

BANK STATEMENTS, 1099 AND ASSET UTILIZATION DOC TYPES

PURCHASE ⁽¹⁾			
PRIMARY, SECOND HOME & INVESTMENT ⁽²⁾			
Property Type	Max. Loan amount ⁽¹⁾	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,500,000	90%	700
	\$1,500,000	85%	680
	\$1,500,000	80%	660
	\$2,000,000	85%	700
	\$2,000,000	80%	680
	\$2,000,000	75%	660
	\$2,000,000	65%	620
	\$2,500,000	80%	720
	\$2,500,000	75%	680
	\$3,000,000	75%	700
	\$3,000,000	70%	680
	\$3,500,000	70%	700
	\$4,000,000	70%	720
REFINANCES			
PRIMARY, SECOND HOME & INVESTMENT ⁽²⁾			
Property Type	Max. Loan amount	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,000,000	80%	660
	\$1,000,000	70%	620
	\$1,500,000	80%	680
	\$1,500,000	75%	660
	\$2,000,000	80%	720
	\$2,000,000	70%	680
	\$2,000,000	65%	660
	\$3,000,000	70%	700
	\$3,000,000	65%	680
<p>(1) STATE OVERLAYS FOR FLORIDA:</p> <ul style="list-style-type: none"> - PURCHASES: MAX. 85% LTV/CLTV/HCLTV - MAX. LOAN AMOUNTS CAPPED AT \$2,000,000 <p>(2) 2ND HOME AND INVESTMENT:</p> <ul style="list-style-type: none"> - PURCHASES: MAX. 80% LTV/CLTV/HCLTV - REFINANCES MAX. 75% LTV/CLTV/HCLTV - MAX. LOAN AMOUNTS CAPPED AT \$2,500,000 			

WVOE DOC TYPE

PURCHASE			
PRIMARY, SECOND HOME & INVESTMENT ⁽²⁾			
Property Type	Max. Loan amount ⁽¹⁾	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,500,000	80%	660
	\$2,000,000	80%	680
	\$2,000,000	75%	660
	\$2,000,000	65%	620
	\$2,500,000	80%	720
	\$2,500,000	75%	680
	\$3,000,000	75%	700
	\$3,000,000	70%	680
	\$3,500,000	70%	700
	\$4,000,000	70%	720
REFINANCES ⁽²⁾			
PRIMARY, SECOND HOME & INVESTMENT ⁽²⁾			
Property Type	Max. Loan amount ⁽¹⁾	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,000,000	80%	660
	\$1,000,000	70%	620
	\$1,500,000	80%	680
	\$1,500,000	75%	660
	\$2,000,000	80%	720
	\$2,000,000	70%	680
	\$2,000,000	65%	660
	\$3,000,000	70%	700
	\$3,000,000	65%	680
	(1) STATE OVERLAY FOR FLORIDA: - MAX. LOAN AMOUNTS CAPPED AT \$2,000,000 (2) 2 ND HOME AND INVESTMENT: - REFINANCES: MAX. 75% LTV/CLTV/HCLTV - MAX LOAN AMOUNTS CAPPED AT \$2,500,000		

P & L DOC TYPE

PURCHASE			
PRIMARY, SECOND HOME & INVESTMENT			
Property Type	Max. Loan amount ⁽²⁾	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,500,000	75%	660
	\$2,000,000	80%	680
	\$2,500,000	80%	720
	\$2,500,000	75%	680
	\$3,000,000 ⁽¹⁾	70% ⁽¹⁾	700 ⁽¹⁾
REFINANCE ⁽³⁾			
PRIMARY, SECOND HOME & INVESTMENT			
Property Type	Max. Loan amount ⁽²⁾	Max. LTV/CLTV/HCLTV	Min. FICO
1-4 Units	\$1,000,000	75%	680
	\$1,500,000	70%	660
	\$2,000,000	75%	700
	\$2,000,000	70%	680
	\$3,000,000 ⁽¹⁾	70% ⁽¹⁾	700 ⁽¹⁾
<p>(1) PRIMARY RESIDENCE ONLY (2) STATE OVERLAY FOR FLORIDA: MAX. LOAN AMOUNTS CAPPED AT \$2,000,000 (3) REFINANCE: - CASH-OUT: MAX. 70% LTV/CLTV/HCLTV - CASH-OUT NOT ELIGIBLE FOR CREDIT SCORE LESS THAN 680</p>			

EMET ULTIMATE ALT DOC PRO

(WVOE / CPA PREPARED P&L / 1099 / BANK STMT. / ASSET UTILIZATION)



PRODUCT	QUALIFYING RATE	TERM	I/O TERM	AMORT TERM	INDEX	CAPS
5/6 ARM	Higher of Fully indexed or Note Rate	360	NA	360	30-Day Avg SOFR	2/1/5
5/6 ARM I/O (30yr)	Higher of Fully indexed or Note Rate	360	120	240	30-Day Avg SOFR	2/1/5
5/6 ARM I/O (40yr)	Higher of Fully indexed or Note Rate	480	120	360	30-Day Avg SOFR	2/1/5
7/6 ARM	Higher of Fully indexed or Note Rate	360	NA	360	30-Day Avg SOFR	5/1/5
7/6 ARM I/O (30yr)	Higher of Fully indexed or Note Rate	360	120	240	30-Day Avg SOFR	5/1/5
7/6 ARM I/O (40yr)	Higher of Fully indexed or Note Rate	480	120	360	30-Day Avg SOFR	5/1/5
10/6 ARM	Higher of Fully indexed or Note Rate	360	NA	360	30-Day Avg SOFR	5/1/5
10/6 ARM I/O (30yr)	Higher of Fully indexed or Note Rate	360	120	240	30-Day Avg SOFR	5/1/5
10/6 ARM I/O (40yr)	Higher of Fully indexed or Note Rate	480	120	360	30-Day Avg SOFR	5/1/5
15 YR FIXED	Note Rate	180	NA	180	NA	NA
30 YR FIXED	Note Rate	360	NA	360	NA	NA
40 YR FIXED	Note Rate	480	NA	480	NA	NA
Additional ARM Criteria	Adjustment Reset Period	Lookback Period			Margin	Floor
	6-months	45-days			5.000%	Margin

Program Description	Summary
Loan Purpose	Purchase, Rate/Term Refinance & Cash-out Refinance
Occupancy	Primary Residence, 2 ND Home & Investment Property
Min. Loan Amounts	\$150,000
Property Type	<ul style="list-style-type: none"> ▪ SFR ▪ PUD (attached and detached) ▪ Site Condo – Will not require a project review ▪ 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 ▪ Warrantable Condo: Lender’s Condo Warranty Form is to be provided ▪ Florida Condo Projects : <ul style="list-style-type: none"> - A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. - Projects with an acceptable inspection, max LTV is reduced 5%. - Projects with an unacceptable or no inspection are not eligible. ▪ Non-Warrantable Condo – A completed HOA questionnaire is required and the project must not be: <ul style="list-style-type: none"> - Subject to the rules and regulations of the US Securities and Exchange Commission - Timeshare or projects that restrict the owner’s ability to occupy the unit - Houseboat project - Manufactured home projects - 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 - Fragmented or segmented ownership (i.e., timeshare or quarter share) - Any project that has non-conforming zoning and can’t be rebuilt to current density ▪ 2-4 Units ▪ All properties must have a minimum of 500 sq ft ▪ Rural property allowed for only Primary ▪ Properties of 20 acres or less and No truncating allowed
Accessory Dwelling Units (ADU)	<ul style="list-style-type: none"> ▪ An Accessory Dwelling Unit (ADU) is an additional living area independent of the primary dwelling that may have been added to, created within, or detached from the primary dwelling. Examples of an ADU include, but are not limited to, a living area over the garage, a walk-out basement, or a small addition to the primary dwelling. ▪ One unit property with up to two ADUs ▪ ADU square footage must be smaller than the primary dwelling

Program Description	Summary
	<ul style="list-style-type: none"> ▪ ADU must have separate features from the primary dwelling for the following: <ul style="list-style-type: none"> - Means of ingress/egress - Kitchen - Sleeping area - Bathing area/bathroom facilities ▪ Kitchen must include cabinets, countertop, sink with running water, and stove ▪ Construction of the ADU must be consistent with the quality of the primary dwelling ▪ If it is determined that the property contains an ADU that is not allowed under zoning, the property is eligible, as follows: <ul style="list-style-type: none"> - Hazard insurance replacement cost coverage must include the ADU - Illegal use conforms to the subject neighborhood and market - Appraisal report demonstrates that improvements are typical for the market through an analysis of at least two comparable sales with the same non-compliant zoning use - If an ADU can only be accessed through the primary dwelling or the area is open to the primary dwelling, it is not considered an ADU and is ineligible as an ADU ▪ Appraisal Report: <ul style="list-style-type: none"> - Include a description of the ADU and analyze the effect it has on marketability of the subject property - Demonstrate that improvements are typical for the market through an analysis of at least one comparable property with the same use and same number of ADUs - Form 1025 must be completed when there are two ADUs ▪ Rental income may be used for the accessory unit subject to the following: <ul style="list-style-type: none"> - Appraisal report to reflect zoning compliance is legal or in compliance with zoning laws - Permits are to be verified if required by the jurisdiction - Appraisal report to include at least one comparable with the same number of ADUs as the subject property - Gross market rents must be itemized when there are two ADUs that generate rental income - Refinance Transactions: <ul style="list-style-type: none"> ✓ Owner-Occupied/2nd Home: Income from the accessory unit may not be used as qualifying income ✓ Investment: <ul style="list-style-type: none"> ◦ Long Term Rental: Use the lower of the market rent on FNMA Form 1007/1025 or actual rent. When documenting actual rent, follow requirements for the selected doc type ◦ Short Term Rental: Follow documentation requirements for the selected doc type. If using AirDNA, total bedroom

Program Description	Summary
	<p>count should include both the primary dwelling and ADU(s).</p> <ul style="list-style-type: none"> - Purchase Transactions: <ul style="list-style-type: none"> ✓ Owner-Occupied/2nd Home: Income from the accessory unit may not be used as qualifying income ✓ Investment: <ul style="list-style-type: none"> ◦ Long Term Rental: Use the lower of the market rent on FNMA Form 1007/1025 or actual rent, if the lease is transferred (copy of lease agreement required) ◦ Short Term Rental: Follow documentation requirements for the selected doc type. If using AirDNA, total bedroom count should include both the primary dwelling and ADU(s).
<p>INELIGIBLE PROPERTIES</p>	<ul style="list-style-type: none"> ▪ Vacant land or land development properties ▪ Properties not readily accessible by roads that meet local standards ▪ Properties not suitable for year-round occupancy, regardless of location ▪ Properties with agricultural zoning or features (e.g., vineyards, farms, ranches, orchards, equestrian facilities) ▪ Units subject to timeshare arrangements ▪ Manufactured or Mobile homes ▪ Units in a Co-op development ▪ Properties used as boarding houses, bed/breakfast, or single room occupancy ▪ Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment) ▪ Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop) ▪ Properties with zoning violations or illegal use ▪ Dome or geodesic properties ▪ Properties on Native American Land (Reservations) ▪ Log homes that are not common to the area ▪ Houseboats ▪ Properties used for the cultivation, distribution, manufacture, or sale of marijuana
<p>PROPERTY FLIPS</p>	<ul style="list-style-type: none"> ▪ Applies to covered HPML transactions. ▪ If the property is a “flip” as defined below, the following additional requirements apply: <ul style="list-style-type: none"> - A second appraisal must be obtained. - 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. - The second appraisal must be dated prior to the loan consummation/note date.

Program Description	Summary
	<ul style="list-style-type: none"> - The property Seller on the purchase contract must be the owner of record. - Increases in value should be documented with commentary from the appraiser and recent comparable sales. - 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. ▪ A property is considered a “flip” if either of the following are true: <ul style="list-style-type: none"> - 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. - 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. Start with the day after the acquisition date and count up to and including the purchase date.
Eligible Borrowers	<ul style="list-style-type: none"> ▪ US Citizens ▪ Permanent Aliens ▪ Non-Permanent Resident Aliens <ul style="list-style-type: none"> - 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. - 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 - 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 - 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. - When current VISA/EAD is valid and has enough remaining expiration date, it does not require documentation for prior status even if current VISA/EAD valid from date does not cover employment start date. - Asylum – Individuals granted asylum are eligible, documentation includes one of the following:

Program Description	Summary
	<ul style="list-style-type: none"> ✓ Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C08, or ✓ 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.” - Deferred Action for Childhood Arrivals (DACA) <ul style="list-style-type: none"> ✓ Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C33, or ✓ Form I-797 conveying approval status for Case Type I765-Application for Employment Authorization referencing code C33, or ✓ Form I-765 Application for Employment Authorization, the form must reflect approval status in the Action Block (upper right-hand corner of the form) ▪ First-Time Homebuyer: Rental history must be evidenced by canceled checks OR a Verification of Rent (VOR from either management company or private) OR Rent-Free letter for the past 12 months. ▪ Non-Occupant Co-Borrowers
Non-Arm’s Length Transactions	<ul style="list-style-type: none"> ▪ Non-arm’s length transactions are allowed on all occupancy for existing property types. ▪ Newly constructed properties are only allowed on primary residences. ▪ Non-arm’s length transactions are not permitted on Delayed Financing. ▪ Family sale requires recent 12 months mortgage history from the seller to verify the transaction is not a bailout ▪ Max 80% LTV/CLTV
Age of Credit Documentation	<ul style="list-style-type: none"> ▪ Credit documents (credit report, employment and income) cannot be older than 90 days from the Note date. ▪ Asset documents used for reserves/funds to close must be dated within 60 days of the note date.) ▪ Preliminary Title report is good for 120 days. ▪ The effective date of the appraisal report must be dated within 120 days of the note date. If the effective date of the appraisal report is more than 120 days from the note date, the appraiser must acknowledge that the value of the subject property has not declined since the effective date of the original appraisal. The update must be completed on FNMA Form 1004D/FHLMC Form 442 and must be dated within 120 days prior to the note date.
Fraud Report	<ul style="list-style-type: none"> ▪ Fraud report must be provided. Seller will fully review, identify and address any potential issues or risks discovered on the fraud report. The participants are to include, but are not limited to, Borrower(s), Seller (if

Program Description	Summary
	<p>applicable), Listing Agent (if applicable), Selling Agent (if applicable), Loan Originator.</p> <ul style="list-style-type: none"> ▪ OFAC SDN screening criteria to be added for all transaction participants and for all doc types. <ul style="list-style-type: none"> - Criteria applies to all transaction participants, not strictly the borrower and seller. - Criteria applies to all programs.
Min. Credit Score	<ul style="list-style-type: none"> ▪ Loan eligibility is based upon the representative credit score, also referred to as the Qualifying Credit Score. A valid Qualifying Credit Score requires at least one (1) borrower to have a minimum of two (2) credit scores. To determine a borrower(s) credit score, use the lower of two (2) or middle of three (3) credit scores. ▪ For loan files with multiple borrowers, the borrower with the higher monthly income is considered the primary borrower and their credit score can be used as the Qualifying Credit Score. When both borrowers are self-employed and jointly own the business, use the highest score amongst the borrowers as the Qualifying Credit Score.
Credit Refresh/ Gap Credit Report	<ul style="list-style-type: none"> ▪ A credit refresh/gap credit report is required no more than 10 days prior to loan closing or any time after closing. Any new debt must be included in determining the DTI ratio.
Mortgage History	<ul style="list-style-type: none"> ▪ 1X30 in last 12 months ▪ First Time Homebuyers: Rental history must be evidenced by canceled checks OR a Verification of Rent (VOR from either management company or private) OR Rent-Free letter for the past 12 months. ▪ Rent Free: A Letter of explanation (LOE) executed by such Relative confirming that there is/was no monthly obligation.
Tradelines Requirement	<ul style="list-style-type: none"> ▪ 3 Tradelines with 12 months rating (may be open or closed) or 2 Tradelines with 24 months rating (may be open or closed) ▪ If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived. For loans when the primary borrower has less than three credit scores, each borrower must meet the minimum tradeline requirements, unless the co-borrower is the spouse of the borrower. In that case, only one spouse is required to meet the minimum tradeline requirements. ▪ 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
Authorized User Account	<p>Credit report tradeline that list a borrower as an authorized user cannot be considered in the minimum tradelines requirement.</p>
Credit Inquiries	<p>Report must list all credit inquiries made in previous 90 days. LOE required to address all credit inquiries.</p>
Disputed Accounts	<p>Must meet FNMA guideline</p>

Program Description	Summary
Installment Debt	Must meet FNMA guideline
Lease Payments	Must meet FNMA guideline
Student Loans	Must meet FNMA guideline
Deferred Installment Debt	Must meet FNMA guideline
Revolving Debt	Must meet FNMA guideline
Business Debt	Must meet FNMA guideline
Bankruptcy	3 years
Foreclosure	4 years
Short Sale, Deed-In-Lieu	2 years, but P&L ONLY Doc Type require 3 years
Loan Modification	Eligible when the loan modification has been seasoned for at least 24 months. All payments must have been made on time throughout the duration of the modification.
Charge offs, Collections Judgments, Tax Liens	Must meet FNMA guideline (follow Manual Underwriting)
Qualifying Rate	Greater of Fully Indexed Rate or Note Rate Interest Only – Qualifying Payment: Use the remaining term after expiration of the interest only period
Qualifying Ratio	50.00%
Employment History	Min. 2 years
Salaried Borrowers	1 Yr Standard Doc Type: The borrower’s most recent paystubs reflecting 30 days of pay and YTD earnings, along with IRS W-2 forms or W-2 transcripts covering the most recent one year Written VOE Doc Type <ul style="list-style-type: none"> - Written VOE(FNMA Form 1005) completed by the employer. - MAX. 80% LTV/CLTV/HCLTV - Borrower cannot be employed by relatives
Self-employed Borrower	<ul style="list-style-type: none"> ▪ 1 Yr Standard Doc Type <ul style="list-style-type: none"> - The most recent one year of tax returns (including evidence of filing). If applicable, both personal and business (including all K-1s and schedules), signed and dated by each borrower. - Year-to-date P&L statement is required when the tax return exceeds 90 days from the Note date, may be prepared by a 3rd party or the borrower. - Evidence of filing may include one of the following: <ul style="list-style-type: none"> ✓ E-mail provided from the software used to prepare the return showing successful submission of the return to the IRS. ✓ If evidence of filing is not provided, tax transcripts for personal and corporate (IRS Form 1120) returns are required.

Program Description	Summary
	<ul style="list-style-type: none"> - In lieu of tax returns, tax transcripts for the most recent one year may be provided as applicable. In certain cases, tax returns will be required as transcripts will not provide the details required to establish eligible qualifying income for the borrower. ▪ CPA Prepared Doc Type <ul style="list-style-type: none"> - MAX LTV 80% - Self-employed business license or CPA letter verifying borrower's ownership of business for last two years AND - The most recent 24 months Profit & Loss Statement completed by CPA, CTEC, EA, OR Tax Attorney. ▪ Personal Bank Statements Type <ul style="list-style-type: none"> - MAX LTV 90% - 24 or 12 months personal and 2 months of business bank statements - Qualifying income is determined by the total eligible deposits from the 24 or 12 months of personal statements divided by the number of statements - The business bank statements must reflect business activity and transfers to the personal account ▪ Business Bank Statements Type <ul style="list-style-type: none"> - MAX LTV 90% - 24 or 12 months business bank statements - Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ✓ Fixed expense ratio of 50% ✓ Expense ratio provided by a 3rd party (CPA, CTEC, EA OR Tax Attorney) min ratio of 10% ✓ 3rd party prepared Profit & Loss Statement (CPA, CTEC, EA OR Tax Attorney.) ▪ IRS Form 1099 Type <ul style="list-style-type: none"> - MAX LTV 90% - 2 Years or 1 Year 1099 - Fixed expense ratio of 10% - YTD Documentation to support continued receipt of income from same source ▪ Asset Utilization Type <ul style="list-style-type: none"> - MAX LTV 90% - Eligible assets divided by 84 to determine a monthly income stream.
Asset Utilization Income Type	<ul style="list-style-type: none"> ▪ MAX LTV 90% ▪ Debt Ratio Calculation: Minimum Eligible Assets required is the lower of \$1,000,000 or 150% of the loan balance. Qualifying income based upon Total Assets Eligible for Depletion, less down payment, less out of pocket closing costs, less required reserves, divided by 84.

Program Description	Summary
	<ul style="list-style-type: none"> ▪ All individuals listed on the asset account(s) must be on the Note and Mortgage. ▪ Assets considered for this program must be verified with most recent three (3) monthly account statements, quarterly statement, or a VOD. ▪ Assets must be seasoned 90 days. ▪ Assets must be liquid and available with no penalty; additional documentation may be requested to validate the origin of the funds: <ul style="list-style-type: none"> - 100% of Checking, Savings, Money Market Accounts, and US Treasuries with maturity < 1-year. - 100% of the cash surrender value of life insurance less any loans may be considered for assets. - 70% of Stocks, Bonds, and Mutual Funds. - 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59 ½). - 60% of Retirement Assets: Eligible if the borrower is not of retirement age. ▪ Eligible trust assets include: <ul style="list-style-type: none"> - Assets held in a revocable trust where the trustee to the trust is the borrower. - Assets in an irrevocable trust where the borrower is the beneficiary, and the borrower has immediate access to the assets of the trust. - Based upon the assets held in the trust, the above asset percentages apply. ▪ ASSETS INELIGIBLE FOR DEPLETION <ul style="list-style-type: none"> - Equity in Real Estate - Privately traded or restricted/non-vested stocks - Any asset which produces income already included in the income calculation - Any assets held in the name of a business - Assets held in an irrevocable trust where the beneficiary of the trust is not the borrower - Assets held in a charitable giving trust, donor advised fund, or similar entity where the intended beneficiary is not the borrower.
Eligible Other Incomes	<ul style="list-style-type: none"> ▪ Alimony or Child Support <ul style="list-style-type: none"> - A copy of the final court approved Divorce Decree (separation agreement or other written agreement/court decree) containing the amount and duration. The income must continue for a minimum of 3 years (check for limitations on duration such as the ages of children) - Evidence of regular receipt for the last 6 months (inconsistent or sporadic payments may not be included as income) - Calculation: Utilize the current payment amount ▪ Auto Allowances

Program Description	Summary
	<ul style="list-style-type: none"> - Written VOE (Form 1005) completed in full by the employer verifying most recent two-year income history. - Calculation: 2-year average of the income. ▪ Bonus or Overtime <ul style="list-style-type: none"> - Written VOE (Form 1005) completed in full by the employer verifying most recent two-year income history. Income, employment, and assets are stated and verified. Documentation may not be more than 90 days from the date the note is signed. - Borrowers must have two years consistent employment with the same employer or in the same industry. - Calculation: 2-year average of the income. ▪ Commission <ul style="list-style-type: none"> - If the commission income represents less than 25% of the borrower's total annual employment income, obtain the following documents: <ul style="list-style-type: none"> - Written VOE (Form 1005) completed in full by the employer verifying most recent two-year income history. - Income, employment, and assets are stated and verified. Documentation may not be more than 90 days from date note is signed. - Borrowers must have two years of consistent employment with the same employer or in the same industry. - Calculation: 2-year average of the income. ▪ Disability <ul style="list-style-type: none"> - If amount and duration are not disclosed in awards letter, a copy of the disability policy may be required. - If the benefits have a defined expiration date (not long-term disability), verify that the remaining term is at least 3 years from the date of the mortgage application. - Calculation: If higher short-term disability payment will fall to lower long-term payment during the next 3 years, use the lower long-term payment for qualifying purposes. Otherwise use the current payment. If disability income will not continue for 3 years, it cannot be included in income. ▪ Housing or Parsonage Allowance <ul style="list-style-type: none"> - Written Verification of Employment, letter from employer, or paystubs reflecting the amount of the housing or parsonage allowance. - Terms under which the housing or parsonage allowance is paid. - Proof of receipt of housing allowance for most recent 12 months. - The housing allowance may not be used to offset the monthly housing payment. ▪ Part-Time <ul style="list-style-type: none"> - Minimum 24-month total history (multiple employers). - Written VOE (Form 1005) completed in full by employer verifying most recent two years.

Program Description	Summary
	<ul style="list-style-type: none"> - Income, employment and assets are stated and verified. Documentation may not be more than 90 days from date note is signed. ▪ Rental <ul style="list-style-type: none"> Rental Property Other Than Subject Property <ul style="list-style-type: none"> - Fully executed lease agreement AND - Calculation: 75% of gross rent less PITI and HOA dues Subject Property is Rental Property <ul style="list-style-type: none"> - Obtain appraisal including market rent analysis AND - Fully executed lease agreement AND - Calculation: 75% of gross rent less PITI and HOA dues OR <ul style="list-style-type: none"> - In case the transaction type is a purchase of an investment property, and income from the subject property is considered in the underwriting, 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 or assignment of lease ▪ Retirement, Government Annuity and Pension <ul style="list-style-type: none"> - Copies of retirement award letters or current statements AND - Copies of borrower's 2 most recent bank statements showing deposits - Calculation: Use the current amount ▪ Secondary Employment (Second Job) <ul style="list-style-type: none"> - Minimum 24-month total history (multiple employers) - Written VOE (Form 1005) completed in full by the employer verifying most recent two-year income history. - Income, employment and assets are stated and verified. Documentation may not be more than 90 days from date note is signed. - Borrowers must have two years of consistent employment with the same employer or in the same industry. - Calculation: Develop a 2-year average of the income. ▪ Social Security <ul style="list-style-type: none"> - Copy of the award letter or Social Security Benefit Statement AND - Most recent bank statement reflecting proof of current receipt - Calculation: Use current amount from documentation ▪ Tips <ul style="list-style-type: none"> - Minimum 24-month total history (multiple employers). - Written VOE (Form 1005) completed in full by the employer verifying most recent two-year income history. - Income, employment, and assets are stated and verified. Documentation may not be more than 90days from date note is signed. - Borrowers must have two years of consistent employment with the same employer or in the same industry.

Program Description	Summary
	<ul style="list-style-type: none"> - Calculation: Develop a 2-year average of the income.
4506-C	Not Required
Verbal VOE	<ul style="list-style-type: none"> ▪ Salaried Borrower: 10 days prior to disbursement date <ul style="list-style-type: none"> - The phone number that the borrower provided as their employer's number must be independently confirmed by using the telephone book, directory assistance, Superpages.com, Yellowbook.com. ▪ Self Employed Borrower: 30 days prior to disbursement date <ul style="list-style-type: none"> - Verification of the existence of the borrower's business from a third party, such as a CPA, regulatory agency, or the applicable licensing bureau. <p>OR</p> <ul style="list-style-type: none"> - Obtaining a phone listing and address for the borrower's business using telephone book, the internet, or directory assistance.
Asset	<ul style="list-style-type: none"> ▪ Most recent one (1) month bank statement or VOD required, source of large deposit is not required to be documented. ▪ VOD should be dated within 30 days of loan application date.
Business Assets	<p>May be used for down payment, closing costs, and reserves if the borrower is either (i) 100% owner of the business or (ii) at least a 50% owner of the business provided that there is a letter of explanation in the file which includes an attestation from all other owners of the business that the borrower is entitled to the funds.</p> <ul style="list-style-type: none"> ▪ If amounts in the business account will be used for down payment, a cash flow analysis or a letter from the business accountant is required to confirm that the withdrawal will not negatively impact the business. ▪ If amounts in the business account are used for reserves and borrower is less than 100% owner of the business, the percentage of ownership in the business should be multiplied by the account balance to determine the amount of funds attributable to the borrower. ▪ All funds must be seasoned. Review the most recent bank statements provided to ascertain what is normal and typical for the business.
Min. Borrower Contribution	<ul style="list-style-type: none"> ▪ None
Gift Funds & Gift of Equity	<ul style="list-style-type: none"> ▪ 100% gift funds allowed ▪ Must meet FNMA guideline for acceptable donors ▪ Gift of Equity: Occupancy restricted to Primary Residence Only
Eligible Other Assets	<ul style="list-style-type: none"> ▪ Foreign Assets <ul style="list-style-type: none"> - Foreign assets being used for down payment and closing costs can be transferred to a U.S. domiciled account in the borrower's name at least ten (10) days prior to closing unless funds are held in a foreign bank with U.S. branches insured by the FDIC; or - Foreign assets Verified funds for closing to be wired directly to the closing agent. Wire transfer to include bank name, accountholder

Program Description	Summary
	<p>name, and account number. Bank used as source of wire transfer must match the bank holding the assets verified in the loan file.</p> <ul style="list-style-type: none"> - The sale of the foreign asset and conversion of foreign currency must be fully documented and verified. - The borrower's source of funds for the down payment and/or closing costs must comply with the Office of Foreign Assets Control (OFAC). <ul style="list-style-type: none"> ▪ Life Insurance (Cash Value) <ul style="list-style-type: none"> - Net proceeds from a cash value or from the surrender of a life insurance policy may be considered for downpayment, closing cost and reserves. - The most recent statements must be provided. - 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. - When the cash-value of the life insurance is being used for reserves, the cash-value must be documented but liquidation is not required. ▪ Stocks/Bond/Mutual Funds: <ul style="list-style-type: none"> - 100% funds may be considered for downpayment, closing cost and reserves. - 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. - When Stocks/Bond/Mutual Funds are used for reserves, 100% of the value of the assets may be considered, and liquidation is not required. ▪ Vested Retirement Account <ul style="list-style-type: none"> - 100% funds may be considered for down payment, closing cost and reserves. - The most recent retirement account statement must be provided and must identify the borrower's vested amount and the terms. - Terms of withdrawal may be required. - When funds from retirement accounts are used for reserves, the funds to be withdrawn from the account(s) is not required.
Reserves	<ul style="list-style-type: none"> ▪ Primary & 2nd Home: <ul style="list-style-type: none"> - $\leq \\$1,000,000$ & LTV $\leq 75\%$: No reserves - $\leq \\$1,000,000$ & LTV $> 75\%$: 4 months Principal & Interest payment - $> \\$1,000,000$: 6 months Principal & Interest payment ▪ Investment: <ul style="list-style-type: none"> - $\leq \\$1,000,000$: 6 months Principal & Interest payment

Program Description	Summary
	<ul style="list-style-type: none"> - >\$1,000,000<=\$2,000,000: 9 months Principal & Interest payment - >\$2,000,000: 12 months Principal & Interest payment ▪ Reserves are required for subject property only ▪ No additional reserves for each financed property (other than subject) ▪ Gift funds can be used for reserve requirement for all transaction ▪ Cash Out Net Proceed can be used for reserve requirement
Max. Seller Contribution	<ul style="list-style-type: none"> ▪ Primary & 2nd Home: 6 % for LTV<=80% , 4% for LTV>80% ▪ Investment: 3%
Rate/Term Refinance	<ul style="list-style-type: none"> ▪ Pay off an existing first mortgage loan and any subordinate loan used to acquire the property ▪ 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"> - Closed-end loan, at least 12 months of seasoning has occurred - 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) ▪ Buy out a co-owner pursuant to an agreement ▪ Pay off an installment land contract executed more than 12 months from the loan application date <p>Other Considerations:</p> <ul style="list-style-type: none"> ▪ 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 ▪ 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 ▪ 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 ▪ Ineligible if there has been a prior cash-out transaction in the past 6 months
Cash-Out Seasoning	<ul style="list-style-type: none"> ▪ Ineligible if there has been a prior cash-out transaction in the past 6 months ▪ Cash out seasoning is defined as the time difference between the date of the new note and the property acquisition date

Program Description	Summary
	<ul style="list-style-type: none"> ▪ A minimum borrower seasoning includes the entity that a borrower has 100% ownership requirement of six (6) months is required for a transaction to be eligible for cash out ▪ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. ▪ 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. ▪ Properties listed for sale in the past six (6) months are not eligible ▪ Cash out seasoning of six (6) months or less is allowed with the following restrictions: <ul style="list-style-type: none"> - 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. ▪ Delayed purchase financing is eligible when a property was purchased by a borrower for cash within 180 days of the loan application. <ul style="list-style-type: none"> - The original purchase transaction was an arms-length transaction. - The source of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property). - The maximum LTV/CLTV ratio for the transaction is based upon the lower of the current appraised value or the property’s purchase price plus documented improvements. - The preliminary title search or report must confirm that there are no existing liens on the subject property - The transaction is considered cash-out; cash-out pricing adjustors apply - The new loan amount can be no more than the actual documented amount of the borrower’s initial investment subject to the maximum LTV/CLTV for cash-out transactions.
Max. Cash back to borrower	Unlimited
Texas Cash Out	Must meet FNMA guideline
Listed Properties	<ul style="list-style-type: none"> ▪ Rate/Term: Cannot be listed for sale on date of loan disbursement. Value will be based on the lesser of lowest list price or appraised value. ▪ Cash Out: <ul style="list-style-type: none"> - Primary/Second Home: Cannot be listed for sale in prior 6 months from date of loan application. Value will be based on the lesser of lowest list price or appraised value. - Investment Properties: A listing expiration of less than six (6) months is permitted with a prepayment penalty of three (3) years. If a property is listed for sale, the listing must be cancelled prior to the note date. Value will be based on the lesser of lowest list price or appraised value.

Program Description	Summary
Appraisal	<ul style="list-style-type: none"> One full appraisal required for all loans <= \$2,000,000 Two full appraisals required for all loans > \$2,000,000 Desk review will be ordered and reviewed by EMET Underwriter on all loans with One full appraisal. Desk review will not be required when Two full appraisals provided.
Transferred Appraisal	Allowed
Number of Financed Properties	No limit on number of financed properties, however Max. \$5MM combined
Secondary Financing	<ul style="list-style-type: none"> Private-party secondary financing not allowed Secondary financing must be subordinated and included in CLTV 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.
Prepayment Penalty	<ul style="list-style-type: none"> Investment Property Only. Prepayment periods up to 3-Years eligible. Penalties not allowed on loans vested to individuals in NJ. 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. The prepayment penalty can be disclosed within the body of the Note or in a separate rider.
Payment Shock	Not Applicable
Escrow Waiver	<ul style="list-style-type: none"> Eligible for Non-HPML files. When Impounded, Both Tax & Insurance are required to be impounded. Not allow Tax only Impound or Insurance only Impound.
Power of Attorney	Not allowed for Cash-Out
Accessory Unit	Must meet FNMA guideline
Properties with Solar Panels	Must meet FNMA guideline
Property Insurance	<ul style="list-style-type: none"> 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. Extended coverage must include, at a minimum: wind, civil commotion (including riots), smoke, hail, and damage caused by aircraft, vehicle, or explosion.

Program Description	Summary
	<ul style="list-style-type: none"> ▪ 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. ▪ The maximum deductible amount must be no greater than 5% of the face amount of the policy. ▪ The hazard insurance coverage should be equal to the lesser of: <ul style="list-style-type: none"> - Replacement Cost Estimator: Provided from the property insurer - Total loan amount (including both first mortgage and second mortgage/HELOC), provided it equals no less than 80% of the replacement cost value of the improvements ▪ Condominiums : Must meet FNMA guideline
Title Vesting and Ownership	<ul style="list-style-type: none"> ▪ Ownership may be fee simple or leasehold title. ▪ Eligible forms of vesting are: <ul style="list-style-type: none"> - Individuals - Joint tenants - Tenants in Common - Inter vivos revocable trust - Must meet FNMA guideline. ▪ Ineligible forms of vesting are: <ul style="list-style-type: none"> - Land trusts - Blind trusts - Irrevocable trust - IRAs - Not-For-Profit entity
Leasehold Properties	<ul style="list-style-type: none"> ▪ 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 constitute real property, be subject to the mortgage lien, and be insured by the title policy. ▪ Must meet FNMA guideline.
Vested In an Entity	<ul style="list-style-type: none"> ▪ Only allowed for Business Purpose Loans (Investment Occupancy) ▪ Limited to the following structures: LLC, Partnership, and Corporation ▪ Purpose and activities are limited to ownership and management of real property. ▪ Multi-level entity structures are allowed subject to entity documentation requirements met for all entities.

Program Description	Summary
	<ul style="list-style-type: none"> ▪ Entity must be domiciled in a U.S. State. ▪ Entity is limited to a maximum of four (4) member(s) or manager(s). ▪ Personal guaranties must be provided by member(s)/manager(s) representing at least 50% ownership of the entity. ▪ A guarantor must have authority to execute loan documents on behalf of the entity. ▪ 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. ▪ Such structures shall be initiated and arranged by the members of the Entity. ▪ Documentation required for the different entity types <p>Limited Liability Company (LLC)</p> <ul style="list-style-type: none"> - Entity articles of organization or partnership (or equivalent) - 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) - Entity documents authorizing the guarantor to execute loan documents on behalf of the entity (e.g., Operating Agreement, Certificate of Authorization) - If not available, a Borrowing Certificate is required - Entity documents that include a list of members/managers and ownership percentage (e.g., organization structure) - EIN/Tax Identification Number <ul style="list-style-type: none"> ✓ Single member LLC may use EIN or the guarantor social security number ✓ Multi-member LLCs require an EIN <p>Corporation</p> <ul style="list-style-type: none"> - Filed Certificate/Articles of Incorporation and all amendments (or equivalent) - By-Laws 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 - Borrowing Resolution/Corporate Resolution granting authority of signer to enter loan obligation - Receipt of current year franchise tax payment, clear search, or evidence the state does not require a franchise tax payment. <p>Partnership</p> <ul style="list-style-type: none"> - Filed Partnership Certificate (if a general partnership, filing with the SOS may not be required)

Program Description	Summary
	<ul style="list-style-type: none">- 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). <ul style="list-style-type: none">▪ Closing docs to be signed by the guarantor(s)▪ Spousal consent to pledge.