

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%
			\$1.5 MM	740	80%

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

BANK STATEMENTS PROGRAM DETAIL (12 & 24 MONTH)	
PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> <li>• Use 12 or 24 months Bank Statements to document self-employment income</li> <li>• Bank Statement 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>
DOCUMENTATION REQUIREMENTS	<ul style="list-style-type: none"> <li>• Proof of Business Existence</li> <li>• Borrower's Percentage Ownership &amp; length borrower has owned that %</li> <li>• 12 or 24 months of Business or Personal Bank Statements from the same account</li> <li>• Business Narrative</li> <li>• Documentation of expense factor if not using standard expense ratio</li> <li>• 3 months of Business Bank Statements (Personal Program only)</li> <li>• Statements must be most recent available as of application date</li> </ul>
EXPENSE FACTOR	<ul style="list-style-type: none"> <li>• Personal Program: No expense factor required</li> <li>• Business Program: <ul style="list-style-type: none"> <li>Option 1 - Accountant Letter (subject to 15% minimum expense ratio)</li> <li>Option 2 - 50% Standard Ratio</li> </ul> </li> </ul>
RESTRICTIONS	<ul style="list-style-type: none"> <li>• Most recent statement must be ≤ 90 days old at Closing</li> <li>• Bank Statement income must represent 51%+ of Qualifying Income</li> <li>• Minimum Expense Ratio: 15% (Business Program only)</li> <li>• Maximum of 6 in any 12 month period   Multiple on same day count as 1</li> <li>• Short-Term Rental (STR) not permitted</li> </ul>
QUALIFYING INCOME	<ul style="list-style-type: none"> <li>• Business Program: Total Business Deposits minus Unallowable Deposits, Transfers, and Expense Factor, multiplied by Ownership %</li> <li>• Personal Program: Total Deposits transferred to personal account from borrower owned businesses</li> </ul>
ASSET DEPLETION INCOME	• Primary Residence & Second Home: 60 months   Investment Property: 240 months   No gift funds or business funds
SELF-EMPLOYMENT	<ul style="list-style-type: none"> <li>• Minimum 25% Business Ownership</li> <li>• Self-Employed for at least 2 Years, OR 1 Year Self-Employed + 5 year History of Same Type of Work</li> </ul>
LESS THAN 2 FULL YEARS OF SELF-EMPLOYMENT RESTRICTIONS	• 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	• CPA, EA, CTEC, PTIN, Licensed Tax Attorneys, and Chartered Tax Advisors
VERBAL VOE	• 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	• 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 Must be seller or builder funded   Realtor/Lender funded not permitted   Not permitted in age restricted communities
SUBORDINATE FINANCING	Not permitted on Condotels   Gift funds not permitted when Subordinate Financing present
UNDERWRITING EXCEPTIONS	Not permitted



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		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	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 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 UNIT	ADUs not permitted   Second Home Restrictions: Purchase & Rate/Term only   See program summary for additional requirements for second homes					
3-4 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	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 3%					
GIFT FUNDS	If LTV/CLTV > 80%: 5% own funds required   Subordinate financing not permitted when gift funds used   Not permitted with Asset Depletion income					
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					
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)					

