

2 YEAR FULL DOC MATRIX						
OCCUPANCY	LOAN PURPOSE	NUMBER OF UNITS	MAX LOAN AMOUNT	MIN CREDIT SCORE	MAX LTV/CLTV	MIN RESERVES (MONTHS)
PRIMARY RESIDENCE	Purchase & Rate/Term	1 Unit	\$1.0 MM	740	90%	12
				720	85%	12
				700	80%	9
				680	75%	6
			\$1.5 MM	740	90%	12
				700	80%	9
		2-4 Unit	\$2.0 MM	680	70%	9
				700	80%	9
			\$2.5 MM	700	75%	12
				740	70%	12
	Cash-Out	1 Unit	\$1.0 MM	720	85%	12
				700	80%	9
			\$1.5 MM	680	70%	6
				700	75%	9
		2-4 Unit	\$2.0 MM	680	65%	9
				700	75%	9
			\$2.5 MM	700	70%	12
				740	65%	12
Second Home	Purchase & Rate/Term	1 Unit	\$1.0 MM	700	80%	9
			\$1.5 MM	700	80%	9
		1 Unit	\$2.0 MM	700	75%	9
			\$2.5 MM	700	70%	12
	Cash-Out	1 Unit	\$1.0 MM	720	75%	6
			\$1.5 MM	720	75%	9
		1 Unit	\$2.0 MM	720	70%	9
			\$2.5 MM	720	65%	12
INVESTMENT	Purchase & Rate/Term	1 Unit	\$1.0 MM	700	80%	9
			\$1.5 MM	700	75%	9
			\$2.0 MM	700	70%	9
			\$2.5 MM	700	65%	12
		2-4 Unit	\$1.0 MM	700	75%	6
			\$1.5 MM	700	70%	9
			\$2.0 MM	700	65%	9
			\$2.5 MM	700	65%	12
	Cash-Out	1 Unit	\$1.0 MM	720	75%	6
			\$1.5 MM	720	70%	9
			\$2.0 MM	720	65%	9
			\$2.5 MM	720	65%	12
		2-4 Unit	\$1.0 MM	720	70%	6
			\$1.5 MM	720	65%	9
			\$2.0 MM	720	65%	9
			\$2.5 MM	720	65%	12

TERMS & RESTRICTIONS

AVAILABLE TERMS	Fixed 15 YR, 30 YR ARMs 5/6, 7/6, 10/6 Interest Only 30 YR, 40 YR Interest Only ARMs 5/6, 7/6, 10/6
ARM QUALIFYING	MAX LTV/CLTV 80% 5/6: Greater of the Maximum Potential Note Rate after first adjustment or Fully Indexed (Margin + Index) Rate 7/6 and 10/6: Greater of the Note Rate or Fully Indexed (Margin + Index) Rate
INTEREST ONLY	10 YR I/O Period MIN 700 Credit Score FTHB not permitted
I/O LTV LIMITS	MAX LTV/CLTV 80% FICO < 720: MAX LTV/CLTV 75%
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 \$3.0MM
TEMPORARY BUYDOWN	Not permitted
SUBORDINATE FINANCING	Purchase & Rate/Term only
UNDERWRITING EXCEPTIONS	Exceptions to LTV/Credit Score not permitted All other exceptions considered on a case by case basis with strong compensating factors Please allow 3 business days for a decision

UNDERWRITING SPECIFICATIONS

UNDERWRITING TYPE	Manual UW
RESIDUAL INCOME	DTI ≤ 45%: No Residual Income requirement DTI > 45%: \$3,500
DTI	MAX DTI 50% with a LTV ≤ 80% MAX DTI 41% with a LTV > 80%
RESERVE REQUIREMENTS	See matrix FTHB: MIN 9 months FTHB with < 12 month Housing History: 3 additional months
ADDITIONAL REO RESERVES	Extra 2 months of subject property PITI for each financed REO Total Reserve Requirement capped at 12 months
CASH-OUT LIMITS	Up to \$500K with no LTV restrictions Between \$500K and \$1.0MM: 10% LTV/CLTV reduction from allowable limit per matrix



PROPERTY TYPES	
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) PUD SFR 1 Unit with ADU 2-4 Unit
INELIGIBLE PROPERTY TYPES	2-4 Unit Properties with an ADU Agricultural Properties Builder Model Leaseback C5 or C6 Property Condition Grades Community Land Trusts Commercial Properties Condotels Cooperatives (Co-ops) Farms Hawaii properties located in lava zones 1 and/or 2 Homes on Native American/Indian/Tribal Land (Reservations) Industrial Properties Leaseholds Live-work Projects Log Homes/Log Cabins Manufactured Homes Mixed Use Properties Mobile Homes Modular Homes Properties Subject to Rent Control Properties Under Construction Properties with more than 1 ADU Properties with more than 4 units Properties with Oil and Gas Lease Properties with over 10 acres Rural Properties Second Home with 2-4 units Unique Properties Vacant Lots Tenants in Common Properties See guidelines for full list
ACCESSORY DWELLING UNIT (ADU)	MAX of 1 ADU unit per property 2-4 Unit properties with ADUs are not permitted Appraisal must show ADU as legal Rental income on ADU not
RURAL	Not permitted
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 FNMA requirements
CONDO - WARRANTABLE	Must meet FNMA full review requirements
CONDO - NON-WARRANTABLE	MAX LTV/CLTV 80% Primary Residence & Second Home only
2-4 UNIT	Second Homes not permitted ADUs not permitted
APPRAISAL REQUIREMENTS	
LOAN AMOUNT (< \$1.5MM)	1 Full Appraisal and a secondary valuation (CDA)
LOAN AMOUNT (> \$1.5MM)	2 Full Appraisals, use the lower value for qualifying
SECONDARY VALUATION	Files without 2 full appraisals: Collateral Desktop Analysis (CDA) required
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
DECLINING MARKETS	Lesser of 70% LTV/CLTV or the MAX LTV/CLTV allowed per the product matrix
TRANSFERRED APPRAISAL	Not permitted
UNDERWRITING	
QUALIFYING FICO SCORE	Minimum of 2 scores is required 1 Borrower: Midscore Multiple Borrowers: Lowest of all mid scores
TRADELINES	Each borrower must have at least 3 open tradelines reporting for a minimum of 12 months, with all three having activity in the last 12 months, or at least 2 open tradelines reporting for a minimum of 24 months, with both having activity in the last 12 months
DOCUMENT AGE	Credit, Income, Assets: 90 days Appraisal: 120 days
ASSET STATEMENTS	2 Months
ELIGIBLE BORROWERS	US Citizen Permanent Resident Alien
INELIGIBLE BORROWERS	Non Permanent Resident Alien Foreign National ITIN Irrevocable Trusts Borrower who are party to a lawsuit
BORROWER RESTRICTIONS	Permanent Resident: Must be employed in the United States for the past 24 months
NON-OCCUPANT CO-BWR	Not permitted
BORROWER INCOME	Standard FNMA 2 year documentation
RESTRICTED STOCK INCOME (RSU)	RSU permitted Standard FNMA requirements/restrictions
4506-C	Signed 4506-C and 1040 Transcripts required Borrower provided transcripts not permitted
CREDIT EVENTS	84 months for all credit events See guidelines for measured from date
HOUSING HISTORY	Mortgage: 0x30x24 Rental: 0x30x12
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	Rent Free permitted with satisfactory letter of explanation from whom they are residing FTHB restrictions apply
UNPAID COLLECTIONS/CHARGE-OFFS	Collection accounts or charged-off accounts must be paid off if the balance of the individual account is greater than or equal to \$1,000 or if there are multiple accounts, when the total balance of all accounts exceeds \$2,500
FIRST-TIME HOME BUYER RESTRICTIONS	FTHB defined as all borrowers have not owned real estate in past 3 years Primary residence only MAX LTV/CLTV 80% MAX Loan Amount \$2.0MM Interest-only not permitted 3 additional months reserves if < 12 month Housing History
INTERESTED PARTY CONTRIBUTIONS (IPC)	Primary Residence & Second Home: MAX 6% Investment Properties: MAX 2%
GIFT FUNDS	Primary Residence & Second Home: when LTV/CLTV > 80%, borrower must contribute 5% own funds Investment Properties: Not permitted Gift funds not permitted for reserves
BUSINESS ASSETS	Standard FNMA Requirements/Restrictions Business funds may be used up to the borrower's percentage of ownership (minimum 50% ownership to use business funds)
LISTED FOR SALE	6 months removed from market
CASH-OUT SEASONING	12 months seasoning required
RATE-TERM SEASONING	12 months seasoning required
PREPAYMENT PENALTY	Not permitted
ESCROW HOLDBACK	Not permitted
NON-ARM'S LENGTH	Purchase only Primary Residence only MAX LTV/CLTV 80% Two appraisals required
TEXAS 50(a)(6)	Not permitted
INELIGIBLE STATES	AK AR HI MA MD MO ND NM NY OK SD WY Puerto Rico Guam US Virgin Islands
TEMP GEOGRAPHIC RESTRICTIONS	Primary Residence Only for Philadelphia County in Pennsylvania
ENTITY VESTING	Not permitted
TRUSTS	Inter Vivos Revocable Trusts permitted Mortgage and Trust documents must meet FNMA eligibility criteria including title and title insurance requirements and applicable state laws that regulate the loan origination of inter vivos revocable trusts
MORTGAGE INSURANCE	Not required
E-NOTES/E-MORTGAGE CLOSINGS	Not permitted
ESCROW ACCOUNTS	Required for the following: LTV > 80% Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

