



| Maximum LTV/CLTVs |                 | Standard Doc – Primary Residence |                     |                    |
|-------------------|-----------------|----------------------------------|---------------------|--------------------|
| Credit Score      | Max Loan Amount | Purchase                         | Rate/Term Refinance | Cash-Out Refinance |
| 720               | \$1MM           | 90%                              | 85%                 | 80%                |
|                   | \$1.5MM         | 90%                              | 85%                 | 80%                |
|                   | \$2MM           | 85%                              | 80%                 | 80%                |
|                   | \$2.5MM         | 80%                              | 75%                 | 75%                |
|                   | \$3MM           | 75%                              | 70%                 | 70%                |
|                   | \$3.5MM         | 70%                              | 70%                 | N/A                |
| 700               | \$1MM           | 90%                              | 85%                 | 80%                |
|                   | \$1.5MM         | 90%                              | 85%                 | 80%                |
|                   | \$2MM           | 85%                              | 75%                 | 70%                |
|                   | \$2.5MM         | 75%                              | 70%                 | 65%                |
|                   | \$3MM           | 75%                              | 70%                 | 65%                |
|                   | \$3.5MM         | 70%                              | 65%                 | N/A                |
| 680               | \$1MM           | 90%                              | 85%                 | 80%                |
|                   | \$1.5MM         | 85%                              | 80%                 | 75%                |
|                   | \$2MM           | 80%                              | 75%                 | 70%                |
|                   | \$2.5MM         | 75%                              | 70%                 | 65%                |
|                   | \$3MM           | 70%                              | 65%                 | 65%                |
| 660               | \$1MM           | 80%                              | 80%                 | 75%                |
|                   | \$1.5MM         | 80%                              | 75%                 | 75%                |
|                   | \$2MM           | 75%                              | 70%                 | 65%                |
|                   | \$2.5MM         | 70%                              | 65%                 | 65%                |

| Housing History  | Occupancy Restrictions - 2nd Home  | Occupancy Restrictions - Investment  |
|--|--|--|
| 1 x 30 x 12  | Max LTV /CLTV:   | Max LTV /CLTV:   |
| <b>Housing Event Seasoning</b><br>BK/FC/SS/DIL ≥ 48 Months<br>Forbearance, Mod or Deferral:<br>Contact BPM | <ul style="list-style-type: none"> <li>85% - Purchase</li> <li>80% - Rate/Term</li> <li>75% Cash-out</li> </ul> Max loan amount: \$2.5MM | <ul style="list-style-type: none"> <li>85% - Purchase</li> <li>80% - Rate/Term</li> <li>75% Cash-out</li> </ul> Max loan amount: \$2.5MM |

### Declining Markets

If the appraisal report identifies the property as a declining market, the maximum LTV/CLTV is limited to 85% for purchases and 80% for all refinances and the maximum loan amount is limited to \$2MM.

Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

### General Requirements

|                         |   |   |
|-------------------------|---|---|
| <b>Product Type</b>     | 30-year fixed; 5/6 ARM (40-year term available when combined with I/O)  |   |
| <b>Interest Only</b>    | Min. Credit Score: 660 Max LTV: 90%   |   |
| <b>Loan Amounts</b>     | Min. \$150K Max: \$3.5MM  |   |
| <b>Loan Purpose</b>     | Purchase, Rate/Term, and Cash Out   |   |
| <b>Occupancy</b>        | Primary, Second Home, Investment  |   |
| <b>Property Type</b>    | <ul style="list-style-type: none"> <li>Single Family: Attached, Detached</li> <li>2-4 Units and Condominiums:<br/>Max LTV /CLTV 85%</li> <li>Rural: Not eligible</li> </ul>                               | <b>Florida Condominiums:</b><br>A structural inspection is required for projects: <ul style="list-style-type: none"> <li>greater than 5 stories; and</li> <li>over 30 years old (or 25 years if within 3 miles of the coast)</li> </ul> Projects with an unacceptable or no inspection are ineligible |
| <b>Acreage</b>          | Property up to 20-acres, not meeting the rural definition, eligible.<br>10 or more acres limited to a max LTV/CLTV 80%  |   |
| <b>Max Cash-In-Hand</b> | Unlimited   |   |
| <b>Appraisals</b>       | FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained.<br>2 <sup>nd</sup> Appraisal required for loans > \$2,000,000. |   |

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| Income Requirements                     |  |
|---|--|
| <b>Full-Doc</b>                         | <ul style="list-style-type: none"> <li>Wage/Salary: Paystubs, W-2, 1 Year of Tax Returns, IRS Form 4506-C, Verbal VOE</li> <li>Self-Employed: 1 Year of Personal and Business Tax Returns, YTD P&amp;L, 2-monthly bank statements, IRS Form 4506-C</li> </ul>  |
| <b>Personal Bank Statements</b>         | <ul style="list-style-type: none"> <li>12-months of Personal and 2-months of business bank statements</li> <li>Qualifying income is determined by the total eligible deposits from the 12-months of personal statements divided by the number of statements.</li> <li>The business bank statements must reflect business activity and transfers to the personal account.</li> </ul>  |
| <b>Business Bank Statements</b>         | <ul style="list-style-type: none"> <li>12-months of business bank statements. Qualifying income is determined by one of the following analysis methods:               <ul style="list-style-type: none"> <li>Fixed Expense Ratio (50%)</li> <li>Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10%</li> <li>3<sup>rd</sup> party prepared Profit &amp; Loss Statement (CPA, EA, or tax preparer)</li> </ul> </li> </ul> |
| <b>Profit &amp; Loss Statement Only</b> | <ul style="list-style-type: none"> <li>12-month CPA/EA prepared Profit &amp; Loss Statement Only</li> <li>CPA/EA/CTEC must attest they have prepared the borrower's most recent tax return</li> <li>Max LTV /CLTV: 80% Purchase, 75% Refinance</li> </ul>  |
| <b>IRS Form 1099</b>                    | <ul style="list-style-type: none"> <li>1-Year 1099</li> <li>Fixed Expense Ratio of 10%</li> <li>YTD Documentation to support continued receipt of income from same source</li> </ul>   |
| <b>Asset Utilization</b>                | <ul style="list-style-type: none"> <li>Eligible assets divided by 84 to determine a monthly income stream</li> <li>Min Credit Score: 660</li> </ul>  |

| Underwriting Requirements |  |  |   |
|---------------------------|--|--|---|
| <b>Credit Score</b>       | <ul style="list-style-type: none"> <li>Use credit score of the borrower with the highest qualifying income</li> <li>Middle of 3 scores or lower of 2</li> </ul>  | <b>DTI Requirements</b>                              | <ul style="list-style-type: none"> <li>Max: 50%               <ul style="list-style-type: none"> <li>See FTHB guidelines for DTI restrictions</li> </ul> </li> </ul>  |
| <b>Assets</b>             | Min. of 30-days asset verification required; any large deposit must be sourced   | <b>Reserves</b>                                      | <ul style="list-style-type: none"> <li>LTV ≤ 85%: 6 months of PITIA</li> <li>LTV &gt; 85%: 1 2-months of PITIA</li> <li>Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>Loan Amount &gt; \$2.5M: 1 2-months of PITIA</li> <li>Cash out may be used to satisfy requirement</li> </ul>                          |
| <b>Gift Funds</b>         | Min contribution: 5% primary, 10% investment   | <b>Document Age</b>                                  | 90-days   |
| <b>Tradelines</b>         | <ul style="list-style-type: none"> <li>Min: 2 reporting 24-months w/ activity in last 1 2- months or 3 reporting 12-months w /recent activity</li> <li>If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived</li> </ul> | <b>Prepayment Penalty – Investment Property Only</b> | <ul style="list-style-type: none"> <li>Prepayment periods up to 5-Years eligible</li> <li>Penalties not allowed in AK, KS, MI, MN, NM, OH, RI, and MS</li> <li>Penalties not allowed on loan vested to individuals in IL and NJ</li> </ul> <p>Penalties not allowed on loan amounts less than \$301,022 in PA</p> |

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