

**FICO & LTV MATRIX**

**Owner-Occupied**

Loan Amount	Credit Score	24-month Bank Statement		12-month Bank Statement		Asset Depletion	
		Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out
\$100,000 <\$1,000,000	740	85%	75%	85%	75%	85%	75%
	720	85%	75%	85%	75%	85%	75%
	700	85%	75%	85%	75%	85%	75%
	680	80%	70%	80%	70%	80%	70%
	660	80%	70%	80%	70%	80%	70%
\$1,000,001- \$1,500,000	740	85%	75%	85%	75%	85%	75%
	720	85%	75%	85%	75%	85%	75%
	700	85%	75%	85%	75%	85%	75%
	680	80%	70%	80%	70%	80%	70%
	660	80%	70%	80%	70%	80%	70%
\$1,500,001- <\$2,000,000	740	85%	75%	85%	75%	85%	75%
	720	85%	75%	85%	75%	85%	75%
	700	85%	75%	85%	75%	85%	75%
	680	80%	70%	80%	70%	80%	70%
	660	75%	65%	75%	65%	75%	65%
\$2,000,001- <\$2,500,000	740	80%	75%	80%	75%	80%	75%
	720	80%	75%	80%	75%	80%	75%
	700	75%	70%	75%	70%	75%	70%
	680	75%	70%	75%	70%	75%	70%
	660	70%	65%	70%	65%	70%	65%
\$2,500,001- <\$3,000,000	740	75%	70%	75%	70%	75%	70%
	720	75%	70%	75%	70%	75%	70%
	700	75%	70%	75%	70%	75%	70%
	680	70%	65%	70%	65%	70%	65%
	660	65%	NA	65%	NA	65%	NA
\$3,000,001- \$3,500,000	740	75%	65%	75%	65%	75%	65%
	720	75%	65%	70%	65%	70%	65%
	700	70%	60%	65%	60%	65%	60%
	680	65%	NA	NA	NA	NA	NA
	660	NA	NA	NA	NA	NA	NA

2<sup>nd</sup> Homes: Alt Documentation: subject to \$2.5M maximum Loan Amount, 75% maximum LTV, and 70% maximum LTV for Cash-Out  
 Alt Doc: WVOE - Max LTV 80% for Purchase/R&T; Max LTV for Cash-Out is 70%

**FICO & LTV MATRIX**

**Non Owner-Occupied**

Loan Amount	Credit Score	24-month Bank Statement		12-month Bank Statement		Asset Depletion	
		Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out
\$100,000- <\$1,000,000	740	80%	75%	80%	75%	80%	75%
	720	80%	75%	80%	75%	80%	75%
	700	80%	75%	80%	75%	80%	75%
	680	80%	70%	80%	70%	80%	70%
	660	75%	65%	75%	65%	75%	65%
\$1,000,001- \$1,500,000	740	80%	75%	80%	75%	80%	75%
	720	80%	75%	80%	75%	80%	75%
	700	80%	75%	80%	75%	80%	75%
	680	75%	70%	75%	70%	75%	70%
	660	75%	65%	75%	65%	75%	65%
\$1,500,001- <\$2,000,000	740	80%	75%	80%	75%	80%	75%
	720	80%	75%	80%	75%	80%	75%
	700	80%	75%	80%	75%	80%	75%
	680	75%	70%	75%	70%	75%	70%
	660	70%	65%	70%	65%	70%	65%
\$2,000,001- \$2,500,000	740	75%	75%	75%	75%	75%	75%
	720	75%	75%	75%	75%	75%	75%
	700	75%	70%	75%	70%	75%	70%
	680	70%	65%	70%	65%	70%	65%
	660	70%	65%	70%	65%	70%	65%

Underwriting Specifications	
<b>Document Types Offered</b>	<ul style="list-style-type: none"> <li>12-month Bank Statements</li> <li>24-month Bank Statements</li> <li>Profit &amp; Loss Statement</li> <li>Alt Doc – 1099</li> <li>Alt Doc – Written VOE</li> <li>Asset Depletion</li> </ul>
<b>Mortgage/Housing History</b> Includes all financed properties	0X30 in the past 24 months
<b>Minimum FICO</b>	660
<b>Bankruptcy History<sup>1</sup></b>	Chapter 7: Seven (7) years from discharge date to Note Date Chapter 13 and Chapter 11 personal: Seven (7) years form discharge date to Note date
<b>Prior Los Mitigation<sup>2</sup></b>	Seven (7) years prior to Note date
<b>Foreclosure History<sup>3</sup></b>	Seven (7) years prior to Note date
<b>Footnotes</b>	<p><sup>1</sup> Consumer Credit Counseling Service (CCCS) is considered the same as Chapter 13 bankruptcy. Bankruptcy dismissal dates are treated the same as discharge dates</p> <p><sup>2</sup> Loss Mitigation includes non-foreclosure actions such as Deed-in Lieu, Short Sale, NOD, Short Refinance, Pre-Foreclosure Sale, Loan Extension, Loan Modification, Forbearance and Charge-off</p>
<b>Multiple Derogatory Credit Events</b> BK, FC, Loss Mitigation	Not Allowed
<b>Forbearance in the event of COVID-19</b>	<p>A recent forbearance, due to COVID-19, may be eligible based upon the following:</p> <ul style="list-style-type: none"> <li>Borrower(s) who entered into a forbearance plan but continued to make timely payments and remained employed without income disruption, are eligible without any restrictions.</li> <li>Borrower(s) who entered a forbearance plan with missed payments. Eligible if a minimum of three (3) timely payments made since the forbearance period expired and the borrower exited forbearance. <ul style="list-style-type: none"> <li>Payments must be documented by canceled checks or bank statements.</li> <li>Any deferred/postponed payments are considered missed payments.</li> <li>If a property under a forbearance plan is sold, each missed payment is counted as a 20-day late to determine program eligibility.</li> <li>Income must have been re-established at the time payments commenced and remained consistent since.</li> </ul> </li> </ul>
<b>Cash-Out</b>	<p>LTV &gt;= 70% - \$500,000 LTV &gt; 50% - &lt; 70% - \$1,000,000 LTV &lt;= 50% - Unlimited</p> <p>Limits on use of cash-out proceeds to satisfy reserve requirements: Consideration of cash-out proceeds in the context utilization of Asset Depletion or its equivalent: NOT PERMITTED If UPB &lt;= \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV &lt;= 75% If UPB &gt; \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV &lt;= 60%</p>
<b>DTI</b>	<ul style="list-style-type: none"> <li>Max 50%</li> <li>Primary Residence: Up to 55% allowed <ul style="list-style-type: none"> <li>Minimum residential income of 3.5K</li> <li>Max LTV/CLTV ≤ 80%</li> <li>Full Doc 2-years</li> <li>Minimum 12-months reserves</li> <li>1<sup>st</sup> time buyer not eligible</li> </ul> </li> </ul>
<b>Adverse Credit</b>	All delinquent credit that will impact title or lien position of the subject property; including delinquent taxes, judgments, charge-off accounts, tax liens and mechanic’s liens; must be paid off prior to or at closing

<p><b>Credit History</b></p>	<ul style="list-style-type: none"> <li>• Frozen credit, credit reports may not have “frozen credit.” Once credit is unfrozen, a new 3 bureau must be run.</li> <li>• Depth of credit: 3 or more established open and active tradelines, defined as follows:             <ul style="list-style-type: none"> <li>○ All active in last 12 months.</li> <li>○ Derog trades do not count</li> <li>○ Auth users do not count.</li> </ul> </li> </ul>										
<p><b>Tax Payment Plans</b></p>	<ul style="list-style-type: none"> <li>• Proof of tax payment in full, or</li> <li>• Evidence of tax installment agreement, payment must be included in DTI and 3 months consecutive payments must be documented. (Cannot pay a 3 month lump sum of payments to meet this requirement.).</li> <li>• If Tax Lien is found on title, subordination agreement from IRS must be obtained.</li> </ul>										
<p><b>Reserves</b></p>	<p><b>Refinance</b></p> <ul style="list-style-type: none"> <li>• Net proceeds from a cash-out transaction maybe used to meet reserve requirements.</li> <li>• Reserves requirements are waived for <b>Rate and Term refinances</b> when the following factors are present:             <ul style="list-style-type: none"> <li>○ The transaction results in a reduction to the monthly principal and interest payment of 10% or greater <b>AND</b></li> <li>○ Housing history is 1x30x12 or better.</li> <li>○ Waiver not eligible for DTI greater than 50%.</li> <li>○ For an Interest Only loan, the reduction is based on the amortizing payment used for loan qualification.</li> </ul> </li> <li>• Reserves for a loan with an Interest Only feature are based upon the Interest Only payment amount.</li> <li>• For Adjustable-Rate Mortgages (ARM), the reserves are based upon the initial PITIA, not the qualifying payment.</li> </ul> <p><b>Purchase</b></p> <ul style="list-style-type: none"> <li>• Proceeds from a 1031 Exchange cannot be used to meet reserve requirements.</li> <li>• Gift funds, only eligible on Primary and 2nd homes and under the following circumstances:             <ul style="list-style-type: none"> <li>○ 80% or less; 1 – 4 unit, all funds can come from gift.</li> <li>○ Greater than 80%:                 <ul style="list-style-type: none"> <li>▪ 1 unit primary – all funds can come from gift.</li> <li>▪ 2–4-unit primary - Borrower must make a 5% minimum borrower contribution from his or her own funds.</li> </ul> </li> </ul> </li> <li>• Investment properties require a minimum of 10% of the purchase price come from borrower’s personal contribution.</li> </ul> <table border="1" data-bbox="586 1203 1206 1415"> <thead> <tr> <th>Purchase</th> <th>Reserves</th> </tr> </thead> <tbody> <tr> <td><b>LTV ≤ 85%</b></td> <td>6-months of PITIA</td> </tr> <tr> <td><b>LTV &gt; 85%</b></td> <td>12-months of PITIA</td> </tr> <tr> <td><b>Loan Amount &gt; \$1.5M</b></td> <td>9-months of PITIA</td> </tr> <tr> <td><b>Loan Amount &gt; \$2.5M</b></td> <td>12-months of PITIA</td> </tr> </tbody> </table> <p><b>Acceptable sources of reserves:</b></p> <ul style="list-style-type: none"> <li>• Checking/savings</li> <li>• Stocks, bonds, mutual funds, CD’s, money markets</li> <li>• Retirement savings account – if they can be withdrawn. (STRS and PERS are ineligible unless borrower is retired or separated from service).</li> <li>• Cash value of a vested life insurance policy.</li> <li>• Business funds as long as borrower is 100% owner and cash flow analysis is completed for no negative impact for the business.             <ul style="list-style-type: none"> <li>○ CPA letter can be used in lieu of cash flow analysis on business funds.</li> </ul> </li> </ul>	Purchase	Reserves	<b>LTV ≤ 85%</b>	6-months of PITIA	<b>LTV &gt; 85%</b>	12-months of PITIA	<b>Loan Amount &gt; \$1.5M</b>	9-months of PITIA	<b>Loan Amount &gt; \$2.5M</b>	12-months of PITIA
Purchase	Reserves										
<b>LTV ≤ 85%</b>	6-months of PITIA										
<b>LTV &gt; 85%</b>	12-months of PITIA										
<b>Loan Amount &gt; \$1.5M</b>	9-months of PITIA										
<b>Loan Amount &gt; \$2.5M</b>	12-months of PITIA										

<p><b>Alt Doc – Bank Statements Overview</b></p>	<p>Income documented through the ALT DOC program method may be combined with other income sources that are documented as Standard Doc but not associated with self-employment, such as an employed spouse or wage earner. When wage income is combined with ALT Doc, a tax returns is not required for the full income documentation as this would invalidate the bank statements.</p> <p>12 or 24 months bank statements:</p> <ul style="list-style-type: none"> <li>• Borrowers must be self-employed for at least two (2) years.</li> <li>• A business must be in existence for a minimum of two (2) years.</li> <li>• Minimum credit score is 660.</li> <li>• Nonprofit Entity not eligible</li> <li>• The primary borrower (majority of the household income) must be self-employed.</li> </ul>
<p><b>Installment Debt</b></p>	<p>Installment debt is a monthly obligation with fixed payments and terms. Payments on installments must be included in the borrower’s debt-to-income (DTI) ratio.</p> <p>Payments can be excluded if there are 10 or fewer monthly payments remaining to pay the debt in full. If the payment is substantial and exceeds 5% of the borrower’s qualifying income, the overall transaction should be reviewed to ensure the remaining payments will not impact the borrower’s ability to handle the new mortgage payment.</p> <ul style="list-style-type: none"> <li>• Installment debt paid in full or prior to closing can be excluded from the debt-to-income ratio. Supporting documentation, such as a credit supplement or direct verification from the creditor, must be obtained as evidence the debt has been paid in full.</li> </ul>
<p><b>Personal Accounts</b></p>	<p><u>Personal Accounts</u> Account reflecting personal income and expenses.</p> <ul style="list-style-type: none"> <li>• Most recent 24 or 12 months of PERSONAL bank statements.</li> <li>• Most recent two (2) months of BUSINESS bank statements.</li> <li>• Verify within 60 days of the Note date that the business has a minimum two-year operating history with one of the following:             <ul style="list-style-type: none"> <li>○ A letter from either the business’s tax professional, regulatory agency certifying two (2) years of self-employment in the same business, or</li> <li>○ Licensing bureau, certifying two (2) years of self-employment in the same business.</li> </ul> </li> <li>• Verify withing 10 days of the Note date the business is active and operating with either             <ul style="list-style-type: none"> <li>○ Evidence of current work (executed contracts or signed invoices)</li> <li>○ Evidence of current business receipts</li> <li>○ Business website demonstrating activity supporting current business operations</li> </ul> </li> <li>• Verify that the borrower owns 20% of the business by providing one of the following             <ul style="list-style-type: none"> <li>○ CPA letter, Tax Preparer letter, operating agreement, or equivalent, reflecting the borrower’s ownership percentage</li> </ul> </li> </ul>

<p><b>Business Accounts or Co-Mingled</b></p>	<p><u><b>Business Accounts or Co-mingled</b></u> Account in the name of the business reflecting only business income and expenses.</p> <ul style="list-style-type: none"> <li>• Verify within 60 days of the Note date that the business has a minimum two-year operating history with one of the following: <ul style="list-style-type: none"> <li>○ A letter from either the business’s tax professional, regulatory agency certifying two (2) years of self-employment in the same business, or</li> <li>○ Licensing bureau, certifying two (2) years of self-employment in the same business.</li> </ul> </li> <li>• Verify within 10 days of the Note date the business is active and operating with either <ul style="list-style-type: none"> <li>○ Evidence of current work (executed contracts or signed invoices)</li> <li>○ Evidence of current business receipts</li> <li>○ Business website demonstrating activity supporting current business operations</li> </ul> </li> <li>• Verify that the borrower is at least 50% owner of the business by providing one of the following: <ul style="list-style-type: none"> <li>○ CPA letter, Tax Preparer letter, operating agreement, or equivalent; reflecting the borrower’s ownership percentage.</li> </ul> </li> <li>• Non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and verifying the borrower’s access to the account for income calculations.</li> <li>• Net income from the analysis of the bank statements must be multiplied by the borrowers ownership percentage to determine the borrower’s qualifying income.</li> <li>• The expense analysis method should be reasonable for the type of business being reviewed.</li> <li>• Co-mingled Only: Verify that the borrower is 100% owner of the business (borrower and spouse with combined 100% ownership is also eligible).</li> </ul>
<p><b>Alt Doc – 24 or 12 month Bank Statement Options</b></p>	<p>Alt Doc – 12 or 24 month Bank Statement options. Three (3) options exist to analyze business accounts.</p> <p><u><b>OPTION 1 – Fixed Expense Ratio (50%)</b></u></p> <ul style="list-style-type: none"> <li>• 12 or 24 months of business bank statements covering the most recent time-period.</li> <li>• A business narrative provided by the borrower’s business which includes details regarding the industry, size, and operating profile of the business, addressing location/rent, number of employees/contractors, COGS, and physical assets such as trucks/equipment (owned or leased). The business narrative form is to be completed by an employee (non-relative) of the borrower’s business with knowledge and information of the operations and finances of the business. Typical positions held by this employee would include: Controller, Treasurer, V.P. Finance, Finance Manager, or Accounting Manager. This form can also be completed by a thirds-party individual with direct knowledge of the borrower’s business, such as a Certified Public Accountant or an IRS Enrolled Agent.</li> </ul> <p><u><b>OPTION 2 – Business Expense Statement Letter</b></u></p> <ul style="list-style-type: none"> <li>• 12 or 24 months of business bank statements covering the most recent time-period and;</li> <li>• An expense statement specifying business expenses (minimum expense ratio is 10%) as a percent of the gross annual sales/revenue, prepared and signed by either a CPA/accountant, IRS Enrolled Agent or tax preparer; and</li> <li>• Credit file must contain documentation showing evidence of the preparers business.</li> </ul> <p><u><b>OPTION 3 – 12 or 24 Month Third Party Prepared P&amp;L Statement</b></u></p> <ul style="list-style-type: none"> <li>• 12 or 24 months of business bank statements covering the most recent time-period and matching the time- period covered by the P&amp;L and;</li> <li>• P&amp;L covering 12 or 24 months, matching the number of bank statements, prepared and signed by either a CPA/accountant, IRS Enrolled Agent or licensed tax preparer; and</li> <li>• Credit file must contain documentation showing evidence of the preparers business.</li> </ul>
<p><b>Alt Doc Income Analysis</b></p>	<ul style="list-style-type: none"> <li>• Expenses must be reasonable for the type of business.</li> <li>• Deposits should be reviewed for consistency.</li> <li>• Inconsistent or large deposits should be sourced and excluded from the analysis. The definition of a large deposit is any deposit exceeding 50% of the average monthly sales of the business.</li> <li>• Changes in deposit pattern must be explained.</li> <li>• Income documented separately, but co-mingled, must be backed out of deposits.</li> </ul>

<p><b>Personal Bank Statement Review</b></p>	<ul style="list-style-type: none"> <li>Income calculated using total deposits, minus any inconsistent or large deposits not justified. Qualifying income based upon the lower of the income disclosed on the initial loan application (Form 1003), or the total eligible deposits from the 24 month or most recent 12 months of statements. The most recent bank statement must be consistent with the qualifying income.</li> <li>ATM deposits may be included if a consistent pattern of such deposits is present.</li> <li>Two (2) months of business bank statements are required.             <ul style="list-style-type: none"> <li>They must evidence activity to support business operations.</li> </ul> </li> <li>They must reflect transfers to the personal account.</li> </ul>
<p><b>Business and Co-Mingled Bank Statement Review</b></p>	<p><b><u>OPTION 1 – Fixed Expense Ratio – (50%)</u></b></p> <ul style="list-style-type: none"> <li>Businesses within an industry that experience higher expense ratios are not eligible for the 50% margin method and must utilize another option. Higher expense ratio industries include, but are not limited to the following:             <ul style="list-style-type: none"> <li>Construction</li> <li>Manufacturing</li> <li>Retail and Wholesale Trade</li> <li>Hospitality, Food and Beverage Services</li> <li>Transportation</li> </ul> </li> <li>The Business Narrative should be used to determine if the borrower's business is eligible for this option.</li> </ul> <p><b><u>Determining Qualifying Income</u></b></p> <ul style="list-style-type: none"> <li>Qualifying income is the lower of:             <ol style="list-style-type: none"> <li>total deposits from the bank statements, minus any inconsistent deposits, multiplied by 50% Profit Margin, multiplied by ownership percentage, divided by the number of bank statements reviewed, or</li> <li>if 24 months of statements reviewed, total deposits from the most recent 12 months of bank statements, minus any inconsistent deposits, multiplied by 50% Profit Margin, multiplied by ownership percentage, divided by 12, or</li> <li>the income indicated on the initial loan application (Form 1003).</li> </ol> </li> <li>The deposits from the most recent bank statement must be consistent with the qualifying income.</li> <li>Investor reserves the right, at the reviewer's discretion, to require additional documentation if the expense ratio appears unreasonable for any business entity.</li> </ul> <p><b><u>OPTION 2 – Business Expense Statement Letter</u></b></p> <ul style="list-style-type: none"> <li>Net Income is determined by the total deposits (minus any inconsistent deposits) reflected on the bank statements, less total expenses. Total expenses are calculated by multiplying the total deposits by the expense factor provided by a CPA/accountant, IRS Enrolled Agent, or tax preparer (subject to a minimum total expense percent of 10%). Qualifying income is the lower of:             <ol style="list-style-type: none"> <li>For the 24-month statement option, the net income from the analysis using all 24 months of bank statements, or</li> <li>For both the 12 or 24 month statement option, the net income based upon the most recent 12 months of bank statements, or</li> <li>The income indicated on the initial loan application (Form 1003).</li> </ol> </li> <li>The most recent bank statement must be consistent with the qualifying income.</li> <li>Expenses must be reasonable for the type of business.             <ul style="list-style-type: none"> <li>Investor reserves the right, at the reviewer's discretion, to require additional documentation if the expense ratio appears unreasonable for any business entity.</li> </ul> </li> </ul>

<p><b>CPA Profit and Loss Statement</b></p>	<p>Profit &amp; Loss statement prepared by a Certified Public Accountant (CPA) or an IRS Enrolled Agent (EA). The credit file must contain documentation showing the CPA is currently license in their state or the EA is currently active (Screen shot of the IRS website).</p> <ul style="list-style-type: none"> <li>• 12 or 24-month CPA or EA compiled P&amp;L Statement <ul style="list-style-type: none"> <li>○ 12 or 24-month (P&amp;L) prepared/compiled and signed by a CPA (proof of CPA current state license required or EA (proof EA currently active on IRS website) dated within 30-days of the loan application, and</li> <li>○ The preparer must attest they have prepared the borrower’s most recent tax return; and</li> <li>○ A minimum 2-months of business bank statements covering the most recent 2-month period.</li> </ul> </li> </ul> <p>The 2-months of business bank statements must support the sales reflect on the Profit and Loss Statement prepared by either a CPA or EA. The average deposits from the bank statements must be greater than, or no less than, 10% below the average monthly sales. In the event the 10% tolerance is not met, continuous bank statements may be added to the analysis until the tolerance is met. The qualifying income is the lower of</p> <ol style="list-style-type: none"> <li>a) The net income from the P&amp;L divided by 12 or 24, or</li> <li>b) Total deposits per bank statements, minus any inconsistent deposits, divided by the number of bank statements, or</li> <li>c) The income disclosed on the initial 1003.</li> </ol>
<p><b>Alt Doc – 1099</b></p>	<p>Permitted for individual(s) earning 100% commission for independent contractors.</p> <ul style="list-style-type: none"> <li>• 1-year or 2 years of 1099s permitted</li> <li>• 4506-T required along with a transcript for the 1099s</li> <li>• One of the following Business expense analysis methods: <ul style="list-style-type: none"> <li>○ 90% Net Margin (10% Expense Factor)</li> <li>○ 3<sup>rd</sup> Party prepared P&amp;L (CPA, EA, accountant, tax preparer)</li> </ul> </li> <li>• Qualifying income is the 12 or 24 monthly average from the total number of 1099s minus the expense factor from the method chosen above</li> <li>• YTD earnings must be documented to support the ongoing receipt of income showing on the 1099s by: <ul style="list-style-type: none"> <li>○ Checks or a single check stub(s) with YTD totals if available, or</li> <li>○ Bank statements (YTD) <ul style="list-style-type: none"> <li>▪ The YTD earnings from the total of check stubs or the tally of deposits form bank statements must be within 10% or greater than prior year earnings.</li> </ul> </li> </ul> </li> </ul>
<p><b>Alt Doc – Written Verification of Employment (WVOE)</b></p>	<p>A written Verification of Employment may be utilized when the only source of earnings is wages/salary. The following criteria applies:</p> <ul style="list-style-type: none"> <li>• Two-year history with same employer is required.</li> <li>• Completed Fannie Mae Form 1005</li> <li>• Minimum credit Score: <b>660</b></li> <li>• Primary Residence Only</li> <li>• 24-month 0x30 housing history required.</li> <li>• Paystubs, Tax Returns, 4506-T, or W-2s not required.</li> <li>• <b>Max LTV 80% for Purchase/R&amp;T, Max LTV for Cash-Out is 70%</b></li> <li>• Must be completed by Human Resources, Payroll Department or Officer of the Company.</li> <li>• Two (2) Months Personal Bank Statements required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE.</li> <li>• FTHB Maximum LTV 70%, no gift funds allowed.</li> <li>• Borrower(s) employed by family members or related individuals are not eligible.</li> <li>• Only eligible source of income is limited to Wage/Salary. Supplemental income sources such as rental income are not permitted.</li> </ul> <p>An internet search of the business is required with documentation to be included in the credit file to support existence of the business.</p>
<p><b>Asset Depletion</b></p>	<p>Assets must be liquid and available with no penalty; additional documentation may be requires to validate the origin of the funds:</p> <ul style="list-style-type: none"> <li>• 100% of Checking, Savings and Money Market Accounts;</li> <li>• 70% of Stocks, Bonds, and Mutual Funds;</li> <li>• 70% of Retirement Assets; Eligible if the borrower is of retirement age (at least 59 ½);</li> <li>• 60% of Retirement Assets; Eligible if the borrower is not of retirement age.</li> </ul> <p>Qualifying income based upon Total Assets Eligible for Depletion, less down payment, less out of pocket closing costs, less required reserves, divided by 84.</p>



Appraisal Valuation	
<b>Seller Appraisal Requirements</b>	<p><b>Purchase:</b></p> <ul style="list-style-type: none"> <li>• 1 Full Appraisal<sup>1</sup> if Combined Loan Amount <math>\leq</math> \$2.0MM</li> <li>• 2 Full Appraisals<sup>1</sup> if Combined Loan Amount <math>&gt;</math> \$2.0MM<sup>2</sup></li> </ul> <p><b>Refinance:</b></p> <ul style="list-style-type: none"> <li>• 1 Full Appraisal<sup>1</sup> if Combined Loan Amount <math>\leq</math> \$1.5MM</li> <li>• 2 Full Appraisals<sup>1</sup> if Combined Loan Amount <math>&gt;</math> \$1.5MM<sup>2</sup></li> </ul>
<b>Third Party Review Requirements</b>	Collateral Desktop Analysis (CDA)
<b>Clear Capital Escalation</b>	<ul style="list-style-type: none"> <li>• If the CDA Returns a value that is <math>\leq</math> 10% of the appraised Value<sup>3</sup> or the purchase price, the lower of the Appraised Value or purchase price can be used to establish the LTV/CLTV</li> <li>• If the CDA returns a value that is “indeterminate” or <math>&gt;</math>10% of the Appraised Value<sup>3</sup>, a Clear Capital Broker Price Opinion (BPO) and Clear Capital Value Reconciliation of three Reports must be ordered. The reconciled value determined by Clear Capital will be used to determine LTV/CLTV</li> <li>• If the Clear Capital CDA returns a value that is greater than the Appraised Value<sup>3</sup>, the lower of the Appraised Value or purchase price (when applicable) will be used to determine LTV/CLTV</li> </ul>
<b>Property Condition</b>	<ul style="list-style-type: none"> <li>• Property condition rating of C1 through C4 required on all Single Family, PUDs and Condominiums               <ul style="list-style-type: none"> <li>○ Property condition rating of C4 is permitted with comparable properties with same rating/condition</li> <li>○ If no similar C4 comparable properties are provided, then a 5% LTV/CLTV reduction is required</li> </ul> </li> <li>• 2-4 Unit properties must have Condition description of Good or Average. Condition description of Fair is not acceptable.</li> </ul>
<b>HOA Certification</b>	Condominiums require HOA Certification Form
<p><sup>1</sup> “Full Appraisal” refers to a Uniform Residential Appraisal Report (URAR). This includes forms FNMA 104 or FHLMC 70</p> <p><sup>2</sup> The CDA will be completed on the lower of the two appraisals</p> <p><sup>3</sup> The “Appraised Value” is the value determined from the original appraisal(s) obtained by the Seller</p>	

Product Offerings			
Product	Amortization Term	Term	I/O Term
15 YR FIXED	180	180	NA
30 YR FIXED	360	360	NA
30 YR FIXED I/O	240	360	120
40 YR FIXED I/O	360	480	120
5YR & 7YR SOFR ARM	360	360	NA
5YR & 7YR SOFR ARM I/O (30 YR)	240	360	120
5YR & 7YR SOFR ARM I/O (40 YR)	360	480	120
Product Specifications			
Conversion Option	None		
Pre-payment Penalty (PPP)	Investment Only <sup>1-4</sup>		
Borrower Qualification	<p><b>FIXED:</b> Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment</p> <p><b>5YR SOFR:</b> Qualify at the higher of Note rate plus 2% or fully indexed rate</p> <p><b>5YR SOFR I/O ARM:</b> Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the Note Rate plus 2% or fully indexed rate.</p> <p><b>7YR SOFR:</b> Qualify at the higher of the Note rate or the fully indexed rate</p> <p><b>7yr SOFR I/O ARM:</b> Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the fully indexed rate or note rate.</p>		
Buydown	Buydowns not permissible in any product or program		
Mortgage Insurance	Mortgage Insurance is not required or permitted		
Assumability	ARMs loans are Assumable after the initial fixed rate period under certain conditions described in the Security Instrument		
<ol style="list-style-type: none"> <li>1. Prepayment penalties not allowed in KS, MD, MI, MN, NM, OH, and RI</li> <li>2. Prepayment penalties not allowed on loans vested to individuals in IL and NJ</li> <li>3. Prepayment penalties not allowed on loan amounts less than \$278,204 in PA</li> <li>4. Only declining prepayment penalty structures allowed in MS</li> </ol>			