

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%	65%	60%	65%	55%	55%	55%	50%	65%	55%	55%	55%	50%	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">• Fixed Rate, Closed End Second Lien• Standalone & Piggyback• Loan Amounts to \$850K• Combined First & Second Loan Limits to \$5 million• MAX DTI : 50%					
AVAILABLE INCOME DOC TYPES	<ul style="list-style-type: none">• Full Doc: 12 or 24 Month• Bank Statement: 12 or 24 Month• 1099: 12 or 24 Month• Written VOE (WVOE)• Profit & Loss (P&L): 12 Months• Debt Service Coverage Ratio (DSCR): Investment Properties Only					
MAX COMBINED LOAN AMOUNT (1st Lien balance + new 2nd Lien)	• 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">• Second Lien Position Only• First Mortgage cannot be: Negative Amortization, Reverse, Balloon, in active Deferment or Forbearance, or Private Party Mortgages and loans not appearing on credit• Non-Occupant Co-Borrower: Not Permitted• Foreign National: Not Permitted• Maryland Loans: Not Permitted (due to recent law change)					
COMPLIANCE	<ul style="list-style-type: none">• Loans are subject to TRID (waiting periods, disclosure requirements) except for DSCR• HPML (Higher Priced Mortgage Loans) require a full interior/exterior appraisal• Section 32 or State High Cost Loans are Not Permitted• Not subject to QM Points & Fees Limitations• New Jersey Loans may not charge a broker fee, must be structured with Lender Paid Compensation• Loans must comply with all applicable federal and state regulations					
TERMS						
AVAILABLE TERMS	Fixed: 10 YR, 15 YR, 20 YR, 30 YR Balloons: 30/15, 40/15 (launching Q2, 2026)					
LOAN AMOUNT	Fully Amortized: MIN \$75K MAX \$850K Balloon products: 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					



PROPERTY TYPES	
ELIGIBLE PROPERTY TYPES	Condos (Warrantable) PUD SFR 1 Unit with ADU 2-4 Unit Leasehold
INELIGIBLE PROPERTY TYPES	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
ACCESSORY DWELLING UNIT (ADU)	All occupancies permitted MAX of 1 ADU unit per property 2-4 Unit properties with ADUs: Not Permitted
RURAL PROPERTIES	Primary Residence only MAX 10 acres MAX CLTV 75% Must have 3 comps within 10 miles
MAX ACREAGE	10 acres
CONDO - WARRANTABLE	MAX 75% CLTV Must meet Fannie Mae or Freddie Mac requirements
CONDO - WARRANTABLE	Primary & Second Home: MAX 75% CLTV Investment: MAX 70% CLTV Must meet Fannie or Freddie requirements
CONDO - NON-WARRANTABLE	Not Permitted
2-4 UNIT	Primary: MAX 75% CLTV Investment: MAX 70% CLTV Second Homes: Not Permitted ADUs: Not Permitted
UNDERWRITING	
DTI	MAX 50% DTI
RESIDUAL INCOME	Not Required
INTEREST-ONLY FIRST MORTGAGE	When First Lien is Interest-Only: MAX DTI 50% using First Lien's Fully Amortized Payment after I/O period
ARM FIRST MORTGAGE	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
FIRST LIEN DOCUMENTATION	Piggyback: Provide approval from First mortgage showing terms Standalone: Provide Note from First Mortgage & most recent statement (within 90 days)
ASSET REQUIREMENTS	Standalone: None Piggyback purchase transactions: Must show assets needed for first mortgage approval
MAX CASH IN HAND	No Limit
QUALIFYING FICO SCORE	All doc types except DSCR: Midscore from Primary Wage Earner (highest income earner) on the file DSCR: Lowest middle score of all borrowers
NON-OCCUPANT CO-BORROWERS	Not Permitted
TRADELINES	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
CREDIT EVENTS	BK 7 & 13 seasoning: 48 months discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late seasoning: 48 months
HOUSING HISTORY	0x30x12 All borrowers must have 12 month housing history
DOCUMENT AGE	MAX 120 days old at Closing (Credit Report, Appraisal, Title) MAX 90 Days old at Closing (Income, Assets)
UNPAID COLLECTIONS	Collections, Charge offs and Medical Bills up to \$1K each may be disregarded. Any delinquent open accounts must be brought current at closing.
REFINANCE SEASONING	Refinances require 6 months ownership seasoning If last refinance or Second Lien was within 6 months: MAX 80% CLTV
TITLE POLICY	ALTA OR ALTA Short Form Lenders Policy
ENTITY VESTING	Business purpose loans may be vested in LLC, LP, GP, CORP or S CORP
TEXAS	Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2): Permitted Closing doc review by attorney required at CTC
PREPAYMENT PENALTY RESTRICTIONS	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
INELIGIBLE STATES	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
TEMPORARY GEOGRAPHIC RESTRICTIONS	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	
FULL DOC	No Restrictions
BANK STATEMENT	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
1099	Ownership in company providing 1099: Not Permitted 1099 must be paid to individual borrower (not a business)
WVOE	Employed by family member: Not Permitted
P&L	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
DSCR	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)

