



Revised: September 7, 2022

The Science of Doing Non-QM Right!™

PRIME PLUS BRONZE

LOAN AMOUNT	FICO	PURCHASE	RATE / TERM	CASH OUT
≤ \$647,200	660	80%	80%	75%
	640	75%	75%	75%
	600	75%	75%	
	No Score	75%	75%	
≤ \$750,000	640	75%	75%	70%

PROGRAM HIGHLIGHTS		LTV & OTHER OVERLAYS	
Debt Ratio:	43% Maximum without compensating factors	Second Home	75% LTV (Exceptions to 80%) and 1 Unit Property
	50% Maximum with compensating factors	Investment Property	70% LTV and 25 Year Term
Reserves	No Minimum	Warrantable Condo Non-Warrantable Condo Townhome Attached PUD	75% (Exceptions to 80%)
Residual Income:	No Minimum		
Cash Out	No Maximum	2-4 Unit Mobile Home	70%
Min Loan Amount:	\$150,000	Manufactured Doublewide	20 Year Term
Max Loan Amount:	\$750,000 (Exceptions to \$1,250,000)	Manufactured Singlewide	15 Year Term

PROGRAM PARAMETERS

Amortization Types:	15, 20, 25 and 30 Year Fixed
Interest Only:	Not Eligible
Texas Cash-Out 50(a)(6):	Not Eligible

CREDIT REQUIREMENTS

Mortgage / Rent:	0 x 30 x 6 months
Installment, Revolving, Non-Traditional:	No specific requirement, reviewed at underwriter discretion.
Tradelines:	No Minimum

CREDIT REQUIREMENTS (cont.)

<p>Bankruptcy & Housing Events:</p>	<ul style="list-style-type: none"> • No Seasoning Requirements • Borrowers currently in foreclosure will be considered on a case-by-case basis
<p>Qualifying Credit Score:</p>	<ul style="list-style-type: none"> • All borrowers must have the minimum credit score required to meet eligibility. • To determine the score for each Borrower on the loan: <ul style="list-style-type: none"> ✓ For individual borrowers, use the Trans Union score, if available. If no score is reporting, the loan will be priced using the “no score” line on the rate sheet ✓ For multiple borrowers, use the average of Trans Union scores, rounded up, if available. Any borrower with no score reporting will be priced using a 620 score. ✓ If the Trans Union credit report reflects a true “no score” (i.e. no credit activity) and does not show a credit score, then utilize the “no score” band of the matrix. • The credit report is valid for 90 days from the credit report date.
<p>Housing History:</p>	<ul style="list-style-type: none"> • For LTV's > 75% a housing history for the most recent 6 months is required. <ul style="list-style-type: none"> ✓ Borrowers who own their home free and clear can qualify by providing evidence of payment of homeowners' insurance and taxes. ✓ Borrowers with no housing history (i.e. living rent-free) may be considered on a case-by-case basis. ✓ Borrowers who do not own their homes free and clear, have owned their current home for less than 6 months AND have no prior homeownership can use a combination of previous rental history and mortgage history to meet the housing history requirements. ✓ Housing histories through private parties must be verified with cancelled checks, referencing the company or individual who completes the verification. • For LTV's ≤ 75% a housing history is not required.
<p>Multiple Financed Properties:</p>	<ul style="list-style-type: none"> • Primary Residence or Second Home: <ul style="list-style-type: none"> ✓ No limitations on the number of other financed properties with outstanding balances. • Investment property: <ul style="list-style-type: none"> ✓ Borrower(s) may own no more than Eight (8) financed properties including the subject property. ✓ The borrower may own additional real estate if it is owned free and clear
<p>Charge-Offs and Collections:</p>	<ul style="list-style-type: none"> • Collections or Charge-offs must have 3.5% of the total debt included in DTI calculation if: <ul style="list-style-type: none"> ✓ The credit report indicates a last active date within the past 24 months, or referred to collection agency and reported as opened in the past 24 months, and ✓ Total non-medical collections per loan aggregate \$4,000 and greater, and are not being paid at closing ✓ Only collections greater than \$600 are to be included in calculating the aggregate • Excluded: <ul style="list-style-type: none"> ✓ Medical collections ✓ Non-Collection Debts with utility companies ✓ Liabilities that do not appear on the credit report may require proof by financial statement, note or mortgage to verify the amount owed.
<p>Judgments and Tax Liens:</p>	<ul style="list-style-type: none"> • Tax Liens and Judgments on the credit report (not affecting title), that have not been satisfied or discharged must be included in DTI and monthly liability will be calculated using either: <ul style="list-style-type: none"> ✓ Formal payment arrangement ✓ 3.5% of balance ✓ Tax liens and judgments not affecting title are not required to be paid prior to or at closing.

CREDIT REQUIREMENTS (cont.)

<p>Housing Events:</p>	<p>A Housing Event is any one of the following events listed below:</p> <ul style="list-style-type: none"> • Foreclosure • Deed-in-Lieu • Short Sale • Modification resulting in (non COVID-19 related): <ul style="list-style-type: none"> ✓ Forgiveness of a portion of principal and/or interest on either the first or second mortgage ✓ Application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness ✓ Conversion of any portion of the original mortgage debt to a “soft” subordinate mortgage ✓ Conversion of any portion of the original mortgage debt from secured to unsecured • 1x120 mortgage history <p>Seasoning of a foreclosure, deed-in-lieu, or short sale is measured from the date of completed sale or final property transfer. The Housing Event must be completed prior to loan closing with no outstanding deficiency balance remaining.</p> <p>For a 120-day mortgage late, seasoning is from the date the mortgage was brought current.</p> <p>Seasoning for a modification is from the date the modification was executed.</p> <p>If the property was surrendered in a Chapter 7 bankruptcy, the bankruptcy discharge date is used for seasoning. Bankruptcy papers may be required to show the property was surrendered. The foreclosure action is not required to be fully complete.</p>
<p>Modification COVID-19 Related:</p>	<p>If outstanding payments will be or have been resolved through a loss mitigation solution, the borrower is eligible for a new mortgage loan if they have made at least three timely payments as of the note date of the new transaction as follows:</p> <ul style="list-style-type: none"> • For a repayment plan, the borrower must have made either three payments under the repayment plan or completed the repayment plan, whichever occurs first. Note that there is no requirement that the repayment plan be completed. • For a payment deferral, the borrower must have made three consecutive payments following the effective date of the payment deferral agreement. • For a modification, the borrower must have completed the three-month trial payment period. • For any other loss mitigation solution not listed above, the borrower must have successfully completed the program, or made three consecutive full payments in accordance with the program. <p>Verification that the borrower has made the required three timely payments may include:</p> <ul style="list-style-type: none"> • a loan payment history from the servicer or third-party verification service, • the latest mortgage account statement from the borrower, and • a verification of mortgage. <p>If these requirements are met on an existing mortgage loan being refinanced, the new loan amount can include the full amount required to satisfy the existing mortgage.</p>
<p>BORROWERS</p>	
<p>First Time Investor:</p>	<ul style="list-style-type: none"> • Eligible
<p>First Time Homebuyers:</p>	<ul style="list-style-type: none"> • Eligible • Required to receive certification from a HUD approved home buyer education and counseling service. • A First-Time Home Buyer is defined as a borrower who had no ownership interest in a residential property in the United States during the preceding 3-year period.

BORROWERS (cont.)

<p>Non-Occupant Co-Borrower:</p>	<ul style="list-style-type: none"> • Non-occupant borrower must sign the mortgage and note • Non-occupant borrower must not have an interest in the property sales transaction, such as the property seller, builder, or real estate Lender • Occupying borrower must contribute to qualifying income • Occupying borrower must have a minimum 660 credit score • LTV reduction of 5% from program maximum. LTV not to exceed 75%
<p>Eligible Borrowers:</p>	<ul style="list-style-type: none"> • US Citizens • ITIN • Permanent Resident Aliens • Non-Permanent Resident Aliens (with US credit) • Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible
<p>ITIN:</p>	<ul style="list-style-type: none"> • ITIN Letter from IRS required • Valid government photo ID required
<p>Permanent and Non-Permanent Resident Alien</p>	<ul style="list-style-type: none"> • One of the following is required: <ul style="list-style-type: none"> ○ Green Card; or ○ VISA/EAD • All VISA types are permissible outside of diplomatic status (A-1 or A-2) • Expired Green Cards and VISAs/EADs are permissible • Valid government photo ID required • Social Security Card required, otherwise borrower must have an ITIN, see that section.
<p style="text-align: center;">INCOME</p>	
<p>Income:</p>	<ul style="list-style-type: none"> • Full Doc (12 Months) <ul style="list-style-type: none"> ✓ W-2 ✓ Tax Returns • P & L Only (12 Months) <ul style="list-style-type: none"> ✓ Must be Self-employed for 1 year ✓ Requires a minimum of 2 consecutive years in the same line of work
<p>Cannabis Derived Income:</p>	<ul style="list-style-type: none"> • Not Eligible
<p>Debt Ratios:</p>	<ul style="list-style-type: none"> • 43% Maximum without compensating factors • 50% Maximum with compensating factors

ASSETS	
Assets:	<ul style="list-style-type: none"> Seasoned for 60 days. Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.
Reserves:	<ul style="list-style-type: none"> No Minimum
Seller Concessions:	<ul style="list-style-type: none"> Up to 6% if purchase price < / = list price Up to 3% if purchase price > list price and appraisal supports the higher price Up to 3% if the property was not listed for sale on open market (i.e. purchase of rental home, FSBO etc.)
Gift Funds:	<p>Gifted funds must be processed by a depository institution prior to being provided to the settlement agent, and must be evidenced by a letter which meets the following requirements:</p> <ul style="list-style-type: none"> Specify the dollar amount of the gift; Specify the date the funds were transferred; Include a statement that no repayment is expected; Include the donor's name, address, telephone number, relationship to borrower; and Bear the donor's signature
Gift of Equity:	<ul style="list-style-type: none"> A gift of equity refers to a gift provided by the seller of a property to the buyer. The gift represents a portion of the seller's equity in the property and is transferred to the buyer as a credit in the transaction. Up to a 100% gift of equity for down payment is permitted for primary residences and second homes if: <ul style="list-style-type: none"> ✓ Provide copy of gift letter ✓ Seller may not be in default ✓ The transaction between buyer and seller is a non-arm's length transaction. A non-arm's length transaction would be when the buyers and sellers have an existing relationship with each other. ✓ The sales price for the property is at market rate ✓ No seller concessions allowed, closing costs must be borrower's own funds Non-owner occupied homes are not permitted to use gift of equity
SUBJECT PROPERTY	
Eligible Property Types:	<ul style="list-style-type: none"> Single Family Detached PUD (Attached & Detached) Low or Mid-Rise Condominium (Warrantable & Non-Warrantable) Townhome 2-4 Unit Mobile and manufactured one-unit housing (if not affixed, applications must include front and back of certificate of title); ALTA 7 endorsement to title is required
Ineligible Property Types:	<ul style="list-style-type: none"> High Rise Condominium Leasehold Co-Ops Timeshares Mixed Use Assisted Living/Continuing Care Facilities Boarding Houses Condotels

SUBJECT PROPERTY (cont.)

<p>Acresage:</p>	<ul style="list-style-type: none"> • There are no maximum acreage limitations. • Rural and agricultural properties are allowed with no limitations to LTV. • The appraiser must indicate the total acreage as well as provide data which indicates that like-size properties with similar land values are typical and common in the subject area's market.
<p>Appraisal Review:</p>	<ul style="list-style-type: none"> • The following transactions require a FNMA Collateral Underwriter review with a score of 2.5 or less or a Collateral Desktop Analysis (CDA): <ul style="list-style-type: none"> ✓ LTV > 80% ✓ Non-arm's length transactions ✓ Loan amounts from \$1,000,000 - \$1,500,000 ✓ Appraisal transfers with no AMC utilized • The following transactions require a 2nd full appraisal: <ul style="list-style-type: none"> ✓ Approved loan amount exceptions (when exceeding max loan amount available per matrix) ✓ Loan amounts > \$1,500,000
<p>Flip Transactions:</p>	<ul style="list-style-type: none"> • Defined as: Properties with a prior sale in the last 180 days. This includes new construction. • Period is measured from the date the seller became legal owner of the property to the date all parties executed the sales contract. • Maximum 75% LTV • Must comply with the HPML appraisal rules in Regulation Z • The following transactions require a 2nd full appraisal: <ul style="list-style-type: none"> ✓ Prior sale less than 90 days and > 10% increase in sales price ✓ Prior sale 91-180 days and > 20% increase in sales price • All other transactions not requiring a 2nd full appraisal must contain a FNMA Collateral • Underwriter review with a score of 2.5 or less or a Collateral Desktop Analysis (CDA).
<p>Appraisal Transfers:</p>	<ul style="list-style-type: none"> • Permissible if ordered through an AMC.
<p>Properties Listed For Sale:</p>	<ul style="list-style-type: none"> • If the subject property has been listed prior to application, the following apply: <ul style="list-style-type: none"> ✓ Primary Residence ✓ Property must have been off the market for a minimum of ninety (90) calendar days prior to the application date ✓ The borrower must confirm in writing that they intend to occupy the subject as a primary residence and the reason for listing the property • Second Homes and Investment Properties <ul style="list-style-type: none"> ✓ Property must have been off the market for a minimum of 6 months prior to the application date ✓ The borrower must confirm in writing the reason for listing property
<p>Refinance Seasoning:</p>	<p>Rate/Term Refinance:</p> <ul style="list-style-type: none"> • Owner occupied properties: <ul style="list-style-type: none"> ✓ The borrower has paid the mortgage for the last 6 months prior to application ✓ Borrower must be in title to the subject property at the time of loan application • Investment Properties and Second Homes: <ul style="list-style-type: none"> ✓ Borrower must be in title to the subject property for 6 months prior to application ✓ Borrower must be obligated on underlying liability <p>Cash Out Refinance:</p> <ul style="list-style-type: none"> • 6 Months required from Purchase Date to Note Date (ACC) <p>No waiting period for properties obtained through inheritance, divorce or separation.</p>

SUBJECT PROPERTY (cont.)

<p>Determining Loan to Value:</p>	<ul style="list-style-type: none"> • Rate/Term Refinance <ul style="list-style-type: none"> ✓ Current appraised value may be used to determine loan to value. • Cash Out Refinance <ul style="list-style-type: none"> ✓ If the subject property was acquired > 12 months from application date, the appraised value must be used to determine loan-to-value. ✓ If the property was acquired ≤ 12 months from application date, the lesser of the current appraisal value or previous purchase price plus documented improvements (if any) must be used. The purchase settlement statement and any invoices for materials/labor will be required.
<p>Lease with Option to Purchase:</p>	<ul style="list-style-type: none"> • A lease with option is renting or leasing property with the option to purchase at a later time. • Maximum LTV is capped at 80%. • Borrowers with a valid, executed lease with option to purchase will be priced, and treated as a purchase transaction. • The lesser of the appraised value or the purchase price established with the original lease with option, will be used for qualification. • Rent credit should be applied as a gift of equity.
<p>Land Contracts / Contracts for Deed:</p>	<ul style="list-style-type: none"> • Eligible.

MISCELLANEOUS

<p>Document Expiration:</p>	<ul style="list-style-type: none"> • Assets & Income 60 days • Appraisal 120 days • ACC Credit Report 90 days • Title Commitment and CPL 90 days
<p>Occupancy:</p>	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Properties
<p>Secondary Financing:</p>	<ul style="list-style-type: none"> • New secondary financing is not allowed. • Secondary financing already in place is accepted within the max LTV for the program and must be subordinated to the new loan.
<p>Non-Arms Length:</p>	<ul style="list-style-type: none"> • Eligible
<p>POA:</p>	<ul style="list-style-type: none"> • Eligible
<p>Vesting:</p>	<ul style="list-style-type: none"> • Natural persons • Inter vivos revocable trusts (case-by-case basis)
<p>Escrows:</p>	<ul style="list-style-type: none"> • Escrows required for taxes and insurance.
<p>Compliance:</p>	<ul style="list-style-type: none"> • Fully documented ability-to-repay. • Compliance with all applicable federal and state regulations. • No section 32 or state high cost. • Total borrower paid points and fees must be within standard thresholds. • Third Party Processing feed are not allowed.
<p>Prepayment Penalty:</p>	<ul style="list-style-type: none"> • Not Eligible
<p>Eligible States:</p>	<ul style="list-style-type: none"> • AR, AZ, CA, CO, CT, DE, DC, FL, GA, ID, IL, IN, KS, MD, MI, MN, MS, NC, NJ, NV, OK, OR, PA, SC, TN, TX, UT, VA & WA