

BANK STATEMENTS MATRIX (12 & 24 MONTH)

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	680	80%
			\$2.0 MM	700	80%
			\$2.5 MM	680	75%
				720	80%
			\$3.0 MM	700	75%
				680	70%
	Cash-Out	1-4 Unit	\$3.5 MM	720	75%
			\$1.0 MM	700	70%
				740	80%
			\$1.5 MM	680	70%
				740	75%
			\$2.0 MM	700	70%
				680	65%
			\$2.5 MM	720	70%
700	65%				
\$3.0 MM	680	60%			
	720	65%			
700	60%				
SECOND HOME	Purchase & Rate/Term	1 Unit	\$1.5 MM	680	80%
			\$2.0 MM	700	80%
			\$2.5 MM	680	75%
				700	75%
			\$3.0 MM	700	70%
	Cash-Out	1 Unit	\$3.5 MM	720	60%
			\$1.0 MM	700	75%
			\$1.5 MM	720	75%
			680	70%	
			700	70%	
\$2.0 MM	680	65%			
	\$2.5 MM	700	65%		
	\$3.0 MM	700	60%		
INVESTMENT	Purchase & Rate/Term	1-4 Unit	\$1.5 MM	680	80%
			\$2.0 MM	700	80%
			\$2.5 MM	680	75%
				700	75%
			\$3.0 MM	680	70%
	Cash-Out	1-4 Unit	\$1.0 MM	700	70%
			\$1.5 MM	700	75%
			720	75%	
			680	70%	
			700	70%	
\$2.0 MM	680	65%			
	\$2.5 MM	700	65%		
	\$3.0 MM	700	60%		

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BANK STATEMENTS PROGRAM DETAIL (12 & 24 MONTH)

PROGRAM HIGHLIGHTS	<ul style="list-style-type: none"> Use 12 or 24 months Bank Statements to document self-employment income Bank Statement income may be combined with other income types & rental income Does not require: Tax Returns, 4506-C Proof of Business Existence 			
DOCUMENTATION REQUIREMENTS	<ul style="list-style-type: none"> Borrower's Percentage Ownership & length borrower has owned that % 12 or 24 months of Business or Personal Bank Statements from the same account Business Narrative Proof of expense factor (Business Program only) if not using standard expense factor chart 2 months of Business Bank Statements (Personal Program only) 			
EXPENSE FACTOR	Personal Program: No expense factor required	Standard Expense Ratio		
	Business Program:	Number of Employees/Contractors	0	1-5
	Option 1 - Standard Expense Ratio (see table)	Service Business	15%	30%
	Option 2 - Accountant Expense Letter	Product/Capital Intensive Business	25%	50%
				85%
RESTRICTIONS	<ul style="list-style-type: none"> Latest bank statement must be the most recent available at the time of application and must be ≤ 90 days old at Closing Bank Statement income must represent 51%+ of Qualifying Income Minimum Expense Ratio: 15% (Business Program only) Maximum of 3 Businesses (Business Program only) 			
QUALIFYING INCOME	<ul style="list-style-type: none"> Personal Program: Total Deposits transferred to personal account from borrower owned businesses Business Program: Total Business Deposits minus Unallowable Deposits, Transfers, and the Expense Factor multiplied by Ownership Percentage 			
SELF-EMPLOYMENT	<ul style="list-style-type: none"> Minimum 25% Business Ownership Self-Employed for at least 2 Years Less than 2 full years of Self-Employment not permitted 			
ALLOWABLE ACCOUNTANTS	CPA, EA, CTEC, PTIN, Licensed Tax Attorneys, and Chartered Tax Advisors			
SHORT-TERM RENTAL RESTRICTIONS	No additional restrictions			
VERBAL VOE	VVOE for non-self-employed income and/or proof of continued business existence within 10 days of Note Date			
4506-C	4506-C not required unless combined with secondary income using Full Doc standard			
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 MIN FICO 700 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	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			
DTI	DTI ≤ 50%: No Restrictions DTI 50.01% to 55%: MIN FICO: 700 Primary Residence only FTHB not permitted Interest-Only not permitted Higher Residual Income required			
RESERVE REQUIREMENTS	Loan Amount	Reserves Required	Additional Reserve Requirements	Months
	≤ \$1.0MM	6 Months	Each Additional financed REO	2 Months
	> \$1.0MM and ≤ \$2.0MM	9 Months	Non-Occupant Co-Borrower	6 Months
	> \$2.0MM	12 Months	MAX Total Reserve Requirement	12 Months
	Cash-out amount may be used to meet reserve requirement			
CASH-OUT LIMITS	LTV/CLTV ≤ 60%: No limit LTV/CLTV > 60%: \$750K			



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	Must meet FNMA full review requirements See guidelines for additional requirements
CONDO - NON-WARRANTABLE	Must be assessed against FNMA full review requirements See guidelines for additional requirements and allowable deviations
CONDOTEL	Not permitted
2-4 UNIT	Second Home not permitted Non-occupant co-borrower not permitted
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 Use mid-score from primary wage earner (highest income earner) on the file 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	1 Month
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: Cash-Out Refi not permitted
NON-OCCUPANT CO-BWR	Purchase & Rate/Term only Primary Residence only MAX DTI 43% 2-4 unit not permitted Additional 6 months Reserves required Occupying Borrower must have documented income equal to 75% of PITIA See guidelines for additional requirements
RESTRICTED STOCK INCOME (RSU)	RSU permitted Standard FNMA requirements/restrictions
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	When LTV/CLTV ≥ 75%, bwr must contribute 5% own funds Gift funds not permitted for reserves
BUSINESS ASSETS	Permitted 25% Business Ownership required See full guidelines for additional requirements/restrictions
LISTED FOR SALE	Removed from market Prior to Note Date LOE required UW Manager approval required
CASH-OUT SEASONING	12 months seasoning required
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	Purchase only Primary Residence only See guidelines for additional details
TEXAS 50(A)(6)	Permitted
INELIGIBLE STATES	AK AR HI MO ND NM NY OK SD WY U.S. Possessions or Territories
TEMP GEOGRAPHIC RESTRICTIONS	Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland are not permitted
ENTITY VESTING	May be vested in LLC, LP, GP, CORP or S CORP
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: Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

