

## VERTEX CLOSED END SECONDS

12/15/2025

### VERTEX SECOND LIEN MATRIX

LOAN AMOUNT	MIN FICO	PRIMARY RESIDENCE					SECOND HOME					INVESTMENT					
		FULL DOC	BANK STMT	1099	WVOE	P&L	FULL DOC	BANK STMT	1099	WVOE	P&L	FULL DOC	BANK STMT	1099	WVOE	P&L	DSCR MIN 1.0
		CLTV					CLTV					CLTV					
\$75K to \$350K	720	90%	90%	90%	85%	80%	80%	80%	80%	75%	70%	80%	80%	80%	75%	70%	80%
	700	90%	85%	85%	80%	75%	80%	75%	75%	70%	65%	80%	75%	75%	70%	65%	75%
	680	85%	80%	80%	75%	70%	75%	70%	70%	65%	60%	75%	70%	70%	65%	60%	70%
\$350,001 to \$500K	720	90%	85%	85%	80%	75%	80%	75%	75%	70%	65%	80%	75%	75%	70%	65%	75%
	700	85%	80%	80%	75%	70%	80%	70%	70%	65%	60%	80%	70%	70%	65%	60%	70%
	680	80%	75%	75%	70%	65%	70%	65%	65%	60%	55%	70%	65%	65%	60%	55%	65%
\$500,001 to \$750K	720	80%	80%	80%	75%	70%	75%	70%	70%	65%	60%	75%	70%	70%	65%	60%	70%
	700	80%	75%	75%	70%	65%	70%	65%	65%	60%	55%	70%	65%	65%	60%	55%	65%
	680	75%	65%	65%	60%	65%	55%	55%	55%	50%	45%	65%	55%	55%	50%	55%	55%
\$750,001 to \$850K	720	75%	75%														
	700	70%	70%														
	680																

### VERTEX SECOND LIEN PROGRAM DETAIL

PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> <li>Fixed Rate, Closed End Second Lien</li> <li>Standalone &amp; Piggyback</li> <li>Loan Amounts to \$850K</li> <li>Combined First &amp; Second Loan Limits to \$5 million</li> <li>MAX DTI : 50%</li> </ul>												
	<ul style="list-style-type: none"> <li>Full Doc: 12 or 24 Month</li> <li>Bank Statement: 12 or 24 Month</li> <li>1099: 12 or 24 Month</li> <li>Written VOE (WVOE)</li> <li>Profit &amp; Loss (P&amp;L): 12 Months</li> <li>Debt Service Coverage Ratio (DSCR): Investment Properties Only</li> </ul>												
MAX COMBINED LOAN AMOUNT (1st Lien balance + new 2nd Lien)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Combined Loan Amount</td><td style="width: 20%;">\$2.0MM</td><td style="width: 20%;">\$3.0MM</td><td style="width: 20%;">\$3.5MM</td><td style="width: 20%;">\$4.0MM</td><td style="width: 20%;">\$5.0MM</td></tr> <tr> <td>Max CLTV</td><td>90%</td><td>85%</td><td>80%</td><td>75%</td><td>60%</td></tr> </table>	Combined Loan Amount	\$2.0MM	\$3.0MM	\$3.5MM	\$4.0MM	\$5.0MM	Max CLTV	90%	85%	80%	75%	60%
Combined Loan Amount	\$2.0MM	\$3.0MM	\$3.5MM	\$4.0MM	\$5.0MM								
Max CLTV	90%	85%	80%	75%	60%								
RESTRICTIONS	<ul style="list-style-type: none"> <li>Second Lien Position Only</li> <li>First Mortgage cannot be: Negative Amortization, Reverse, Balloon, in active Deferment or Forbearance, or Private Party Mortgages and loans not appearing on credit</li> <li>Non-Occupant Co-Borrower: Not Permitted</li> <li>Foreign National: Not Permitted</li> <li>Maryland Loans: Not Permitted (due to recent law change)</li> </ul>												
COMPLIANCE	<ul style="list-style-type: none"> <li>Loans are subject to TRID (waiting periods, disclosure requirements) except for DSCR</li> <li>HPML (Higher Priced Mortgage Loans) require a full interior/exterior appraisal</li> <li>Section 32 or State High Cost Loans are Not Permitted</li> <li>Not subject to QM Points &amp; Fees Limitations</li> <li>New Jersey Loans may not charge a broker fee, must be structured with Lender Paid Compensation</li> <li>Loans must comply with all applicable federal and state regulations</li> </ul>												
TERMS													
AVAILABLE TERMS	Fixed: 10 YR, 15 YR, 20 YR, 30 YR   Balloons: 30/15, 40/15 ( <b>launching Q2, 2026</b> )												
LOAN AMOUNT	Fully Amortized: MIN \$75K   MAX \$850K Balloons: MIN \$200K   MAX \$850K												
INELIGIBLE FIRST LIENS	Negative Amortization   Reverse Mortgages   Balloon Mortgages   Mortgages in active Deferment or Forbearance   Private Party Mortgages and loans not appearing on credit												
BORROWERS													
ELIGIBLE BORROWERS	U.S. Citizen   Permanent Resident Alien   Non-Permanent Resident Aliens with U.S. Credit												
INELIGIBLE BORROWERS	Foreign National   ITIN												
BORROWER RESTRICTIONS	Non-Permanent Resident Aliens are Not Permitted for DSCR doc type												
APPRAISAL REQUIREMENTS													
ALL LOAN AMOUNTS	Full Interior/Exterior Appraisal   Must have 3 comps within 10 miles												
DECLINING MARKETS	Primary & Second Home: MAX 75% CLTV   Investment: MAX 70% CLTV												
RECENTLY LISTED FOR SALE	Properties must be off market 6 months from the Note Date												

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PROPERTY TYPES	
<b>ELIGIBLE PROPERTY TYPES</b>	Condos (Warrantable)   PUD   SFR   1 Unit with ADU   2-4 Unit   Leasehold
<b>INELIGIBLE PROPERTY TYPES</b>	Agricultural Properties   Assisted Living/Care Facilities   C5 or C6 condition   Commercial/Industrial/Office Properties   Condotels   Co-ops   Deed-restricted properties   Hawaii properties located in lava zones 1 and/or 2   Houseboats   Income producing properties with acreage   Land Trust   Log Homes/Log Cabins (including Faux log homes)   Manufactured/Mobile Homes   Mixed-Use Properties   Multiple dwellings on single lot (1 legal ADU acceptable on SFR)   Non-Warrantable Condos   Room and Board Facilities   Second Homes with 2-4 Units   Tenants in Common Properties   Unique Properties   Vacant Lots   Working Farms and Hobby Farms
<b>ACCESSORY DWELLING UNIT (ADU)</b>	All occupancies permitted   MAX of 1 ADU unit per property   2-4 Unit properties with ADUs: Not Permitted
<b>RURAL PROPERTIES</b>	Primary Residence only   MAX 10 acres   MAX CLTV 75%   Must have 3 comps within 10 miles
<b>MAX ACREAGE</b>	10 acres
<b>CONDO - WARRANTABLE</b>	MAX 75% CLTV   Must meet Fannie Mae or Freddie Mac requirements
<b>CONDO - WARRANTABLE</b>	Primary & Second Home: MAX 75% CLTV   Investment: MAX 70% CLTV   Must meet Fannie or Freddie requirements
<b>CONDO - NON-WARRANTABLE</b>	Not Permitted
<b>2-4 UNIT</b>	Primary: MAX 75% CLTV   Investment: MAX 70% CLTV   Second Homes: Not Permitted   ADUs: Not Permitted
UNDERWRITING	
<b>DTI</b>	MAX 50% DTI
<b>RESIDUAL INCOME</b>	Not Required
<b>INTEREST-ONLY FIRST MORTGAGE</b>	When First Lien is Interest-Only: MAX DTI 50% using First Lien's Fully Amortized Payment after I/O period
<b>ARM FIRST MORTGAGE</b>	If First Lien is ARM with > 3 Years before adjustment: use current payment If First Lien is ARM with < 3 Years before adjustment: use payment based off fully indexed rate
<b>FIRST LIEN DOCUMENTATION</b>	Piggyback: Provide approval from First mortgage showing terms Standalone: Provide Note from First Mortgage & most recent statement (within 90 days)
<b>ASSET REQUIREMENTS</b>	Standalone: None   Piggyback purchase transactions: Must show assets needed for first mortgage approval
<b>MAX CASH IN HAND</b>	No Limit
<b>QUALIFYING FICO SCORE</b>	All doc types except DSCR: Midscore from Primary Wage Earner (highest income earner) on the file DSCR: Lowest middle score of all borrowers
<b>NON-OCCUPANT CO-BORROWERS</b>	Not Permitted
<b>TRADELINES</b>	Borrowers with 3 FICO Scores: No Tradeline Requirement   All others: 3 tradelines reporting for last 12 months or 2 tradelines reporting for 24 months, with activity in past 12 months
<b>CREDIT EVENTS</b>	BK 7 & 13 seasoning: 48 months discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late seasoning: 48 months
<b>HOUSING HISTORY</b>	0x30x12   All borrowers must have 12 month housing history
<b>DOCUMENT AGE</b>	MAX 120 days old at Closing (Credit Report, Appraisal, Title) MAX 90 Days old at Closing (Income, Assets)
<b>UNPAID COLLECTIONS</b>	Collections, Charge offs and Medical Bills up to \$1K each may be disregarded. Any delinquent open accounts must be brought current at closing.
<b>REFINANCE SEASONING</b>	Refinances require 6 months ownership seasoning If last refinance or Second Lien was within 6 months: MAX 80% CLTV
<b>TITLE POLICY</b>	ALTA OR ALTA Short Form Lenders Policy
<b>ENTITY VESTING</b>	Business purpose loans may be vested in LLC, LP, GP, CORP or S CORP
<b>TEXAS</b>	Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2): Permitted   Closing doc review by attorney required at CTC
<b>PREPAYMENT PENALTY RESTRICTIONS</b>	Not Permitted in: AK   DC   KS   MD   ME   MN   ND   NM   OH   VA   VT Certain Restrictions in: AR   IA   IL   KY   MI   MO   MS   NJ   OK   PA   RI   TX
<b>INELIGIBLE STATES</b>	Non-DSCR: AK   AR   HI   OK   MD   MO   ND   NM   NY   SD   WY   U.S. Possessions or Territories DSCR: ND   U.S. Possessions or Territories
<b>TEMPORARY GEOGRAPHIC RESTRICTIONS</b>	Non-DSCR: Primary Residence Only for Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland DSCR: Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland are not permitted
DOC TYPE SPECIFIC REQUIREMENTS/RESTRICTIONS	
<b>FULL DOC</b>	No Restrictions
<b>BANK STATEMENT</b>	At least 1 borrower must be self-employed for at least 1 year (25% or greater ownership) 4506C/Tax Transcripts/Tax Returns not permitted in file (except 4506C for salaried co-borrower, which is required) Max 3 NSF in past 12 months or 6 in past 24 months
<b>1099</b>	Ownership in company providing 1099: Not Permitted 1099 must be paid to individual borrower (not a business)
<b>WVOE</b>	Employed by family member: Not Permitted
<b>P&amp;L</b>	At least 1 borrower must be self-employed for at least 1 year (25% or greater ownership) Asset Depletion is the only supplemental income permitted PTIN Tax Preparer: Not Permitted
<b>DSCR</b>	Piggyback: Not permitted Non-Permanent Residents: Not Permitted Minimum 1 Year Prepayment Penalty Required whenever allowed per State Law Must have 1 Year Landlord Experience and Primary Housing Expense & Housing History (No Rent-Free Situations)

