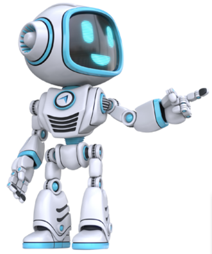
BluePoint MORTGAGE



CLOSED-END SECOND MORTGAGE

PLATINUM

FULL / ALT DOC (12 Month Bank Statement, 12-Month P&L)				
Loan Amount	**Min. FICO**	**Max CLTV**		
		Primary Residence	**Second Home**	**Investment**
$150,000 - $350,000	700 (Full-Doc only)	90%	80%	80%
	700	85%		
	680	80%	75%	70%
$350,001 - $500,000	700	80%	75%	70%
	720 (Full-Doc only)	85%		
$500,001 - $750,000	720	75%	70%	65%

Max CLTV	
Bank Statement	85%
P&L	75%
Condos	80%
3 - 4 Units	75%
Third-Party Expense Ratio	75%
Declining Market - Primary & Second Home	75%
Declining Market – Investment Property	70%

DSCR 1.0+		
Loan Amount	**Min. FICO**	**Max CLTV**
$150,000 - $350,000	720	75%
	700	70%

Max CLTV	
3 - 4 Units	65%
Declining Market	70%
Property acquired through inheritance or other non-purchase transactions	60%

Property Listed for Sale		
3 Months	**6 Months**	**12 Months**
Cash-out, No PPP: Not Eligible		Cash-out, No PPP: Max CLTV 70%, Mgmt. Approval Required
Cash-out w/PPP Min. 2-yr. PPP, Max LTV 65% Full-Doc/Alt-Doc | Max LTV 70% DSCR		

Product Features	
Term	10, 15, 20, 30-year Fixed Rate - Fully amortizing
Product	Closed end second must have a 1st lien Concurrent closing ineligible 1st lien must be seasoned 6 months from closing to application

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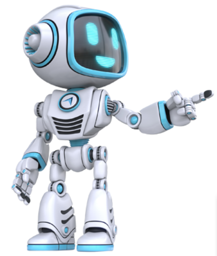

CLOSED-END SECOND MORTGAGE

PLATINUM

General Eligibility	
Borrower	• US Citizens • Permanent Resident Alien • Inter vivos Revocable Trusts • Non-Occupant Co-Borrower (must be non-occupant co-borrower on the 1st lien) • No changes in property vesting permitted
Ownership Seasoning	• Borrower must have owned property for 6 months prior to the application date • Cash-out behind an existing subordinate lien must be seasoned 12 months from closing on the existing subordinate lien
Eligible Lien Position	2nd lien only
Min. Loan Amount	$150,000
Combined Max Loan Amount	$3,500,000
Assets	None
Reserves	Not Required
Geographical Restrictions	Not available in Texas, Indiana, Michigan, South Carolina, Washington State, Maryland
Prepayment penalty – Investment property only	• Permitted up to 5 years • Penalty is 5% of the amount prepaid • Subject to applicable laws/regulations

Credit	
Ineligible 1st Liens	• Loans in active forbearance or deferment • Balloon • Reverse Mortgage • Negative Amortization • Loan terms > 40 years • ARMs • HELOC • Private Party • Open Renovations • Loans with fixed interest-only where there is less than seven years of interest only period remaining from the new CES Note Date • CEMA transactions • Properties with a PACE lien • 1st lien seasoned < 6 months
DTI	• Max 50%
Credit Score	• Full/Alt-Doc: Mid score for the primary wage-earner • DSCR: Highest mid-score • Full/Alt-Doc: Min. FICO 680 • DSCR: Min FICO 700 • No borrower can have a mid-score < 660

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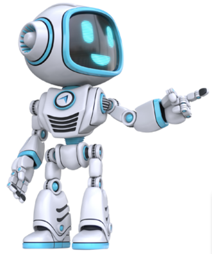
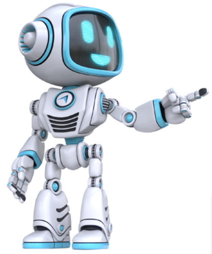


CLOSED-END SECOND MORTGAGE

PLATINUM

Tradeline Requirement	• Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months • Tradeline may be opened or closed • Eligible tradelines cannot have any derogatory history in previous 24 months • Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks/ debits) • No authorized user accounts will be used to satisfy minimum tradelines • Non-traditional credit is not allowed as an eligible tradeline
Housing History	• Minimum 12 months housing/rental history required • 0x30x12
Recently Listed Properties	• All occupancy types – properties listed for sale in the last 6 months are not eligible.
Credit Event	• **Short Sale Foreclosure and Bankruptcy** • 4-year seasoning required • BK – Ch 7, 11, 13 – based on discharge or dismissal date • Multiple credit events are ineligible

Collateral	
Eligible Property Types	• SFR • 2-4 units • PUD • Townhome • Warrantable Condo ○ Non-Warrantable Condos are not permitted • Rural Properties Ineligible • Short-Term Rentals Ineligible
Occupancy	• Owner-Occupied • Second Homes • Investment
Acreage Limitation	2 Acres
Appraisal	• > 85% CLTV or loan amount > $400,000 require full appraisal • All DSCR loans must include a 1007 comparable rent schedule
Title Insurance	≤ $250,000 - ALTA Residential Limited Coverage Junior Loan Policy insuring the second lien amount > $250,000 – ALTA Standard Coverage Policy insuring the second lien amount
Solar panels	• Properties with solar panels are eligible for purchase, however, should not be included in property valuation • Solar panel agreements are permitted in accordance with FNMA guidelines



CLOSED-END SECOND MORTGAGE

PLATINUM

Income / Employment		
	Full Doc	**12 Month Bank Statement**
Income Documentation	Wage Earner - most recent YTD paystub or Electronic VOE (i.e., The Work Number); 1-year or 2-year W2 Self-Employed = 1-year or 2-year personal & business tax returns w/YTD P&L	12-month Bank Statements. See Bank Statement Income below
Bank Statement Income	**<u>BUSINESS BANK STATEMENTS</u>** Borrowers who are using more than 3 business bank accounts must qualify using personal bank statements **<u>FIXED EXPENSE RATIO</u>** All business can qualify using a **50% expense ratio** **<u>Option 1: 50% Expense Factor</u>** will be utilized to calculate income • Verify borrower is minimum 25% owner of business • Decreasing or negative ending balances must be addressed • Cyclical and seasonal trends may be taken into consideration **<u>Option 2: 20% Expense Factor</u>** eligible only if all of the following applies to the business • Borrower is sole owner and operator of the business (no partners, employees, etc.) • Service business (no cost of goods, no heavy equipment, machinery, etc.) • Does not require office space that would incur rent.	
	<u>PERSONAL BANK STATEMENTS</u> **<u>Option 1:</u>** Personal bank statements with evidence of business bank account • 100% of business deposits in a personal bank account can be used • Provide most recent 2 months business statements to validate deposits are from the borrower owned business bank account. (Only giving credit for transfer from the business; or receipt of payroll from business and distributions only) **<u>Option 2:</u>** Personal bank statements with no business bank account - service business 10% Expense factor for Co-mingled bank accounts (Example: Sch C consultants, independent contractors, etc.) • 12-months complete personal bank statements from the same account if borrower does not have a separate business bank account • Service business (no goods, parts or materials needed) • Sole practitioner (no partners, employees, or contractors) • Works out of the home (does not rent any space office/warehouse) • Does not require any heavy equipment/machinery/vehicles **<u>Option 3:</u>** Personal bank statements with no business bank account - non-service business • Comingled business and personal with no business account for non-service businesses are considered as business bank statements with the appropriate expense factor applied • Deposits from self-employment business only, will be included into bank statement calculation • A trend of repeated expense not reported on the credit report may need additional explanation and may be considered a liability	
12-Month P&L	• 12-Month P&L Statement • Completed by CPA or EA • Expense ratio must be reasonable for the industry • Primary residence only	
DSCR	• Minimum 1.0 DSCR • Property must have lease agreement in place • Income calculation is the lower of a) Executed lease agreement or b) Market rent from 1007 comparable rent schedule	