

1099 MATRIX (12 & 24 MONTH)					
OCCUPANCY	LOAN PURPOSE	NUMBER OF UNITS	MAX LOAN AMOUNT	MIN CREDIT SCORE	MAX LTV/CLTV
PRIMARY RESIDENCE	Purchase	1-4 Unit	\$1.5 MM	720	90%
			\$1.0 MM	680	80%
	Purchase & Rate/Term	1-4 Unit	\$1.5 MM	720	85%
			\$2.0 MM	700	80%
			\$3.0 MM	740	75%
			\$3.5 MM	740	70%
			\$1.0 MM	680	75%
	Cash-Out	1-4 Unit	\$1.5 MM	700	80%
			\$2.0 MM	720	80%

1099 PROGRAM DETAIL (12 & 24 MONTH)	
<b>PROGRAM HIGHLIGHTS</b>	<ul style="list-style-type: none"> <li>For borrowers with a history of 1099 (independent contractor) income</li> <li>1099 income may be combined with other income types &amp; long-term rental income</li> <li>Does not require: Tax Returns</li> <li>Asset Depletion may supplement other income sources (no minimum asset requirement)</li> </ul>
<b>DOCUMENTATION REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>1 or 2 years of 1099s</li> <li>Year-to-date earnings statement/ledger for Note Date after April 15th</li> <li>1099 IRS-Transcripts</li> <li>Business Narrative</li> </ul>
<b>RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>Must be paid directly to borrower (not a business name)</li> <li>Borrower may not have ownership in the companies that the 1099 income is being derived from</li> <li>Contract employer may not be owned by a family member</li> <li>1099 income must represent 51%+ of Qualifying Income</li> <li>Short-Term Rental (STR) not permitted</li> </ul>
<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>A 10% expense ratio will be used in calculating the income</li> <li>When 24 months of 1099 information is provided, the lower of the 12 month or 24 month calculation must be used</li> <li>A significant decline from 24 month to 12 month calculation requires documentation and further review to ensure income stability</li> </ul>
<b>ASSET DEPLETION INCOME</b>	<ul style="list-style-type: none"> <li>Primary Residence &amp; Second Home: 60 months   Investment Property: 240 months   No gift funds or business funds   2 months Asset Statements required (VODs &amp; online printouts not permitted)</li> </ul>
<b>SELF-EMPLOYMENT</b>	<ul style="list-style-type: none"> <li>Self-Employed for at least 2 Years, OR 1 Year Self-Employed + 5 year History of Same Type of Work</li> </ul>
<b>LESS THAN 2 FULL YEARS OF SELF-EMPLOYMENT RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>MAX: \$2.0MM   MIN FICO 700   MAX LTV/CLTV for Primary: 75%   Minimum 50.01% ownership required   Purchase &amp; Rate/Term only   See program summary for additional requirements/restrictions</li> </ul>
<b>ALLOWABLE ACCOUNTANTS</b>	<ul style="list-style-type: none"> <li>CPA, EA, CTEC, PTIN, Licensed Tax Attorneys, and Chartered Tax Advisors</li> </ul>
<b>VERBAL VOE</b>	<ul style="list-style-type: none"> <li>VVOE for non-self-employed income within 10 days of Note Date and/or proof of continued business existence within 20 days of Note Date</li> </ul>
<b>4506-C &amp; TAX TRANSCRIPTS</b>	<ul style="list-style-type: none"> <li>Signed IRS Form 4506-C for 1099 Forms</li> <li>1099 Transcripts   Borrower provided transcripts not permitted   See program summary for additional details</li> </ul>
TERMS & RESTRICTIONS	
<b>AVAILABLE TERMS</b>	Fixed 30 YR   Interest-Only 30 YR, 40 YR
<b>INTEREST-ONLY</b>	10 YR I/O Period   Not permitted in age restricted communities
<b>I/O LTV LIMITS</b>	MAX LTV/CLTV 80%
<b>I/O QUALIFYING</b>	Qualify at amortizing term (30 YR I/O Qualify at 240 Months, 40 YR I/O Qualify at 360 Months)
<b>LOAN AMOUNT</b>	MIN \$150K   MAX \$3.5MM
<b>TEMPORARY BUYDOWN</b>	Available (1-0), (1-1), (2-1) and (3-2-1)   Purchase only   Primary and Second Home only   Not permitted on Interest-Only products Must be seller or builder funded   Realtor/Lender funded not permitted   Not permitted in age restricted communities
<b>SUBORDINATE FINANCING</b>	Not permitted on Condotels   Gift funds not permitted when Subordinate Financing present
<b>UNDERWRITING EXCEPTIONS</b>	Not permitted

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UNDERWRITING SPECIFICATIONS				
<b>UNDERWRITING TYPE</b>	Manual UW			
<b>RESIDUAL INCOME</b>	Not required			
<b>DTI</b>	DTI ≤ 45%: No Restrictions DTI 45.01% to 50%: 3 additional months Reserves required			
<b>RESERVE REQUIREMENTS</b>	<b>Loan Amount</b>	<b>DTI ≤ 45%</b>	<b>DTI &gt; 45%</b>	<b>Additional Reserve Requirements</b>
	≤ \$1.0MM	3 Months	6 Months	Each Additional financed REO
	> \$1.0MM and ≤ \$2.0MM	6 Months	9 Months	FTHB w/o 12mth housing history
	> \$2.0MM	9 Months	12 Months	MAX Total Reserve Requirement
	Cash-out amount may be used to meet reserve requirement <b>Reserve Relief:</b> No Reserves required for RT Refis with < \$1.5MM (Primary Only) when Payment is Decreasing   See program summary for additional details			
<b>CASH-OUT LIMITS</b>	LTV ≤ 50%: \$1,000,000 LTV > 50% and ≤ 60%: \$750,000 LTV > 60%: \$500,000			
PROPERTY TYPES				
<b>ELIGIBLE PROPERTY TYPES</b>	Condos (Warrantable & Non-Warrantable)   PUD   SFR   1-3 Unit with ADU   2-4 Unit   Leasehold			
<b>INELIGIBLE PROPERTY TYPES</b>	Assisted living projects, Bed and breakfast properties, Boarding house, Builder model leaseback (purchase transactions), Commercial utilized properties, Condo with deed restrictions, Condotels converted from motels, Co-ops, Indian/Tribal land, Industrial properties, Land trusts, Leasehold estate condo project, Manufactured Home, Mixed Use, Mobile home, Properties located adjacent to or containing environmental hazards, Properties encumbered with private transfer fee covenants, Properties located in a Coastal Barrier Resource System (CBRS), Properties not suitable for year-round occupancy, Properties with a C5 or C6 Condition rating, Properties > 10 acres, Properties with deed or resale restrictions (except for age restricted communities), Rural, Unique properties (e.g., log homes, berm homes, 3d printed homes, Barndominiums, Tiny Homes, Shouses, etc.), Tenants in Common Properties			
<b>ACCESSORY DWELLING UNIT (ADU)</b>	MAX of 1 ADU unit per property   4 Unit properties with ADUs are not permitted   Short-term rental income not permitted			
<b>RURAL</b>	Primary Residence only   MAX 10 acre   MAX LTV/CLTV 75%   3 comps within 10 miles			
<b>MAX ACREAGE</b>	10 acres			
<b>HERO/PACE/SOLAR PANELS</b>	Any energy efficient liens like HERO or PACE must be paid off, subordination not permitted   Solar must meet guideline requirements			
<b>CONDO - WARRANTABLE</b>	MAX LTV/CLTV 80%   Must meet FNMA full review requirements   Investor review required (allow 3 business days)			
<b>CONDO - NON-WARRANTABLE</b>	MAX LTV/CLTV 80%   Investor review required (allow 3 business days)			
<b>CONDOTEL</b>	MAX LTV/CLTV 75%			
<b>4 UNIT</b>	ADUs not permitted			
APPRAISAL REQUIREMENTS				
<b>LOAN AMOUNT (≤ \$2.0MM)</b>	1 Full Appraisal and a secondary valuation (CDA)   Re-use of appraisal from previous transaction not permitted			
<b>LOAN AMOUNT (&gt; \$2.0MM)</b>	2 Full Appraisals, use the lower value for qualifying   Re-use of appraisal from previous transaction not permitted			
<b>SECONDARY VALUATION</b>	Files without 2 full appraisals: Collateral Desktop Analysis (CDA)			
<b>COLLATERAL DESKTOP ANALYSIS (CDA REPORT)</b>	When CDA is required, it must support appraisal within 10%   CDAs more than 10% below appraisal require two Full Appraisals   CDA with "High Risk" score may not be used and file must contain two Full Appraisals			
<b>APPRAISAL COMPARABLES</b>	Minimum of 3 comps within 10 miles from most recent 12 months			
<b>DECLINING MARKETS</b>	5% less than the MAX LTV/CLTV allowed per the product matrix			
<b>TRANSFERRED APPRAISAL</b>	Permitted			
UNDERWRITING				
<b>QUALIFYING FICO SCORE</b>	Minimum of 2 scores is required   1 Borrower: Midscore   Multiple Borrowers: Lowest of all mid scores			
<b>TRADELINES</b>	Standard Requirement: Each borrower must have at least 3 open tradelines reporting for a minimum of 12 months, with at least 1 reporting for 24 months   Alternative Tradeline Requirements: See full guidelines			
<b>DOCUMENT AGE</b>	Credit, Income & Assets: 90 days   Appraisal: 120 days			
<b>ASSET STATEMENTS</b>	2 most recent months or most recent quarterly statement			
<b>ELIGIBLE BORROWERS</b>	U.S. Citizen   Permanent Resident Alien   Non Permanent Resident Alien			
<b>INELIGIBLE BORROWERS</b>	Foreign National   ITIN   Irrevocable Trusts   Borrowers with diplomatic immunity   Borrowers with DACA or temporary protected status			
<b>BORROWER RESTRICTIONS</b>	Non-Permanent Resident: Primary Residence only			
<b>NON-OCCUPANT CO-BWR</b>	Primary Residence only   1 Unit Only   5% LTV/CLTV reduction from allowable limit per matrix   Must be an immediate relative   Occupying borrower must have an income			
<b>RESTRICTED STOCK INCOME (RSU)</b>	Not permitted			
<b>CREDIT EVENTS</b>	Minimum 24 months from discharge or dismissal date for all credit events   If < 48 months: MAX \$1.5MM & additional 3 months reserves required   120 day mortgage late is considered a Foreclosure			
<b>HOUSING HISTORY</b>	0x30x12 for all mortgages and rental payments within the 12 months prior to closing			
<b>&lt; 12 MONTHS HOUSING HISTORY OR RENT-FREE</b>	Rent Free allowed with satisfactory letter of explanation from whom they are residing (signed by borrower and rent-free provider)   Rent-free provider must be a relative   FTHB: See program summary for rent-free restrictions			
<b>UNPAID COLLECTIONS/CHARGE-OFFS</b>	Non-medical collection or charged-off accounts occurring in the most recent 24 months with a cumulative total exceeding \$2,000 must be paid off			
<b>FIRST-TIME HOME BUYER RESTRICTIONS</b>	FTHB defined as all borrowers have not owned real estate in past 3 years   Primary Residence only   MAX Loan Amount \$1.5MM   See program summary for rent-free restrictions			
<b>INTERESTED PARTY CONTRIBUTIONS (IPC)</b>	Primary Residence: MAX 9%   LTV> 75%: MAX 6%			
<b>GIFT FUNDS</b>	If LTV/CLTV > 80%: 5% own funds required   Subordinate financing not permitted when gift funds used   Not permitted with Asset Depletion income   Gift funds MAY be used for Reserves			
<b>BUSINESS ASSETS</b>	Permitted   See full guidelines for additional requirements/restrictions			
<b>LISTED FOR SALE</b>	Rate/Term: Removed from market Prior to Note Date Cash-Out: Removed from market Prior to Note Date   MAX LTV/CLTV 70% when listed within 6 months			
<b>CASH-OUT SEASONING</b>	6 months seasoning required			
<b>RATE-TERM SEASONING</b>	No seasoning requirement			
<b>ESCROW HOLDBACK</b>	Not permitted			
<b>NON-ARM'S LENGTH</b>	Permitted   See full guidelines for additional requirements/restrictions			
<b>TEXAS 50(a)(6)</b>	2-4 unit not permitted   Interest Only not permitted   Non-occupant Co-borrowers not permitted   New Subordinate Financing not permitted   Resubordination of HELOCs or Third Liens not permitted   Power of Attorney not permitted			
<b>INELIGIBLE STATES</b>	AK   AR   CT   HI   MO   ND   NM   NY   OK   SD   WY   U.S. Possessions or Territories			
<b>ENTITY VESTING</b>	Not permitted			
<b>TRUSTS</b>	Inter Vivos Revocable Trusts permitted   See full guidelines for additional requirements/restrictions			
<b>MORTGAGE INSURANCE</b>	Not required			
<b>ESCROW ACCOUNTS</b>	Required for the following: LTV > 80% (90% for primary residence in California)   Properties in Flood Zones   Higher Priced Mortgage Loans (HPML)			

