

Primary Residence³: 1-2-Unit, including PUDs, Condos²							
Transaction Type⁵	Max Loan Amount⁴	Market¹	LTV/CLTV/HCLTV	FICO	Max Cash-Out	Max DTI	Reserves
Purchase and Rate & Term Refinance	\$1,500,000	Stable	80%/80%/80%	720	N/A	43%	12
	\$2,000,000		80%/80%/80%	740		41%	18
	\$3,000,000		70%/70%/70%	760		41%	24
			75%/75%/75%				36
Cash-Out Refinance	\$1,500,000	Stable	70%/70%/70%	740	\$500,000	43%	18
	\$2,000,000		65%/65%/65%				

Primary Residence ³ : 3-4-Units, Including PUDs							
Transaction Type ⁵	Max Loan Amount ⁴	Market ¹	LTV/CLTV/HCLTV	FICO	Max Cash-Out	Max DTI	Reserves
Purchase and Rate & Term Refinance	\$2,000,000	Stable	75%/75%/75%	720	N/A	43%	18
	\$2,500,000		70%/70%/70%	740		43%	18
	\$3,000,000		65%/65%/65%	760		41%	36
Cash-Out Refinance	Not Permitted						

¹. The above maximum LTV/CLTV/HCLTV should be reduced by 5% or 10% if the subject property is located in a depreciating market. Refer to Section 501.2-

Appraisal Evaluation/Depreciating Markets topic and Section 1520-Non-Agency Exhibit 1-Depreciating Markets List for complete guidelines and to determine the amount of reduction required.

². The co-op association may restrict the maximum LTV for a co-op.

³. Properties located in the state of Florida in Flood Zone A or V are not permitted.

- The minimum loan amount is \$1 over the agency conforming loan size unless noted otherwise.
- Effective with new registrations with borrower application dates on or after November 13, 2022, the following no longer applies: Loans eligible for an Agency
- Jumbo program are not eligible for this program.
- Loans must meet Continuity of Obligation policy in Section 1508.1-Eligibility/Transaction Types.

Second Home ³ : 1-Unit, including PUDs, Condos and Co-ops ²							
Transaction Type ⁵	Max Loan Amount ⁴	Market ¹	LTV/CLTV/HCLTV	FICO	Max Cash-Out	Max DTI	Reserves
Purchase and Rate & Term Refinance	\$2,000,000	Stable	75%/75%/75%	740	N/A	43%	18
	\$2,500,000		70%/70%/70%	760			
Cash-Out Refinance	Not Permitted						

¹. The above maximum LTV/CLTV/HCLTV should be reduced by 5% or 10% if the subject property is located in a depreciating market. Refer to Section 501.2-

Appraisal Evaluation/Depreciating Markets topic and Section 1520-Non-Agency Exhibit 1-Depreciating Markets List for complete guidelines and to determine the amount of reduction required.

². The co-op association may restrict the maximum LTV for a co-op.

³. Properties located in the state of Florida in Flood Zone A or V are not permitted.

- The minimum loan amount is \$1 over the agency conforming loan size unless noted otherwise.

- Effective with new registrations with borrower application dates on or after November 13, 2022, the following no longer applies:
Loans eligible for an Agency
- Jumbo program are not eligible for this program.
- Loans must meet the Continuity of Obligation policy in Section 1508.1-Eligibility/Transaction Types.

Second Home: 2-4-Unit, including PUDs

Not Permitted

Investment Property³: 1-Unit, including Condos² & PUDs

Transaction Type ⁵	Max Loan Amount ⁴	Market ¹	LTV/CLTV/HCLTV	FICO	Max Cash-Out	Max DTI	Reserves
Purchase and Rate & Term Refinance	\$1,500,000	Stable	65%/65%/65%	760	N/A	40%	36
Cash-Out Refinance	Not Permitted						

Investment Property: 2-4-Units, including PUDs

Not Permitted

Footnotes:

¹.The above maximum LTV/CLTV/HCLTV should be reduced by 5% or 10% if the subject property is located in a depreciating market. Refer to Section 501.2-

Appraisal Evaluation/Depreciating Markets topic and Section 1520-Non-Agency Exhibit 1-Depreciating Markets List for complete guidelines and to determine the amount of reduction required.

². Florida and Georgia Condominiums secured as investment property are not permitted.

³. Properties located in the state of Florida in Flood Zone A or V are not permitted.

- The minimum loan amount is \$1 over the agency conforming loan size unless noted otherwise.
- Effective with new registrations with borrower application dates on or after November 13, 2022, the following no longer applies:
Loans eligible for an Agency
- Jumbo program are not eligible for this program.
- Loans must meet the Continuity of Obligation policy in Section 1508.1-Eligibility/Transaction Types.

PRODUCTS

	Fixed Rate	SOFR ARM
Lien Position	First	First
Products	• 15 Year • 30 Year	• 5/6 SOFR ARM – Caps 2/1/5 • 7/6 SOFR ARM – Caps 5/1/5 • 10/6 SOFR ARM – Caps 5/1/5 Index: 30-day average of the SOFR index as published by the Federal Reserve Max Margin: 2.75% Floor = Margin
Note Rate Limitations	N/A	Initial note rate may not be lower than 3% below the Fully Indexed Rate (FIR)
Qualifying Rate	• Note Rate	• 5/6 SOFR ARM – higher of Note Rate + 2% or the FIR • 7/6 SOFR ARM – higher of the Note Rate or FIR • 10/6 SOFR ARM – higher of the Note Rate or FIR
Assumable	Not Permitted	Yes, following the fixed period
Convertible	Not Permitted	
HPML	Not Permitted	
Qualified Mortgage	All loans must be General QM with Safe Harbor	
Temporary Buydowns	Not Permitted	

Prepayment Penalty	Not Available	
Minimum Loan Amount	At least \$1 above conforming loan limit	
Mortgage Insurance	Not Required	
ELIGIBILITY		
Property Types	<u>Eligible Property</u> 1-Unit, including condominiums, PUDs 2-4-Units, including PUDs <u>Ineligible Property</u> - Manufactured homes - Non-warrantable condos - All Deed restricted properties, including age only	
Ineligible Transactions & Scenarios	- Non-Arm's Length Transactions - Non-occupant Co-borrowers - Non-resident applicants - Partial Release - Technical Refinance - Work Completion Escrow - Mixed Use Properties - Texas Cash-Out - Texas Section 50(a)(6) - Texas Section 50(f)(2) - Industrial, Commercial or Agricultural Zoned Properties - Properties located in the state of Florida in Flood Zone A or V	
Borrower Eligibility	- US Citizens - Permanent Resident Aliens - Non-Permanent Resident	
Age of Documentation	Credit – 120 Days Inquiry – 90 Days Assets – no more than 45 days old at time of application AND no more than 120 days old at closing. Quarterly assets must be dated within 90 days of application. Employment Gap – LOE required if more than 30 days Income- no earlier than 30 days prior to the application date and no more than 120 days old at closing. TPV WVOE- completed date of verification cannot be older than 35 days prior to closing date. Re-verification VOE- 10 business days of closing. Self-Employment- Confirmation that the borrower’s business remains open and in existence must be verified within 30 calendar days prior to the loan closing regardless of the borrower’s ownership percentage in the business. Confirmation is not required if the business income is not used to qualify, if there is a business loss, or if the K1 income is derived from investments (e.g. Private Equity, Hedge Funds, Venture Capital, etc.).	
Asset Documentation - General	<u>Eligible Assets</u> - Annuities - Borrowed Funds – Secured - Bridge Loan Proceeds - Business Funds - Cash Out Proceeds from a Refinance - Checking, Savings, CD - Corporate Relocation Buyout - Credit Card Reward Points - Cryptocurrency - <i>To use funds, asset must be liquidated, be held in a U.S. or state regulated financial institution and meet Sale of Assets and Large Deposit policy.</i> - Disaster Relief Grant or Loan - Employer Assisted Housing - Foreign Assets - Gift Funds	- Corporate Sponsored Loans - Cryptocurrency - Disaster Relief Grant or Loan - Employer Assisted Housing Program funds used towards an Investment Property - Funds from Individual Development Accounts (IDA) - Gift of equity - Gifts which must be repaid in full or partially - Gift/Grant from Non-Profit - Individual Development Account (IDA) (Including funds from an IDA) - Lender Paid Assistance - Non-Traditional Savings Plan - Pledged Assets - Pooled Funds

	• Inheritance • Lease to Own/Rent w/ Option to Buy • Life Insurance Net Cash Value • Loan Repayment Proceeds • Proceeds from Sale of Home • Real Estate Commission (Borrower’s) • Retirement Assets • Sale of Assets • Stocks/Securities • Trust Account • US Savings Bonds • 1031 Exchange- <i>Investment Transactions only</i> • 529 Savings Plan Ineligible Assets • Borrowed Funds from the following sources: • Signature Loans • Lines of Credit-on-Credit Cards • Overdraft Protection on Checking Accounts • Cash-on-Hand • Cash advances from a credit card or other revolving account. • Community Assistance or Down Payment Assistance Programs	• Proceeds from unsecured loans or personal loans • Salary / bonus advances received against future earnings • Seller Carrybacks • Seller Derived Assistance Programs • Subordinate Financing which contains any of the following: • Negative Amortization • Contains special Servicing requirements for OGI • Terms that restrict prepayments or provide for a prepayment penalty, except as indicated in Subordinate Financing • Does not fully amortize under a level monthly payment plan when the maturity or balloon payment date is less than five years after the note date of the new first mortgage. • Sweat Equity (includes donated goods and/or materials): Contribution to the construction or rehabilitation of a property in the form of labor or services rather than cash is considered sweat equity. Sweat equity may not be deducted from the construction costs, nor may it be used to offset the borrower’s minimum down payment. • Trade Equity	
Borrower’s minimum contribution	LTV/CLTV	Minimum Borrower Contribution Requirement from own funds	
	< = 70%	Primary Residence	The borrower must make a 5% minimum contribution from his or her own funds. See note below for additional clarification.
	>70%	Primary Residence	The borrower must make a 10% minimum contribution from his or her own funds. See note below for additional clarification.
	ALL LTVs	Second Home & Investment Properties	Borrower must make full down payment. Gift funds are not permitted.
	Note: If the borrower has the 5% or 10% minimum contribution in a non-liquid asset account (stocks, bonds, etc.), but is also receiving a gift for the transaction, the borrower may use the gift funds for their 5% or 10% minimum contribution in lieu of liquidating the assets. The non-liquid asset account must be verified per policy as evidence that the borrower has the 5% or 10% minimum contribution available.		
Interested Party Contributions	• Primary & Second Home: 6% • Investment: 2%		
Housing History	• 12 months’ mortgage or rental history (VOR) is required.		
Credit	Derogatory Event		Waiting Period
	Bankruptcy Chapter 7/11		4 years from discharge date
	Bankruptcy Chapter 13		2 years from discharge date & 4 years from dismissal date
	Multiple BK Filings		5 years if more than 1 filing within the past 7 years.
	Deed In Lieu/Short Sale/Pre-foreclosure or mortgage charge off		4 years from the completion date
	Foreclosure		7 years from the completion date
	Judgments, Tax Liens/Public Records		Must be paid in full & released

	Non-medical collection accounts & Charge Off	Total balance > \$2000 must be paid in full or 5% of balance included in DTI
Employment	- Employment gaps exceeding 30 days require an explanation Wage Earner Income Documentation: - Most recent YTD paystub or salary voucher documenting at least 30 days of income. Paystub must be dated no earlier than 30 days prior to the application date and must include all year-to-date income. If the paystub does not include sufficient information to appropriately calculate income, additional documentation must be obtained - W-2: W-2s for the most recent 2 years regardless of how long the borrower has been on their current job. An IRS Wage and Income Transcript (W-2 transcripts) may be used in lieu of the actual W-2 forms Note: Income used to qualify must have a history of receipt and be expected to continue. A calculation worksheet must be documented in the loan file to show how the income being used to qualify was calculated. If either the borrower or co-borrower is self-employed, in addition to the required wage earner income documentation, complete tax returns for the most recent 2 years must be provided even if the income is not being used to qualify. The personal tax returns must be reviewed to determine if there is a “meaningful” business loss that may have an impact on the stable monthly income being used to qualify. Additional documentation may be needed to fully evaluate the impact of the business loss on the borrower’s ability to repay. Self-Employed Income Documentation: - Individual: Complete tax returns for the most recent 2 years, including all W-2s and Schedules. - Corp., S-Corp. & Partnerships: The most recent 2 years’ business tax returns including all Schedules. - Corp, S-Corp & Partnership: The YTD (year-to-date) P&L (profit and loss) and balance sheet are required when the application is dated more than 90 days after the end of the business’ fiscal or calendar year end. YTD unaudited P&L statement and balance sheet for the business either: - Completed by the business’s tax preparer; or - Completed by the borrower in addition to the following: - Evidence provided that the document has been viewed by the business’s tax preparer, or - Evidence provided that the document has been viewed by an appropriate third party who is not affiliated with the loan transaction, or - Two months business bank statements to support the income on the P&L statement and balance sheet. - The year-to-date P&L and balance sheet are required when the application is dated more than 90 days after the end of the business’ fiscal or calendar year end. - Income Analysis Form Note: Corporate income may not be used unless the borrower owns 100% of the business (W-2 and 1099 earnings are eligible)	
IRS Form 4506-C	All borrowers whose income is used to qualify for the loan transaction must sign form 4506-C at closing, regardless of income type—salary, self-employed, social security, etc. An additional 4506-C must also be signed prior to or at closing for each business tax return that is in the loan file that was used to calculate qualifying income (resulting in either gain or loss). Alternative forms such as the 8821, 4506 or 4506-T are not permitted.	
Third Party Verification Services Provider	Third-party vendors may be used as an alternative method for verifying income, employment, and assets. The verification must provide the same level of documentation defined in this fact sheet. If it does not, additional supplements must be obtained to meet documentation requirements.	
Appraisal	- A full interior/exterior appraisal is required - All appraisal reports that are more than 120 days old as of the note/mortgage date require a recertification of value/update that includes an exterior inspection of the property and a review of current market data to confirm that the property has not declined in value since the date of the original appraisal Loan amount > \$2MM, 2 appraisals are required - Ordering both reports from the same company, vendor, or agent is expressly forbidden. If two appraisal reports are required, OnY Glo, Inc. requires the two reports to be ordered from two different Appraisal Management Companies (AMC). Note: In some circumstances, that may not be possible, including in cases where a Correspondent Lender may only work with one AMC. In those instances,	

	it may be necessary for one AMC to order the two appraisal reports. However, the independence of the appraiser/ appraisal process must be always maintained by all parties. ○ If two appraisals are required the lesser of the two values should be used to underwrite the transaction and determine LTV/CLTV/HCLTV, unless OnY Glo, Inc. reviews both and determines the higher value is more accurate. ● Depreciating Markets: if the subject property is in an MSA on the current Depreciating Markets list, additional criteria will apply
Depreciating Markets	● If the property is in a depreciating market, the UW must manually adjust the maximum LTV/CLTV/HCLTV by: ○ 5% if the declining market percentage is > 5.01% to <= 10%, which will be identified as “Depreciating” on the Depreciating Markets List <u>or</u> if the appraiser/appraisal indicates the property is “declining.” OR ○ 10% if the declining market is > 10%, which will be identify as “Rapidly” on the Depreciating Markets List.
Condo Project Approval	● Condominium projects must be approved by OnY Glo, Inc. ○ Limited Review Condominium Projects: ▪ Must meet FNMA’s guidelines for limited review ○ Full Review Condominium Projects: ▪ Must meet FNMA’s guidelines for full review. The following documentation must be provided to OnY Glo, Inc.: ● Condominium Project Questionnaire ● Current Condominium Project Budget ● Non-warrantable condos are not permitted ● Site condos are only allowed as primary residence.
Flood Insurance	● For Condominiums and cooperatives, private flood insurance policies are permitted only if reviewed and approved by OnY Glo, Inc. ● For single-family loans, any private insurance policy is subject to review. The flood insurance coverage must be at least as broad as a comparable standard NFIP flood policy and must meet the rating requirements for property insurers. ● Deductible limits should not exceed the NFIP policy deductibles for comparable coverage amounts. Deductibles may be higher than NFIP deductibles when coverage amounts exceed NFIP coverages; however, the borrower must have two times that deductible in liquid reserves/assets. Pooled risk policies (covering multiple condominium associations) are not acceptable to primary investors or consistent with this policy.
Lender Exposure	● Subject is Primary Residence: For loans secured by primary residences, borrowers may not own or be obligated on a combined total of more than 5 financed residential property, including the subject property. ● Subject is Second Home or Investment Property: If the subject property is a second home or investment property, typically each borrower individually and all borrowers collectively may not own or be obligated on a combined total of more than 4 financed residential property (including the subject property) at the time of application
Non-Arm’s Length	● Non-arm length transactions are NOT PERMITTED. ● A non-arm’s length transaction is one in which there is a relationship or business affiliation between the seller and the buyer of the property (e.g., family sale, property in an estate, employee and employer, renter and landlord, or flip transactions). ● Common risks associated with this type of loan include absence of equity or down payment; a purchase price that does not represent the actual property value; financial bailouts or attempts to hide poor credit; occupancy concerns; and financing of unsold builders’ inventory, especially in soft real estate markets.
Properties listed for Sale	● If the subject property is currently listed for sale the loan is not eligible for a rate/term refinance or a cash-out refinance. ● Properties that were listed for sale must be taken off the market prior to the mortgage application date. Documentation evidencing the listing was cancelled, along with a letter of explanation from the borrower detailing the rationale for cancelling the listing must be provided. ● These transactions will need to be scrutinized to ensure that refinancing the loan provides a benefit to borrower

Continuity of Obligation	When an existing Mortgage on the subject property will be satisfied because of a refinance transaction (rate/term and cash out), one of the following requirements must be met: • At least one Borrower on the refinance mortgage was a Borrower on the mortgage being refinanced; or • At least one Borrower on the refinance Mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12-month period and the mortgage file contains documentation evidencing that the borrower has been making timely mortgage payment, including the payments for any secondary financing, for the most recent 12-month period; or • At least one Borrower on the refinance mortgage inherited or was legally awarded the mortgage premises (for example, in the case of divorce, separation, or dissolution of a domestic partnership). • The property was previously owned by an inter vivos revocable trust and the borrower is the primary beneficiary of the trust Note: Continuity of Obligation requirements do not apply when there is no existing mortgage on the subject property.
Cash-Out Refinance	Cash out transactions must meet the following requirements: • At least one borrower must own the subject property for a minimum of 6 months prior to the application date. (Note: There are no seasoning restrictions for doing two consecutive cash-out transactions.): • Borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership there are no other seasoning requirements. Refer to Inherited Property requirements below. • If prior to closing the property is owned and held in a Limited Liability Corporation (LLC) that is majority-owned or controlled by the borrower, the time it was held in the LLC may be counted towards meeting the borrower's six-month ownership requirement. (Reminder: To close the new refinance transaction, ownership must be transferred out of the LLC and into the name of the individual borrower.) • For properties in a leasehold estate, at least one borrower must have been a lessee on the ground lease or lease agreement of the subject leasehold estate for at least 6 months. • Continuity of Obligation must be met. • Cash-out is limited to the maximum amounts per above matrix. • Except as required by applicable law, a Power of Attorney may not be utilized to sign a security instrument or note if the transaction is cash-out refinance. • Financing the payment of closing cost, points, and prepaid items is allowed. However, if real estate taxes are more than 60 days past due and are included in the new loan amount an escrow account must be established, unless prohibited by state law or regulation. In those instances, only when the state law prohibits the lender from requiring an escrow account, the loan is still eligible as a cash-out refinance without an escrow account. • This includes the payoff of any second mortgage and transactions in which the loan proceeds exceed the maximum amount of funds that can be disbursed to the borrower per the rate/term refinance guidelines can be done as a cash out refinance. <u>Inherited Properties</u> If mortgaged property was inherited within the last 6 months, the following restrictions apply: • The owner must have clear title. • Title cannot be held in probate; and • Percentage of ownership by heirs must be demonstrated. • Documentation evidencing the inheritance must be obtained.
Limited Cash Out	• There must be an existing mortgage secured by the property that will be paid off. • The transaction is not eligible as a rate/term refinance if the borrower completed a cash-out refinance transaction with a note date 30 days or less prior to the application date of a new refinance on the same property. • Subordinate lien payoff must be seasoned for 12 months and evidence no draw > \$2000 in the past 12 months. • Cashback to the borrower may not exceed 1% of the new mortgage or \$5000 whichever is less. Note: For Texas properties, a new refinance transaction that includes the payoff of an equity line of credit, the payoff of any loan that is a Texas Section 50(a)(6) loan or provides any cash to the borrower at closing makes the new loan subject to Texas Section 50(a)(6) or Texas 50(F)(2) requirements and is not eligible.

	Inherited Properties If a mortgaged property was inherited within the last twelve (12) months, the following restrictions apply: • The owner must have clear title. • Title cannot be held in probate; and • Percentage of ownership by heirs must be demonstrated. • A five percent (5%) LTV/CLTV reduction must be applied to LTV/CLTV /HCLTV • Documented evidence of the inheritance must be obtained. Note: Net Tangible Benefit must be documented
Chain of Title	• All purchase and refinance transactions on existing properties will require a 12 month “chain of title” from the title insurer that does not evidence any previous flipping activity for the property (i.e., multiple property transfers)