MLBWHOLESALE
Making Lives Better

Alt/Full Doc Premium 8/1/26

Primary

Min FICO Score	Max Loan Amount	Max LTV/CLTV Purchase	Max LTV/CLTV R/T Refinance	Max LTV/CLTV Cash-Out	Property Type
700	$ 2,000,000	85	85	80	Single Family, PUD, 2-4 Units, Warrantable Condos
	$ 2,500,000	80	80	70	
680	$ 2,000,000	85	85	80	
	$ 2,500,000	80	80	70	
660	$ 2,000,000	80	80	70	
	$ 2,500,000	80	80	-	

Second Home

Min FICO Score	Max Loan Amount	Max LTV/CLTV Purchase	Max LTV/CLTV R/T Refinance	Max LTV/CLTV Cash-Out	Property Type
700	$ 2,000,000	85	85	80	Single Family, PUD, 2-4 Units, Warrantable Condos
	$ 2,500,000	80	80	70	
680	$ 2,000,000	85	85	80	
	$ 2,500,000	80	80	70	
660	$ 1,500,000	80	80	70	
	$ 2,000,000	80	80	-	

Investment

Min FICO Score	Max Loan Amount	Max LTV/CLTV Purchase	Max LTV/CLTV R/T Refinance	Max LTV/CLTV Cash-Out	Property Type
700	$ 2,000,000	80	80	75	Single Family, PUD, 2-4 Units, Warrantable Condos
680	$ 2,000,000	80	80	75	
660	$ 2,000,000	70	70	-	

Housing History	
• The housing payment history is required for all REOs and rental payments evidencing the payment activity for the most recent 12months, regardless of whether the borrower/guarantor is on the note or vested on title, and must reflect 0x30x12. • Rolling late payments are not considered a single event	
Rent Free	• Borrowers who have lived in a rent-free situation are **ineligible** • If a Borrower has lived in a temporarily rent-free situation for a time period of three months or less, and the prior twelve months can be documented, this is acceptable (example: Borrower sold residence then lived with family rent-free until a new home was available) • Borrowers whose spouse has the mortgage in only their name but can verify payments are coming from a joint account or who have other mortgaged properties with satisfactory most recent 12 month pay histories are excluded from rent free restrictions • Borrowers with a primary home that is owned free and clear are also exempt from this requirement
Maximum Exposure	MLB Mantiaines a maximum exposure of 5million of 10 loans per borrower

Geographic Restrictions

MD: Baltimore City: Investment properties are ineligible
PA: Philadelphia: Investment properties and row homes are ineligible
TX: A6 Refinances are ineligible

General Requirements

<table>
<tr><td>Eligible Product Type</td><td colspan="3"><u>Fully Amortizing Fixed Rate:</u>
• 30-Year
• 40-Year

<u>Hybrid ARMs (Fully Amortizing):</u>
• 5/6 SOFR ARM (30-Year): 2-1-5 Cap Structure
• 7/6 SOFR ARM (30-Year): 5-1-5 Cap Structure

<u>Interest Only (I/O) ARMs:</u>
• 5/6 SOFR I/O (30-Year): 10-Year I/O Period / 20-Year Amort Term (2-1-5 Cap)
• 7/6 SOFR I/O (30-Year): 10-Year I/O Period / 20-Year Amort Term (5-1-5 Cap)

ARM Terms & Calculations
• Index: 30-Day Average SOFR (New York Federal Reserve)
• Adjustment Reset Period: 6 months
• Floor: Equal to ARM Margin
• Lookback Period: 45 days
• Margin: 4.00%
• Fully Indexed Rate: (Index + Margin), rounded to the nearest 0.125%</td></tr>
<tr><td>Interest Only</td><td>Min 680 fico, FTHB not allowed</td><td>Max LTV: 80%</td><td>Max DTI 50%</td></tr>
<tr><td>Loan Amounts</td><td colspan="2">Min: $150,000</td><td>Max: $2,500,000</td></tr>
<tr><td>Max DTI</td><td colspan="3">Max 50% DTI
Up to 55% DTI permitted with: 700+ fico, =<80% LTV, Primary residence, 1.5x Residual income.
FTHB ineligible</td></tr>
<tr><td>Occupancy</td><td colspan="3">Primary, Second Home, Investment property</td></tr>
<tr><td>Loan Purpose</td><td colspan="3">Purchase, Rate/Term and Cash out</td></tr>
<tr><td>Non-Arm's Length</td><td colspan="3">Permitted, Gift of equity permitted with gift letter and funds listed on final CD</td></tr>
<tr><td>Cash Out</td><td colspan="3">Max Cash-Out (defined as cash in hand):
• If LTV <= 60% = Max $2,000,000 max cash in hand
• If LTV >60% = Max $750,000 max cash in hand

Minimum of six (6) months seasoning from most recent transaction. For properties owned between 6 and 12 months (acquisition to note date), LTV/CLTV is calculated using the lower of:
• the current appraised value, or
• the original purchase price plus documented improvements
o Invoices and/or improvements confirmed by the appraiser are required
o The prior settlement statement will be required for proof of purchase price</td></tr>
</table>

<table>
<tr><th colspan="3">General Requirements cont.</th></tr>
<tr><td>Borrower Eligibility</td><td colspan="1">US Citizen
Permanent Resident Alien</td><td>Ineligible:
Non-Permanent Residents, ITINs, Foreign Nationals, DACA Recipients</td></tr>
<tr><td>Appraisals</td><td colspan="2">FNMA Form 1004, 1025, 1073 with interior/exterior inspection
2nd Appraisal required for loans > 1,500,000
Appraisal Review Product (CDA) is ordered on all Non-QM products</td></tr>
<tr><td>Declining Markets</td><td colspan="2">As identified by the appraiser, requires a 10% LTV reduction off the above matrix</td></tr>
<tr><td rowspan="3">Property Type</td><td colspan="2">Single Family Detached
Single Family Attached/Townhomes/Row Homes
PUDs</td></tr>
<tr><td>2-4 Unit Properties
Warrantable Condos
(Non-Warrantable Condos are ineligible)</td><td>80% LTV Max</td></tr>
<tr><td>Rural Properties</td><td>Primary Residence - 80% LTV/CLTV Max
Second Home - 75% LTV/CLTV Max
Investment Properties are ineligible</td></tr>
<tr><th colspan="3">Full doc - Income Requirements</th></tr>
<tr><td>Wage/Salary</td><td colspan="2">Paystubs, W-2, or e-VOE, one (1) or two (2) years of Tax Returns, IRS 4506-C,
Plus verbal VOE Required within 10 Days of Note Date for wage earners: 30 Days for Self-Employed Borrowers</td></tr>
<tr><td>Self-Employed</td><td colspan="2">One (1) or two (2) years of Personal Business Tax Returns, YTD P&L, IRS Form 4506-C, 2 months of most recent bank statements
Verbal VOE required within 30 Days of closing for Self-Employed Borrowers</td></tr>
</table>

Alt Doc - Income Requirements	
Personal Bank Statements	12 or 24 months personal bank statements, plus two (2) months business bank statements; Qualifying income = eligible deposits / number of statements; Business statements must show activity and transfers to personal bank account(s)
Business/ Co-Mingled Bank Statements	12 or 24 months business statements Income may be qualified using one of three methods: • A default 50% expense ratio applied to deposits; or • A CPA/EA-verified expense ratio of at least 15%; or • A 3rd-party prepared P&L statement
Business Expense Ratio Minimums	**The expense factor should be reasonable for the profession and consistent with the revenues and expenses in the bank statements** There are two expense factor options: • Fixed Expense Ratio: a 50% expense ratio regardless of the business type; **or** • Third Party (CPA or Licensed Tax Preparer) Expense Statement o Expense statement must be prepared by a third party indicating business expenses as a percentage of the gross annual sales/revenue and signed by the third party and borrower. o Third party preparing the statement must attest they have prepared the borrower's most recent years tax returns, are not related to the borrower or associated with the borrower's business and have audited the business financial statements or reviewed working papers provided by borrower and based on the review the expense ratio represents an accurate summary of the applicable cash expenses of the business. o Third party license must be verified (CPA, EA or CTEC). o The minimum expense factor allowed is 10%.

Alt Doc - Income Requirements	
P&L With 2 motnhs Bank Statements	Borrowers must have been self-employed for at least two years in the same business verified via a CPA/Tax Preparer, regulatory agency, applicable licensing bureau or equivalent. Borrowers with passive income such rental properties, or borrowers whose business is asset speculation (i.e., fix and flip investors, day traders, etc.) are ineligible P&L must be prepared by a third party and signed by the third party and borrower. Third party preparing the P&L must attest they have prepared the borrower's most recent tax returns and are not related to the borrower or associated with the borrower's business. The most recent two months of bank statements reflected on the P&L must be provided. The total qualified deposits on the bank statements must be no more than 10% below the average gross monthly revenue on the P&L. If the most recent two months do not support at least 90% of the average gross revenue monthly revenue, additional consecutive bank statements up to a total of six may be provided until the tolerance is met. If more than two months of bank statements are needed, a letter of explination is requiered to explain the recent decline in income. Third party license must be verified (CPA, EA or CTEC)
1099	One (1) or two (2) year(s) 1099s and most recent proof of YTD earnings via bank statements, payroll registers or paystub equivalents covering a minimum of 30 days. YTD earnings may be no less than 10% below the qualifying income
Alt Doc - Income Requirements cont	
WVOE	Max 80% LTV/CLTV, Min 660 FICO, Wage earners ONLY • FNMA Form 1005(s) covering a two year history completed in full and signed by Human Resources, Payroll Department or an Officer of the Company
Underwriting Requirements	
Credit Score	A tri-merge credit report is required on all borrowers Middle of three (3) scores or lower of two (2) scores for primary income earner If multiple borrowers have same qualifying income, use lower score of the two (2) All borroers must meet the minimum FICO score for the applicable scenario • Current enrollment in credit counseling or debt management plans are ineligible • Credit Rescores are ineligible, except in the event of a dispute removal or valid error
Underwriting Requirements	

Tradelines	Each borrower must have a minimum of two trade lines reporting for 24 months with activity in the last 12 months or a combined credit profile between multiple borrowers of a minimum of three trade lines reporting for 24 months with activity in the last 12 months. The accounts may be opened or closed. Current housing not reporting on the credit report can be considered an open trade if supported by bank records. The following accounts cannot be counted as a trade line. • Non-traditional credit as defined by FNMA. • Deferred or derogatory accounts • Authorized user accounts
FTHB	Max Loan Amount $1,500,000 (Primary residence only) Interest only products ineligible Max 80% LTV No premited on Investment
Non-Occupant Co-Borrower	<u>Non-Occupying Co-Borrowers are permitted provided that:</u> • Occupying Borrower must demonstrate sole financial capacity for the mortgage by not exceeding a total Debt-to-income (DTI) ratio of 43%. • Subject property must be 1-Unit Primary Residence for the Occupying Borrower <u>The Non-Occupying Borrower(s) must:</u> o Sign the Note. o Meet the minimum credit history and credit score requirements. o Not be an interested party to the transaction (i.e., seller, builder, realtor, etc.), and must have family or other similar long-standing relationship with the Borrower.
Reserves	Loan Amount <=$2,000,000: 6 months Loan Amount >$2,000,000 - Owner Occupied and Second Home: 9 months Loan Amount >$2,000,000 - Investment: 12 months

Underwriting Requirements	
Maximum Mortgage Total Exposure	No borrower or guarantor may have more than 10 financed properties, or more than $10M in outstanding UPB for financed properties
Gift Funds	Gift funds permitted if borrower meets minimum contribution from their own funds: •5% Primary only if LTV is >80 (Second home/Investment, gift funds are ineligible) 100% gift funds allow with LTV 80 or Lower Gift funds are not permitted to be used towards reserves 100% of down payment and closing cost may come from gift funds when the LTV is <=75% Gift funds <u>not</u> permitted: •From any donor other than a relative or family member of the borrower. •From any donor that is a party to the transaction (other than a gift of equity from the seller) •From any donor that is a real estate builder, developer or in the business of owning, financing, or selling real estate •Refinance Transactions •Second home/Investment transactions
Gift of equity	Gifts of equity may be given provided all of the following are met: • Signed gift letter is provided • Gift of equity is listed on the HUD-1 or Closing Disclosure
Assets	30 day asset verification required Deposits > 50% of gross income must be documented on purchases
Age of Documentation	Credit: 120 Days Income and Assets: 90 Days Appraisal: Must be less than 90 days at time of submission or transfer, expires in 120 days
Prepayment Penalty	Prepayment Penalties are permitted on Investment only Restrictions are listed in the PPP and Business Purpose guide
Underwriting Requirements	

Interested Party Contributions	Maximum third party concessions (as a percentage of the purchase price) are equal to 6% for LTV/CLTV <=80% and 3% for LTV/CLTV >80%
Escrow Waver	Min 720 FICO, Max 80% LTV (90% in CA), Requires additional 12 months PITI subject property reserves (see Escrow/Impounds and Reserves sections) Flood insurance premiums are required to be escrowed on mortgages for customers in special flood hazard areas