

| Bank Statements 1099 Only W2 Only 1 Year Tax Return Asset Qualifier | | | | | | | |
|---|-----|------|-----|---------------------|-----|------|-----|
| Purchase / Rate & Term Refinance | | | | *Cash Out Refinance | | | |
| Loan Amount | LTV | FICO | DTI | Loan Amount | LTV | FICO | DTI |
| Primary Residence | | | | Second Home | | | |
| \$1,500,000 | 90% | 720 | 43% | \$1,500,000 | 80% | 720 | 43% |
| \$2,000,000 | 80% | 700 | 43% | \$2,000,000 | 75% | 700 | 43% |
| \$2,500,000 | 75% | 680 | 43% | \$2,500,000 | 70% | 680 | 43% |
| \$4,000,000 | 70% | 660 | 43% | \$3,500,000 | 65% | 660 | 43% |

Additional Program Information

| Program Requirements | |
|---|---------------------|
| Minimum Loan Amount | \$100,000 |
| Asset Qualifier | DTI not applicable. |
| Enhance Debt Ratio* | 43% - 50% |
| *Enhanced: DTI above 43% and up to 50% requires a 5% reduction in max LTV as listed in the above grid. Max DTI for cash out is 43%. | |

| Credit Seasoning | |
|------------------|-------------|
| Mortgage History | 1 x 30 x 12 |
| Foreclosure | 36 months |
| Short Sale/DIL | 36 months |
| BK Seasoning | 36 months |

| *Cash Out Restrictions | |
|---|--|
| • Max cash in hand is \$2,000,000 | |
| • Max LTV for cash out is 80% | |
| • Texas 50 (a)(8) loans are not permitted | |

Property Type Requirements

| Property Type | Max LTV |
|-----------------------------|-------------|
| Rural Properties | 70% |
| Attached PUD/Condominium | 80% |
| Florida Condominium | 70% |
| Non-Warrantable Condominium | 65% |
| 2 Unit | 75% |
| 3-4 Unit | 70% |
| Log Homes | Not Allowed |

Product Types

| Products | | |
|---|-------------------|----------------|
| 5/6m, 7/6m & 10/6m ARM | 30 Yr Fixed | 40 Yr Fixed |
| 5/6m, 7/6m & 10/6m ARM IO | 30 Yr Fixed IO | 40 Yr Fixed IO |
| IO Period | Amortization Term | Maturity |
| 10 Years | 20 Years | 30 Years |
| 10 Years | 30 Years | 40 Years |
| ARM Margins & Caps | | |
| 5/6 Month ARM | Margin: 4.50 | Caps: 2/2/5 |
| 7/6 Month ARM | Margin: 4.50 | Caps: 5/2/5 |
| 10/6 Month ARM | Margin: 4.50 | Caps: 5/2/5 |
| Index = 30 Day Avg SOFR, Floor = Start Rate | | |



Alternative Income Documentation Types

| | |
|---------------------------|--|
| 12 Months Bank Statements | Income calculated based on 12 months recent Business or Personal bank statements. Refer to program guidelines for calculation methods available. Bank statements should show a stable or increasing trend. If the trend is declining and/or irregular, additional documentation may be required up to and including an additional 12 months of statements. |
| 1099 only | Validated most recent 1 year 1099. Borrower must receive compensation either in the form of commissions or as an independent contractor. An expense ratio must be developed using one of the two below methods. Method 1: Utilize 50% baseline expense factor. Multiple the expense ratio by the gross receipts shown on the 1099. Method 2: Provide a CPA letter stating the business' expense ratio based on the most recent year's tax return. Multiple the expense ratio by the gross receipts shown on the 1099. |
| W2 only | Validated most recent year W2 and current VOE or pay stub used as qualifying income. Refer to guidelines for specific guidance and requirements. |
| 1 Yr. Tax Return | Filed most recent year tax returns to be utilized for income qualifying per FNMA guidelines. Refer to guidelines for specific guidance and requirements. |
| Asset Qualifier | Qualification is determined solely based on the Applicant's liquid assets and assets they can liquidate without restriction. Option 1: Mortgage Only Total post-closing assets must meet 125% of the outstanding mortgage debt for which the Borrower has personal liability, including the proposed mortgage(s) on the subject property. Option 2: Traditional Total post-closing assets must meet the sum of the below: • 100% of the loan amount • Reserves required per program • 60 months of total debt service (do not include subject property's PITIA or PITIA on rented properties with documented rental income) • 60 months of net rental losses on rental properties (do not include subject property's PITIA) *Rental Calculation (Option 2 only) Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed \$0 for determining impact. For example, a property with a lease of \$1,600 and PITIA of \$1,500 would have a \$300 per month debt added to debt service (\$1,600 x 75% - \$1,500 = \$300). Other owned properties require additional reserves. |

Additional Program Requirements

| | |
|-------------------------|--|
| Appraisal | Loan amounts over \$1,500,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable. |
| Assets | Available without restriction following grid above. |
| Cash Out | Max cash in hand is \$2,000,000. |
| Citizenship | US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit) |
| Compliance | • Escrows required for all HPML loans, refer to guidelines for additional escrow requirements • No section 32 or state high cost • "Total borrower paid points and fees up to 5%" • Compliance with all applicable federal and state regulations |
| Credit | Minimum (1) tradeline reporting for 12+ months, with activity in the last 90 days. Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for pricing |
| Geographic Restrictions | Available in AZ, CA, CO, District of Columbia, FL, GA, HI, ID, IA, KS, KY, LA, MD, MI, MN, MT, NV, NM, OH, OR, SC, TN, TX, UT, VA and WA- Texas 50(a)(6) loans not allowed |
| Gift Funds | Not allowed on investment properties for reserves or for Asset Qualifier as income. Refer to guides for all other requirements |
| Max Financed Properties | Maximum 20 financed properties including subject property. |
| Mortgage History | Current Forbearance: If the borrower has resolved missed payments through a loss mitigation solution, they are eligible for a new mortgage loan if they have subsequently made at least three (3) timely payments. Follow FNMA requirements regarding forbearance reinstatement. |
| Occupancy | Primary Residence and Second Homes |
| Prepayment Penalty | Not allowed |
| Property Types | SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable Condominiums, Modular & Rural. Log Homes and Manufactured Homes are not eligible. |
| Qualifying Payment | ALL: Use Qualifying Rate (refer to box) for calculating PITIA Interest Only: Qualify using the fully amortized payment with the Qualifying Rate over the fully amortized term of the loan |
| Qualifying Rate | Fixed = Note Rate; ARM: 5/8m = Greater of Note Rate or Fully Indexed Rate; 7/8m & 10/8m = Note Rate |
| Reserves | Loan amount up to \$2M: 6 months PITIA. Loan amount greater than \$2M: 12 months PITIA. Other REO owned: 2 months of each property's PITIA. LTVs ≤ 80% only require 3 months PITIA reserves regardless of loan amount. Cash out can be used towards the reserves requirement. |
| Seller Concessions | Up to 6% |
| Subordinate Financing | Max 90% CLTV |

