

# EMET ULTIMATE INVESTOR PRO

(DSCR or NO RATIO)



PURCHASE (DSCR =>1.00)			
Property Type	Max Loan Amount	LTV/CLTV	Min. FICO <sup>(1)</sup>
1 Unit & PUD	\$1,000,000	80% <sup>(1)</sup>	700
2-4 Units & Condo	\$1,000,000	75%	700
1-4 Units/PUD/Condo	\$1,500,000	75%	660
	\$2,000,000	70%	660
		65%	640
	\$3,000,000	65%	660
		60%	640
REFINANCE (DSCR =>1.00)			
Property Type	Max Loan Amount	LTV/CLTV	Min. FICO <sup>(1)</sup>
1-4 Units/PUD/Condo	\$1,500,000	70%	660
	\$2,500,000	65%	660

(1) Interest Only: Max. LTV: 75% & Min FICO: 680

PURCHASE (No Ratio)			
Property Type	Max Loan Amount	LTV/CLTV	Min. FICO
1-4 Units/PUD/Condo	\$1,500,000	75%	700
	\$2,000,000	70%	700
	\$2,500,000	65%	700
	\$1,500,000	70%	680
	\$2,000,000	65%	680
	\$3,000,000	60%	680
	\$1,000,000	65%	660
REFINANCE (No Ratio) <sup>(2)</sup>			
Property Type	Max Loan Amount	LTV/CLTV	Min. FICO
1-4 Units/PUD/Condo	\$1,500,000	70%	700
	\$2,000,000	65%	700
	\$1,500,000	65%	680
	\$2,000,000	60%	680

(2) Cash-out Refinance not allowed for FICO less than 700

## \*\* State Overlays for FL:

- Max. LTV/CLTV limited to 75% for purchase transaction
- Max. Loan amount is limited to \$2,000,000

## PROGRAM GUIDELINE SUMMARY

Products	<ul style="list-style-type: none"> <li>▪ 30-Yr Fixed, 5/6 ARM, 7/6 ARM, 5/6 ARM I/O, 7/6 ARM I/O</li> </ul>
Index	<ul style="list-style-type: none"> <li>▪ 30-day average SOFR</li> </ul>
Margin	<ul style="list-style-type: none"> <li>▪ 6.500%</li> </ul>
CAPS	<ul style="list-style-type: none"> <li>▪ 5/6 ARM &amp; 5/6 ARM I/O: 2/1/5</li> <li>▪ 7/6 ARM &amp; 7/6 ARM I/O: 5/1/5</li> </ul>
Interest Only	<ul style="list-style-type: none"> <li>▪ Min Credit Score: 680 for Purchase, Rate/Term, and Cash-Out transaction</li> <li>▪ Max 75% LTV/CLTV</li> <li>▪ I/O period 120 months</li> <li>▪ Amortization term 240 months</li> <li>▪ Loan term 360 months</li> <li>▪ Qualifying payment ITIA</li> </ul>
Min. Loan Amounts	<ul style="list-style-type: none"> <li>▪ \$100,000 - No additional reductions apply.</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>▪ U.S. citizens</li> <li>▪ Permanent resident aliens</li> <li>▪ Non-Permanent resident aliens: An individual admitted to the United States as a lawful temporary resident. Lawful non-permanent residents are legally accorded the privilege of residing temporarily in the United States. <ul style="list-style-type: none"> <li>- Visa types allowed: E-1, E-2, E-3 EB-5, G-1 through G-5, H-1B, L-1, NATO, O-1, R-1, TN NAFTA</li> <li>- Visa must be current. If the visa will expire within six (6) months following the close date, additional documentation is required: evidence that the proper extension steps have been followed per the US Citizenship and Immigration Services (USCIS) website, along with proof of payment receipt and proof that the extension was done in the timeframe required by USCIS</li> <li>- If borrower has EAD card, only a valid EAD card with minimum 90 days remaining at time of funding is required to be documented. EAD card with 30-89 days remaining requires evidence of application for extension. EAD card with less than 30 days remaining without renewed status is not eligible.</li> <li>- Asylum – Individuals granted asylum are eligible, documentation includes one of the following: <ul style="list-style-type: none"> <li>◦ Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C08, or</li> <li>◦ Form I-94 with a stamp or notation, such as “asylum granted indefinitely” or the appropriate provision of law (8 CFR 274a.12(a)(5) or INA 208) to show their employment authorization. The asylee does not need to present a foreign passport with this Form I-94. An asylee can also present an electronic Form I-94 with an admission class of “AY.”</li> </ul> </li> <li>- Deferred Action for Childhood Arrivals (DACA) <ul style="list-style-type: none"> <li>◦ Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C33, or</li> <li>◦ Form I-797 conveying approval status for Case Type I765-Application for Employment Authorization referencing code C33, or</li> <li>◦ Form I-765 Application for Employment Authorization, the form:</li> </ul> </li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>- Must reflect approval status in the Action Block (upper right-hand corner of the form)</li> </ul>
First Time Home Buyer	<ul style="list-style-type: none"> <li>▪ Minimum Credit Score required greater than 700</li> <li>▪ Minimum DSCR Ratio required greater than 1.0</li> <li>▪ Minimum Loan Amount \$125,000</li> <li>▪ Maximum Loan Amount \$2,000,000</li> </ul>
Non-Arm's Length Transactions	<ul style="list-style-type: none"> <li>▪ Not Allowed</li> </ul>
Property Type	<ul style="list-style-type: none"> <li>▪ SFR</li> <li>▪ PUD (attached and detached)</li> <li>▪ Site Condo – Will not require a project review</li> <li>▪ Two to Four Unit Condominium Projects: Will not require a project review provided that the project is not a condo hotel, houseboat, or timeshare or segmented-ownership project</li> <li>▪ Warrantable Condo - Lender's Condo Warranty Form is to be provided</li> <li>▪ Florida Condo Projects:             <ul style="list-style-type: none"> <li>- A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast</li> <li>- Projects with an acceptable inspection, max LTV is reduced 5%</li> <li>- Projects with an acceptable or no inspection are not eligible</li> </ul> </li> <li>▪ Non-Warrantable Condo: A completed HOA questionnaire is required and the project must not be:             <ul style="list-style-type: none"> <li>- Subject to the rules and regulations of the US Securities and Exchange Commission</li> <li>- Timeshare or projects that restrict the owner's ability to occupy the unit</li> <li>- Houseboat project</li> <li>- Manufactured home projects</li> <li>- Assisted living facilities or any project where the unit owner's contract includes a lifetime commitment from the facility to care for the unit owner regardless of future health or housing needs</li> <li>- Fragmented or segmented ownership (i.e., timeshare or quarter share)</li> <li>- Any project that has non-conforming zoning and can't be rebuilt to current density</li> </ul> </li> <li>▪ 2-4 Units</li> <li>▪ All properties must have a minimum 500 sq ft</li> <li>▪ Properties of 2 acres or less and No truncating allowed</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>▪ Vacant land or land development properties</li> <li>▪ Properties not readily accessible by roads that meet local standards</li> <li>▪ Properties not suitable for year-round occupancy, regardless of location</li> <li>▪ Properties with agricultural zoning or features (e.g., vineyards, farms, ranches, orchards, equestrian facilities)</li> <li>▪ Units subject to timeshare arrangements</li> <li>▪ Properties with fractional ownership</li> <li>▪ Manufactured or Mobile homes</li> <li>▪ Units in a Co-op development</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Properties used as boarding houses, bed/breakfast, or single room occupancy</li> <li>▪ Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment)</li> <li>▪ Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop)</li> <li>▪ Properties with zoning violations or illegal use</li> <li>▪ Dome or geodesic properties</li> <li>▪ Properties on Native American Land (Reservations)</li> <li>▪ Log homes that are not common to the area</li> <li>▪ Houseboats</li> <li>▪ Properties used for the cultivation, distribution, manufacture, or sale of marijuana</li> <li>▪ Rural property: A property is classified as rural if:             <ul style="list-style-type: none"> <li>- The appraiser indicates in the neighborhood section of the report a rural location; or</li> <li>- The following two (2) conditions exist:                 <ul style="list-style-type: none"> <li>✓ The property is located on an unpaved road, and</li> <li>✓ Two of the three comparable properties are more than five (5) miles from the subject property</li> </ul> </li> </ul> </li> </ul>
<p>Property Flips</p>	<ul style="list-style-type: none"> <li>▪ Applies to covered HPML transactions.</li> <li>▪ If the property is a “flip” as defined below, the following additional requirements apply:             <ul style="list-style-type: none"> <li>- A second appraisal must be obtained.</li> <li>- If the loan is subject to Regulation Z, a copy of the second appraisal must be provided to the borrower in compliance with the federal HPML requirements.</li> <li>- The second appraisal must be dated prior to the loan consummation/note date.</li> <li>- The property Seller on the purchase contract must be the owner of record.</li> <li>- Increases in value should be documented with commentary from the appraiser and recent comparable sales.</li> <li>- Sufficient documentation to validate the actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable.</li> </ul> </li> <li>▪ A property is considered a “flip” if either of the following are true:             <ul style="list-style-type: none"> <li>▪ The price in the borrower’s purchase agreement exceeds the property Seller’s acquisition price by more than 10% if the property Seller acquired the property 90 or fewer days prior to the date of the borrower’s purchase agreement. The price in the borrower’s purchase agreement exceeds the property Seller’s acquisition price by more than 20% if the property Seller acquired the property 91-180 days prior to the date of the borrower’s purchase agreement.</li> </ul> </li> <li>▪ The acquisition date is the day the seller became the legal owner. The purchase date is the day the borrower and the seller sign the home purchase agreement.</li> </ul>

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	Start with the day after the acquisition date and count up to and including the purchase date.
Age of Credit Documentation	<ul style="list-style-type: none"> <li>Underwriting and borrower credit documents may not be more than 90 days seasoned at the Note date.</li> <li>The Appraisal must be dated within 120 days of the Note date. An Appraisal exceeding 120 days is not eligible and a new appraisal is required.</li> </ul>
Fraud Report	<ul style="list-style-type: none"> <li>Fraud report must be provided. Seller may address any high alert or red flag with its attestation.</li> <li>OFAC SDN screening criteria to be added for all transaction participants, not strictly the borrower and seller.</li> <li>Criteria applies to all transaction participants, not strictly the borrower and seller.</li> <li>Criteria applies to all programs.</li> </ul>
Min. Credit Score	<ul style="list-style-type: none"> <li>Min. 640 FICO</li> <li>Middle of 3 scores or lower of 2</li> <li>For loan files with multiple borrowers, use highest decision credit score amongst all borrowers/guarantors to determine loan eligibility</li> </ul>
Credit Refresh/ Gap Credit Report	<ul style="list-style-type: none"> <li>Not Required</li> </ul>
Mortgage History	<ul style="list-style-type: none"> <li>1x30x12</li> <li>Limited to verifying the borrower's primary residence and the subject property (only if a refinance transaction)</li> <li>Borrower does not need to have a current mortgage reflected on credit reports, however if shown on credit reports, must meet above criteria for the past 12 months period</li> <li>Borrower who owns his/her properties free and clear does not need previous mortgage history</li> <li>Rent Free: A Letter of explanation (LOE) executed by such Relative confirming that there is/was no monthly obligation.</li> </ul>
Tradelines Requirement	<ul style="list-style-type: none"> <li>3 Tradelines with 12 months rating (may be open or closed) or 2 Tradelines with 24 months rating (may be open or closed)</li> <li>For each borrower who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually). Each borrower with less than three (3) credit scores must meet the minimum tradeline requirements</li> <li>If above requirements are not met, a loan may be requested for an exception in which non-traditional credit/payment histories such as VOR, car insurance, cell phone, utility accounts, etc. may be used as compensation factors</li> </ul>
Authorized User Account	<ul style="list-style-type: none"> <li>Credit report tradeline that list a borrower as an authorized user cannot be considered in the minimum tradelines requirement.</li> </ul>
Credit Inquiries	<ul style="list-style-type: none"> <li>Not Required</li> </ul>
Disputed Accounts	<ul style="list-style-type: none"> <li>Must meet FNMA guideline</li> </ul>

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Bankruptcy	<ul style="list-style-type: none"> <li>▪ 3 years</li> </ul>
Foreclosure	<ul style="list-style-type: none"> <li>▪ 4 years</li> </ul>
Short Sale, Deed-In-Lieu	<ul style="list-style-type: none"> <li>▪ 2 years</li> <li>▪ Purchase Transaction: MAX. 75% LTV/CLTV</li> <li>▪ Refinance Transaction: MAX. 70% LTV/CLTV</li> </ul>
Loan Modification	<ul style="list-style-type: none"> <li>▪ 2Years. All payments must have been made on time throughout the duration of the modification.</li> </ul>
Charge offs, Collections Judgments, Tax Liens	<ul style="list-style-type: none"> <li>▪ Must meet FNMA guideline</li> </ul>
Qualifying Rate	<ul style="list-style-type: none"> <li>▪ Note Rate and use ITIA for IO loans</li> </ul>
Debt Service Coverage Ratio (DSCR)	<ul style="list-style-type: none"> <li>▪ Gross Income/PITIA =&gt;1.00 or No Ratio</li> </ul> <p><b>Short Term Rental</b></p> <ul style="list-style-type: none"> <li>▪ LTV/CLTV limits: <ul style="list-style-type: none"> <li>- Purchase: Lesser of 75%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.</li> <li>- Refinance: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.</li> </ul> </li> <li>▪ DSCR calculation: <ul style="list-style-type: none"> <li>- Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>- Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short-term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used.</li> <li>- <math>(\text{Gross Rents} * .80) \text{ divided by PITIA} = \text{DSCR}</math>.</li> </ul> </li> <li>▪ Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> <li>- A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. <ul style="list-style-type: none"> <li>◦ If long-term rent is utilized, 20% expense factor is not to be applied.</li> </ul> </li> <li>- The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> <li>◦ The statement must identify the subject property/unit, rents collected for the previous 12 months, and all vendor management fees. The rental income will exclude all vendor or management fees.</li> </ul> </li> <li>- The most recent 12-month bank statements from the borrower evidencing short term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits.</li> <li>- AIRDNA (<a href="http://www.Airdna.co">www.Airdna.co</a>) Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements: <ul style="list-style-type: none"> <li>◦ Rentalizer (Property Earning Potential). <ul style="list-style-type: none"> <li>✓ Only allowed for purchase transaction.</li> </ul> </li> </ul> </li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>✓ Gross Rents equal the revenue projection from the Rentalizer Report.             <ul style="list-style-type: none"> <li>i. The gross rents are subject to the application of the 20% extraordinary expense factor.</li> <li>ii. Revenue projection equals the average daily rental rate times the occupancy rate.</li> </ul> </li> <li>✓ Forecast Period must cover 12 months from the Note date.</li> <li>✓ The occupancy rate must be &gt; 60%.</li> <li>✓ Must have five (5) comparable properties, all within the same ZIP code.</li> <li>✓ Must be similar in size, room count, amenities, availability, and occupancy.</li> <li>✓ Maximum occupancy limited to 2 individuals per bedroom.</li> <li>○ Overview report (Evaluate a Market):             <ul style="list-style-type: none"> <li>✓ Market score by zip code.</li> <li>✓ Market grade must be 60 or greater.</li> </ul> </li> </ul> <p><b>Long Term Rental</b></p> <ul style="list-style-type: none"> <li>▪ Purchase: Rent survey (Form 1007) from appraiser</li> <li>▪ Refinance:             <ul style="list-style-type: none"> <li>- If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>- If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007 or 1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>- If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> <li>- Unleased property must use No Ratio matrix for qualification and pricing.</li> </ul> </li> </ul>
Employment/ Income	<ul style="list-style-type: none"> <li>▪ No proof of income required.</li> <li>▪ The employment section of the 1003 loan application should be completed including a valid phone number, only if applicable. When not applicable, may be left blank. No further verification is required.</li> </ul>
4506-C	<ul style="list-style-type: none"> <li>▪ Not Required</li> </ul>
Verbal VOE	<ul style="list-style-type: none"> <li>▪ Not Required</li> </ul>
Asset	<ul style="list-style-type: none"> <li>▪ Most recent one (1) month bank statement or VOD required, source of large deposit is not required to be documented.</li> <li>▪ VOD should be dated within 30 days of loan application date.</li> </ul>
Business Assets	<ul style="list-style-type: none"> <li>▪ Business funds: Funds in the borrower’s business account(s) ≤ 100% of account balance may be counted toward down payment, closing costs, and reserves. The percentage of account balance used towards the down payment, closing costs, and reserves must be no more than the borrower’s ownership of the business.</li> <li>▪ Business funds that are in a personal account prior to application may be used for down payment, closing costs, and reserves without restriction.</li> </ul>
Min. Borrower Contribution	<ul style="list-style-type: none"> <li>▪ None</li> </ul>

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<p>Gift Funds</p>	<ul style="list-style-type: none"> <li>▪ 100% gift funds allowed</li> <li>▪ Must meet FNMA guideline for acceptable donors</li> <li>▪ If donor provides gift funds from business account, must follow above Business Assets requirements</li> </ul>
<p>Eligible Other Assets</p>	<ul style="list-style-type: none"> <li>▪ Foreign Assets <ul style="list-style-type: none"> <li>- Foreign assets being used for down payment and closing costs must be held in a U.S. account prior to closing.</li> <li>- The sale of the foreign asset and conversion of foreign currency must be fully documented and verified.</li> <li>- The borrower's source of funds for the down payment and/or closing costs must comply with the Office of Foreign Assets Control (OFAC).</li> </ul> </li> <li>▪ Life Insurance (Cash Value) <ul style="list-style-type: none"> <li>- Net proceeds from a cash value or from the surrender of a life insurance policy may be considered for downpayment, closing cost and reserves.</li> <li>- The most recent statements must be provided.</li> <li>- If the funds are needed for the down payment or closing cost, proof of liquidation and receipt of the funds by the borrower must be documented.</li> <li>- When the cash-value of the life insurance is being used for reserves, the cash-value must be documented but liquidation is not required.</li> </ul> </li> <li>▪ Stocks/Bond/Mutual Funds: <ul style="list-style-type: none"> <li>- 100% funds may be considered for downpayment, closing cost and reserves.</li> <li>- if the value of the asset is at least 20% more than the amount of funds needed for the down payment and closing costs, no documentation of the borrower's actual receipt of funds realized from the sale or liquidation is required. Otherwise, Evidence of the borrower's actual receipt of funds realized from the sale or liquidation must be documented.</li> <li>- When Stocks/Bond/Mutual Funds are used for reserves, 100% of the value of the assets may be considered, and liquidation is not required.</li> </ul> </li> <li>▪ Vested Retirement Account <ul style="list-style-type: none"> <li>- 100% funds may be considered for downpayment, closing cost and reserves.</li> <li>- The most recent retirement account statement must be provided and must identify the borrower's vested amount and the terms.</li> <li>- Terms of withdrawal may be required.</li> </ul> </li> <li>▪ When funds from retirement accounts are used for reserves, the funds to be withdrawn from the account(s) is not required.</li> </ul>
<p>Reserves</p>	<ul style="list-style-type: none"> <li>▪ Loan Amount <math>\leq</math> \$1.5M &amp; LTV <math>\leq</math> 75%: None</li> <li>▪ Loan Amount <math>\leq</math> \$1.5M &amp; LTV <math>&gt;</math> 75%: 2 months of PI</li> <li>▪ Loan Amount <math>&gt;</math> \$1.5M: 4 months of PI</li> <li>▪ Loan Amount <math>&gt;</math> \$2.0M: 6 months of PI</li> <li>▪ For R/T Refinances Only: Required reserves (above) may be waived when all borrowers have 0x30x12 on mortgage in credit report and payment on new loan is decreasing.</li> <li>▪ Gift Funds may be used toward the reserve requirement.</li> <li>▪ Cash out amounts may be used toward the reserve requirement.</li> </ul>

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Max. Seller Contribution	<ul style="list-style-type: none"> <li>▪ 3% all LTVs</li> </ul>
Rate/Term Refinance	<ul style="list-style-type: none"> <li>▪ Pay off an existing first mortgage loan and any subordinate loan used to acquire the property</li> <li>▪ Pay off any subordinate loan not used in the acquisition of the subject property, provided one of the following apply: <ul style="list-style-type: none"> <li>- Closed-end loan, at least 12 months of seasoning has occurred</li> <li>- HELOC, at least 12 months of seasoning has occurred, and total draws over the past 12 months are less than \$2,000. (For business purpose transactions, any draw over the life of the loan may not have been used for personal use. Business purpose transactions will require a draw history schedule, along with an attestation from the borrower, in the credit file, that non of the advances were used for personal/consumer use)</li> </ul> </li> <li>▪ Buy out a co-owner pursuant to an agreement</li> <li>▪ Pay off an installment land contract executed more than 12 months from the loan application date</li> </ul> <p>Other Considerations:</p> <ul style="list-style-type: none"> <li>▪ Cash back in an amount not to exceed the lesser of 2% of the new loan amount or \$5,000 can be included in the transaction</li> <li>▪ If the subject property was acquired greater than six months from application date, the appraised value will be used to determine LTV/CLTV. If the property was acquired less than or equal to six months from the application date, the lesser of the current appraisal value or previous purchase price plus documented improvements (if any) will be used to determine LTV/CLTV. The purchase settlement statement and any invoices for materials/labor will be required</li> <li>▪ Refinance of a previous loan that provided cash out, as measured from the previous note date to the new note date, and is seasoned less than 12 months, will be considered a cash out refinance</li> </ul> <ul style="list-style-type: none"> <li>▪ Ineligible if there has been a prior cash-out transaction in the past 6 months</li> </ul>
Cash-Out	<ul style="list-style-type: none"> <li>▪ Ineligible if there has been a prior cash-out transaction in the past 6 months</li> <li>▪ Cash out seasoning is defined as the time difference between the date of the new note date and the property acquisition date</li> <li>▪ A minimum borrower seasoning requirement of six (6) months is required for a transaction to be eligible for cash out.</li> <li>▪ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value.</li> <li>▪ If the cash-out seasoning is less than 12 months but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements.</li> <li>▪ Properties listed for sale in the past six (6) months are not eligible</li> <li>▪ Cash out seasoning of six (6) months or less is allowed with the following restrictions:</li> </ul>

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	<ul style="list-style-type: none"> <li>It must be documented that the borrower acquired the property through an inheritance or was legally awarded the property through divorce, separation, or dissolution of a domestic partnership.</li> </ul>
Max. Cash back to borrower	<ul style="list-style-type: none"> <li>Unlimited</li> </ul>
Texas Cash Out	<ul style="list-style-type: none"> <li>Eligible since Business Purpose N/O/O properties</li> </ul>
Listed Properties	<ul style="list-style-type: none"> <li>Rate/Term: Cannot be listed for sale on date of loan application. The value will be based on the lesser of the lowest list price or appraised value.</li> <li>Cash Out: Cannot be listed for sale in prior 6 months from date of loan application unless there is a three (3) year prepayment penalty. If a property is listed for sale, the listing must be cancelled prior to the note date. The value will be based on the lesser of the lowest list price or appraised value.</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>One full appraisal required for all loans <math>\leq</math> \$2,000,000</li> <li>Two full appraisals required for all loans <math>&gt;</math> \$2,000,000</li> <li>Desk reviews will be ordered and reviewed by EMET Underwriter on all loans with One full appraisal</li> <li>Desk reviews will not be required on all loans with Two full appraisals</li> </ul>
Transferred Appraisal	<ul style="list-style-type: none"> <li>Allowed</li> </ul>
Number of Financed Properties	<ul style="list-style-type: none"> <li>Max. 10 financed properties &amp; Max. \$5MM combined</li> </ul>
Secondary Financing	<ul style="list-style-type: none"> <li>Private-party secondary financing not allowed</li> <li>Secondary financing must be subordinated and included in CLTV</li> <li>HELOC CLTV must be calculated at the maximum available line amount unless the borrower can provide documentation showing the line of credit is past its draw period</li> </ul>
Prepayment Penalty	<ul style="list-style-type: none"> <li>Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>Penalties not allowed on loans vested to individuals in NJ.</li> <li>Six months of interest: The prepayment charge will be equal to 6 months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period.</li> <li>The prepayment penalty can be disclosed within the body of the Note or in a separate rider.</li> </ul>
Escrow Waiver	<ul style="list-style-type: none"> <li>Escrow funds/impound accounts are required to be established for all HPML loans. Escrow funds include, but are not limited to taxes, insurance (hazard, flood, and mortgage) premiums, etc.</li> <li>Escrow funds/impound accounts can be waived, with the exception of Flood Insurance Premium for non-HPML loans or exempt business purpose loans when LTV <math>\leq</math> 80%</li> </ul>
Closing In Trust	<ul style="list-style-type: none"> <li>Must meet FNMA guideline</li> </ul>
Chain of Title	<ul style="list-style-type: none"> <li>24-month title history is required. Transfer date, price, and buyer and Seller names should be provided for any transfers that occurred within the past 24 months.</li> </ul>
Power of Attorney	<ul style="list-style-type: none"> <li>Not allowed for Cash-Out</li> </ul>

## PROGRAM GUIDELINE SUMMARY

Accessory Unit	<ul style="list-style-type: none"> <li>▪ Must meet FNMA guideline</li> </ul>
Properties with Solar Panels	<ul style="list-style-type: none"> <li>▪ Must meet FNMA guideline</li> </ul>
Property Insurance	<ul style="list-style-type: none"> <li>▪ Property insurance for loans must protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. The coverage must provide for claims to be settled on a replacement cost basis. Property insurance policies that provide for claims to be settled on an actual cash value basis are not acceptable. Policies that limit, depreciate, reduce, or otherwise settle losses at anything other than replacement cost basis are also unacceptable.</li> <li>▪ Extended coverage must include, at a minimum: wind, civil commotion (including riots), smoke, hail, and damage caused by aircraft, vehicle, or explosion.</li> <li>▪ Policies that limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damage, or any other perils that normally are included under an extended coverage endorsement are not acceptable. Borrowers may not obtain property insurance policies that include such limitations or exclusions unless they are able to obtain a separate policy or endorsement from another commercial insurer that provides adequate coverage for the limited or excluded peril, or from an insurance pool that the state has established to cover the limitations or exclusions.</li> <li>▪ The maximum deductible amount must be no greater than 5% of the face amount of the policy.</li> <li>▪ The hazard insurance coverage should be equal to the lesser of: <ul style="list-style-type: none"> <li>- Replacement Cost Estimator: Provided from the property insurer</li> <li>- Estimated cost to replace the dwelling from a recent appraisal, if provided</li> <li>- The unpaid principal balance of the mortgage(s)</li> </ul> </li> <li>▪ Condominiums : Must meet FNMA guideline</li> </ul>
Title Vesting and Ownership	<ul style="list-style-type: none"> <li>▪ Ownership may be fee simple or leasehold title.</li> <li>▪ Eligible forms of vesting are: <ul style="list-style-type: none"> <li>- Individuals</li> <li>- Joint tenants</li> <li>- Tenants in Common</li> <li>- Inter vivos revocable trust</li> <li>- Must meet FNMA guideline.</li> </ul> </li> <li>▪ Ineligible forms of vesting are: <ul style="list-style-type: none"> <li>- Land trusts</li> <li>- Blind trusts</li> <li>- Irrevocable trust</li> <li>- IRAs</li> </ul> </li> <li>▪ Not-For-Profit entity</li> </ul>
Leasehold Properties	<ul style="list-style-type: none"> <li>▪ In areas where leasehold estates are commonly accepted and documented via the Appraisal, loans secured by leasehold estates are eligible for purchase. The mortgage must be secured by the property improvements and the borrower's leasehold interest in the land. The leasehold estate and any improvements must</li> </ul>

PROGRAM GUIDELINE SUMMARY

	<p>constitute real property, be subject to the mortgage lien, and be insured by the title policy.</p> <ul style="list-style-type: none"> <li>▪ Must meet FNMA guideline.</li> </ul>
<p>Vested In An Entity</p>	<ul style="list-style-type: none"> <li>▪ Only allowed for Business Purpose Loans (Investment Occupancy)</li> <li>▪ Limited to the following structures: LLC, Partnership, and Corporation</li> <li>▪ Purpose and activities are limited to ownership and management of real property.</li> <li>▪ Multi-level entity structures are allowed subject to entity documentation requirements met for all entities.</li> <li>▪ Entity must be domiciled in a U.S. State.</li> <li>▪ Entity is limited to a maximum of four (4) member(s) or manager(s).</li> <li>▪ Personal guaranties must be provided by member(s)/manager(s) representing at least 50% ownership of the entity.</li> <li>▪ A guarantor must have authority to execute loan documents on behalf of the entity.</li> <li>▪ Each Entity member providing a Personal Guaranty (full recourse) must complete a FNMA Form 1003. Only the debt appearing on the personal credit report of individual(s) providing a personal guaranty needs to be reflected on the FNMA Form 1003 loan application. The application of each member providing a personal guaranty and their credit score, and creditworthiness will also be used to determine qualification and pricing.</li> <li>▪ Such structures shall be initiated and arranged by the members of the Entity.</li> <li>▪ Documentation required for the different entity types <ul style="list-style-type: none"> <li><b>Limited Liability Company (LLC)</b> <ul style="list-style-type: none"> <li>- Entity articles of organization or partnership (or equivalent)</li> <li>- Evidence of good standing: Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website)</li> <li>- Entity documents authorizing the guarantor to execute loan documents on behalf of the entity (e.g., Operating Agreement, Certificate of Authorization) <ul style="list-style-type: none"> <li>✓ If not available, a Borrowing Certificate is required</li> </ul> </li> <li>- Entity documents that include a list of members/managers and ownership percentage (e.g., organization structure)</li> <li>- EIN/Tax Identification Number <ul style="list-style-type: none"> <li>✓ Single member LLC may use EIN or the guarantor social security number</li> <li>✓ Multi-member LLCs require an EIN</li> </ul> </li> </ul> </li> <li><b>Corporation</b> <ul style="list-style-type: none"> <li>- Filed Certificate/Articles of Incorporation and all amendments (or equivalent)</li> <li>- By-Laws and all amendments</li> <li>- Evidence of good standing: Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website)</li> <li>- EIN/Tax Identification Number</li> <li>- Borrowing Resolution/Corporate Resolution granting authority of signer to enter loan obligation</li> </ul> </li> </ul> </li> </ul>

PROGRAM GUIDELINE SUMMARY

- Receipt of current year franchise tax payment, clear search, or evidence the state does not require a franchise tax payment.

**Partnership**

- Filed Partnership Certificate (if a general partnership, filing with the SOS may not be required)
  - Partnership Agreement and all amendments
  - Evidence of good standing: Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website)
  - EIN/Tax Identification Number
  - Limited partner consents (where required by partnership agreement).
- Closing docs to be signed by the guarantor(s)
  - Spousal consent to pledge.