STG MORTGAGE The Foundation Of Trust

CONSTELLATION - FULL DOC

11/25/2025

FULL DOC 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**	660	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	65%
			$1.5 MM	720	65%

FULL DOC PROGRAM DETAIL (12 & 24 MONTH)	
PROGRAM HIGHLIGHTS	• Conventional style qualifying with additional flexibilities • 12 month income qualifying option • Expanded loan amounts to $3.5MM • No mortgage insurance required • Interest-Only and 40 YR options • Expanded property types: Non-warrantable Condo, Condotel • Asset Depletion may supplement other income sources (no minimum asset requirement)
DOCUMENTATION REQUIREMENTS	• 12 or 24 month requirements of FNMA documentation • Manual underwriting required (AUS submission required for reference only) • Proof loan is either agency ineligible, Interest-Only, 40 year amortization or priced better via Constellation Full Doc
QUALIFYING INCOME	• Standard FNMA calculation methods with overlays | See full guidelines for additional details
ASSET DEPLETION INCOME	• 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	• 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	• 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	• Signed 4506-C, Transcripts and Record of Account required | Borrower provided transcripts not permitted | See guidelines for alternatives
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

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UNDERWRITING SPECIFICATIONS	
UNDERWRITING TYPE	Manual UW (File must also contain a DU/LPA. If approve/eligible, LOE to explain why not going conventional)
RESIDUAL INCOME	Not required
DTI	DTI ≤ 45%: No Restrictions DTI 45.01% to 50%: 3 additional months Reserves required
RESERVE REQUIREMENTS	See tables below 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

RESERVE REQUIREMENTS

Loan Amount	DTI ≤ 45%	DTI > 45%
≤ $1.0MM	3 Months	6 Months
> $1.0MM and ≤ $2.0MM	6 Months	9 Months
> $2.0MM	9 Months	12 Months

Additional Reserve Requirements	Months
Each Additional financed REO	2 Months
FTHB w/o 12mth housing history	3 Months
MAX Total Reserve Requirement	15 Months

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), 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 | 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)| RSU income not permitted
CONDOTEL	MAX LTV/CLTV 75% | Subordinate financing not permitted
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	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	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)	Permitted | See full guidelines for additional details
CREDIT EVENTS	24 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 | 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 | 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)	Not permitted
INELIGIBLE STATES	AK | AR | CT | HI | MO | ND | NM | NY | OK | SD | WY | U.S. Possessions or Territories
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)