

Closed End Second & HELOC (1st & 2nd Lien)

September 16, 2025

CLOSED-END 2ND LIEN

PURPOSE	MAX LOAN AMOUNT	MAX LTV/CLTV	MIN FICO	MAX DTI ¹
PRIMARY RESIDENCE				
Rate Term and Cash-Out	\$500,000	90%	680	50%
	\$500,000	80%	660	50%
	\$750,000 ²	75%	740	50%
SECOND HOMES & INVESTMENT PROPERTIES				
Rate Term and Cash-Out	\$500,000	70%	720	50%

1 – See rate sheet for pricing adjustments related to DTI | Max 45% DTI if FICO < 700

2 –Maximum \$500,000 Loan Amt if Personal Bank Statements.

CLOSED-END DSCR 2ND LIEN

PURPOSE	MAX LOAN AMOUNT	MAX LTV/CLTV	MIN FICO	MIN DSCR
INVESTMENT PROPERTIES				
Rate Term and Cash-Out	\$350,000	75%	720	1.2
	\$350,000	70%	700	1.2

HELOC 1ST & 2ND LIENS

DOC TYPE	MAX LOAN AMOUNT	MAX LTV/CLTV/HCLTV ¹	MIN FICO	MAX DTI ²
PRIMARY RESIDENCE				
Full Doc	\$500,000	90%	680	50%
	\$500,000	80%	660	50%
	\$750,000 ⁴	75%	720	50%
Bank Statement	\$500,000	90%	680	50%
	\$500,000	80%	660	50%
	\$750,000 ³	75%	720	50%
SECOND HOMES & INVESTMENT PROPERTIES				
Full Doc	\$400,000	80%	700	50%
Bank Statement	\$400,000	80%	700	50%

1 – 1st Lien HELOCs do not allow any other financing.

2 – Maximum 45% DTI if FICO < 700.

3 – Maximum \$500,000 Line Amount if Personal Bank Statements.

4 – Maximum \$500,000 Line Amount for 25-YR HELOC (10 Yr Draw, 15 Yr Repay)

GENERAL REQUIREMENTS				
Product Type	<ul style="list-style-type: none"> Closed End Second: 30-YR Fixed 20-YR Fixed 15-YR Fixed 10-YR Fixed HELOC: 25-YR (10 Yr Draw, 15 Yr Repay) Not allowed on Bank Statements 20-YR (5 Yr Draw, 15 Yr Repay) 15-YR (3 Yr Draw, 12 Yr Repay) 			
Prepayment Penalty (Closed End DSCR 2nd)	<ul style="list-style-type: none"> Unless otherwise restricted by law, 5% of the amount prepaid in excess of 20% of the original principal balance; or if fully prepaid, 5% of the balance prepaid. No prepayment penalty will apply for any prepayment after the penalty period 5 years, unless otherwise restricted by law 			
Loan Amounts	<ul style="list-style-type: none"> CES Minimum Loan Amount: \$100,000 HELOC Minimum Line Amount: \$125,000 MAX \$750,000 for Closed End Second MAX \$750,000 Line Amount for HELOC \$500,000 MAX for 25-YR (10 Yr Draw, 15 Yr Repay) MAX \$350,000 for Closed End DSCR Seconds 			
Eligible Borrowers	<ul style="list-style-type: none"> US Citizens, & Permanent Resident Aliens 			
Loan Purpose	<ul style="list-style-type: none"> Rate/Term Refinance, & Cash-Out Refinance 			
Interest Only	<ul style="list-style-type: none"> Closed End Second: Not Allowed HELOC: Interest Only during draw periods 			
Occupancy	<ul style="list-style-type: none"> Primary, Second Home, and Investment Investment only for Closed End DSCR 2nd Min 12 mos. subject property ownership 			
HELOC Requirements	<ul style="list-style-type: none"> Minimum Initial Draw: 80% No draws allowed for 90 days after initial draw. Minimum draw after 90 days \$1,000 not to exceed credit limit. Prime rate as published in the WSJ on the 1st day of the month. If there is a range published the higher rate will be used. 18.000% Rate Ceiling; 4.000% Rate Floor; See Rate Sheet for Margin DTI calculated at start rate plus 2% of the maximum line over the repay period. 			
Property Type	<ul style="list-style-type: none"> SFR, Townhomes, 2-Unit, and Warrantable Condominiums 			
Property	<ul style="list-style-type: none"> Subject property cannot have been listed for sale in the last 6 months 			
Mortgage History	<ul style="list-style-type: none"> 0x30x24 			
Credit History	<ul style="list-style-type: none"> No Collections/Charge Offs/Judgements in the last 24 months 			
Investor Experience	<ul style="list-style-type: none"> For Closed End DSCR 2nd's, borrower must document minimum 2 years of managing income producing investment properties 			
Seasoning Requirements	<ul style="list-style-type: none"> Foreclosure, Deed-in-Lieu, Short Sale, Forbearance, Modification, or 120 days late – within 7 years. BK 60 months from discharge date. Mortgage could not have been included in BK 			
Reserves	<ul style="list-style-type: none"> Min 6 Months of full PITIA for 1st and 2nd lien. Cash out may be used for reserves at an HCLTV ≤80% Percentage of ownership can be used for business assets. Tax preparer letter required. 			

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GENERAL REQUIREMENTS (continued)	
Residual Income	<ul style="list-style-type: none"> Minimum \$2,500 Minimum \$3,500 required if DTI > 45%
Debt Ratios	<ul style="list-style-type: none"> Maximum 45% if FICO < 700 Maximum 50% if FICO >= 700
DSCR	<ul style="list-style-type: none"> Minimum 1.2 (Closed End DSCR 2nds only) Short-Term Rentals not permitted for Closed End DSCR 2nd Liens
Credit Score	<ul style="list-style-type: none"> If one borrower use middle score; if multiple borrowers use middle score of primary wage earner
Appraisal Requirements	<ul style="list-style-type: none"> 1st Lien HELOC and Closed End DSCR 2nd Liens require full appraisal Loan Amounts ≤ \$400,000 and HCLTV/CLTV ≤ 80% – One of the following: <ul style="list-style-type: none"> Angel Oak AVM with a confidence rating ≥ 80 allowed for all HELOCs and non HPML CES Full Appraisal Transferred appraisals, follow transfer guidelines. Loan Amounts >\$400,000 or HCLTV/CLTV > 80% Full Appraisal HPML loans require full appraisal Second Home, Investment Properties and HELOC's are excluded from HPML
First Mortgage (N/A for 1 st Lien HELOC)	<ul style="list-style-type: none"> Must document terms of first mortgage Must use fully amortized payment for DTI If first mortgage has a balloon, second mortgage cannot exceed balloon term
Assets	<ul style="list-style-type: none"> Must be sourced or seasoned for 30 Days
Escrows	<ul style="list-style-type: none"> No escrows allowed for 1st Lien HELOCs
Income	<ul style="list-style-type: none"> Full Doc: 2-years tax returns plus YTD Profit and Loss AND W-2's with YTD pay statement if not self-employed. Must have filed tax returns from the most recent two years verified with 4506-T if using tax returns for self-employed borrowers. Bank Statements – HELOC <ul style="list-style-type: none"> Not allowed for HELOC 25-YR (10 Yr Draw, 15 Yr Repay). <ul style="list-style-type: none"> 12/24 Months Business Bank Statements <ul style="list-style-type: none"> Business Bank Statement required ownership is 50% 12/24 Months Personal Bank Statements Maximum \$500,000 Line Amount <ul style="list-style-type: none"> Personal Bank Statement required ownership is 25% Bank Statements – Closed End Second Liens <ul style="list-style-type: none"> 12/24 Months Business Bank Statements <ul style="list-style-type: none"> Business Bank Statement required ownership is 50% 12/24 Months Personal Bank Statements Maximum \$500,000 Loan Amount <ul style="list-style-type: none"> Personal Bank Statement required ownership is 25%
Documentation Age	<ul style="list-style-type: none"> Credit Documents (Income/Assets/Credit Report) – 90 days Collateral Documents/Title – 90 days
Title Policy	<ul style="list-style-type: none"> Short-form title allowed for loan amount ≤ \$250,000 Full title commitment for loan amounts > \$250,000
Vesting	<ul style="list-style-type: none"> Vesting is not permitted in the name of an LLC, corporation, or partnership Irrevocable Trusts not permitted
Ineligible States	<ul style="list-style-type: none"> TX – Owner Occupied program is not allowed