

ASSET UTILIZATION MATRIX					
OCCUPANCY	LOAN PURPOSE	NUMBER OF UNITS	MAX LOAN AMOUNT	MIN CREDIT SCORE	MAX LTV/CLTV
PRIMARY RESIDENCE	Purchase & Rate/Term	1-4 Unit	\$2.0 MM	700	80%
SECOND HOME	Purchase & Rate/Term	1 Unit	\$2.0 MM	720	80%

ASSET UTILIZATION PROGRAM DETAIL	
PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> <li>• Use Assets to Qualify - No DTI calculated</li> <li>• Does not require: Paystubs, Tax Returns, W-2s, 4506-C</li> </ul>
DOCUMENTATION REQUIREMENTS	<ul style="list-style-type: none"> <li>• 180 days of asset statements (VODs &amp; online printouts not permitted)</li> <li>• Wet signed ATR Attestation for each borrower</li> </ul>
RESTRICTIONS	<ul style="list-style-type: none"> <li>• Must provide most recent Asset Statement available as of Note Date</li> <li>• Only personal funds held in the borrower's name are permitted</li> <li>• Gift funds not permitted</li> <li>• Rents received may not be used to offset monthly mortgage payment for properties</li> <li>• Cannot be combined with any other type of income</li> </ul>
MINIMUM ASSETS REQUIRED	<ul style="list-style-type: none"> <li>• The greater of Cash to Close, &amp; 60 months of All Other Payments or \$500K in Net Assets after closing</li> </ul>
ASSET TYPES INELIGIBLE FOR UTILIZATION	<ul style="list-style-type: none"> <li>• 529 College Savings Plan, Annuity, Business assets, Cash value of life insurance, Equity in real estate including current home, Funds held in foreign accounts or investments, Gift funds, Gift of equity, Irrevocable trust, Private securities or any non-publicly traded assets, Restricted stock units, Stock options, Non-vested stock, Sale of personal assets, Stocks and bonds not publicly traded, The following trusts: Blind trusts, Irrevocable trusts, Land trusts, Life estates</li> </ul>
RESIDUAL INCOME CALCULATION	<ul style="list-style-type: none"> <li>• Total the Allowable Assets then subtract Down Payment, Reserves &amp; Cash to Close, then divide by 60 to arrive at Gross Income, then subtract Monthly Liabilities from Gross Income to confirm Residual Income meets requirement shown on Residual Income line</li> </ul>
4506-C & TAX TRANSCRIPTS	<ul style="list-style-type: none"> <li>• Not required</li> </ul>
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 \$2.0MM
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 Must be seller or builder funded   Realtor/Lender funded not permitted   Not permitted in age restricted communities
SUBORDINATE FINANCING	Not permitted
UNDERWRITING EXCEPTIONS	Not permitted

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UNDERWRITING SPECIFICATIONS						
UNDERWRITING TYPE	Manual UW					
RESIDUAL INCOME	Depends on size of Household: \$2,000 for 1, \$2,500 for 2, \$3,000 for 3, \$3,300 for 4, \$3,500 for 5, add \$150 per person for 6 & 7. Capped at \$3,800. See program summary for calculation method					
DTI	DTI not calculated					
RESERVE REQUIREMENTS	Loan Amount	DTI ≤ 45%	DTI > 45%		Additional Reserve Requirements	Months
	≤ \$1.0MM	3 Months	6 Months		Each Additional financed REO	2 Months
	> \$1.0MM and ≤ \$2.0MM	6 Months	9 Months		FTHB w/o 12mth housing history	3 Months
	> \$2.0MM	9 Months	12 Months		MAX Total Reserve Requirement	15 Months
	Cash-out amount may be used to meet reserve requirement <b>Reserve Relief:</b> 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	Cash-out refinances not permitted					
PROPERTY TYPES						
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable)   PUD   SFR   1 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, Illegally zoned 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), Unique properties (e.g., log homes, berm homes, 3d printed homes, barndominium, Tiny Homes, Shouses, etc.)					
ACCESSORY DWELLING UNIT (ADU)	MAX of 1 ADU unit per property   2-4 Unit properties with ADUs are not permitted   Short-term rental income not permitted   Appraisal must show ADU as legal					
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%					
2-4 UNIT	ADUs not permitted   Second Homes not permitted					
APPRAISAL REQUIREMENTS						
LOAN AMOUNT (≤ \$1.5MM)	1 Full Appraisal and a secondary valuation (CDA)   Re-use of appraisal from previous transaction not permitted					
LOAN AMOUNT (> \$1.5MM)	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	Permitted					
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	6 most recent months					
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 contribute to qualifying assets					
BORROWER INCOME	Do not list borrower employment, income sources, or income amount on loan application					
RESTRICTED STOCK INCOME (RSU)	Not permitted					
CREDIT EVENTS	60 months from discharge or dismissal date for all credit events   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   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%					
GIFT FUNDS	Not permitted					
BUSINESS ASSETS	Not permitted					
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					
PREPAYMENT PENALTY	Not permitted					
ESCROW HOLDBACK	Not permitted					
NON-ARM'S LENGTH	Permitted   See full guidelines for additional requirements/restrictions					
TEXAS 50(a)(6)	Not permitted					
INELIGIBLE STATES	AK   AR   CT   HI   MO   ND   NM   NY   OK   SD   WY   U.S. Possessions or Territories					
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)					

