

| Min FICO Score     | Max Loan Amount | Max LTV/CLTV Purchase | Max LTV/CLTV R/T Refinance | Max LTV/CLTV Cash-Out | Property Type                                   |
|--------------------|-----------------|-----------------------|----------------------------|-----------------------|---|
| <b>Primary</b>     |                 |                       |                            |                       |   |
| 740                | \$ 1,000,000    | 90                    | 90                         | 80                    | Single Family, PUD, 2-4 Units, Warrantable Cond |
|                    | \$ 2,000,000    | 85                    | 85                         | 75                    |   |
|                    | \$ 2,500,000    | 80                    | 80                         | 70                    |   |
| 720                | \$ 1,500,000    | 85                    | 85                         | 75                    |   |
|                    | \$ 2,500,000    | 80                    | 80                         | 70                    |   |
| 700                | \$ 1,500,000    | 85                    | 85                         | 75                    |   |
|                    | \$ 2,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,500,000    | 75                    | 75                         | 65                    |   |
| 680                | \$ 1,500,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,000,000    | 75                    | 75                         | 65                    |   |
|                    | \$ 2,500,000    | 70                    | 70                         | 60                    |   |
| 660                | \$ 1,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,000,000    | 75                    | 75                         | 60                    |   |
|                    | \$ 2,500,000    | 70                    | 70                         | -                     |   |
| <b>Second Home</b> |                 |                       |                            |                       |   |
| 740                | \$ 1,000,000    | 85                    | 85                         | 75                    | Single Family, PUD, 2-4 Units, Warrantable Cond |
|                    | \$ 1,500,000    | 85                    | 80                         | 75                    |   |
|                    | \$ 2,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,500,000    | 75                    | 75                         | 65                    |   |
| 720                | \$ 1,000,000    | 85                    | 85                         | 75                    |   |
|                    | \$ 1,500,000    | 85                    | 80                         | 70                    |   |
|                    | \$ 2,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,500,000    | 75                    | 75                         | 65                    |   |
| 700                | \$ 1,000,000    | 85                    | 85                         | 75                    |   |
|                    | \$ 1,500,000    | 85                    | 80                         | 70                    |   |
|                    | \$ 2,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,500,000    | 75                    | 75                         | 65                    |   |
| 680                | \$ 1,500,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 2,000,000    | 75                    | 75                         | 65                    |   |
|                    | \$ 2,500,000    | 70                    | 70                         | -                     |   |
| 660                | \$ 1,000,000    | 80                    | 80                         | 70                    |   |
|                    | \$ 1,500,000    | 75                    | 75                         | 70                    |   |
|                    | \$ 2,000,000    | 70                    | 70                         | 60                    |   |

| Investment |              |    |    |    | Single Family, PUD, 2-4<br>Units, Warrantable Cond |
|------------|--------------|----|----|----|--|
| 740        | \$ 1,000,000 | 85 | 85 | 75 |  |
|            | \$ 1,500,000 | 85 | 85 | 75 |  |
|            | \$ 2,000,000 | 80 | 80 | 70 |  |
|            | \$ 2,500,000 | 75 | 75 | 65 |  |
| 720        | \$ 1,000,000 | 85 | 85 | 75 |  |
|            | \$ 1,500,000 | 85 | 85 | 75 |  |
|            | \$ 2,000,000 | 80 | 80 | 70 |  |
|            | \$ 2,500,000 | 75 | 75 | 60 |  |
| 700        | \$ 1,000,000 | 85 | 85 | 75 |  |
|            | \$ 1,500,000 | 85 | 85 | 70 |  |
|            | \$ 2,000,000 | 80 | 80 | 70 |  |
|            | \$ 2,500,000 | 75 | 75 | 65 |  |
| 680        | \$ 1,500,000 | 80 | 80 | 70 |  |
|            | \$ 2,000,000 | 75 | 75 | 65 |  |
|            | \$ 2,500,000 | 70 | 70 | -  |  |
| 660        | \$ 1,000,000 | 80 | 80 | 70 |  |
|            | \$ 1,500,000 | 75 | 75 | 60 |  |
|            | \$ 2,000,000 | 70 | 70 | 60 |  |

**Housing History**

The housing payment history is required for all REOs and rental payments evidencing the payment activity for the most recent 24 months, regardless of whether the borrower/guarantor is on the note or vested on title, and must reflect 0x30x12 and 0x60x24 for all REOs and rental payments. Rolling late payments are not considered a single event

**Rent Free** If less than 12 months history is available, or the borrower is living rent free, the following restrictions apply:  
 - Any available portion of a 12-month housing period must be 0x30xn (where n is the number of months available)  
 - An LOE or rent-free letter is required

**Geographic Restrictions**

Investment properties in Baltimore city are not allowed  
 Investment propertied and all Row homes in Philadelphia are not allowed  
 No investment properties in Cook County IL  
 TN: Memphis TN, No transfered appriasals accepted, Field review requiered on all appriasals  
 Texas a6 refinances are not permitted

## General Requirements

|                              |  |   |
|------------------------------|--|---|
| <b>Eligible Product Type</b> | <p><b>Fully Amortizing Fixed: 15 Yr, 30 Yr</b><br/> <b>Fixed Interest Only: 30 Yr or 40 Yr term, including 10 Year IO Term</b><br/> <b>Hybrid ARMs</b><br/> <b>Fully Amortizing Hybrid ARM: 5/6 30 Yr 2-1-5, 7/6 30Yr 5-1-5, 10/6 30 Yr 5-1-5</b><br/> <b>Interest Only ARMs:</b><br/> <b>30 Yr (with 10 Yr IO and 20 Yr Amort Term): 5/6 2-1-5, 7/6 5-1-5, 10/6 5-1-5</b><br/> <b>Index: 30 Day Average SOFR Index as published by the New York Federal Reserve</b><br/> <b>Adjustment Reset Period: 6 months</b><br/> <b>ARM Floor = ARM Margin</b><br/> <b>Lookback Period: 45 days</b><br/> <b>ARM Margin: 4.00%</b><br/> <b>Fully Indexed Rate is the sum of the index plus margin, rounded to the nearest 0.125%</b></p> |   |
| <b>Interest Only</b>         | Minimum Credit Score: 680.    Max LTV: 80%    Max DTI 50%  |   |
| <b>Loan Amounts</b>          | Min: \$150,000   | Max: \$2,500,000  |
| <b>Max DTI</b>               | Max 50% DTI<br>55 DTI permitted with FICO 700+, =< 80 LTV, Primary residence. 1.5x Residual income NO FTHB   |   |
| <b>Occupancy</b>             | Primary, Second Home, Investment property  |   |
| <b>Loan Purpose</b>          | Purchase, Rate/Term and Cash out   |   |
| <b>Non-Arms Length</b>       | Non-Arms Length transactions are ineligible  |   |
| <b>Cash Out</b>              | Minimum of (6) months Seasoning from most recent transaction<br>Max Cash-Out (defined as cash in hand)<br>If LTV <= 60% = Max \$2,000,000 max cash in hand<br>If LTV >60% = Max \$750,000 max cash in hand<br><br>○For properties owned greater than 6 months but less than 12-months (acquisition date to note date): LTV/CLTV is based on the lower of the current appraised value or the property's purchase price plus fully documented improvements<br>■Invoices and/or improvements confirmed by the appraiser are required.<br>■The prior settlement statement will be required for proof of purchase price   |   |
| <b>Borrower Eligibility</b>  | US Citizen<br>Permanent Resident Alien<br>Non-Permanent Resident Alien - 80% LTV max no cash-out   | Ineligible:<br>ITINs Foreign Nationals<br>DACA recipients |
| <b>Appraisals</b>            | FNMA Form 1004, 1025, 1073 with interior/exterior inspection<br>2nd Appraisal required for loans > 1,500,000<br>Appraisal Review Product (CDA) is ordered on all Non-QM products   |   |

**General Requirements cont.**

|                          |   |   |  |
|--------------------------|---|---|--|
| <b>Declining Markets</b> | As identified by the appraiser, requires a 5% LTV reduction off the above matrix. |   |  |
| <b>Property Type</b>     | Eligible properties   | Single Family Detached/Attached<br>PUD's & Townhomes<br>Low-rise and High-rise Condominiums (must be warrantable)<br>Leasehold Properties |  |
|                          | 2-4 Unit Properties & Warrantable<br>Condos                                       | Max 85 LTV  |  |
|                          | Rural Properties  | No Cash-Out<br>Primary Residence - Max 75% LTV/CLTV Second Home - Max 70%<br>LTV/CLTV Investment Properties are not eligible              |  |
|                          | Non-Warrantable condos  | Max 85 LTV/CLTV   |  |
|                          | Declining Markets   | Reduce Max LTV/CLTV by 5%   |  |

**Full doc - Income Requirements**

|                      |  |
|----------------------|--|
| <b>Wage/Salary</b>   | Paystubs, W-2 or e-VOE, 2 years or 1 year of Tax Returns, ITS 4506C,<br>Plus verbal VOE Required within 10 Days of Note Date for wage earners: 30 Days for Self-Employed Borrowers     |
| <b>Self-Employed</b> | 2 years of 1 Year of Personal Business Tax Returns, YTD P&L, IRS Form 4506C, 2 Months of most recent bank statements<br>Verbal BOE required within 30 Days for self-employed Borrowers |

**Alt Doc- Income Requirements**

|                                 |  |
|---------------------------------|--|
| <b>Personal Bank Statements</b> | 24 or 12 months personal + 2 months business statements; Qualifying income = eligible deposits / number of statements; Business statements must show activity and transfers to personal. |
|---------------------------------|--|

|  |   |
|--|---|
| <b>Business/Co-Mingled Bank Statements</b> | 24 or 12 months business statements. Qualify via: Fixed Expense Ratio (50%) OR 3rd-party expense ratio (CPA/EA) min 15% OR 3rd-party prepared P&L (CPA/EA). |
|--|---|

| <b>Business Expense Ratio Minimums</b> | <b>Business Type</b>   |          | <b>Employees</b> |              |
|--|--|----------|------------------|--------------|
|  | <b>Service Business (Offers Services)</b>  | <b>0</b> | <b>1 to 5</b>    | <b>&gt;5</b> |
| <b>Business Expense Ratio Minimums</b> | Examples of Service Business: 15% Expense Factor<br>30% Expense Factor 50% Expense Factor<br>Consulting, Accounting, Legal, Therapy, Counseling,<br>Financial Planning, Insurance, Information<br>Technology | 15%      | 30%              | 50%          |
|  | <b>Product Business (Sells Goods)</b>  | <b>0</b> | <b>1 to 5</b>    | <b>&gt;5</b> |
| <b>Business Expense Ratio Minimums</b> | Examples of Product Business: 25% Expense Factor<br>50% Expense Factor 85% Expense Retail, Food<br>Services, Restaurant, Manufacturing, Factor<br>Contracting, Construction                                  | 25%      | 50%              | 85%          |

### Alt Doc- Income Requirements cont.

|                        |  |
|------------------------|--|
| <b>1099</b>            | <p>2 yrs 1099; Fixed Expense Ratio 10%; YTD documentation required 3 months bank statements to support 1099 earnings.</p> <p>Declining income – Self-employed – Declining income of the last two (2) years may be utilized for qualifying with a signed letter of explanation from the Borrower. Lower of the two (2) years would then be used to qualify unless the income has stabilized over the most recent six (6) months</p> |
| <b>Asset Depletion</b> | Max 85% LTV/CLTV, Min 700 FICO, No Cash-out, Primary Residence only  |
| <b>WVOE</b>            | 80% LTV/CLTV Max, Min 660 FICO WAGE EARNERS ONLY   |

### Underwriting Requirements

|                                 |   |
|---------------------------------|---|
| <b>Credit Score/tradelines</b>  | <p>A tri-merge credit report is required on all borrower's</p> <p>-Credit rescues are not permitted except in the event of a dispute removal or valid error</p> <p><b>The loan level Representative Credit Score is computed by:</b><br/>         Selecting a representative score for each borrower using:<br/>         the middle score for each borrower if 3 scores are available or the lower score when only 2 scores are available.</p> <p>-Selecting the representative score from the borrower with the highest qualifying income. If there are multiple borrowers with the same highest qualifying income value, the loan level Representative Credit Score will be the lowest borrower representative score amongst these borrowers.</p> <p>-The borrower with the highest qualifying income must have at least two credit scores. If there are multiple borrowers with the same highest qualifying income value, all such borrowers must have at least two credit scores.</p> <p>-Borrowers currently enrolled in credit counseling or debt management plans are not permitted.</p> <p><b>Tradelines</b><br/>         Each borrower who is using income to qualify must have:<br/>         at least 2 tradelines reporting at least 12 months of history in the last 24 months, or a combined credit profile between Borrower and co-Borrower with a minimum of three tradelines showing at least 12 months of history in the last 24 months<br/>         Tradeline activity is not required, and the tradelines can be opened or closed.</p> <p><b>Ineligible tradelines:</b><br/>         •Non-traditional credit as defined by FNMA.</p> |
| <b>FTHB</b>                     | <p>Permitted to a maximum loan size of \$1,5M on O/O, S/H and NOO</p> <p>Interest only not permitted</p> <p>Maximum payment shock is 250% unless living rent free.</p>  |
| <b>Non-Occupant Co borrower</b> | <p>1 Unit, Primary Residence, Max 43% DTI, Max 80% LTV/CLTV,<br/>         Max 75% DTI for Occupying Borrower, Additional 6 months subject property reserves, No Cash-out</p>  |
| <b>Non-Permanent Resident</b>   | Max 80% LTV/ CLTV, No Cash Out  |

## Underwriting Requirements

|                                       |  |
|---------------------------------------|--|
| <b>Reserves</b>                       | <p>&lt;1,000,000 = 6 Months</p> <p>\$1,000,001-\$2,000,000 = 9 Months</p> <p>&gt; \$2,000,000 = 12 Months</p> <p>&gt;85 LTV 3 additional months required</p>   |
| <b>Maximum mortgage exposure</b>      | No borrower or guarantor may have more than 10 financed properties, or more than \$10M in outstanding UPB for financed properties  |
| <b>Gift Funds</b>                     | <p>Gift funds permitted provided borrower meets minimum contributions:</p> <ul style="list-style-type: none"> <li>5% Primary</li> <li>not permitted - Second home/Investment</li> </ul> <p>Gift funds are not permitted to be used towards reserves: 100% of down payment and closing cost may come from gifted funds for OO and SH to a max of 75% LTV</p> <p>Gift funds not permitted:</p> <ul style="list-style-type: none"> <li>-From any donor other than a relative or family member of the borrower.</li> <li>-From any donor that is a party to the transaction, (other than a gift of equity from the seller).</li> <li>-From any donor that is a real estate builder, developer or in the business of owning, financing, or selling real estate.</li> <li>-Second homes or Investment properties over 80 LTV</li> <li>- With asset depletion income</li> <li>- Refinance Transactions</li> </ul> |
| <b>Assets</b>                         | <p>30-day asset verification required</p> <p>Deposits &gt; 50% of gross income must be documented on purchases</p>   |
| <b>Age of Documentation</b>           | <p>Credit: 120 Days</p> <p>Income and Assets - 90 Days</p> <p>Appraisal: 90 Days at time of submission or transfer. 120 days by closing</p>  |
| <b>Prepayment Penalty</b>             | <p>Required on investment properties where permitted:</p> <p>Restrictions in the Business purpose &amp; PPP Guide</p>  |
| <b>Interested Party Contributions</b> | <p>Primary and 2nd Homes: 6%</p> <p>Investment: 2%</p>   |
| <b>Escrow Waiver</b>                  | <p>Min 720 FICO, Max 80% LTV (90% in CA), Minimum 12-months subject property reserves (see Escrow/Impounds and Reserves sections )</p> <p>Flood insurance premiums are required to be escrowed on mortgages for customers in special flood hazard areas</p>  |
| <b>Age of Documentation</b>           | <p>Credit: 120 Days</p> <p>Income and Assets - 90 Days</p> <p>Appraisal: 90 Days at time of submission or transfer. 120 days by closing</p>  |

