

FICO & LTV MATRIX				
Advanced Portfolio Gold – Owner-Occupied				
Loan Amount	Credit Score	Full Documentation		
		Purchase	Rate & Term	Cash Out
\$100,000 – \$1,000,000	740	90%	85%	80%
	720	90%	85%	80%
	700	85%	85%	80%
	680	80%	80%	75%
	660	80%	80%	70%
\$1,000,001 – \$1,500,000	740	90%	85%	80%
	720	90%	85%	80%
	700	85%	85%	80%
	680	80%	80%	75%
	660	80%	80%	70%
\$1,500,001 – \$2,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	80%	75%	70%
	660	75%	70%	70%
\$2,000,001 – \$2,500,000	740	80%	80%	70%
	720	80%	80%	70%
	700	75%	75%	65%
	680	70%	70%	65%
	660	70%	70%	65%
\$2,500,001 – \$3,000,000	740	75%	75%	65%
	720	75%	75%	65%
	700	70%	70%	65%
	680	65%	65%	65%
	660	N/A	N/A	N/A
\$3,000,001 – \$3,500,000	740	75%	75%	65%
	720	75%	75%	65%
	700	70%	70%	60%
	680	65%	65%	N/A
	660	N/A	N/A	N/A

Second Home: \$2.5MM Max Loan Amount, Purchase/Rate & Term – 80% Max LTV; Cash-Out – 75% Max LTV

FICO & LTV MATRIX				
Advanced Portfolio Gold – Non Owner-Occupied				
Loan Amount	Credit Score	Full Documentation		
		Purchase	Rate & Term	Cash Out
\$100,000 – \$1,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	80%	80%	75%
	660	80%	75%	70%
\$1,000,001 – \$1,500,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	75%	75%	70%
	660	70%	70%	65%
\$1,500,001 – \$2,000,000	740	80%	80%	75%
	720	80%	80%	75%
	700	80%	80%	75%
	680	75%	75%	70%
	660	70%	70%	65%
\$2,000,001 – \$2,500,000	740	75%	75%	70%
	720	75%	75%	70%
	700	75%	75%	65%
	680	70%	70%	65%
	660	65%	65%	65%

Underwriting Specifications	
Document Types	<ul style="list-style-type: none"> <li>• 12-month Tax Returns</li> <li>• 24-month Tax Returns</li> </ul>
Mortgage/Housing History	0x30x12
Minimum FICO	660
Bankruptcy History <sup>1</sup>	<b>Chapter 7</b> – 48 months from discharge date to Note Date
	<b>Chapter 11 &amp; Chapter 13</b> – 48 months form discharge date to Note date
Prior Los Mitigation <sup>2</sup>	48 months prior to Note date
Foreclosure History <sup>3</sup>	48 months prior to Note date
Footnotes	<p><sup>1</sup> Consumer Credit Counseling Service (CCCS) is considered the same as Chapter 13 bankruptcy. Bankruptcy dismissal dates are treated the same as discharge dates</p> <p><sup>2</sup> Loss Mitigation includes non-foreclosure actions such as Deed-in Lieu, Short Sale, NOD, Short Refinance, Pre-Foreclosure Sale, Loan Extension, Loan Modification, Forbearance and Charge-off</p> <p><sup>3</sup> Refer to Seller Guide for how to evaluate 120 days or longer mortgage delinquencies and whether they will be treated as either a Foreclosure or Loss Mitigation event</p>
Multiple Derogatory Credit Events	Not Allowed
Forbearance, Loan Modification, Deferrals	<p>Forbearance, Loan Modifications, or Deferrals (including COVID-19 related events) completed or reinstated greater than 12 months from the Note date of the subject transaction and having a 0x30x12 are allowed</p> <p>Less than 12 months seasoning is ineligible.</p>
DTI	<ul style="list-style-type: none"> <li>• Max DTI 50%</li> <li>• 55% DTI if the following are met: <ul style="list-style-type: none"> <li>○ Primary Residence</li> <li>○ Minimum residual income of \$3,500</li> <li>○ Max LTV/CLTV ≤ 80%</li> <li>○ Full Doc 2-years</li> <li>○ Minimum 12-months reserves</li> <li>○ First-Time Homebuyer not eligible</li> </ul> </li> </ul>
Residual Income	\$2,500 Minimum
Adverse Credit	All delinquent credit that will impact title or lien position of the subject property; including delinquent taxes, judgments, charge-off accounts, tax liens and mechanic’s liens; must be paid off prior to or at closing
Credit History	<ul style="list-style-type: none"> <li>• If the primary borrower has 3 credit scores, the minimum tradeline requirement is waived.</li> <li>• If the primary borrower has less than 3 credit scores, each borrower must meet the minimum tradeline requirement <ul style="list-style-type: none"> <li>○ If the co-borrower is a spouse, only one is required to meet the minimum tradeline requirement</li> </ul> </li> </ul> <p><b>Minimum Tradelines:</b></p> <ul style="list-style-type: none"> <li>• At least 3 tradelines reporting for 12 months, with activity in the last 12 months, or;</li> <li>• At least 2 tradelines reporting for 24 months, with activity in the last 12 months</li> </ul> <p>For borrowers who do not meet the minimum tradeline requirements, refer to Underwriting Guidelines for qualification</p>
Tax Payment Plans	<ul style="list-style-type: none"> <li>• Proof of tax payment in full, or</li> <li>• Evidence of tax installment agreement, payment must be included in DTI and 3 months consecutive payments must be documented. (Cannot pay a 3 month lump sum of payments to meet this requirement.).</li> <li>• If Tax Lien is found on title, subordination agreement from IRS must be obtained.</li> </ul>

<p><b>Asset Depletion</b></p>	<p>Assets must be liquid and available with no penalty; additional documentation may be required to validate the origin of the funds:</p> <ul style="list-style-type: none"> <li>• 100% of Checking, Savings and Money Market Accounts;</li> <li>• 70% of Stocks, Bonds, and Mutual Funds;</li> <li>• 70% of Retirement Assets; Eligible if the borrower is of retirement age (at least 59 ½);</li> <li>• 60% of Retirement Assets; Eligible if the borrower is not of retirement age.</li> </ul> <p>Qualifying income based upon Total Assets Eligible for Depletion, less down payment, less out of pocket closing costs, less required reserves, divided by 84.</p>
<p><b>Rental Income</b></p>	<p>Rental income may be used for qualifying income subject to the following documentation requirements:</p> <ul style="list-style-type: none"> <li>• Rental income from other properties must be documented with the borrower’s most recent signed federal income tax return that includes Schedule E. Leases are required for properties where rental income is being used to qualify and the property was acquired during or subsequent to the most recent tax filing year or the rental property was out of serviced for an extended period. For commercial properties a copy of the lease or rent roll is required.</li> <li>• Proposed rental income from the comparable rent schedule, reflecting long term rental rates, may be used for qualifying if there is not a current lease on a purchase or refinance of an investment property. Appraisal on refinance to reflect property is currently vacant.</li> <li>• Properties with expired leases that have converted to month to month per the terms of the lease will require bank statements for the lesser of 2 months or the time period after the lease expired.</li> <li>• A 25% vacancy factor must be applied to the gross rent used for qualifying. Multiply the gross rent by 75% and subtract the PITIA to arrive at the rental income/loss use for qualifying.</li> <li>• Commercial properties owned by schedule E must be documented with a rent roll and evidence that the primary use and zoning of the property is commercial.</li> </ul> <p>Application of Rental Income:</p> <ul style="list-style-type: none"> <li>• <b>Primary Residence</b> <ul style="list-style-type: none"> <li>○ The monthly qualifying rental income (as defined above) must be added to the borrower’s total monthly income. (The income is not netted against the PITIA of the property.)</li> <li>○ The full amount of the mortgage payment (PITIA) must be included in the borrower’s total monthly obligations when calculating the debt-to-income ratio.</li> </ul> </li> <li>• <b>Investment Property</b> <ul style="list-style-type: none"> <li>○ If the monthly qualifying rental income (as defined above) minus the full PITIA is positive, it must be added to the borrower’s total monthly income.</li> <li>○ If the monthly qualifying rental income minus PITIA is negative, the monthly net rental loss must be added to the borrower’s total monthly obligations.</li> <li>○ The full PITIA for the rental property is factored into the amount of the net rental income (or loss); therefore, it should not be counted as a monthly obligation.</li> <li>○ The full monthly payment for the borrower’s principal residence (full PITIA or monthly rent) must be counted as a monthly obligation.</li> </ul> </li> </ul>
<p><b>Short-Term Rentals</b></p>	<p><b>Not Allowed</b></p>
<p><b>Cash-Out</b></p>	<p>LTV &gt;= 70% - \$500,000  LTV &gt; 50% - &lt; 70% - \$1,000,000  LTV &lt;= 50% - Unlimited</p> <p>Limits on use of cash-out proceeds to satisfy reserve requirements:  Consideration of cash-out proceeds in the context utilization of Asset Depletion or its equivalent: NOT PERMITTED  If UPB &lt;= \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV &lt;= 75%  If UPB &gt; \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV &lt;= 60%</p>

<p><b>Installment Debt</b></p>	<p>Installment debt is a monthly obligation with fixed payments and terms. Payments on installments must be included in the borrower’s debt-to-income (DTI) ratio.</p> <p>Payments can be excluded if there are 10 or fewer monthly payments remaining to pay the debt in full. If the payment is substantial and exceeds 5% of the borrower’s qualifying income, the overall transaction should be reviewed to ensure the remaining payments will not impact the borrower’s ability to handle the new mortgage payment.</p> <p>Installment debt paid in full or prior to closing can be excluded from the debt-to-income ratio. Supporting documentation, such as a credit supplement or direct verification from the creditor, must be obtained as evidence the debt has been paid in full.</p>										
<p><b>First-Time Home Buyer</b></p>	<ul style="list-style-type: none"> <li>• Primary Residence Only</li> <li>• 680 Min FICO</li> <li>• 45% Max DTI</li> <li>• Min 6 Months Reserves</li> <li>• 12 month renal history, reflecting 0x30</li> </ul>										
<p><b>Reserves</b></p>	<p><b>Refinance:</b></p> <ul style="list-style-type: none"> <li>• Net proceeds from a cash-out transaction may be used to meet reserve requirements.</li> <li>• Reserves requirements are waived for <b>Rate and Term Refinances</b> when the following factors are present:             <ul style="list-style-type: none"> <li>○ The transaction results in a reduction to the monthly principal and interest payment of 10% or greater <b>AND</b></li> <li>○ Housing history is 0x30x12 or better.</li> <li>○ Waiver not eligible for DTI greater than 50%.</li> <li>○ For an Interest Only loan, the reduction is based on the amortizing payment used for loan qualification.</li> </ul> </li> <li>• Reserves for a loan with an Interest Only feature are based upon the Interest Only payment amount.</li> <li>• For Adjustable-Rate Mortgages (ARM), the reserves are based upon the initial PITIA, not the qualifying payment.</li> <li>• Proceeds from a 1031 Exchange cannot be used to meet reserve requirements.</li> </ul> <p><b>Purchase:</b></p> <ul style="list-style-type: none"> <li>• Proceeds from a 1031 Exchange cannot be used to meet reserve requirements.</li> <li>• Gift funds, only eligible on Primary and 2nd homes and under the following circumstances:             <ul style="list-style-type: none"> <li>○ 80% LTV or less; 1 – 4 unit, all funds can come from gift.</li> <li>○ Greater than 80% LTV:                 <ul style="list-style-type: none"> <li>▪ 1 unit primary – all funds can come from gift.</li> <li>▪ 2–4-unit primary - Borrower must make a 5% minimum borrower contribution from his or her own funds.</li> </ul> </li> </ul> </li> <li>• Investment properties require a minimum of 10% of the purchase price to come from the borrower’s personal contribution.</li> </ul> <table border="1" data-bbox="555 1396 1177 1610" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Purchase</th> <th>Reserves</th> </tr> </thead> <tbody> <tr> <td>LTV ≤ 85%</td> <td>6 months of PITIA</td> </tr> <tr> <td>LTV &gt; 85%</td> <td>12 months of PITIA</td> </tr> <tr> <td>Loan Amount &gt; \$1.5M</td> <td>9 months of PITIA</td> </tr> <tr> <td>Loan Amount &gt; \$2.5M</td> <td>12 months of PITIA</td> </tr> </tbody> </table> <p><b>Acceptable sources of reserves:</b></p> <ul style="list-style-type: none"> <li>• Checking/savings</li> <li>• Stocks, bonds, mutual funds, CD’s, money markets</li> <li>• Retirement savings account – if they can be withdrawn. (STRS and PERS are ineligible unless borrower is retired or separated from service).</li> <li>• Cash value of a vested life insurance policy.</li> <li>• Business funds as long as borrower is 100% owner, and the cash flow analysis is completed for no negative impact for the business.</li> </ul> <p>CPA letter can be used in lieu of cash flow analysis on business funds.</p>	Purchase	Reserves	LTV ≤ 85%	6 months of PITIA	LTV > 85%	12 months of PITIA	Loan Amount > \$1.5M	9 months of PITIA	Loan Amount > \$2.5M	12 months of PITIA
Purchase	Reserves										
LTV ≤ 85%	6 months of PITIA										
LTV > 85%	12 months of PITIA										
Loan Amount > \$1.5M	9 months of PITIA										
Loan Amount > \$2.5M	12 months of PITIA										

**Documentation Overview**

	Income Documentation	Borrower Income Types
<b>Full Doc</b>	<ul style="list-style-type: none"> <li>Two (2) years of full income documentation and Appendix Q<sup>1</sup> requirements (if applicable)</li> <li>12 months of Tax Returns</li> <li>24 months of Tax Returns</li> </ul>	Wage Earner and Self-employed

<sup>1</sup> Appendix Q sets forth guidance for determining income and debt for the general QM based on a strict 43% DTI ratio set forth in Regulation Z section 1026.43(e)(3). That section is what sets forth the requirements for the general QM and its incorporates Appendix Q

**Appraisal Valuation**

<b>Seller Appraisal Requirements</b>	<p><b>Purchase:</b></p> <ul style="list-style-type: none"> <li>1 Full Appraisal<sup>1</sup> if Combined Loan Amount &lt;= \$2.0MM</li> <li>2 Full Appraisals<sup>1</sup> if Combined Loan Amount &gt; \$2.0MM<sup>2</sup></li> </ul> <p><b>Refinance:</b></p> <ul style="list-style-type: none"> <li>1 Full Appraisal<sup>1</sup> if Combined Loan Amount &lt;= \$1.5MM</li> <li>2 Full Appraisals<sup>1</sup> if Combined Loan Amount &gt; \$1.5MM<sup>2</sup></li> </ul>
<b>Third Party Review Requirements</b>	Collateral Desktop Analysis (CDA)
<b>Clear Capital Escalation</b>	<ul style="list-style-type: none"> <li>If the CDA Returns a value that is &lt;/= 10% of the appraised Value<sup>3</sup> or the purchase price, the lower of the Appraised Value or purchase price can be used to establish the LTV/CLTV</li> <li>If the CDA returns a value that is “indeterminate” or &gt;10% of the Appraised Value<sup>3</sup>, a Clear Capital Broker Price Opinion (BPO) and Clear Capital Value Reconciliation of three Reports must be ordered. The reconciled value determined by Clear Capital will be used to determine LTV/CLTV</li> <li>If the Clear Capital CDA returns a value that is greater than the Appraised Value<sup>3</sup>, the lower of the Appraised Value or purchase price (when applicable) will be used to determine LTV/CLTV</li> </ul>
<b>Property Condition</b>	<ul style="list-style-type: none"> <li>Property condition rating of C1 through C4 required on all Single Family, PUDs and Condominiums <ul style="list-style-type: none"> <li>Property condition rating of C4 is permitted with comparable properties with same rating/condition</li> <li>If no similar C4 comparable properties are provided, then a 5% LTV/CLTV reduction is required</li> </ul> </li> <li>2-4 Unit properties must have Condition description of Good or Average. Condition description of Fair is not acceptable.</li> </ul>
<b>HOA Certification</b>	Condominiums require HOA Certification Form
<ol style="list-style-type: none"> <li>“Full Appraisal” refers to a Uniform Residential Appraisal Report (URAR). This includes forms FNMA 104 or FHLMC 70</li> <li>The CDA will be completed on the lower of the two appraisals</li> <li>The “Appraised Value” is the value determined from the original appraisal(s) obtained by the Seller</li> </ol>	

Product Offerings			
Product	Amortization Term	Term	I/O Term
15 YR FIXED	180	180	NA
30 YR FIXED	360	360	NA
30 YR FIXED I/O	240	360	120
40 YR FIXED I/O	360	480	120
5YR & 7YR SOFR ARM	360	360	NA
5YR & 7YR SOFR ARM I/O (30 YR)	240	360	120
5YR & 7YR SOFR ARM I/O (40 YR)	360	480	120
Product Specifications			
Conversion Option	None		
Pre-payment Penalty (PPP)	Investment Only <sup>1-4</sup>		
Borrower Qualification	<p><b>FIXED:</b> Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment</p> <p><b>5YR SOFR:</b> Qualify at the higher of Note rate plus 2% or fully indexed rate</p> <p><b>5YR SOFR I/O ARM:</b> Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the Note Rate plus 2% or fully indexed rate.</p> <p><b>7YR SOFR:</b> Qualify at the higher of the Note rate or the fully indexed rate</p> <p><b>7yr SOFR I/O ARM:</b> Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the fully indexed rate or note rate.</p>		
Buydown	Buydowns not permissible in any product or program		
Mortgage Insurance	Mortgage Insurance is not required or permitted		
Assumability	ARMs loans are Assumable after the initial fixed rate period under certain conditions described in the Security Instrument		
<ol style="list-style-type: none"> <li>1. Prepayment penalties not allowed in KS, MD, MI, MN, NM, OH, and RI</li> <li>2. Prepayment penalties not allowed on loans vested to individuals in IL and NJ</li> <li>3. Prepayment penalties not allowed on loan amounts less than \$278,204 in PA</li> <li>4. Only declining prepayment penalty structures allowed in MS</li> </ol>			