

### Loan Amount / Credit Score / CLTV Matrix

#### Standard Documentation

Loan Amount	Credit Score	Primary Residence	Second Home	Investment
\$350,000	740	90%	80%	60%
	700	85%	80%	60%
	680	75%	75%	N/A
\$500,000	740	85%	75%	60%
	700	85%	75%	60%
	680	75%	70%	N/A

#### Alternative Documentation

Loan Amount	Credit Score	Primary Residence	Second Home	Investment
\$350,000	740	85%	75%	60%
	700	80%	70%	60%
	680	75%	65%	N/A
\$500,000	740	80%	70%	60%
	700	75%	65%	60%
	680	70%	60%	N/A

#### General Requirements

<b>Product and Term</b>	<ul style="list-style-type: none"> <li>Fixed Rate - fully amortizing terms of 10, 15, 20, 25 &amp; 30 years</li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>Minimum: \$75,000</li> <li>Maximum: \$500,000</li> </ul>
<b>Combined Loan Balance</b>	<ul style="list-style-type: none"> <li>The CLTV of the combined loan balances are restricted as follows:               <ul style="list-style-type: none"> <li>Combined loan balance &gt; \$2,000,000 - maximum 80% CLTV</li> <li>Combined loan balance &gt; \$3,000,000 - maximum 75% CLTV</li> </ul> </li> <li>Maximum combined loan balance for all liens not to exceed \$4,000,000</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>Stand-Alone Cash Out (minimum ownership of 6 months required)</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Primary Residence, Second Home, Investment</li> </ul>
<b>Cash Out</b>	<ul style="list-style-type: none"> <li>Maximum cash out not to exceed \$500,000</li> </ul>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>U.S. Citizen</li> <li>Permanent Resident Alien</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>Not Eligible:               <ul style="list-style-type: none"> <li>Texas</li> <li>Territories: Puerto Rico, Guam, &amp; the US Virgin Islands</li> </ul> </li> <li>Restricted:               <ul style="list-style-type: none"> <li>CT, IL, NJ (Max CLTV 80%, Min FICO 720)</li> </ul> </li> </ul>
<b>Ineligible Loan Features</b>	<ul style="list-style-type: none"> <li>Lien Free Properties - if the subject property is lien free, including delayed financing, ineligible.</li> <li>Unseasoned Cash Out - if the existing lien is a cash out, measured within six (6) months of the note date to note date.</li> <li>Frequent Refinances - Two (2) or more cash out refinances in the past twelve (12) months.</li> <li>All existing subordinate liens must be satisfied except for solar panels, see guidelines.</li> </ul>
<b>Income Requirements</b>	
<b>Standard Documentation</b>	<ul style="list-style-type: none"> <li>Wage/Salary: YTD Pay stubs, 1-year W2, IRS Form 4506C, Verbal VOE</li> <li>Self-employed: 1-year Personal and Business (if applicable) Tax returns, YTD P&amp;L, 2 recent months business bank statements, IRS Form 4506C</li> </ul>

<b>Personal Bank Statements</b>	<ul style="list-style-type: none"> <li>• 12 months of personal and 2 months of business bank statements</li> <li>• Qualifying income is determined by the total eligible deposits from the 12 or 24 months of personal statements divided by the number of statements.</li> <li>• The business bank statements must reflect business activity and transfers to the personal accounts.</li> </ul>
<b>Business Bank Statements</b>	<ul style="list-style-type: none"> <li>• 12 months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> <li>◦ Fixed Expense Ratio (50%)</li> <li>◦ Expense ratio provided by a 3rd party (CPA, EA or tax preparer) with min. ratio of 10%</li> <li>◦ 3rd party prepared Profit &amp; Loss Statement (CPA, EA, or tax preparer)</li> </ul> </li> </ul>
<b>IRS Form 1099</b>	<ul style="list-style-type: none"> <li>• 1-year 1099</li> <li>• Fixed Expense Ratio of 10%</li> <li>• YTD documentation to support continued receipt of income</li> </ul>
<b>Underwriting Requirements</b>	
<b>First Lien</b>	<ul style="list-style-type: none"> <li>• First Lien documentation (refer to guidelines for full requirements): <ul style="list-style-type: none"> <li>◦ Copy of 1st lien Note and Deed of Trust; and</li> <li>◦ Copy of most recent monthly mortgage payment statement</li> </ul> </li> <li>• Ineligible First Liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> <li>◦ Forbearance, modification, or deferrals (including COVID-19 related events) completed or reinstated within 12-months of the Note date.</li> <li>◦ Loans in active forbearance or deferment</li> <li>◦ Negative amortization including loans with Payment-to-Kind (PIK) features</li> <li>◦ Balloon, if the balloon payment becomes due during the amortization of the new 2nd</li> <li>◦ Reverse Mortgages</li> <li>◦ First liens for the subject property not reporting on the credit report <ul style="list-style-type: none"> <li>▪ e.g., Private party mortgages including any loan not reporting on credit</li> </ul> </li> <li>◦ Loans secured by more than one underlying property, including blanket mortgages</li> <li>◦ Home Equity Line of Credit</li> <li>◦ Note with default interest rate greater than the Note rate</li> </ul> </li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Full trimerge credit report</li> <li>• Gap credit report for Undisclosed Debt Monitoring (UDM)</li> </ul>
<b>Qualifying Credit Score</b>	<ul style="list-style-type: none"> <li>• Use credit score of the borrower with the highest qualifying income</li> <li>• Middle of 3 scores or lower of 2</li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• 0 x 30 x 12 - verification of mortgage history required on all loans</li> <li>• Verify the 1st Lien P&amp;I payment with all of the following: <ul style="list-style-type: none"> <li>◦ Copy of the 1st Lien Note and most recent monthly mortgage payment statement</li> </ul> </li> </ul>
<b>Credit Events</b>	<ul style="list-style-type: none"> <li>• Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 48-month seasoning required</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• Min. 2 reporting 24-months with activity in the last 12-months or 3 reporting 12-months with recent activity</li> <li>• If the primary borrower has 3 credit scores, the minimum tradeline requirement is waived</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Not required</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Account statements should cover the most recent 30-day period, all pages are required.</li> </ul>
<b>DTI Requirements</b>	<ul style="list-style-type: none"> <li>• <b>Maximum DTI ratio:</b> <ul style="list-style-type: none"> <li>◦ 50% DTI for CLTV ≤ 80%</li> <li>◦ 45% DTI for CLTV &gt; 80%</li> </ul> </li> </ul>
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• Credit documents: May not be over 90-days old at the time of closing</li> <li>• Appraisals, Title Report: May not be over 120-days old at time of closing. <ul style="list-style-type: none"> <li>◦ AVM may not be over 30-days old at time of closing.</li> </ul> </li> </ul>

Appraisal and Property	
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Single Family (Attached, Detached, PUD)</li> <li>• 2-4 Unit residential properties (75% max CLTV)</li> <li>• Condominiums (80% max CLTV)</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance.</li> <li>• Any simultaneous transaction requires a full appraisal.</li> <li>• Transferred appraisals are not permitted.</li> </ul> <p><b><u>Loan Amount ≤ \$250,000</u></b></p> <ul style="list-style-type: none"> <li>• AVM within 30-days of the Note date from approved vendor with acceptable FSD and a Property Condition Report (PCR) with acceptable findings, or</li> <li>• Exterior Drive-By appraisal (Hybrid or 2055 or 1075), or</li> <li>• New Appraisal (FNMA Form 1004/1025/1073), or</li> <li>• Prior 1st Lien appraisal dated within 12-months of subject loan Note date allowed subject to the following: <ul style="list-style-type: none"> <li>◦ The lender on the prior appraisal must be the same as the subject loan, and</li> <li>◦ A new Property Condition Report (PCR) with acceptable findings, and</li> <li>◦ Recertification of value by the original appraiser.</li> </ul> </li> </ul> <p><b><u>Loan Amount &gt; \$250,000</u></b></p> <ul style="list-style-type: none"> <li>• New Appraisal (FNMA Form 1004/1025/1073), or</li> <li>• Prior 1st Lien appraisal dated within 12-months of subject loan Note date allowed subject to the following: <ul style="list-style-type: none"> <li>◦ The lender on the prior appraisal must be the same as the subject loan, and</li> <li>◦ A new Property Condition Report (PCR) with acceptable findings, and</li> <li>◦ Recertification of value by the original appraiser.</li> <li>◦ AVM within 30-days of the Note date from approved vender with acceptable FSD <ul style="list-style-type: none"> <li>▪ The lower of the prior Appraisal value or the current AVM will be used to qualify</li> </ul> </li> </ul> </li> </ul>
<b>Recently Listed Property</b>	<ul style="list-style-type: none"> <li>• Properties listed for sale within the most recent 6-months are not eligible</li> </ul>
<b>Declining Market</b>	<ul style="list-style-type: none"> <li>• Properties located w/in a Declining Market as defined by the Appraiser/AVM - 80% max CLTV</li> </ul>
<b>Title Insurance</b>	<p><b><u>Loan Amount ≤ \$250,000, provide one of the following:</u></b></p> <ul style="list-style-type: none"> <li>◦ Owner and Encumbrance Report (O&amp;E)</li> <li>◦ ALTA Full Title Policy</li> <li>◦ ALTA Short Form Residential Limited Coverage Junior Loan Policy</li> </ul> <p><b><u>Loan Amount &gt; \$250,000, provide one of the following:</u></b></p> <ul style="list-style-type: none"> <li>◦ ALTA Full Title Policy</li> <li>◦ ALTA Short Form Residential Limited Coverage Junior Loan Policy</li> </ul>
<b>Flood Certificate and Flood Insurance</b>	<ul style="list-style-type: none"> <li>• Flood determination required for every transaction</li> <li>• Properties within a flood zone require evidence of insurance in accordance with the HFIAA <ul style="list-style-type: none"> <li>◦ Loss payee clause must reflect CHM as additional insured.</li> </ul> </li> </ul>
<b>Escrows / Impounds</b>	<ul style="list-style-type: none"> <li>• Escrows for taxes and hazard insurance are not required</li> </ul>
<b>Hazard Insurance</b>	<ul style="list-style-type: none"> <li>• Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis</li> <li>• Loss payee clause must reflect CHM as additional insured.</li> </ul>
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