)				
Interest Only	<ul style="list-style-type: none">Min Credit Score: 660Max LTV 85%				
Loan Amounts	<ul style="list-style-type: none">Min: 150,000Max: 3,000,000				
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out				
Occupancy	<ul style="list-style-type: none">Primary, Second Home, Investment				
Property Type	<ul style="list-style-type: none">Single Family: Attached, Detached2-4 Units and Condominiums: Max LTV/CLTV Purchase 80%, Refinance 75%Condo Hotel: Max LTV/CLTV Purchase 80%, Refinance 75%. Max Loan Amount \$2,500,000.Rural: Not Eligible			<u>Florida Condominiums:</u> <ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible	
Acreage	<ul style="list-style-type: none">Property up to 20-acres, not meeting the rural definition, eligible, 10 or more acres limited to a max LTV/CLTV 80%				
Cash-In-Hand	<ul style="list-style-type: none">Max Cash-In-Hand: Unlimited				
Appraisals	<ul style="list-style-type: none">FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.2nd Appraisal required for loans > \$2,000,000.				
Income Requirements					
Income	<ul style="list-style-type: none">Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOESelf-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C				

Credit Ascent – Standard Doc, continued

Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • Use credit score of the borrower with the highest qualifying income • Middle of 3 scores or lower of 2 	DTI Requirements	<ul style="list-style-type: none"> • Max: 50% <ul style="list-style-type: none"> ◦ See FTHB guidelines for DTI restrictions
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced 	Reserves	<ul style="list-style-type: none"> • 6-months of PITIA if LTV >= 80% • 3-months of PITIA if LTV < 80% • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Min contribution: 5% primary, 10% investment 	Document Age	<ul style="list-style-type: none"> • 90-days
Tradelines	<ul style="list-style-type: none"> • 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 Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in KS, MI, MN, NM, OH, and RI • Penalties not allowed on loans vested to individuals in IL • Penalties not allowed on loan amounts less than \$312,159 in PA • Only declining prepayment penalty structures allowed in MS

Credit Ascent – Alt Doc

Maximum LTV/CLTVs		Bank Statements/1099/WVOE/P&L Only – Primary Residence			
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance	
700	1,000,000	85	80	80	
	1,500,000	85	80	80	
	2,000,000	80	75	75	
	3,000,000	70	65	65	
680	1,000,000	85	80	75	
	1,500,000	80	75	75	
	2,000,000	80	70	70	
	3,000,000	70	65	65	
660	1,000,000	80	80	75	
	1,500,000	80	75	75	
	2,000,000	70	65	65	
640	1,000,000	80	75	70	
	1,500,000	70	NA	NA	
	2,000,000	65	NA	NA	
620	1,000,000	70	70	NA	
Housing History Restrictions				Occupancy Restrictions – Second Home & Investment	
Housing History:	1x30x12	0x60x12	0x90x12		
Max LTV/CLTV: Purchase	85	80	70	Max LTV/CLTV: Purchase	80
Max LTV/CLTV: Refinance	80	75	NA	Max LTV/CLTV: Refinance	75
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	Max Loan Amt:	\$2,500,000
Housing Event Seasoning Restrictions					
BK/FC/SS/DIL:	>=36 Mo	>=24 Mo	>=12 Mo	Forbearance, Modification, or Deferral	
Max LTV/CLTV: Purchase	85	80	70	See Verus Eligibility Guide	
Max LTV/CLTV: Refinance	80	75	NA		
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000		
12 Mo Bank Statement, 1 Year 1099		Price adjustor applies – see rate sheet			
State Eligibility					
<ul style="list-style-type: none">• Consumer Purpose: Ineligible states AK, HI, MA, MO, NY & VA• Business Purpose: Investment occupancy only<ul style="list-style-type: none">○ Ineligible state AK○ Business Purpose caveats:<ul style="list-style-type: none">▪ AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.• Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands					
Declining Market and State/CBSA Overlays					
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 80% for purchases and 75% for all refinances and the maximum loan amount is limited to \$2MM.					
General Requirements					
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)				
Interest Only	<ul style="list-style-type: none">• Min Credit Score: 660• Max LTV 85%				
Loan Amounts	<ul style="list-style-type: none">• Min: 150,000• Max: 3,000,000				
Loan Purpose	<ul style="list-style-type: none">• Purchase, Rate/Term, and Cash Out				
Occupancy	<ul style="list-style-type: none">• Primary, Second Home, Investment				
Property Type	<div><div><ul style="list-style-type: none">• Single Family: Attached, Detached• 2-4 Units and Condominiums: Max LTV/CLTV Purchase 80%, Refinance 75%• Condo Hotel: Max LTV/CLTV Purchase 80%, Refinance 75%. Max Loan Amount \$2,500,000.• Rural: Not Eligible</div><div>Florida Condominiums:<ul style="list-style-type: none">• A structural inspection is required for projects:<ul style="list-style-type: none">○ greater than 5 stories; and○ over 30 years old (or 25 years if within 3 miles of the coast)• Projects with an unacceptable or no inspection are ineligible</div></div>				
Acreage	<ul style="list-style-type: none">• Property up to 20-acres, not meeting the rural definition, eligible, 10 or more acres limited to a max LTV/CLTV 80%				
Cash-In-Hand	<ul style="list-style-type: none">• Max Cash-In-Hand: Unlimited				
Appraisals	<ul style="list-style-type: none">• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.• 2nd Appraisal required for loans > \$2,000,000.				

Credit Ascent – Alt Doc, continued

Income Requirements			
Personal Bank Statements	<ul style="list-style-type: none"> 12- or 24- months of personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. The business bank statements must reflect business activity and transfers to the personal account. 		
Business Bank Statements	<ul style="list-style-type: none"> 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> Fixed Expense Ratio (50%) Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10% 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer) 		
IRS Form 1099	<ul style="list-style-type: none"> 1-year or 2-years 1099 	<ul style="list-style-type: none"> Fixed Expense Ratio of 10% 	<ul style="list-style-type: none"> YTD Documentation to support continued receipt of income from same source
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> Use credit score of the borrower with the highest qualifying income Middle of 3 scores or lower of 2 	DTI Requirements	<ul style="list-style-type: none"> Max: 50% <ul style="list-style-type: none"> See FTHB guidelines for DTI restrictions
Assets	<ul style="list-style-type: none"> Min of 30-days asset verification required; any large deposit must be sourced 	Reserves	<ul style="list-style-type: none"> 6-months of PITIA if LTV >= 80% 3-months of PITIA if LTV < 80% Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> Min contribution: 5% primary, 10% investment 	Document Age	<ul style="list-style-type: none"> 90-days
Tradelines	<ul style="list-style-type: none"> 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 Property Only	<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in KS, MI, MN, NM, OH, and RI Penalties not allowed on loans vested to individuals in IL Penalties not allowed on loan amounts less than \$312,159 in PA Only declining prepayment penalty structures allowed in MS

Investor Solutions – DSCR

Single Investment Property				
Maximum LTV/CLTVs		>= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	75	70	70
	3,000,000	70	65	65
	3,500,000	70	65	NA
660	1,000,000	75	75	70
	1,500,000	75	70	70
	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	NA	NA
640	1,000,000	75	70	NA
	1,500,000	65	65	NA
	2,000,000	65	NA	NA
	3,000,000	60	NA	NA
Maximum LTV/CLTVs		< 1.00		
700	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	65	65
	2,500,000	65	NA	NA
	3,000,000	60	NA	NA
680	1,000,000	70	65	NA
	1,500,000	70	65	NA
	2,000,000	65	60	NA
	3,000,000	60	NA	NA
660	1,000,000	65	NA	NA
Housing History		Credit Event Seasoning	Investor Experience	
<ul style="list-style-type: none">1x30x12 – No reduction0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out	<p>BK/FC/SS/DIL:</p> <ul style="list-style-type: none">>=36 Mo – No reduction>=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out <p>Forbearance, Mod or Deferral: See Verus Wholesale Broker Guide</p>	<p>Experienced Investor: Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years.</p> <p>First Time Investor: A borrower/guarantor not meeting the experienced investor criteria.</p> <ul style="list-style-type: none">First time investors eligible subject to the following restrictions:<ul style="list-style-type: none">Min credit score: 680If reported, no mortgage late payments during the past 36 Mo>= 36 Mo from any credit eventOwned a primary residence for at least 1-yearCash-out not eligibleFirst time homebuyer not eligible		
Unleased Properties	All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria			
State Eligibility				
<ul style="list-style-type: none">Ineligible states: AK	<ul style="list-style-type: none">DSCR Business Purpose caveats:<ul style="list-style-type: none">AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.		<ul style="list-style-type: none">Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands	
Declining Markets and State/CBSA Overlays				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 75% for purchases and 70% for all refinances and the maximum loan amount is limited to \$2MM.				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	<ul style="list-style-type: none">Min Credit Score: 680Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-out			
Loan Amounts	<ul style="list-style-type: none">Min: 100,000Max: 3,500,000			
Loan Amt < 150K	<ul style="list-style-type: none">Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)			
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out			
Occupancy	<ul style="list-style-type: none">Investment			
Property Type	<ul style="list-style-type: none">Single Family: Attached, Detached2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%Condo Hotel: Max LTV/CLTV: Purchase – 75%, Refinance – 65%. Max Loan Amount \$1,500,000Rural: Not Eligible		<p><u>Florida Condominiums:</u></p> <ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible	
Acres	<ul style="list-style-type: none">Property up to 2-acres, not meeting the rural definition, eligible			

Investor Solutions – DSCR, continued

Cash-In-Hand	<ul style="list-style-type: none"> • Max cash-in-hand: <ul style="list-style-type: none"> ◦ LTV ≥ 65% - \$500,000 ◦ LTV < 65% - \$1,000,000 ◦ Total equity withdrawn cannot exceed above limits (Not applicable to Delayed Financing Transactions)
Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000.
Income Requirements	
Income	<p>Long-Term Rental Documentation and DSCR Calculation</p> <ul style="list-style-type: none"> • Purchase Transactions: <ul style="list-style-type: none"> ◦ 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. ◦ A vacant or unleased property is allowed without LTV restriction. • Refinance Transactions: <ul style="list-style-type: none"> ◦ Required documentation: <ul style="list-style-type: none"> ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement. ▪ If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following: <ul style="list-style-type: none"> ◦ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix ◦ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows: <ul style="list-style-type: none"> ▪ 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%. ◦ A vacant or unleased property is allowed subject to the following: <ul style="list-style-type: none"> ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix • DSCR Calculation: <ul style="list-style-type: none"> ◦ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. ◦ Gross rents divided by PITIA = DSCR
	<p>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation</p> <p>Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> • Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> ◦ LTV is lesser of 75% for a purchase and 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel projects) ◦ DSCR Calculation: <ul style="list-style-type: none"> ▪ Monthly gross rents based upon a 12-month average to account for seasonality required. ▪ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used. ▪ (Gross Rents * .80) divided by PITIA = 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: <ul style="list-style-type: none"> ◦ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. <ul style="list-style-type: none"> ▪ If long-term rent is utilized, 20% expense factor is not to be applied. ◦ The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> ▪ 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. ◦ 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 and Overview reports, accessed using the Explore Short-Term Rental data, must meet the following requirements: <ul style="list-style-type: none"> ▪ Rentalizer (Property Earning Potential) <ul style="list-style-type: none"> ◦ Only allowed for purchase transaction ◦ Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor ◦ Forecast period must cover 12 months from the Note date ◦ The occupancy rate must be > 60% <ul style="list-style-type: none"> a. Maximum occupancy limited to 2 individuals per bedroom ◦ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> a. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> ◦ Market Score or Sub-Market Score by zip code ◦ Market Score or Sub-Market Score must be 60 or greater

Investor Solutions – DSCR, continued

Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • Use highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2 	Tradelines	<ul style="list-style-type: none"> • 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
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required 	Reserves	<ul style="list-style-type: none"> • 2-months of PITIA • Loan Amount > \$1.5M: 6-months of PITIA • Loan Amount > \$2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution 	Document Age	<ul style="list-style-type: none"> • 90-days
Prepayment Penalty – Investment Property Only	Acceptable Structures include the following: <ul style="list-style-type: none"> • 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 style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in KS, MI, MN, NM, OH, and RI. • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts less than \$312,159 in PA • Only declining prepayment penalty structures allowed in MS

Investor Solutions – DSCR (5-8 Units or 2-8 Mixed Use)

Single Investment Property 5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs		>= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,500,000	75	70	70
	2,000,000	70	65	65
Housing History	Housing Event Seasoning	Investor Experience		
• 0x30x12	BK/FC/SS/DIL: <ul style="list-style-type: none">• >=36 Mo – Any event Forbearance. Mod or Deferral: See Verus Wholesale Broker Guide	Experienced Investor: Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years First Time Investor: Not eligible		
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
State Eligibility				
<ul style="list-style-type: none">• Ineligible states: AK• DSCR Business Purpose caveats:<ul style="list-style-type: none">◦ AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.• Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Markets and State/CBSA Overlays				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM, 10/6 ARM. Maximum loan term cannot exceed 30-years.			
Interest Only	<ul style="list-style-type: none">• Eligible			
Loan Amounts	<ul style="list-style-type: none">• Min: 400,000• Max: 2,000,000			
Loan Purpose	<ul style="list-style-type: none">• Purchase, Rate/Term, and Cash Out			
Cash-In-Hand	<ul style="list-style-type: none">• Max cash-in-hand \$1,000,000			
Occupancy	<ul style="list-style-type: none">• Investment			
Property Type	<ul style="list-style-type: none">• Residential 5 – 8 Units• Mixed use 2 – 8 Units<ul style="list-style-type: none">◦ Commercial usage limited to Retail/Office/Restaurant<ul style="list-style-type: none">▪ 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% of the total building area			
Acreage	<ul style="list-style-type: none">• Property up to 2-acres, not meeting the rural definition, eligible			
Unleased Units	<ul style="list-style-type: none">• Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.			
Appraisals	<ul style="list-style-type: none">• A full interior inspection with photos is required for all units.• 5-8 Residential<ul style="list-style-type: none">◦ FHLMC 71A, 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<ul style="list-style-type: none">◦ 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:<ul style="list-style-type: none">◦ 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 required for all loans.<ul style="list-style-type: none">◦ In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO.			
Property Condition	<ul style="list-style-type: none">• No fair or poor ratings• No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat)• No health or safety issues (As noted by appraiser, i.e., broken windows, stairs)• No excessive deferred maintenance that could become a health or safety issue for tenants• No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)			
Mixed Use	<ul style="list-style-type: none">• Commercial use is limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable.			
Eligibility Restrictions	<ul style="list-style-type: none">• Citizens and individuals from OFAC sanctioned are not eligible.			

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

Income Requirements			
Income	<ul style="list-style-type: none">• Leased – Use lower of Estimated market rent or lease agreement.• Short-Term Rental Income not eligible• Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units.• Reduce qualifying rents by any management fee reflected on appraisal report.• 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income		
DSCR	<ul style="list-style-type: none">• Minimum DSCR ≥ 1.00• DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment).• Loan amounts $\geq \\$2,000,000$ require DSCR ≥ 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater)• Reduce qualifying rents by any management fee reflected on the appraisal report		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none">• Use highest decision score amongst all borrowers/guarantors• Middle of 3 scores or lower of 2	Tradelines	<ul style="list-style-type: none">• Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity• For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).
Assets	<ul style="list-style-type: none">• Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Not eligible	Document Age	<ul style="list-style-type: none">• 90-days
Prepayment Penalty	<ul style="list-style-type: none">• Acceptable structures include the following:<ul style="list-style-type: none">○ 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 style="list-style-type: none">• Prepayment periods up to 5-Years eligible, see rate sheet• Penalties not allowed on loans vested to individuals in IL and NJ• Penalties not allowed on loan amounts less than \$312,159 in PA• Only declining prepayment penalty structures allowed in MS	

Foreign National – Investment Property Only

Maximum LTV/CLTVs			DSCR (Investment Only)		
DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
>=1.00	680	1,000,000	75	65	65
		1,500,000	70	60	60
	Foreign Credit	1,000,000	75	65	65
		1,500,000	70	60	60
<1.00	680	1,000,000	65	60	60
		1,500,000	65	NA	NA
	Foreign Credit	1,000,000	65	60	60
		1,500,000	65	NA	NA
State Eligibility					
<ul style="list-style-type: none">Consumer Purpose: Ineligible states AK, HI, MA, MO, NY & VADSCR Ineligible States: AKDSCR Business Purpose caveats:<ul style="list-style-type: none">AZ/CA/ID/KS/MN/ND/OR/SD/UT: Broker required to hold a license.Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands					
Declining Markets and State/CBSA Overlays					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
Housing History		Credit Event Seasoning	First Time Investor	Unleased Properties	
0x30x12, if documented		BK/FC/SS/DIL/Mod: >= 36 Mo	Allowed	Refinance: LTV reduction not required	
General Requirements					
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature).				
Interest Only	<ul style="list-style-type: none">Eligible				
Loan Amounts	<ul style="list-style-type: none">Min: 150,000Max: 1,500,000				
Loan Purpose	<ul style="list-style-type: none">Purchase, Rate/Term, and Cash Out				
Occupancy	<ul style="list-style-type: none">Investment for all eligible foreign citizens2nd Home Only for Canadian citizens (see guide for criteria)				
Eligibility Restrictions	<ul style="list-style-type: none">Citizens and individuals from OFAC sanctioned countries are not eligibleFlorida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association:<ul style="list-style-type: none">Conveyances to Foreign Entities – By Individual BuyerConveyances to Foreign Entities – By Entity Buyer				
Property Type	<div><ul style="list-style-type: none">Single Family: Attached, Detached2-4 Units and Condominiums: Max LTV/CLTV<ul style="list-style-type: none">Purchase – 70%, Refinance – 65%Condo Hotel: Max LTV/CLTV:<ul style="list-style-type: none">Purchase – 70%, Refinance – 65%Rural: Not Eligible</div> <div>Florida Condominiums:<ul style="list-style-type: none">A structural inspection is required for projects:<ul style="list-style-type: none">greater than 5 stories; andover 30 years old (or 25 years if within 3 miles of the coast)Projects with an unacceptable or no inspection are ineligible</div>				
Acreage	<ul style="list-style-type: none">Maximum 2-acres.				
Cash-In-Hand	<div><ul style="list-style-type: none">\$300,000 if LTV > 50%\$500,000 for LTV <= 50%Total equity withdrawn cannot exceed above limits</div>				
Appraisals	<ul style="list-style-type: none">FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.				
Income Requirements					
Income – DSCR	Long-Term Rental Documentation and DSCR Calculation				
	<ul style="list-style-type: none">Purchase Transactions:<ul style="list-style-type: none">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.A vacant or unleased property is allowed without LTV restriction.Refinance Transactions:<ul style="list-style-type: none">Required documentation:<ul style="list-style-type: none">FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement.If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant.Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025 as follows:<ul style="list-style-type: none">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%.A vacant or unleased property is allowed, LTV reduction not required.DSCR Calculation:<ul style="list-style-type: none">Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios.Gross rents divided by PITIA = DSCR				

Foreign National – Investment Property Only, continued

Income – DSCR, Continued	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 style="list-style-type: none"> • Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> ○ LTV is lessor 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: <ul style="list-style-type: none"> ▪ Monthly gross rents based upon a 12-month average to account for seasonality required. ▪ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used. ▪ (Gross Rents * .80) divided by PITIA = 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: <ul style="list-style-type: none"> ○ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. <ul style="list-style-type: none"> ▪ If long-term rent is utilized, 20% expense factor is not to be applied ○ The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> ▪ 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 evidencing short-term rental deposits. The borrower must provide rental records for the subject property to support monthly deposits. ○ AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements: <ul style="list-style-type: none"> ▪ Rentalizer (Property Earning Potential) <ul style="list-style-type: none"> ▫ Only allowed for purchase transaction ▫ Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor ▫ Forecast period must cover 12 months from the Note date ▫ The occupancy rate must be > 60% <ul style="list-style-type: none"> a. Maximum occupancy limited to 2 individuals per bedroom ▫ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> a. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> ▫ Market Score or Sub-Market Score by zip code ▫ Market Score or Sub-Market Score must be 60 or greater 		
	Underwriting Requirements		
Credit Score	<ul style="list-style-type: none"> • If score available, use the highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2, if available 	DTI Requirements	(DSCR – no DTI component)
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced 	Reserves	<ul style="list-style-type: none"> • 6-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Not allowed 	Document Age	90-days
Tradelines	<ul style="list-style-type: none"> • US credit: Min 2 reporting 24-months or 3 reporting 12-months, for borrowers/guarantors 	Prepayment Penalty	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in KS, MI, MN, NM, OH, and RI • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts less than \$312,159 in PA • Only declining prepayment penalty structures allowed in MS

Closed End Second Lien – Standard and Alt Doc

Closed End Second - Eligibility				
Loan Amount/Credit Score/CLTV Matrix				
Standard Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
\$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
Alt Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
\$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
Declining Markets and State/CBSA Restrictions				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, 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: <ul style="list-style-type: none">○ 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	• Stand-Alone Cash Out (minimum ownership of 6 months required)			
	• Simultaneous/Piggyback			
Occupancy	• Primary, Second Home, Investment			
Cash-Out	• Max cash-out: \$500,000			
Eligible Borrower	• U.S. Citizen			
	• Permanent Resident Alien			
State Restrictions	• Not Eligible: <ul style="list-style-type: none">○ AK, HI, MA, MO, NY, TX & VA○ Territories: Puerto Rico, Guam, & the US Virgin Islands			
	• Restricted: <ul style="list-style-type: none">○ CT, IL, NJ (Max CLTV 80%, Min FICO 720)			
Ineligible Loan Features	• 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.			
	• Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.			
	• All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of Verus Broker Guide. <ul style="list-style-type: none">○ All Solar Panel loans and leases with PACE/HERO financing must be paid off.			
Income Requirements				
Standard Doc	• Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE			
	• Self-Employed: 1-year or 2-years of Personal and Business (If applicable) Tax Returns, YTD P&L, 2 recent business bank statements, IRS Form 4506-C			
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements			
	• Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements			
	• The business bank statements must reflect business activity and transfers to the personal account			
Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none">○ Fixed Expense Ratio (50%)○ Expense ratio provided by a 3rd party (CPA, EA or tax preparer) min ratio of 10%○ 3rd party prepared Profit & Loss Statement (CPA, EA or tax preparer)			
IRS Form 1099	• 1-year or 2-years 1099			
	• Fixed Expense Ratio of 10%			
	• YTD documentation to support continued receipt of income			
Desktop Underwriter (DU) or Loan Prospector (LP)	• For simultaneous transactions only			
	• 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.			

Closed End 2nd Lien – Standard and Alt Doc, continued

Underwriting Requirements	
Eligibility Criteria	
First Lien	<ul style="list-style-type: none"> For criteria not referenced in this matrix, follow the Closed End Second chapter in the Wholesale Broker Guide First lien documentation requirements: <ul style="list-style-type: none"> Copy of 1st lien Note; and <ul style="list-style-type: none"> Default interest rate on Note cannot exceed Note rate If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) Copy of most recent monthly mortgage payment statement <ul style="list-style-type: none"> Utilized to determine if payment includes escrows (See DTI Requirements) Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12- months of the Note date Loans in active forbearance or deferment Negative amortization including loans with Paid-In-Kind (PIK) features Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien Reverse Mortgages First liens for the subject property not reporting on credit report <ul style="list-style-type: none"> e.g., Private party mortgages including any loan not reporting on credit report Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages Home Equity Line of Credit Note with default interest rate greater than the Note rate
Credit and Fraud	<ul style="list-style-type: none"> Credit report Gap credit report or Undisclosed Debt Monitoring (UDM) Fraud report OFAC
Qualifying Credit Score	<ul style="list-style-type: none"> Use credit score of the borrower with the highest qualifying income Middle of 3 scores or lower of 2
Housing History	<ul style="list-style-type: none"> 0x30x12 – verification of mortgage history required on all loans. Verify the 1st lien P&I payment with all of the following: <ul style="list-style-type: none"> Copy of 1st lien Note, and Copy of most recent monthly mortgage payment statement
Credit Events	<ul style="list-style-type: none"> Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 48-month seasoning
Tradelines	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> None required
Assets	<ul style="list-style-type: none"> Asset verification required if funds needed to consummate the transaction.
DTI Requirements	<ul style="list-style-type: none"> Maximum DTI ratio: <ul style="list-style-type: none"> 50% DTI for CLTV less than or equal to 80% 45% DTI for CLTV greater than 80% Qualifying payment for first lien: <ul style="list-style-type: none"> Stand-alone: Utilize senior lien mortgage payment from credit report Simultaneous: Utilize 1st lien qualifying method <ul style="list-style-type: none"> Fixed rate: Note rate amortized over the total term <ul style="list-style-type: none"> Interest Only: Note rate amortized over the remaining term after the expiration of the interest only period ARMs: Qualifying rate is the higher of the fully indexed rate or note rate <ul style="list-style-type: none"> Interest Only: Qualifying rate amortized over the remaining term after the expiration of the interest only period
Age of Documents	<ul style="list-style-type: none"> Credit Documents: May not be over 90-days old at the time of closing. Appraisals, Title Report (or O&E): May not be over 120-days old at time of closing. <ul style="list-style-type: none"> AVM may not be over 30- days old at time of closing.
Appraisal and Property	
Eligible Property	<ul style="list-style-type: none"> Single Family (Attached, Detached, PUD) 2-4 Unit residential properties (Max CLTV 75%) Condominiums (Max CLTV 80%)
Appraisals	<ul style="list-style-type: none"> HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. Any simultaneous transaction requires a full appraisal. Transferred appraisals are eligible. Loan Amount <=\$250,000 AVM within 30- days of the Note date from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or Exterior Drive-By appraisal (Hybrid or 2055 or 1075), or New Appraisal (FNMA Form 1004/1025/1073), or Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to the following: <ul style="list-style-type: none"> The lender on the prior appraisal must be the same as the subject loan, and A new Property Condition Report with acceptable findings, and Recertification of value by the original appraiser.

Closed End 2nd Lien – Standard and Alt Doc, continued

Appraisals, continued	<p><u>Loan Amount >\$250,000</u></p> <ul style="list-style-type: none"> • New Appraisal (FNMA Form 1004/1025/1073), or • Prior 1st lien appraisal dated within 12- months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, and ○ Recertification of value by the original appraiser, and ○ AVM within 30- days of the Note date from approved vendor with acceptable FSD. <ul style="list-style-type: none"> ▪ The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV. <p><u>Secondary Valuation Product</u></p> <ul style="list-style-type: none"> • Secondary valuation product required in every file • Acceptable review products include one of the following: <ul style="list-style-type: none"> ○ The Seller may submit the appraisal report to Collateral Underwriter® (CU®) or Loan Collateral Advisor® (LCA). An eligible score is 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). (Only one score required, if both scores (CU & LCA) provided, both required to be 2.5 or less). If the score exceeds 2.5, the file must include either an enhanced desk review, field review, or second appraisal; or ○ An enhanced desk review product from one of the following choices: <ul style="list-style-type: none"> ▪ ARR from Stewart Valuation Intelligence FKA Pro Teck, ▪ CDA from Clear Capital. ○ If the enhanced desk review product reflects a value more than 10% below the appraised value or cannot provide a validation, the file must include either a field review or a second appraisal. A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report. ○ AVM within 30- days of Note date (If primary valuation based on an AVM, review must be a different vendor) <ul style="list-style-type: none"> ▪ If two AVMs are ordered, the AVM with the higher FSD (closest to zero) will be treated as the primary valuation product. <ul style="list-style-type: none"> ○ The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10% ○ If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV. ○ Broker Price Opinion (BPO) 						
AVM and FSD Score	<p>The following AVM vendors are acceptable:</p> <table border="1"> <thead> <tr> <th>AVM Vendor</th><th>Acceptable FSD Score at 90%</th></tr> </thead> <tbody> <tr> <td>Clear Capital</td><td>0.00 to 0.13</td></tr> <tr> <td>Collateral Analytics</td><td>0.00 to 0.10</td></tr> </tbody> </table>	AVM Vendor	Acceptable FSD Score at 90%	Clear Capital	0.00 to 0.13	Collateral Analytics	0.00 to 0.10
AVM Vendor	Acceptable FSD Score at 90%						
Clear Capital	0.00 to 0.13						
Collateral Analytics	0.00 to 0.10						
Property Condition Report	<ul style="list-style-type: none"> • When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics. 						
Recently Listed Properties	<ul style="list-style-type: none"> • Properties listed for sale in the past 6-months are not eligible 						
Title Insurance	<p><u>Loan Amount <=\$250,000, provide one of the following</u></p> <ul style="list-style-type: none"> ○ Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> ▪ Current Grantee / Owner ▪ How property was conveyed to current owner ▪ Liens (e.g., mortgage, UCC, other financing) ▪ Involuntary liens and judgements ▪ Property Tax Information with break-down of all taxes including special assessments ▪ Legal Description ○ ALTA Full Title Policy ○ ALTA Short Form Residential Limited Coverage Junior Loan Policy <p><u>Loan Amount >\$250,000, provide one of the following</u></p> <ul style="list-style-type: none"> ○ ALTA Full Title Policy ○ ALTA Short Form Residential Limited Coverage Junior Loan Policy 						
Flood Certificate and Flood Insurance	<ul style="list-style-type: none"> • Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA <ul style="list-style-type: none"> ○ Loss payee clause must reflect the following as additional insured: Verus Residential Loanco, LLC 						
Escrows	<ul style="list-style-type: none"> • Escrows for taxes and hazard insurance not required 						
Hazard Insurance	<ul style="list-style-type: none"> • Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect the following as additional insured: Verus Residential Loanco, LLC 						

Prime Jumbo – Full Doc (QM)

Verus Prime Jumbo QM - Loan Purchase Eligibility				
Fixed Rate Loan/LTV Matrix				
Primary Residence		Maximum LTV/CLTVs		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
740+	<= 2,000,000	85	85	80
	2,000,001 – 3,000,000	80	80	75
720 - 739	<= 2,000,000	85	85	80
	2,000,001 – 2,500,000	80	80	NA
680 - 719	<=2,000,000	85	85	80
Second Home		Maximum LTV/CLTVs		
740+	<=3,000,000	80	80	75
700 - 739	<=2,000,000	80	80	70
680 - 699	<=2,000,000	80	80	NA
Investment		Maximum LTV/CLTVs		
720+	<=2,000,000	80	80	75
680 – 719	1,000,000	75	75	70
Adjustable-Rate Loan/LTV Matrix				
Primary Residence		Maximum LTV/CLTVs		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
760+	3,000,000	80	80	65
740 – 759	2,000,001 – 3,000,000	80	80	NA
	<=2,000,000	80	80	65
720 - 739	<= 2,000,000	80	80	NA
	<=1,000,000	80	80	65
700 - 719	<=1,000,000	70	70	NA
Second Home		Maximum LTV/CLTVs		
740+	<=2,000,000	80	80	65
700 - 739	<=1,000,000	75	75	NA
Investment		Maximum LTV/CLTVs		
740+	<=2,000,000	80	80	65
720-739	<=1,000,000	80	80	65
Property Restrictions				
2-4 Units: (Fixed Rate Only) <ul style="list-style-type: none">LTV is reduced by 5% on all tiersMaximum LTV allowed is 75%		Condo: <ul style="list-style-type: none">Max LTV 75%		
State Restrictions				
State Restrictions	<ul style="list-style-type: none">Ineligible states: AK, HI, MA, MO, NY & VAIneligible locations: Puerto Rico, Guam, & the US Virgin Islands			
General Requirements				
Product and Term	Fixed Rate - Fully amortizing 30-year or 15-year.			
	ARMs – 5/6, 7/6, 10/6.			
	ARM Index		Cap Structure	
	30-day average of SOFR		5/6 – 2/1/5	7/6 & 10/6 – 5/1/5
	Lookback Period	Margin		Floor
	45-days	See Rate Sheet		Margin
Loan Amounts	Min: \$1 > agency limit	Max: 3,000,000		
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Owner Occupied Primary, Second Home, Non-Owner-Occupied Investment			
First Time Homebuyer	Applies to ARM Products; 5/6, 7/6, & 10/6 <ul style="list-style-type: none">Minimum credit score 740Maximum loan amount \$1,250,000			
Eligible Property	Single Family, Attached, Warrantable Condo, 2-4 Units			
Ineligible Property	Leaseholds, non-Warrantable Condo, Texas Home Equity 50(a)(6), Rural, any property > 20-acres			
Cash-Out	Max cash-out: \$500,000			
	Cash-out transactions not eligible in: TX			

Prime Jumbo – Full Doc (QM), continued

Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Two appraisals required for Loans > \$2.0M	
Mortgage Insurance	PMI not required, see LTV adjustors on Verus rate sheet	
Income and Liability Requirements		
Income	Refer to Income Documentation in the Eligibility Guide	
Underwriting Requirements		
Qualifying Credit Score	Determine a score for each borrower, middle of 3 scores or lower of 2, use lowest calculated score amongst all borrowers	
Housing History	0x30x24	
Credit Events	Foreclosure, Short Sale, Deed in Lieu	Min: 84 months
	Any Bankruptcy	Min: 84 months
Tradelines	Minimum: 3 open and reporting 24-months with activity in the past 12-months	
Qualifying Payment	Fixed Rate – Initial note rate	
	5/6 ARM – Higher of the fully indexed or initial note rate plus 2%	
	7/6 and 10/6 ARMs - Higher of the fully indexed or initial note rate	
Maximum DTI Ratio	Max 45%, if > 43% Rate Spread Safe harbor as well as Verification Safe Harbor standards must be satisfied	
Minimum Months Reserves	<p>Primary Residence</p> <ul style="list-style-type: none">• 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 <p>Second Home</p> <ul style="list-style-type: none">• Minimum of 12-months of PITIA• Loan balance > \$2.5M: 18-months of PITIA• Cash out loan balance > \$2.0M: 18-months of PITIA <p>Investment</p> <ul style="list-style-type: none">• Minimum of 12-months of PITIA <p>All occupancy – cash-out may not be used to satisfy reserve requirements</p>	
Assets and Cash to Close	Minimum of 2-months eligible assets must be verified; any large deposit must be sourced. All sources of funds must be owned by the borrower.	
Gift Funds	Allowed with minimum borrower contribution, see guide	
Document Age	Income/Asset documents 90-days	
Pre-close Reverification of employment	Verbal VOE within 5-days wage/salary or business verification for S/E by 3 rd party within 10-days of Note Date	
Exceptions	Exceptions will be considered on a case-by-case basis.	

State/CBSA Overlay Table

Statewide		CBSA-Specific	
State Name	State	CBSA Name	CBSA Code
Connecticut	CT	Phoenix-Mesa-Scottsdale, AZ	38060
Idaho	ID	Sacramento-Roseville, CA	40900
Illinois	IL	San Francisco-Oakland-Hayward, CA	41860
Louisiana	LA	San Jose-Sunnyvale-Santa Clara, CA	41940
New Jersey	NJ	Santa Cruz-Watsonville, CA	42100
New York	NY	Boulder, CO	14500
		Breckenridge, CO	14720
		Sevierville, TN	42940
		Austin-Round Rock, TX	12420

See the State/CBSA overlay document to access the list of ZIP codes.