

ASSET DEPLETION / ASSET UTILIZATION MATRIX

OCCUPANCY	LOAN PURPOSE	NUMBER OF UNITS	MAX LOAN AMOUNT	MIN CREDIT SCORE	MAX LTV/CLTV
PRIMARY RESIDENCE	Purchase & Rate/Term	1-4 Unit	\$1.5 MM	700	85%
			\$2.0 MM	740	85%
			\$2.5 MM	700	80%
				720	80%
			\$3.0 MM	700	75%
				720	75%
			\$3.5 MM	700	70%
740	65%				
			720	60%	

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ASSET DEPLETION PROGRAM DETAIL		ASSET UTILIZATION PROGRAM DETAIL		
PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> Divide usable assets by 84 to calculate income May be combined with other non-employment income sources (exception and pricing adjustment required) 	<ul style="list-style-type: none"> Use assets to Qualify - No DTI calculated May NOT be combined with other income types 		
DOCUMENTATION REQUIREMENTS	<ul style="list-style-type: none"> 120 days of asset statements (VODs & online printouts not permitted) Wet signed ATR Attestation for each borrower 	<ul style="list-style-type: none"> 120 days of asset statements (VODs & online printouts not permitted) Wet signed ATR Attestation for each borrower 		
RESTRICTIONS	<ul style="list-style-type: none"> Must provide most recent Asset Statement available as of Note Date Non-Occupant Co-Borrowers not permitted Only personal funds held in the borrower's name are permitted 	<ul style="list-style-type: none"> Must provide most recent Asset Statement available as of Note Date Non-Occupant Co-Borrowers not permitted Only personal funds held in the borrower's name are permitted 		
MINIMUM ASSETS REQUIRED	Loan Amount	Minimum Asset Requirement	Loan Amount	Minimum Asset Requirement
	Up to \$360,000	\$450,000	Up to \$360,000	\$450,000
	\$360,001 to \$1,250,000	125% of the Loan Amount	Over \$360,000	125% of the Loan Amount
	Over \$1,250,000	\$1,000,000		
ASSET TYPES INELIGIBLE FOR DEPLETION / UTILIZATION	<ul style="list-style-type: none"> Business Assets, Crypto, Foreign Assets, Gift Funds, Borrowed Money, Life Insurance, Restricted Stock, 1031 Exchange Funds, Public Sector Retirement Plans, 529 Plans 	<ul style="list-style-type: none"> Business Assets, Crypto, Foreign Assets, Gift Funds, Borrowed Money, Life Insurance, Restricted Stock, 1031 Exchange Funds, Public Sector Retirement Plans, 529 Plans 		
ELIGIBLE ASSETS & ALLOWABLE PERCENTAGES	<ul style="list-style-type: none"> 100% checking / savings / money accounts 80% of the remaining value of stocks / bonds / mutual funds 70% for all vested retirement assets 	<ul style="list-style-type: none"> 100% checking / savings / money accounts 80% of the remaining value of stocks / bonds / mutual funds 70% for all vested retirement assets 		
QUALIFYING CALCULATIONS	<ul style="list-style-type: none"> Traditional DTI based qualifying Income is calculated using total Allowable Post Closing Assets to confirm the Minimum Asset Requirement is met, then dividing by 84 to arrive at Depletion Income 	<ul style="list-style-type: none"> Traditional DTI is NOT calculated Verify Minimum Asset Requirement is met Residual Income is calculated by using total Allowable Post Closing Assets divided by 84, and then subtracting all monthly debts 		
GIFT FUNDS USAGE	<ul style="list-style-type: none"> Not permitted 	<ul style="list-style-type: none"> Not permitted 		
4506-C & TAX TRANSCRIPTS	<ul style="list-style-type: none"> Not required unless combined with Full Doc non-employment income sources Borrower provided transcripts not permitted 	<ul style="list-style-type: none"> Not required 		
TERMS & RESTRICTIONS				
AVAILABLE TERMS	Fixed 15 YR, 30 YR Interest-Only: 30 YR, 40 YR ARMs coming 06/26 --30 year amortization: 3/6 ARM 3/6 ARM I/O 5/6 ARM 5/6 ARM I/O 7/6 ARM 7/6 ARM I/O 10/6 ARM 10/6 ARM I/O ARMs coming 06/26 --40 year amortization: 3/6 ARM I/O (40 year) 5/6 ARM I/O (40 year) 7/6 ARM I/O (40 year) 10/6 ARM I/O (40 year)			
INTEREST ONLY	10 YR I/O Period MAX DTI 50%			
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 (3-2-1), (2-1), (1-1), (1-0) Purchase only Investment Property not permitted 30-year Fixed Product only Interest-Only not permitted See guidelines for additional requirements			
SUBORDINATE FINANCING	Primary Residence only Not permitted for I/O products See full guidelines for additional details			
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	Asset Depletion: DTI ≤ 43%: No Residual Income requirement DTI > 43% & ≤ 50%: Depends on size of Household: \$1,500 for 1, \$2,500 for 2, add \$150 per person for each additional household member DTI > 50% & ≤ 55%: Depends on size of Household: \$2,250 for 1, \$3,750 for 2, add \$225 per person for each additional household member Asset Utilization: Depends on size of Household: \$1,500 for 1, \$2,500 for 2, add \$150 per person for each additional household member			
DTI	Asset Depletion: DTI ≤ 50%: No Restrictions DTI 50.01% to 55%: MIN FICO: 700 MAX LTV/CLTV: 80% Primary Residence only FTHB not permitted Interest-Only not permitted Higher Residual Income required			
RESERVE REQUIREMENTS	Once the minimum asset threshold is met, no additional reserves are required			
CASH-OUT LIMITS	Cash-out refinances not permitted			



PROPERTY TYPES	
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) PUD SFR 1 Unit with ADU 2-4 Unit
INELIGIBLE PROPERTY TYPES	Agricultural zoned properties Assisted Living / Continuing Care Facilities Barndominiums Boarding Houses Builder Model Leaseback C5 or C6 Property Condition Grades Condominium projects with registration services or restrictions on owner's ability to occupy Condotel Earth Berm Homes Fractional Ownership / Timeshares Geodesic Domes Group Homes Hawaii properties located in lava zones 1 and/or 2 Houseboats Homes on Native American Land (Reservations) Illegally Zoned Properties Live / Work Condos Log Homes (including Faux Log) Homes Mandatory Country Club Memberships Manufactured Homes Mixed Use Properties Multiple dwellings on same lot (legal ADU acceptable, limited to one) Properties under Construction Properties used for the cultivation, distribution, manufacture, or sale of Marijuana Residential units with ≥ 5 units Q5 or Q6 Quality Rating Tenants in Common Properties Theme Park Resort Properties Unique Properties Unpermitted additions Working Farms
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 and provide comparables with ADUs
RURAL	Primary Residence & Second Home: MAX LTV/CLTV 75% Investment Property not permitted 3 comps within 10 miles required
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	MAX LTV/CLTV 80% Must meet FNMA full review requirements See guidelines for additional requirements
CONDO - NON-WARRANTABLE	MAX LTV/CLTV 80% Must be assessed against FNMA full review requirements See guidelines for additional requirements and allowable deviations
CONDOTEL	Not permitted
2-4 UNIT	No additional restrictions
APPRAISAL REQUIREMENTS	
LOAN AMOUNT (≤ \$2MM)	1 Full Appraisal and a secondary valuation (CU/LCA Score or CDA/ARR) 3 comps within 10 miles required
LOAN AMOUNT (> \$2MM)	2 Full Appraisals, use the lower value for qualifying 3 comps within 10 miles required
SECONDARY VALUATION	Files without 2 appraisals must contain a CU or LCA Score of 2.5 or less, or a Collateral Desktop Analysis (CDA) or Appraisal Risk review (ARR) is required
COLLATERAL DESKTOP ANALYSIS (CDA REPORT)	When CDA/LCA is required, it must support appraisal within 10% CDA/LCAs outside of allowable limit require two Full Appraisals CDA/LCA with "High Risk" score may not be used and file must contain two Full Appraisals
DECLINING MARKETS	5% LTV/CLTV reduction from the product matrices
TRANSFERRED APPRAISAL	Permitted
UNDERWRITING	
QUALIFYING FICO SCORE	Minimum of 2 scores is required Lowest of all borrower mid-scores Rescores after lock not permitted
TRADELINES	Each Borrower must have a minimum of 2 trade lines within the last 24 months that show a 12 month history See guidelines for additional requirements
AUTHORIZED USER ACCOUNTS	Must be included in DTI May not count toward minimum tradeline requirements
DOCUMENT AGE	Credit, Income, Assets & Appraisal: 120 days
ASSET STATEMENTS	4 months
ELIGIBLE BORROWERS	U.S. Citizen Permanent Resident Non-Permanent Resident
INELIGIBLE BORROWERS	Foreign National ITIN Irrevocable or Blind Trusts See guidelines for full list
BORROWER RESTRICTIONS	Non Permanent Resident: MAX LTV/CLTV 80%
NON-OCCUPANT CO-BWR	Not permitted
BORROWER INCOME	Asset Depletion: May be combined with non-employment income sources (exception and pricing adjustment required) See full guidelines for details
CREDIT EVENTS	48 months from discharge or dismissal date for all credit events 120 day mortgage late is considered a Foreclosure
HOUSING HISTORY	12 months housing history required meeting 0x30x12 for all mortgages and rental payments Any additional housing history in file must be 0x60x24
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	FTHB only Rent Free allowed with satisfactory letter of explanation from whom they are residing (signed by borrower and rent-free provider) Payment shock restrictions do not apply
UNPAID COLLECTIONS/CHARGE-OFFS	Non-medical collections or charged-off accounts occurring in the most recent 36 months with a total > \$5,000 must be paid off Medical collections > \$15,000 must be paid off
FIRST-TIME HOME BUYER RESTRICTIONS	FTHB defined as all borrowers have not owned real estate in past 3 years MAX DTI: 50% Interest-only not permitted 250% max payment shock Rent-Free Borrowers: Payment shock restriction does not apply
INTERESTED PARTY CONTRIBUTIONS (IPC)	MAX 6%
GIFT FUNDS	Not permitted
BUSINESS ASSETS	Not permitted
LISTED FOR SALE	Removed from market Prior to Note Date LOE required UW Manager approval required
CASH-OUT SEASONING	Cash-out refinances not permitted
RATE-TERM SEASONING	No seasoning requirement
PREPAYMENT PENALTY	Permitted for business purpose loans See full guidelines for additional details
ESCROW HOLDBACK	Not permitted
NON-ARM'S LENGTH TEXAS 50(A)(6)	Purchase only Primary Residence only Gift of equity not permitted See guidelines for additional details
INELIGIBLE STATES	Cash-out refinances not permitted
TEMP GEOGRAPHIC RESTRICTIONS	AK AR HI MO ND NM NY OK SD WY U.S. Possessions or Territories
ENTITY VESTING	Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland are not permitted
TRUSTS	Not permitted
MORTGAGE INSURANCE	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
E-NOTES/E-MORTGAGE CLOSINGS	Not required
ESCROW ACCOUNTS	Not permitted
ESCROW ACCOUNTS	Required for the following: LTV > 80% (90% for Primary Residence in California) Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

