

BANK STATEMENTS 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%
	Purchase & Rate/Term	1-4 Unit	\$1.0 MM	680	80%
			\$1.5 MM	720	85%
			\$2.0 MM	700	80%
			\$3.0 MM	740	75%
			\$3.5 MM	740	70%
	Cash-Out	1-4 Unit	\$1.0 MM	680	75%
			\$1.5 MM	700	80%
			\$2.0 MM	720	80%
SECOND HOME	Purchase & Rate/Term	1-2 Unit	\$1.0 MM	680	75%
			\$1.5 MM	720	80%
			\$2.0 MM	740	80%
			\$2.5 MM	740	75%
	Cash-Out	1 Unit	\$1.0 MM	720	80%
				700	75%
				680	70%
INVESTMENT	Purchase & Rate/Term	1-4 Unit	\$1.0 MM	720	85%
			\$1.5 MM	680	75%
			\$2.0 MM	720	80%
			\$2.5 MM	740	70%
	Cash-Out	1-4 Unit	\$1.0 MM	740	65%
				720	75%
				700	70%
				680	60%
				720	65%

BANK STATEMENTS PROGRAM DETAIL (12 & 24 MONTH)	
PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> Use 12 or 24 months Bank Statements to document self-employment income Bank Statement income may be combined with other income types & long-term rental income Does not require: Tax Returns Asset Depletion may supplement other income sources (no minimum asset requirement)
DOCUMENTATION REQUIREMENTS	<ul style="list-style-type: none"> Proof of Business Existence Borrower's Percentage Ownership & length borrower has owned that % 12 or 24 months of Business or Personal Bank Statements from the same account Business Narrative Documentation of expense factor if not using standard expense ratio 3 months of Business Bank Statements (Personal Program only) Statements must be most recent available as of application date
EXPENSE FACTOR	<ul style="list-style-type: none"> Personal Program: No expense factor required Business Program: <ul style="list-style-type: none"> Option 1 - Accountant Letter (subject to 15% minimum expense ratio) Option 2 - 50% Standard Ratio
RESTRICTIONS	<ul style="list-style-type: none"> Most recent statement must be ≤ 90 days old at Closing Bank Statement income must represent 51%+ of Qualifying Income Minimum Expense Ratio: 15% (Business Program only) Maximum of 6 in any 12 month period Multiple on same day count as 1 Short-Term Rental (STR) not permitted
QUALIFYING INCOME	<ul style="list-style-type: none"> Business Program: Total Business Deposits minus Unallowable Deposits, Transfers, and Expense Factor, multiplied by Ownership % Personal Program: Total Deposits transferred to personal account from borrower owned businesses
ASSET DEPLETION INCOME	<ul style="list-style-type: none"> Primary Residence & Second Home: 60 months Investment Property: 240 months No gift funds or business funds 2 months Asset Statements required (VODs & online printouts not permitted)
SELF-EMPLOYMENT	<ul style="list-style-type: none"> Minimum 25% Business Ownership Self-Employed for at least 2 Years, OR 1 Year Self-Employed + 5 year History of Same Type of Work
LESS THAN 2 FULL YEARS OF SELF-EMPLOYMENT RESTRICTIONS	<ul style="list-style-type: none"> MAX: \$2.0MM MIN FICO 700 MAX LTV/CLTV for Primary: 75% MAX LTV/CLTV for Second Home: 70% Minimum 50.01% ownership required Purchase & Rate/Term only Primary & Second Home only See program summary for additional requirements/restrictions
ALLOWABLE ACCOUNTANTS	<ul style="list-style-type: none"> CPA, EA, CTEC, PTIN, Licensed Tax Attorneys, and Chartered Tax Advisors
VERBAL VOE	<ul style="list-style-type: none"> 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
4506-C & TAX TRANSCRIPTS	<ul style="list-style-type: none"> Only required when qualifying with non-self-employed income Borrower provided transcripts not permitted
TERMS & RESTRICTIONS	
AVAILABLE TERMS	Fixed 30 YR Interest-Only 30 YR, 40 YR
INTEREST-ONLY	10 YR I/O Period Not permitted in age restricted communities
I/O LTV LIMITS	MAX LTV/CLTV 80%
I/O QUALIFYING	Qualify at amortizing term (30 YR I/O Qualify at 240 Months, 40 YR I/O Qualify at 360 Months)
LOAN AMOUNT	MIN \$150K MAX \$3.5MM
TEMPORARY BUYDOWN	Available (1-0), (1-1), (2-1) and (3-2-1) Purchase only Primary and Second Home only Not permitted on Interest-Only products
SUBORDINATE FINANCING	Must be seller or builder funded Realtor/Lender funded not permitted Not permitted in age restricted communities
UNDERWRITING EXCEPTIONS	Not permitted on Condotels Gift funds not permitted when Subordinate Financing present



UNDERWRITING SPECIFICATIONS					
UNDERWRITING TYPE	Manual UW				
RESIDUAL INCOME	Not required				
DTI	DTI ≤ 45%: No Restrictions DTI 45.01% to 50%: 3 additional months Reserves required				
RESERVE REQUIREMENTS	Loan Amount	DTI ≤ 45%	DTI > 45%	Additional Reserve Requirements	Months
	≤ \$1.0MM	3 Months	6 Months		
	> \$1.0MM and ≤ \$2.0MM	6 Months	9 Months		
	> \$2.0MM	9 Months	12 Months		
	Cash-out amount may be used to meet reserve requirement Reserve Relief: No Reserves required for R/T Refis with < \$1.5MM (Primary & Second Homes Only) when Payment is Decreasing See program summary for additional details				
CASH-OUT LIMITS	LTV ≤ 50%: \$1,000,000 LTV > 50% and ≤ 60%: \$750,000 LTV > 60%: \$500,000				
PROPERTY TYPES					
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) PUD SFR 1-3 Unit with ADU 2-4 Unit Leasehold				
INELIGIBLE PROPERTY TYPES	Assisted living projects, Bed and breakfast properties, Boarding house, Builder model leaseback (purchase transactions), Commercial utilized properties, Condo with deed restrictions, 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				
ACCESSORY DWELLING UNIT (ADU)	MAX of 1 ADU unit per property 4 Unit properties with ADUs are not permitted Short-term rental income not permitted				
RURAL	Primary Residence & Second Home only MAX 10 acre MAX LTV/CLTV 75% 3 comps within 10 miles				
MAX ACREAGE	10 acres				
HERO/PACE/SOLAR PANELS	Any energy efficient liens like HERO or PACE must be paid off, subordination not permitted Solar must meet guideline requirements				
CONDO - WARRANTABLE	MAX LTV/CLTV 80% Must meet FNMA full review requirements Investor review required (allow 3 business days)				
CONDO - NON-WARRANTABLE	MAX LTV/CLTV 80% Investor review required (allow 3 business days)				
CONDOTEL	MAX LTV/CLTV 75%				
2 UNIT	Second Home Restrictions: Purchase & Rate/Term only See program summary for additional requirements for second homes				
3 UNIT	Second Homes not permitted				
4 UNIT	ADUs not permitted Second Homes not permitted				
APPRAISAL REQUIREMENTS					
LOAN AMOUNT (≤ \$2.0MM)	1 Full Appraisal and a secondary valuation (CDA) Re-use of appraisal from previous transaction not permitted				
LOAN AMOUNT (> \$2.0MM)	2 Full Appraisals, use the lower value for qualifying Re-use of appraisal from previous transaction not permitted				
SECONDARY VALUATION	Files without 2 full appraisals: Collateral Desktop Analysis (CDA)				
COLLATERAL DESKTOP ANALYSIS (CDA REPORT)	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				
APPRAISAL COMPARABLES	Minimum of 3 comps within 10 miles from most recent 12 months				
DECLINING MARKETS	5% less than the MAX LTV/CLTV allowed per the product matrix				
TRANSFERRED APPRAISAL	Primary & Second Home: Permitted Investment Properties: Exception required See program summary for additional details				
UNDERWRITING					
QUALIFYING FICO SCORE	Minimum of 2 scores is required 1 Borrower: Midscore Multiple Borrowers: Lowest of all mid scores				
TRADELINES	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				
DOCUMENT AGE	Credit, Income & Assets: 90 days Appraisal: 120 days				
ASSET STATEMENTS	2 most recent months or most recent quarterly statement				
ELIGIBLE BORROWERS	U.S. Citizen Permanent Resident Alien Non Permanent Resident Alien				
INELIGIBLE BORROWERS	Foreign National ITIN Irrevocable Trusts Borrowers with diplomatic immunity Borrowers with DACA or temporary protected status				
BORROWER RESTRICTIONS	Non-Permanent Resident: Primary Residence only				
NON-OCCUPANT CO-BWR	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				
RESTRICTED STOCK INCOME (RSU)	Not permitted				
CREDIT EVENTS	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				
HOUSING HISTORY	0x30x12 for all mortgages and rental payments within the 12 months prior to closing				
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	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 Cash-Out of Investment not permitted FTHB: See program summary for rent-free restrictions				
UNPAID COLLECTIONS/CHARGE-OFFS	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				
FIRST-TIME HOME BUYER RESTRICTIONS	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				
INTERESTED PARTY CONTRIBUTIONS (IPC)	Primary Residence & Second Home: MAX 9% LTV> 75%: MAX 6% Investment Properties: MAX 6%				
GIFT FUNDS	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				
BUSINESS ASSETS	Permitted See full guidelines for additional requirements/restrictions				
LISTED FOR SALE	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				
CASH-OUT SEASONING	6 months seasoning required				
RATE-TERM SEASONING	No seasoning requirement				
ESCROW HOLDBACK	Not permitted				
NON-ARM'S LENGTH	Permitted See full guidelines for additional requirements/restrictions				
TEXAS 50(a)(6)	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				
INELIGIBLE STATES	AK AR CT HI MO ND NM NY OK SD WY U.S. Possessions or Territories				
TEMPORARY GEOGRAPHIC RESTRICTIONS	Primary Residence Only for Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland				
ENTITY VESTING	Investment Properties may vest in an LLC. Other entity types not permitted.				
TRUSTS	Inter Vivos Revocable Trusts permitted See full guidelines for additional requirements/restrictions				
MORTGAGE INSURANCE	Not required				
ESCROW ACCOUNTS	Required for the following: LTV > 80% (90% for primary residence in California) Properties in Flood Zones Higher Priced Mortgage Loans (HPML)				

