

FICO & LTV MATRIX				
Advanced Portfolio Gold – Owner-Occupied				
Loan Amount	Credit Score	Full Documentation ¹		
		Purchase	Rate & Term	Cash Out
\$100,000 – \$1,000,000	740	90%	85%	80%
	720	90%	85%	80%
	700	85%	85%	80%
	680	80%	80%	75%
	660	80%	80%	70%
\$1,000,001 – \$1,500,000	740	90%	85%	80%
	720	90%	85%	80%
	700	85%	85%	80%
	680	80%	80%	75%
	660	80%	80%	70%
\$1,500,001 – \$2,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	80%	75%	70%
	660	75%	70%	70%
\$2,000,001 – \$2,500,000	740	80%	80%	70%
	720	80%	80%	70%
	700	75%	75%	65%
	680	70%	70%	65%
	660	70%	70%	65%
\$2,500,001 – \$3,000,000	740	75%	75%	65%
	720	75%	75%	65%
	700	70%	70%	65%
	680	65%	65%	65%
	660	N/A	N/A	N/A
\$3,000,001 – \$3,500,000	740	75%	75%	65%
	720	75%	75%	65%
	700	70%	70%	60%
	680	65%	65%	N/A
	660	N/A	N/A	N/A

¹Second Home: \$2.5MM Max Loan Amount, Purchase/Rate & Term – 80% Max LTV; Cash-Out – 75% Max LTV

FICO & LTV MATRIX				
Advanced Portfolio Gold – Non Owner-Occupied				
Loan Amount	Credit Score	Full Documentation		
		Purchase	Rate & Term	Cash Out
\$100,000 – \$1,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	80%	80%	75%
	660	80%	75%	70%
\$1,000,001 – \$1,500,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	75%	75%	70%
	660	70%	70%	65%
\$1,500,001 – \$2,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	75%	75%	70%
	660	70%	70%	65%
\$2,000,001 – \$2,500,000	740	75%	75%	70%
	720	75%	75%	70%
	700	75%	75%	65%
	680	70%	70%	65%
	660	65%	65%	65%

Underwriting Specifications	
Document Types	<ul style="list-style-type: none"> Standard Doc option – 2 yr. verification of income required for Wage Earner and Self-Employment income Limited Doc option – 1 yr. verification of income required for Wage Earner and Self-Employment
Amortization Terms	<ul style="list-style-type: none"> Fixed: 15, 30 ARMs: 30 Yr. 5/6, 7/6, 10/6 (Initial Fixed Period/Subsequent Adjustment Periods) <p>I/O:</p> <ul style="list-style-type: none"> 30 Yr. Fixed I/O (10 yr. I/O followed by 20 yr. amortization) 30 Yr. I/O 5/6, 7/6 ARMs (10 yr. I/O followed by 20 yr. amortization) <p>See Guidelines for qualifying ARM and I/O payments</p>
Interest Only	<ul style="list-style-type: none"> FICO: Standard matrix restrictions apply Max 85% LTV Condos – See Condo section below
Loan Amount	<ul style="list-style-type: none"> Min. \$100,000
Max LTV	<ul style="list-style-type: none"> Per Matrix above Max 85% for 2-4 unit (or per matrix if lower) Condos – See Condo section below Interest only – Max 85% Declining Markets – subtract 5%
Determining LTV	<p>Ownership Seasoning is from closing date of prior loan as per final CD/Settlement Statement to Note Date of new loan</p> <p><u>Purchase</u></p> <ul style="list-style-type: none"> Use lesser of appraised value or purchase price <p><u>Rate and Term/No Cash-Out</u></p> <ul style="list-style-type: none"> Use current appraised value <p><u>Cash-Out</u></p> <ul style="list-style-type: none"> For properties owned < 12 months, LTV is calculated using the lesser of the original purchase price + documented improvements or the appraised value. Current value may be used with: <ul style="list-style-type: none"> Max LTV: <ul style="list-style-type: none"> Owner Occupied 75% Second Home or Investment 70%
Temporary Buydowns	Not allowed
Age of Documents	<p>Age (in calendar days) at Note date:</p> <ul style="list-style-type: none"> Credit: 120 Income: 120 Assets: 120 Appraisal: 360 (> 120 days requires 1004D Update within 120 days) VVOE (wage earner): 10 Self-Employed Business Existence: 20 HOA cert: 180 Flood cert: 120 A 10-day variance may be granted case by case to accommodate closing delays Prelim: 120 <p>Age (in calendar days) at Application date:</p> <ul style="list-style-type: none"> Income: 30 (if the document is used for current receipt or YTD amounts) Assets: 45 (monthly), 90 (quarterly)
Mortgage/Housing History	0x30x12
Minimum FICO	660
	Chapter 7/11 – 48 months from discharge date to Note Date

<p>Bankruptcy History</p>	<p>Chapter 13 – 48 months from filing date to Note date; must be discharged/dismissed min. 12 months</p>
<p>Foreclosure, Short Sale, Deed-in-Lieu, Pre-foreclosure Sale</p>	<p>48 months prior to Note date</p>
<p>Loan Mods/Payment Deferrals</p>	<p>Must be completed > 12 months prior to the Note Date</p>
<p>Forbearance</p>	<ul style="list-style-type: none"> • If any payments were not made on time as per the Note during Forbearance, must be reinstated > 12 months prior to the Note Date • If all payments were made on time as per the Note during Forbearance, no seasoning required • Forbearance must be completed/reinstated
<p>Judgements</p>	<ul style="list-style-type: none"> • All judgments affecting title must be paid off • Court ordered judgments not on title may be excluded if the borrower is currently in a repayment agreement with the creditor: <ul style="list-style-type: none"> ○ A minimum of 3 months has elapsed, and timely payments have been made, AND the payment is included in the DTI ratio
<p>Liens</p>	<ul style="list-style-type: none"> • All liens affecting title must be paid • All income tax liens (federal, state, local) must be paid off at or prior to closing, unless: <ul style="list-style-type: none"> ○ The borrower is on a payment plan, AND ○ A minimum of 2 payments have been made, AND ○ The account is current, AND ○ The monthly payment is included in the DTI ratio ○ Document with a copy of the Plan and payment history from lien holder, cancelled checks, or bank records to show payments made ○ Refinance transactions require subordination agreement from the taxing authority and the balance must be included in the CLTV ○ See guidelines regarding Past Due Federal Tax Liens not on a repayment plan
<p>Multiple Derogatory Credit Events</p>	<p>Allowed so long as seasoning is met on each</p>
<p>Collections/Charge-offs</p>	<ul style="list-style-type: none"> • Medical Collection do not need to be paid <p>Collections and non-mortgage charge-offs may remain open if:</p> <ul style="list-style-type: none"> • Borrower can qualify with a 5% payment added to the DTI, OR • Borrower has sufficient reserves to cover the balance and any other reserves required <p>2-4 Units, 2nd homes, and Investments:</p> <ul style="list-style-type: none"> • >= 24 months must be paid if > \$10,000 • < 24 months must be paid if > \$5000 • All others must have the 5% payment applied as per above

<p>DTI</p>	<ul style="list-style-type: none"> • 50%, OR • 55% with: <ul style="list-style-type: none"> ○ Min residual income \$3500 ○ Max 80% LTV/CLTV ○ Primary Residence only unless 2 Yrs. Standard Doc ○ Min 700 FICO only unless 2 Yrs. Standard Doc ○ No FTHB • Asset Utilization and FTHB: Max 45% <ul style="list-style-type: none"> ○ Asset Utilization and < 12-month housing history: Max 43%
<p>Residual Income</p>	<ul style="list-style-type: none"> • Residual Income is the amount of monthly income remaining once a borrower has paid all monthly debt obligations. • Required for loans with DTI > 43% <p>Calculation:</p> <ul style="list-style-type: none"> • Gross Monthly Income – Total Monthly Obligations included in DTI • Minimum: <ul style="list-style-type: none"> ○ DTI > 50%: \$3500, otherwise \$2500 + \$150/dependent
<p>Credit Scores</p>	<ul style="list-style-type: none"> • At least one borrower must have a valid score from at least 2 of the 3 agencies • Use the middle of 3 scores or the lower of 2 scores for each borrower • Use the Primary Wage Earner score for loan eligibility known as the Decision Credit Score, except for Asset Utilization/Depletion which uses the lowest score of all borrowers <p>NOTE: income may not be manipulated and/or reduced to meet eligibility or pricing requirements</p> <ul style="list-style-type: none"> • When both borrowers are self-employed with equal ownership in a joint business, use the highest score among the borrowers
<p>Credit History</p>	<p><u>Minimum Tradelines Not Required</u></p> <ul style="list-style-type: none"> • Minimum Tradelines are not required when the Primary Wage Earner has credit scores reporting from all 3 credit bureaus (Transunion, Equifax, Experian) <p><u>Minimum Tradelines Required (Above Not Met)</u> Minimum Tradelines (must have activity in the last 12 months):</p> <ul style="list-style-type: none"> • 3 opened or closed for a min.12 month, OR • 2 opened or closed for a min 24 months, OR • 1 mortgage or installment loan opened for a min. 12 months, OR • All the following: <ul style="list-style-type: none"> • 8 tradelines, 1 must be mortgage or rental history • 1 tradeline open and reporting for a min. 12 months • 8 yr. established credit history • Tradelines with recent serious adverse history not acceptable <p>NOTE: A mortgage not reporting on credit may be used to meet a tradeline</p> <p>Unacceptable Tradelines:</p> <ul style="list-style-type: none"> • Collection accounts • Charge-offs • Foreclosures • Deed-in-Lieu of foreclosures • Short sales • Pre-foreclosure Sales • Accounts discharged through BK • Accounts in deferment • Accounts being paid through a chapter 13 Trustee • Non-Traditional Credit as defined by FNMA • Accounts on which borrower is not obligated • Authorized User
<p>Rental Income</p>	<ul style="list-style-type: none"> • Rental income from Subject Investment properties and Non-Subject properties may be used as qualifying income • Rental income from the borrower’s primary residence is ineligible unless it is a multi-unit property, and the rental income is derived from the non-owner-occupied unit(s) • Rental income from an ADU is not allowed • Follow FNMA Guidelines for Documentation and Income Calculations • Short Term rentals are not allowed
<p>Short-Term Rentals</p>	<p>Not Allowed</p>

<p>Cash In Hand</p>	<ul style="list-style-type: none"> • Rate Term – lesser of 2% or \$5000 • Cash Out - Unlimited
<p>Refinance - Seasoning</p>	<p><u>All</u></p> <ul style="list-style-type: none"> • Seasoning is measured from acquisition date of property per final CD/Settlement Statement to the Note date of the new loan <p><u>Any Loan Purpose</u></p> <ul style="list-style-type: none"> • No seasoning required for properties recently acquired through inheritance or other legal process (e.g. divorce) <p><u>Rate and Term/No Cash-Out Refinance</u></p> <ul style="list-style-type: none"> • At least one borrower must be on title at the time of the application • For business entities, at least one eligible personal guarantor (see Closing in Business Entity section of guidelines) must have been a member/owner of the business entity at the time of the application <p><u>Cash-Out</u></p> <ul style="list-style-type: none"> • If there has been a prior cash-out transaction within the past six (6) months of the Note date, the loan is ineligible for cash out. • At least one borrower or one member/owner of the borrowing business entity must have owned the property for a minimum of 6 months • For properties owned < 12 months, LTV is calculated using the lesser of the purchase price + documented improvement or the appraised value. Current value may be used when: <ul style="list-style-type: none"> ○ LTV is: <ul style="list-style-type: none"> ➢ Owner Occupied <= 75% ➢ Second Home or Investment <= 70%
<p>Contingent Liabilities</p>	<p><u>Excluding Mortgage Debt – Borrower is Cosigner/Coborrower</u></p> <ul style="list-style-type: none"> • The party making the payments must be obligated on the mortgage • The borrower may not be using rental income from the property to qualify • If the borrower is on title to the property, it must be included in the max financed properties, if applicable • Accounts must be 0*30 < 6 months • Document with: <ul style="list-style-type: none"> ○ Copy of the Note or other definitive documentation to show the payee is obligated ○ Most recent (as of application date) 6 months proof the other party is making the payments (cancelled checks, bank records, etc) <p><u>Excluding Non-Mortgage Debt</u></p> <ul style="list-style-type: none"> • Includes: installment loans, student loans, revolving accounts, lease payments, alimony, child support, and separate maintenance • The other party does not need to be obligated on the debt • Transfer of ownership to the other party is not required, but if borrower is still an owner the property must be considered in max financed properties, if applicable • Accounts must be 0*30 < 6 months • Document with: <ul style="list-style-type: none"> ○ Most recent (as of application date) 6 months proof the other party is making the payments (cancelled checks, bank records, etc) <p><u>Excluding Debt Awarded to Another Party via Court Order or Divorce/Separation</u></p> <ul style="list-style-type: none"> • Debt awarded to former spouse or other party via court order may be excluded from the DTI Ratio • Document with: <ul style="list-style-type: none"> ○ Copy of the divorce decree, separation agreement or court order awarding the debt to the other party <p><u>Excluding Debt Assumed by Another Party</u></p> <ul style="list-style-type: none"> • Debt assumed by another party with release of liability may be excluded from the DTI ratio • Document with: <ul style="list-style-type: none"> ○ Copy of the Assumption Agreement and/or Release of Liability <u>document</u> <p><u>Business Debt</u></p> <ul style="list-style-type: none"> • Business debt on the borrower’s personal credit report must be included in the DTI ratio unless documentation is provided evidencing business pays the debt • Debt must be at least 6 months old as of application date and 0*30 < 6 months • Document with: <ul style="list-style-type: none"> ○ Tax Returns must reflect the business expense deduction ○ Most recent (as of application date) 3 months proof payment made by business (cancelled checks, bank statements, other bank records, etc.)

<p>First-Time Home Buyer</p>	<ul style="list-style-type: none"> • A First Time Homebuyer is an individual that has not owned a home or been borrower on a mortgage in the 3-year period preceding the Application Date • For multiple applicants, as long as one borrower is not a First Time Homebuyer, then any restrictions for First Time Homebuyer will not apply • Borrowers with a documented 24-month rental payment history are NOT subject to First Time Homebuyer restrictions (institutional VOR or VOR with 24 months cancelled checks/bank statements/money order/etc. for private parties required) • 0*30 12-month rental history required or: <ul style="list-style-type: none"> ○ LTV may not exceed 80%, AND ○ DTI may not exceed 45% ○ Any part of 12-month housing history must be 0*30 • Maximum payment shock of 250% or minimum 6 months PITIA reserves required • Primary Residence and 2nd Home only
<p>Reserves</p>	<ul style="list-style-type: none"> • Gold: <ul style="list-style-type: none"> ○ <= \$1.5M: 6 months ○ > \$1.5M: 9 months ○ > \$2.5M: 12 months ○ > 85% LTV: 12 months • First Time Homebuyers: additional 6 months (may be waived case by case for borrowers with an otherwise strong credit profile) • Departure Residence – using Rental Income: additional 3 months • Foreign Nationals: additional 6 months • Escrow waiver: minimum 12 months • Reserves are based on the full PITIA payment, except for Interest Only, then based on the ITIA • Assets used for income (unless a business bank statement used for bank statement income – see Asset section) or pledged as collateral may not be used for reserves • Gift funds may not be used for reserves • Cash out may be used to meet reserve requirements if: <ul style="list-style-type: none"> ○ Loan amount <= \$1.5M and LTV <= 75% (65% for Foreign National) ○ Loan amount >= \$1.5M and LTV <= 65% (60% for Foreign National) ○ Not allowed for Asset Utilization
<p>Gift Funds</p>	<ul style="list-style-type: none"> • Allowed for any occupancy: <ul style="list-style-type: none"> ○ Primary Residence and 2nd Home – no minimum borrower contribution, all funds to close may come from gift ○ Investment Property – minimum 5% contribution from borrower’s own funds for LTV > 75% • Not allowed for WVOE program • May not be used for reserves
<p>Condominiums</p>	<ul style="list-style-type: none"> • Warrantable: <ul style="list-style-type: none"> ○ No LTV Restrictions • Non-warrantable: <ul style="list-style-type: none"> ○ Max 80% LTV/CLTV • Florida – see guidelines • Follow FNMA guidelines regarding Detached, 2-4 Unit, Limited, and Full Reviews • Loans that do not meet FNMA guidelines are non-warrantable • Allowable non-warrantable characteristics – see guidelines
<p>Geographic</p>	<ul style="list-style-type: none"> • MS not allowed
<p>Prepayment Penalties</p>	<ul style="list-style-type: none"> • 0-5 yr. pre-payment penalties available • Not allowed in AK, KS, MI, MN, NM, OH, RI • Not allowed on loans vested to individuals in IL and NJ • Not allowed on loan amounts < \$278,204 in PA • Only declining structures are allowed in MS

Appraisal Valuation	
Appraisal Requirements	<ul style="list-style-type: none"> • All real estate appraisals must be performed according to the Uniform Standards of Professional Appraisal Practice (USPAP) • All real estate appraisals must be performed according to Fannie Mae® guidelines, including Universal Appraisal Dataset (UAD) requirements (FNMA SSR required) • All appraisals must comply with any requirement for higher priced mortgage loans (HPMLs), if applicable. • All appraisals must comply with the Appraisal Independence Requirements • The appraiser must not have a direct or indirect interest, financial or otherwise, in the property or in the transaction. • Unless otherwise stated in this matrix, all Fannie Mae guidelines apply to appraisal process and value determination. • Transferred Appraisals are allowed – see Appraisal Transfer Job Aid – for requirements • Re-use of an Appraisal from a prior closed transaction not permitted unless Delayed Financing (see Delayed Financing section) or for a Rate and Term DSCR loan with the same borrower (cannot be a transferred Appraisal) • Appraisers must be State Certified • State Licensed and Trainees as sole appraiser are not permitted • An unlicensed or uncertified appraiser who works as an employee or subcontractor of a certified appraiser may perform a significant amount of the appraisal if the appraisal report is signed by a certified appraiser and is acceptable under state law. • A minimum of 1 Full Appraisal is required for every loan
Appraisal Review	<ul style="list-style-type: none"> • Loan Amount <= \$2M: <ul style="list-style-type: none"> ○ 1 Full Appraisal ○ CU Score <= 2.5 OR Enhanced Desk Review: <ul style="list-style-type: none"> ▪ CDA from Clear Capital ▪ ARR from Stewart Valuation Intelligence fka Pro Teck ▪ ARA from Computershare ▪ CCA from Consolidated Analytics ○ No CU Score requires CDA ○ When CDA Required: <ul style="list-style-type: none"> ➢ Use Appraised Value if CDA >= 90% of Appraised Value ➢ Use CDA Value if CDA < 90% of Appraised Value ➢ If the CDA does not support the value needed to qualify, a Field Review may be ordered: <ul style="list-style-type: none"> ○ The Field Review typically supersedes the CDA, however, Underwriter should consider both in evaluation ○ If the Field Review is not within 90% of the Appraised Value, use Field Review value or a 2nd Appraisal may be ordered (follow 2 Full Appraisals section below) • Loan Amount >= \$2M: 2 Full Appraisals required: <ul style="list-style-type: none"> ○ 2nd Appraisal cannot be a transferred appraisal ○ 2nd Appraisal must be ordered from a different company than the first Appraisal ○ Use the lower of the 2 values ○ Only 1 1004D is required if both are “subject to,” but “subject to” items from both Appraisals must be addressed
Age of Appraisal	<ul style="list-style-type: none"> • Appraisal must be dated within 365 days of the Note date. • Recertification of value required if the appraisal is not dated within 120 days of the Note date • Recertifications of value (1004 Update) extend the Appraisal for 120 days: <ul style="list-style-type: none"> ○ If the 1004D Update indicates that the property value has declined, a new appraisal is required ○ The original appraiser should complete the appraisal update; however, substitute appraisers may be used. ○ When updates are completed by substitute appraisers, the substitute appraiser must review the original appraisal and express an opinion about whether the original appraiser’s opinion of market value was reasonable on the date of the original appraisal report ○ The file must be noted as to why the original appraiser was not used.
Declining Markets	<ul style="list-style-type: none"> • Declining Markets are determined by the appraisal • 5% LTV reduction

<p>Ineligible Properties</p>	<ul style="list-style-type: none"> • Rural • Live/Work condos • Common Interest Apartments • Co-ops • Manufactured/Mobile Homes (Modular acceptable per FNMA) • Houseboat • Geodesic Domes • Earth/Berm Home • Timeshares/Fractional Ownership • Properties under construction • Unique properties • Theme Park/Resort Properties • Properties used for cultivation, distribution, manufacture or sale of marijuana • Boarding Houses/B&B • Assisted Living/Continuing Care • Properties on Native American land • Working Farms, Ranches, Orchards (Hobby Farms allowed case by case) • Agricultural Type properties (note: agricultural zoning in areas that are primarily residential is acceptable, so long as subject does not have agricultural use) • 5+ units • Vacant Land • Land Development Properties • Properties without a full kitchen. A full kitchen must have at a minimum: <ul style="list-style-type: none"> ○ Refrigerator ○ Stove ○ Food storage and prep areas ○ Sink ○ External venting • Properties without a bathroom • See Condominium section for additional condo restrictions • Properties not readily accessible by roads that meet local standards • Properties not suitable for year-round occupancy (regardless of location) • Properties currently listed for sale • Properties less than 500 sq. ft. • Properties > 40 acres (see Lot Size section) • Condotels • Leaseholds • Short Term Rentals • Group Homes • Commercial Purposes (assisted living, day care, rehab, half-way houses) • Mixed Use
<p>Lot Size</p>	<ul style="list-style-type: none"> • Must be less than 40 acres • Cannot be rural • Properties > 10 acres <= 40 acres must meet the following: <ul style="list-style-type: none"> ○ Maximum land to value 35% ○ No income producing attributes ○ > 20 acres must be 10% below max LTV/CLTV/HLTV ○ Hypothetical values excluding acreage above max not allowed ○ Lot size must be typical for the area
<p>Listed for Sale</p>	<ul style="list-style-type: none"> • Properties currently listed for sale are ineligible • Must be off the market for 6 months as of the application date, OR <ul style="list-style-type: none"> ○ Must be off the market prior to the Note date and reduce the max LTV by 10% ○ LTV reduction may be waived with a 3 yr. pre-payment penalty (when allowed) ○ Signed and dated letter of explanation required
<p>Log Homes</p>	<ul style="list-style-type: none"> • Primary or 2nd Home • Max 80% LT • The appraisal should provide a reliable opinion of market value supported by at least 2 similar log home comparables

Escrow Holdback	Not allowed
Property Condition	<ul style="list-style-type: none"> • C5 and C6 condition and Q6 quality not allowed • Incomplete items or conditions that affect the health, safety, soundness or structural integrity of the property must be repaired/remedied prior to closing. Examples: <ul style="list-style-type: none"> ○ Cracks or settlement in the foundation ○ Water seepage ○ Active roof leaks ○ Curled or cupped roof shingles ○ Inadequate electrical service or plumbing ○ Broken Windows • A 1004D completion report with photos must be provided to show the work has been completed