STG MORTGAGE The Foundation Of Trust

CONSTELLATION - 1099

11/24/2026

1099 MATRIX (12 & 24 MONTH)					
OCCUPANCY	**LOAN PURPOSE**	**NUMBER OF UNITS**	**MAX LOAN AMOUNT**	**MIN CREDIT SCORE**	**MAX LTV/CLTV**
PRIMARY RESIDENCE	**Purchase**	**1-4 Unit**	**$1.5 MM**	720	90%
	Purchase & Rate/Term	**1-4 Unit**	**$1.0 MM**	680	80%
			$1.5 MM	720	85%
			$2.0 MM	700	80%
			$3.0 MM	740	75%
			$3.5 MM	740	70%
	Cash-Out	**1-4 Unit**	**$1.0 MM**	680	75%
			$1.5 MM	700	80%
			$2.0 MM	720	80%

1099 PROGRAM DETAIL (12 & 24 MONTH)	
PROGRAM HIGHLIGHTS	• For borrowers with a history of 1099 (independent contractor) income • 1099 income may be combined with other income types & long-term rental income • Does not require: Tax Returns • Asset Depletion may supplement other income sources (no minimum asset requirement)
DOCUMENTATION REQUIREMENTS	• 1 or 2 years of 1099s • Year-to-date earnings statement/ledger for Note Date after April 15th • 1099 IRS-Transcripts • Business Narrative
RESTRICTIONS	• Must be paid directly to borrower (not a business name) • Borrower may not have ownership in the companies that the 1099 income is being derived from • Contract employer may not be owned by a family member • 1099 income must represent 51%+ of Qualifying Income • Short-Term Rental (STR) not permitted
QUALIFYING INCOME	• A 10% expense ratio will be used in calculating the income • When 24 months of 1099 information is provided, the lower of the 12 month or 24 month calculation must be used • A significant decline from 24 month to 12 month calculation requires documentation and further review to ensure income stability
ASSET DEPLETION INCOME	• Primary Residence & Second Home: 60 months | Investment Property: 240 months | No gift funds or business funds | 2 months Asset Statements required (VODs & online printouts not permitted)
SELF-EMPLOYMENT	• Self-Employed for at least 2 Years, OR 1 Year Self-Employed + 5 year History of Same Type of Work
LESS THAN 2 FULL YEARS OF SELF-EMPLOYMENT RESTRICTIONS	• MAX: $2.0MM | MIN FICO 700 | MAX LTV/CLTV for Primary: 75% | Minimum 50.01% ownership required | Purchase & Rate/Term only | See program summary for additional requirements/restrictions
ALLOWABLE ACCOUNTANTS	• CPA, EA, CTEC, PTIN, Licensed Tax Attorneys, and Chartered Tax Advisors
VERBAL VOE	• VVOE for non-self-employed income within 10 days of Note Date and/or proof of continued business existence within 20 days of Note Date
4506-C & TAX TRANSCRIPTS	• Signed IRS Form 4506-C for 1099 Forms • 1099 Transcripts | Borrower provided transcripts not permitted | See program summary for additional details
TERMS & RESTRICTIONS	
AVAILABLE TERMS	Fixed 30 YR | Interest-Only 30 YR, 40 YR
INTEREST-ONLY	10 YR I/O Period | Not permitted in age restricted communities
I/O LTV LIMITS	MAX LTV/CLTV 80%
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 (1-0), (1-1), (2-1) and (3-2-1) | Purchase only | Primary and Second Home only | Not permitted on Interest-Only products Must be seller or builder funded | Realtor/Lender funded not permitted | Not permitted in age restricted communities
SUBORDINATE FINANCING	Gift funds not permitted when Subordinate Financing present
UNDERWRITING EXCEPTIONS	Not permitted

STG MORTGAGE INC | (833) 784-5626 | 18401 Von Karman Avenue, Suite 440, Irvine, CA 92612 | NMLS #2091912. www.nmlsconsumeraccess.org. For Mortgage Professional use only and not for consumer distribution. Not all applicants are eligible for or qualify for all products offered. All loans must satisfy STG MORTGAGE INC underwriting guidelines. All market data and other information is not warranted as to completeness or accuracy. Information, rates and pricing are subject to change without prior notice at the sole discretion of STG MORTGAGE INC. Licensing: https://stgmortgage.com/licenses. Equal Housing Lender.

STG MORTGAGE The Foundation Of Trust

CONSTELLATION - 1099

11/24/2026

UNDERWRITING SPECIFICATIONS

UNDERWRITING TYPE	Manual UW
RESIDUAL INCOME	Not required
DTI	DTI ≤ 45%: No Restrictions DTI 45.01% to 50%: 3 additional months Reserves required
RESERVE REQUIREMENTS	See tables below Cash-out amount may be used to meet reserve requirement **Reserve Relief**: No Reserves required for R/T Refis with < $1.5MM (Primary Only) when Payment is Decreasing | See program summary for additional details
CASH-OUT LIMITS	LTV ≤ 50%: $1,000,000 LTV > 50% and ≤ 60%: $750,000 LTV > 60%: $500,000

Loan Amount	DTI ≤ 45%	DTI > 45%
≤ $1.0MM	3 Months	6 Months
> $1.0MM and ≤ $2.0MM	6 Months	9 Months
> $2.0MM	9 Months	12 Months

Additional Reserve Requirements	Months
Each Additional financed REO	2 Months
FTHB w/o 12mth housing history	3 Months
MAX Total Reserve Requirement	15 Months

PROPERTY TYPES

ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) | PUD | SFR | 1-3 Unit with ADU | 2-4 Unit | Leasehold
LOG HOMES	Now Permitted as of 02/26/2026
INELIGIBLE PROPERTY TYPES	3d printed homes, Assisted living projects, Barndominium, Bed and breakfast properties, Berm Home, Boarding house, Builder model leaseback (purchase transactions), Commercial utilized properties, Condo with deed restrictions, Condotels converted from motels, Co-ops, Geodesic/Dome homes, Indian/Tribal land, Industrial properties, Land trusts, Leasehold estate condo project, Manufactured Home, Mixed Use, Mobile home, Properties located adjacent to or containing environmental hazards, Properties encumbered with private transfer fee covenants, Properties located in a Coastal Barrier Resource System (CBRS), Properties not suitable for year-round occupancy, Properties with a C5 or C6 Condition rating, Properties > 10 acres, Properties with deed or resale restrictions (except for age restricted communities), Shouses, Tenants in Common Properties, Tiny Homes
ACCESSORY DWELLING UNIT (ADU)	MAX of 1 ADU unit per property | 4 Unit properties with ADUs are not permitted | Short-term rental income not permitted
RURAL	Primary Residence only | MAX 10 acre | MAX LTV/CLTV 75% | 3 comps within 10 miles
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 guideline requirements
CONDO - WARRANTABLE	MAX LTV/CLTV 80% | Must meet FNMA full review requirements | Investor review required (allow 3 business days)
CONDO - NON-WARRANTABLE	MAX LTV/CLTV 80% | Investor review required (allow 3 business days)
CONDOTEL	MAX LTV/CLTV 75%
4 UNIT	ADUs not permitted

APPRAISAL REQUIREMENTS

LOAN AMOUNT (≤ $2.0MM)	1 Full Appraisal and a secondary valuation (CDA) | Re-use of appraisal from previous transaction not permitted | 3 comps within 10 miles required
LOAN AMOUNT (> $2.0MM)	2 Full Appraisals, use the lower value for qualifying | Re-use of appraisal from previous transaction not permitted | 3 comps within 10 miles required
SECONDARY VALUATION	Files without 2 full appraisals: Collateral Desktop Analysis (CDA)
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
APPRAISAL COMPARABLES	Minimum of 3 comps within 10 miles from most recent 12 months
DECLINING MARKETS	5% less than the MAX LTV/CLTV allowed per the product matrix
TRANSFERRED APPRAISAL	Permitted

UNDERWRITING

QUALIFYING FICO SCORE	Minimum of 2 scores is required | 1 Borrower: Midscore | Multiple Borrowers: Lowest of all mid scores
TRADELINES	Standard Requirement: Each borrower must have at least 3 open tradelines reporting for a minimum of 12 months, with at least 1 reporting for 24 months | Alternative Tradeline Requirements: See full guidelines
DOCUMENT AGE	Credit, Income & Assets, Appraisal: 120 days
ASSET STATEMENTS	2 most recent months or most recent quarterly statement
ELIGIBLE BORROWERS	U.S. Citizen | Permanent Resident |Non-Permanent Resident
INELIGIBLE BORROWERS	Foreign National | ITIN | Irrevocable Trusts| Borrowers with diplomatic immunity | Borrowers with DACA or temporary protected status
BORROWER RESTRICTIONS	Non-Permanent Resident: Primary Residence only
NON-OCCUPANT CO-BWR	Primary Residence only | 1 Unit Only | 5% LTV/CLTV reduction from allowable limit per matrix | Occupying borrower must have an income
RESTRICTED STOCK INCOME (RSU)	Not permitted
CREDIT EVENTS	Minimum 24 months from discharge or dismissal date for all credit events | If < 48 months: MAX $1.5MM & additional 3 months reserves required | 120 day mortgage late is considered a Foreclosure
HOUSING HISTORY	0x30x12 for all mortgages and rental payments within the 12 months prior to closing
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	Rent Free allowed with satisfactory letter of explanation from whom they are residing (signed by borrower and rent-free provider) | Rent-free provider must be a relative | FTHB: See program summary for rent-free restrictions
UNPAID COLLECTIONS/CHARGE-OFFS	Non-medical collection or charged-off accounts occurring in the most recent 24 months with a cumulative total exceeding $2,000 must be paid off
FIRST-TIME HOME BUYER RESTRICTIONS	FTHB defined as all borrowers have not owned real estate in past 3 years | Primary Residence only | MAX Loan Amount $1.5MM | See program summary for rent-free restrictions
INTERESTED PARTY CONTRIBUTIONS (IPC)	Primary Residence: MAX 9% | LTV> 75%: MAX 6%
GIFT FUNDS	If LTV/CLTV > 80%: 5% own funds required | Subordinate financing not permitted when gift funds used | Not permitted with Asset Depletion income | Gift funds MAY be used for Reserves (must be deposited prior to closing when used for Reserves)
BUSINESS ASSETS	Permitted | See full guidelines for additional requirements/restrictions
LISTED FOR SALE	Rate/Term: Removed from market Prior to Note Date Cash-Out: Removed from market Prior to Note Date | MAX LTV/CLTV 70% when listed within 6 months
CASH-OUT SEASONING	6 months seasoning required
RATE-TERM SEASONING	No seasoning requirement
ESCROW HOLDBACK	Not permitted
NON-ARM'S LENGTH	Permitted | See full guidelines for additional requirements/restrictions
TEXAS REFINANCES	All Texas Refinance Types Permitted | See Guidelines for additional guidance on Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2)
INELIGIBLE STATES	AK | AR | CT | HI | MO | ND | NY | OK | SD | U.S. Possessions or Territories
ENTITY VESTING	Not permitted
TRUSTS	Inter Vivos Revocable Trusts permitted | See full guidelines for additional requirements/restrictions
DUAL AGENCY (DUAL CAPACITY)	Not permitted. Loan Officer may not also be Realtor / Seller.
MORTGAGE INSURANCE	Not required
ESCROW ACCOUNTS	Required for the following: LTV > 80% (90% for primary residence in California)| Properties in Flood Zones | Higher Priced Mortgage Loans (HPML)

STG MORTGAGE INC | (833) 784-5626 | 18401 Von Karman Avenue, Suite 440, Irvine, CA 92612 | NMLS #2091912. www.nmlsconsumeraccess.org. For Mortgage Professional use only and not for consumer distribution. Not all applicants are eligible for or qualify for all products offered. All loans must satisfy STG MORTGAGE INC underwriting guidelines. All market data and other information is not warranted as to completeness or accuracy. Information, rates and pricing are subject to change without prior notice at the sole discretion of STG MORTGAGE INC. Licensing: https://stgmortgage.com/licenses. Equal Housing Lender.