

Primary Residence

	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Max DTI	Minimum Reserves
Purchase and Rate & Term Refinance	1-4 Units	\$2,000,000	89.99%	680	50% AUS approve/accept Ineligible due to loan amount	Per AUS ¹
		\$2,000,000	80%	660		
		\$3,000,000		700		
		\$3,500,000		740		
Cash-Out Refinance	1-Unit	\$2,000,000		80%		
		\$3,000,000	740			
	2-4 Units	\$2,000,000	75%	680		
		\$3,000,000		740		

Second Home

	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Max DTI	Minimum Reserves
Purchase and Rate & Term Refinance	1-Unit	\$2,000,000	89.99%	680	50% AUS approve/accept Ineligible due to loan amount	Per AUS ¹
		\$2,000,000	80%	660		
		\$3,000,000		700		
		\$3,500,000		740		
Cash-Out Refinance	1-Unit	\$2,000,000		75%		
		\$3,000,000	740			

Investment Property

	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Max DTI	Minimum Reserves
Purchase and Rate & Term Refinance	1-Unit Purchase	\$2,000,000	80%	680	50% AUS approve/accept Ineligible due to loan amount	Per AUS ¹
		\$2,000,000	70%	660		
		\$3,000,000	75%	720		
	2-4 Units	\$2,000,000	75%	680		
		\$2,000,000	70%	660		
		\$3,000,000	75%	720		
Cash-Out Refinance	1-Unit	\$2,000,000	75%	680		
		\$3,000,000		740		
	2-4 Units	\$2,000,000	70%	680		
		\$3,000,000		740		

¹Fixed Rate 30-year term (10 Year I/O, qualified using payment based on 20-year amortization including the principal component of the payment). Not allowed for First-Time Homebuyers. Reduce maximum LTV/CLTV by 5%. Maximum LTV/CLTV 80%

Follow Applicable AUS Guidelines for Any Issue Not Addressed Below alignment with AUS Agency guidelines and is subject to change.	
Ability to Repay and Qualified Mortgage Rule	<ul style="list-style-type: none"> All loans must meet the Ability to Repay and Qualified Mortgage standards set forth in General QM Loan Definition of Reg. Z, effective April 1, 2022, including the Safe Harbor Verification provisions, as codified in the official commentary to Regulation Z, comment 43(e)(2)(v)(B)-3.
Age of Documents	<ul style="list-style-type: none"> For new and existing construction, credit documents must be ≤ 4 months old (DU) or 120 days (LPA) on the date the note is signed, including credit reports and employment, income and asset documents. Preliminary Title Policies must be no more than 90 days old on the date the note is signed
Declining Markets	<ul style="list-style-type: none"> Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as reported by appraiser.
Appraisals	<p>All appraisals must comply with applicable regulations and standards, including but not limited to USPAP, FIRREA, AIR, and HVCC compliance.</p> <ul style="list-style-type: none"> All appraisals must be completed on the most current Agency appraisal forms as stipulated in the Seller's Guide and conform to Agency appraisal practices and eligibility requirements. All loans require a full interior/exterior appraisal. Properties with a C5 property condition rating are not allowed. Escrow holdbacks are not allowed. All appraisal deficiencies must be resolved prior to delivery to lender with an update including photos to evidence completion. Two (2) full appraisals are required for loan amounts >\$2,000,000. LTV/CLTV will be based on the lower of the two values. All inconsistencies between the two appraisals must be addressed and reconciled. •Appraisals transferred or assigned from another lender are not acceptable. <p>Third Party Appraisal Review</p> <ul style="list-style-type: none"> Desk Review required when CU Score > 2.5 or no score. Order from: CDA (Clear Capital) or AAR (Stewart Valuation) Desk review is not required when there are 2 appraisals. Desk review must not be over 120 days old from note date. All discrepancies between the appraisal and the desk review must be reconciled. If the desk review produces a value more than a 10% negative variance to the appraised value, the loan is not eligible for purchase; provided, the seller has the option to order a Field Review to support the appraised value. If the field review also produces a value more than a 10% negative variance to the appraised value, then the loan will remain ineligible for purchase. <p>Properties Located in a Disaster Area</p> <p>The following is required for properties located in a FEMA declared disaster zone to be eligible for purchase:</p> <ul style="list-style-type: none"> If the property is in a zone where a Disaster End Date has been declared by FEMA, Lender will order a post disaster inspection prior to loan purchase to confirm the property value has not been impacted by the disaster. If the property is in a zone where a Disaster End Date has not been declared by FEMA, in addition to the above inspection requirement, a date and time stamped area map from a state or county agency or similar, showing the subject property in relation to the disaster area is required to evidence that the property is outside of current known disaster boundaries. For scenarios not addressed in this section please contact Scenario Desk for assistance
AUS	<ul style="list-style-type: none"> Loans must be underwritten through DU or LPA Agency High Balance/Super Conforming loan amounts require a DU Approve/Eligible or LPA Accept/Eligible Jumbo loan amounts require a DU Approve/Ineligible or LPA Accept/Ineligible (ineligible due to loan amount only) Manual UW is not permitted
Borrower Eligibility	<ul style="list-style-type: none"> The maximum exposure to LENDER for a borrower is 10 loans or \$5,000,000. A comprehensive fraud report (DataVerify) must be included in each file. The report should provide loan-level information on valuation and fraud detection and include a comparison of all participant names against industry watch and exclusionary lists such as OFAC. All red flags in the report must be addressed and cleared.

	<ul style="list-style-type: none"> • A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date. LENDER does not allow the use of verification of asset reports to identify recurring rent payments to potentially enhance the AUS credit assessment. <ul style="list-style-type: none"> ➤ Owner-occupied only ➤ Maximum 80% LTV/CLTV ➤ Maximum loan amount \$1,500,000 ➤ Interest only not allowed • Permanent Residence Aliens • The following borrowers are not eligible. <ul style="list-style-type: none"> ○ Non-permanent resident alien ○ Borrowers with only an ITIN ○ Irrevocable trusts ○ Borrowers who are party to a lawsuit ○ Borrowers with diplomatic immunity ○ Foreign Nationals • Ownership must be fee simple only and must be in the name of the individual Borrower(s) or Trust. Borrower(s) may hold title as follows: <ul style="list-style-type: none"> ○ Individual ○ Joint Tenants
Condominiums	<ul style="list-style-type: none"> • Non-Warrantable Condominiums ineligible • Condo projects located in Florida must meet all Agency condo requirements and are not eligible as non-warrantable condominiums.
Credit	<ul style="list-style-type: none"> • Fraud Report (e.g., DataVerify or FraudGuard) required <ul style="list-style-type: none"> ○ Any potential findings must be satisfactorily cleared up prior to closing • No credit bureaus may be frozen. Borrowers must unfreeze all bureaus and the AUS rerun with updated credit • Mortgage Payment History <ul style="list-style-type: none"> ○ A minimum of twenty-four (24) months verified mortgage history is required with 0x30X12 and 0X60X24 payment history measured from the credit report date. On the credit report date, the existing mortgage(s) must be current, which means no more than 45 days have elapsed since the last paid installment date. ○ A minimum of twelve (12) months verified rental history is required with 0X30X12 payment history. For rental verification, a standard VOR completed by a professional management company or 12 months bank statements/canceled checks and a lease agreement to document the term and payment are required. ○ Borrowers with no mortgage/rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation. ○ If the housing history reflects a forbearance arrangement, the payment history must reflect 0x30X12 and 0X60X24 in the most recent 24 months since exiting forbearance. The payment history must be provided by the lender/servicer.
Derogatory Credit	<ul style="list-style-type: none"> • Minimum 7-year seasoning on all major derogatory credit events including bankruptcy (7,11,13) multiple bankruptcies, foreclosures, deed-in-lieu of foreclosure, pre-foreclosure sale (short sale), mortgage charge-off • Modifications that were not the result of a distress situation are not subject to the waiting period. • Satisfactory explanation for any delinquent credit from the borrower is required. • Borrower must pay off all delinquent credit that has the potential to impact lien position. • Liens, Judgments, Collection accounts or charged-off accounts do not need to be paid off if the balance of an individual account is less than \$1,000 or if there are multiple accounts the total balance of all accounts cannot exceed \$2,500.
Documentation: Income & Assets	<p>Income Follow the AUS and applicable current Agency guide requirements unless otherwise addressed below:</p> <ul style="list-style-type: none"> • Commission/Bonus income must be documented with a written VOE breaking down the bonus or commission income for the past 2 years or a year-to-date paystub and W-2's supporting the income. Commission/Bonus income with less than a 2-year history may not be used for qualifications. • Tax transcripts are not required to be obtained from the IRS on loans where the AUS

	<ul style="list-style-type: none"> Validates the income (DU Day 1 Certainty or LPA Asset and Income Modeler). For all other loans, tax transcripts are required to be obtained from the IRS for each tax year the AUS requires W-2s, 1099s or tax returns. Wage transcripts are acceptable for W-2 borrowers, and 1099 transcripts are acceptable for 1099 borrowers. Tax transcripts are not required for newly received income such as retirement, social security and trust income that would not appear on the prior year tax returns. Borrower pulled transcripts are not acceptable. The IRS transcripts and the supporting income documentation provided by the lender must be consistent. Income produced or in relation to federally prohibited activities is not eligible.
	<p>Assets Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.</p> <ul style="list-style-type: none"> Business assets used must be accompanied by either a CPA/Tax Preparer letter confirming that the withdrawal of the funds from the business will not harm the financial strength of the business or a cash flow analysis that meets the applicable Agency requirements. Gifts of equity are not allowed. Equity lines of credit, gift funds, business assets and cash out from the subject property on refinance transactions are not acceptable sources to meet the reserve requirement.
Eligible Mortgage Products & Features	<ul style="list-style-type: none"> Fixed Rate 15 and 30 years 30(10/20) Year Fixed Interest Only 5yr/6m ARM qualified at the higher of the maximum potential Note rate after first adjustment or the fully indexed rate. The fully indexed rate is the sum of the index and the margin – (2.75% or 3%). Caps: 2/1/5% 7yr/6m and 10yr/6m ARM products qualified at the Note rate – Margin (2.75% or 3%). Caps: 5/1/5%
Escrow/Impounds	<ul style="list-style-type: none"> Escrow for taxes and insurance are required above 80% LTV, (90% in CA), or as required by applicable state law
Financing Concessions	<ul style="list-style-type: none"> Owner Occupied or second home: Financing concessions for primary residences and second homes may not exceed 6% of the lesser of the sale price or appraised value. The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio. Value is the lesser of the sales price or appraised value
Ineligible Transactions	<p>Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.</p> <ul style="list-style-type: none"> Shared appreciation loans The assignment of a purchase contract is ineligible unless the transferor is a family member and there is no change to the purchase price. Texas 50(a)(6) loans Single-Closing Construction-to-Permanent financing Temporary Buydown mortgage Prepayment penalty Escrow holdbacks High-Cost Loans Higher Priced Mortgage Loans (HPML) transactions Higher Priced Covered Transactions (HPCT) eMortgages and eNotarizations To be eligible for purchase, the period between the closing date and the lock date cannot exceed 90 days.
Minimum Loan Amount	<ul style="list-style-type: none"> \$1 above the conforming standard loan limit
Mortgage Insurance	<ul style="list-style-type: none"> Mortgage Insurance is not required
Multiple Financed Properties	<ul style="list-style-type: none"> Borrowers must have six months' reserves for each additional financed property owned. Borrower may not own more than 4 financed properties regardless of the occupancy of the subject property excluding properties held in the name of the LLC or Corp.
Occupancy	<ul style="list-style-type: none"> Primary residence - 1-4 units Second homes - 1-unit only <ul style="list-style-type: none"> See Credit section for when borrowers do not currently own a primary residence Investment 1-4 units: See Credit section for when borrowers do not currently own a primary residence
Property: Eligible Types	<ul style="list-style-type: none"> Single family attached/detached 1-4 units attached/detached PUDs Low-rise and high-rise condominiums (must be Agency eligible)

	<ul style="list-style-type: none"> ▪ Properties in communities with age-based resale restrictions • Rural properties (in accordance with Agency Guidelines, properties must be residential in nature)
Property: Ineligible Types	<ul style="list-style-type: none"> ▪ Manufactured homes ▪ Factory Built housing ▪ Mobile homes ▪ Cooperatives ▪ New condos, unless PERS approved ▪ Condotels ▪ Non-warrantable condos ▪ Hotel Condominiums ▪ Working Farms and Ranches ▪ Hobby farms ▪ Leaseholds ▪ Unique properties ▪ Property with oil and gas lease ▪ Geodesic or berm homes ▪ Land Trust, including community land trusts ▪ Condition Rating of C5/C6 or a Quality Rating of Q6 ▪ Properties located in Hawaii Lava Zone 1 or 2; Puerto Rico, Guan, US Virgin Islands ▪ Properties zoned commercial, agricultural (>20 acres), or mixed use ▪ Properties with evidence of commercial production of marijuana, including but not limited to grow rooms, or hydroponic equipment • Properties with PACE or HERO liens (unless paid off prior to or at closing).
Property Flipping Policy	<ul style="list-style-type: none"> • Properties that involve a re-sale that occurred within the last 180 days that have a non-arm's length relationship between the buyer and seller and an increase in value are prohibited. Time frame is established by seller's date of acquisition as the date of settlement on the seller's purchase of that property and the execution of a sales contract to another party
Reserves	<ul style="list-style-type: none"> • Refer to the eligibility matrices above • If the borrower owns other financed properties, additional reserves must be calculated and documented for financed properties other than the subject property and the borrower's principal residence (refer to the Property: Multiple Finance Properties section above) <ul style="list-style-type: none"> ▪ Business assets cannot be used as reserves
State Restrictions	<ul style="list-style-type: none"> • Illinois Land Trust Vesting's are not eligible ▪ Texas 50 (a)(6) refinance mortgages are not eligible
Title	<ul style="list-style-type: none"> • Follow applicable AUS for title requirements • Attorney opinion letters are ineligible • PACE/HERO liens must be paid off and removed at or prior to closing. Subordination is not acceptable • Solar liens or leases must be subordinated to the subject transaction ▪ UCC filings must be removed or subordinated