STG MORTGAGE
The Foundation Of Trust

# SOLAR ECLIPSE -
# ASSET DEPLETION / ASSET UTILIZATION

10/14/2026

| 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% |
| | | | | 700 | 80% |
| | | | **$2.5 MM** | 720 | 80% |
| | | | | 700 | 75% |
| | | | **$3.0 MM** | 720 | 75% |
| | | | | 700 | 70% |
| | | | **$3.5 MM** | 740 | 65% |
| | | | | 720 | 60% |

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| | ASSET DEPLETION PROGRAM DETAIL | | ASSET UTILIZATION PROGRAM DETAIL | |
|---|---|---|---|---|
| **PROGRAM HIGHLIGHTS** | • Divide usable assets by 84 to calculate income<br>• May be combined with other non-employment income sources (exception and pricing adjustment required) | | • Use assets to Qualify - No DTI calculated<br>• May NOT be combined with other income types | |
| **DOCUMENTATION REQUIREMENTS** | • 120 days of asset statements (VODs & online printouts not permitted)<br>• Wet signed ATR Attestation for each borrower | | • 120 days of asset statements (VODs & online printouts not permitted)<br>• Wet signed ATR Attestation for each borrower | |
| **RESTRICTIONS** | • Must provide most recent Asset Statement available as of Note Date<br>• Non-Occupant Co-Borrowers not permitted<br>• Only personal funds held in the borrower's name are permitted | | • Must provide most recent Asset Statement available as of Note Date<br>• Non-Occupant Co-Borrowers not permitted<br>• 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** | • Business Assets, Crypto, Foreign Assets, Gift Funds, Borrowed Money, Life Insurance, Restricted Stock, 1031 Exchange Funds, Public Sector Retirement Plans, 529 Plans | | • 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** | • 100% checking / savings / money accounts<br>• 80% of the remaining value of stocks / bonds / mutual funds<br>• 70% for all vested retirement assets | | • 100% checking / savings / money accounts<br>• 80% of the remaining value of stocks / bonds / mutual funds<br>• 70% for all vested retirement assets | |
| **QUALIFYING CALCULATIONS** | • Traditional DTI based qualifying<br>• 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 | | • Traditional DTI is NOT calculated<br>• Verify Minimum Asset Requirement is met<br>• Residual Income is calculated by using total Allowable Post Closing Assets divided by 84, and then subtracting all monthly debts | |
| **GIFT FUNDS USAGE** | • Not permitted | | • Not permitted | |
| **4506-C & TAX TRANSCRIPTS** | • Not required unless combined with Full Doc non-employment income sources<br>• Borrower provided transcripts not permitted | | • Not required | |

| TERMS & RESTRICTIONS | |
|---|---|
| **AVAILABLE TERMS** | Fixed 15 YR, 30 YR \| Interest-Only: 30 YR, 40 YR<br>**ARMs coming 08/26**--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<br>**ARMs coming 08/26**--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 LTV/CLTV 80% \| 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<br>All other Exceptions considered on a case by case basis with strong compensating factors<br>Please allow 3 business days for a decision |

| UNDERWRITING SPECIFICATIONS | |
|---|---|
| **UNDERWRITING TYPE** | Manual UW |
| **RESIDUAL INCOME** | **Asset Depletion:** DTI ≤ 43%: No Residual Income requirement<br>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<br>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<br>**Asset Utilization:** Depends on size of Household: $1,500 for 1, $2,500 for 2, add $150 per person for each additional household member<br>**All Programs:** Residual Income is required on all Higher Priced Mortgage Loan (HPML) transactions, regardless of the DTI |
| **DTI** | **Asset Depletion:** DTI ≤ 50%: No Restrictions<br>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 |

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| | |
|---|---|
| **PROPERTY TYPES** | |
| **ELIGIBLE PROPERTY TYPES** | Condos (Warrantable & Non-Warrantable) \| PUD \| SFR \| 1 Unit with ADU \| 2-4 Unit \| Leaseholds |
| **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 \| Condotels \| 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<br>**Asset Utilization:** No income calculated \| Do not list borrower employment, income sources, or income amount on loan application |
| **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** | Rent-free allowed with satisfactory letter of explanation from whom they are residing (signed by borrower and rent-free provider) \| Borrower must be a dependent family member of rent-free provider \| Payment shock restrictions do not apply to rent-free FTHB |
| **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** | Purchase only \| Primary Residence only \| Gift of equity not permitted \| See guidelines for additional details |
| **TEXAS REFINANCES** | Texas 50(a)(6) not permitted \| See Guidelines for additional guidance on Texas 50(a)(4) and Texas 50(f)(2) |
| **INELIGIBLE STATES** | AK \| AR \| HI \| MO \| ND \| 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** | Not permitted |
| **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: LTV > 80% (90% for Primary Residence in California) \| Properties in Flood Zones \| Higher Priced Mortgage Loans (HPML) |

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