MKLENDING CORP.
MORTGAGE BANKERS

Last Update MK 7/22/2026

1 Year Income Prime v2

Program Code: 1Yr Prime -30, -40, -7/6, -5/6, -30 IO, -40 IO, -7/6 IO, -7/6 IO-40, -5/6 IO, -5/6 IO-40

FICO	Loan Amt	Max CLTV					
		Primary			2nd Home/Investment		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
720+	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	80%	80%	85%	80%	75%
	≤ 2.5M	80%	75%	75%	80%	75%	75%
	≤ 3M	75%	70%	70%	75%	70%	70%
	≤ 3.5M	70%	65%	NA	70%	65%	NA
700-719	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	75%	70%	85%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
	≤ 3M	75%	70%	65%	75%	70%	65%
	≤ 3.5M	70%	65%	NA	70%	65%	NA
680-699	≤ 1M	90%	85%	75%	85%	80%	75%
	≤ 1.5M	85%	80%	75%	85%	80%	75%
	≤ 2M	80%	75%	70%	80%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
	≤ 3M	70%	65%	65%	70%	65%	65%
660-679	≤ 1M	80%	80%	75%	80%	80%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	75%	70%	65%	75%	70%	65%
	≤ 2.5M	70%	65%	65%	70%	65%	65%
640-659	≤ 1M	80%	75%	70%	80%	75%	70%
	≤ 1.5M	70%	65%	65%	70%	65%	65%
	≤ 2M	65%	NA	NA	65%	NA	NA
620-639	≤ 1M	70%	70%	NA	70%	70%	NA

- Non-Permanent Resident Alien Max LTV/CLTV 80%
- 2-4 Units & Condo Max LTV/CLTV: 85%
- Rural Max LTV/CLTV: Purchase 80%, Refinance 75%
- Interest Only: Min Fico 660
- State Restriction: Maximum LTV/CLTV is limited to 85% for Purchases and 80% for all refinances and the max loan amount is limited to $2,000,000 if either or both of the following apply:
  - The appraisal report identifies the property as a declining market;
  - The subject property is in a state of NJ or FL
- Ineligible in Baltimore, Maryland

Income Requirement

Wage Earner Income	▪ Paystubs ▪ W-2 ▪ IRS Form 4506
Self Employed Income	▪ 1 year of Personal and Business Tax Returns ▪ YTD P&L ▪ IRS Form 4506

General Requirements

DTI	▪ Max 50%				
Occupancy	▪ Primary ▪ Second Home ▪ Investment				
Interest Only	▪ Min Credit Score: 660				
Product Type ***Interest Only: Qualification based upon the remaining term (amortized) after expiration of the interest only period**	**Product**	**Term**	**Amortization Term**	**I/O Term**	**Qualifying Rate**
	40-Yr Fixed	40 yr	40 yr	NA	Note Rate
	40-Yr Fixed IO	40 yr	30 yr	10 yr	
	30-Yr Fixed	30 yr	30 yr	NA	
	30-Yr Fixed IO	30 yr	20 yr	10 yr	
	7/6 ARM	30 yr	30 yr	NA	Higher of Fully Indexed or Note Rate
	7/6 ARM IO	30 yr	20 yr	10 yr	
	7/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr	
	5/6 ARM	30 yr	30 yr	NA	
	5/6 ARM IO	30 yr	20 yr	10 yr	
	5/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr	
Loan Purpose	▪ Purchase ▪ Rate/Term ▪ Cash-Out				

Loan Amount	▪ Min: $150,000 ▪ Max: $3,500,000
State Restrictions	▪ Maximum LTV/CLTV is limited to 85% for Purchases and 80% for all refinances and the max loan amount is limited to $2,000,000. If either or both of the following apply: o The appraisal report identifies the property as a declining market; o The subject property is in a state of NJ or FL ▪ Florida Condominiums: o Up to 7 Stories. No High Rise Condo (8+) o A structural inspection is required if the project is greater than 5 stories and over 30 years old or 25 years old if within 3 miles of the coast. o Projects with an unacceptable or no inspection are not eligible. ▪ Ineligible in Baltimore, Maryland
Cash-Out	▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning o For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. o 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. o A prior cash-out transaction within the past six (6) months is ineligible for another cash-out o Refinance of a previous Cash-Out transaction seasoned less than one (1) year will be considered a Cash-Out refinance.
Property Type	▪ Single Family ▪ 2-4 Units (Max LTV/CLTV: 85%) ▪ Condo (Max LTV/CLTV: 85%)
Acreage	▪ Property up to 20-acres ▪ Rural Max LTV/CLTV: Purchase 80%, Refinance 75%
Appraisals	▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product required unless 2nd appraisal obtained ▪ 2nd Appraisal required for loans > $2,000,000 ▪ Transferred Appraisal are acceptable
Accessory Dwelling Units (ADU)	▪ Eligible on 1-unit properties with up to 2 ADUs; 3+ ADUs not permitted ▪ Must be **smaller than the primary dwelling** ▪ Must be similar in quality to the primary dwelling ▪ Must have separate features from the primary dwelling for the following : means of ingress/egress, kitchen, sleeping area, bathroom facilities ▪ Kitchen must include **cabinets, countertop, sink with running water, and stove** ▪ ADU with access only through or open to primary dwelling is **not eligible as an ADU**

<table>
<tr><td>Accessory Dwelling Units (ADU) (Cont.)</td><td>
▪ Appraisal must describe ADU(s), address marketability, and include comparable(s) with same use / same number of ADUs
▪ Form 1025 required for 2 ADUs
▪ OO / 2nd Home: ADU income not eligible for qualifying
▪ Investment: rental income eligible per program requirements
○ LTR: lower of Form 1007/1025 market rent or actual rent
○ STR: per selected doc type requirements
▪ Rental Income on NOO may be used for the ADU subject to the following:
○ Appraisal report to reflect zoning compliance is legal or in compliance with zoning laws
○ Permits must be verified if required by jurisdiction
○ Appraisal report to include at least one comparable with the same number of ADU’s as the subject property
○ Gross market rents must be itemized when there are two ADU’s that generate rental income
</td></tr>
<tr><td>Declining Market</td><td>
▪ Properties in declining markets as determined by the appraisal, other third-party valuation (i.e., CDA) will require a 5% reduction to the LTV/CLTV caps within the loan matrices.
○ 85% LTV Purchase
○ 80% Refinance
</td></tr>
<tr><td>Escrow Impound</td><td>
▪ Mandatory escrow for taxes and insurance will be required for below
○ HPLMs (5 Years)
▪ Flood insurance escrows are required when the subject property is located in a Special Flood Hazard Area (SFHA)
</td></tr>
<tr><td>Prepayment Penalty</td><td>
▪ Investment Properties only
▪ Prepayment periods up to 5-years eligible, see rate sheet
▪ Penalties not allowed on loans vested to individuals in NJ
▪ Prepayment not allowed on MD
▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.
</td></tr>
<tr><td>Document Age</td><td>
▪ 90 days prior to the note date
</td></tr>
<tr><td colspan="2">General Underwriting Guidelines</td></tr>
<tr><td>Credit Score</td><td>
○ Middle of 3 scores or lower of 2
</td></tr>
<tr><td>Tradelines</td><td>
○ Min: 2 reporting 24-months w/ activity in last 12-months or 3 reporting 12-months w/ recent activity
○ If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
</td></tr>
<tr><td>Housing History</td><td>
<table>
<tr><th>Housing History</th><th>1x30x12</th><th>0x60x12</th><th>0x90x12</th></tr>
<tr><td>Max LTV/CLTV: Purchase</td><td>See matrix above</td><td>80%</td><td>70%</td></tr>
<tr><td>Max LTV/CLTV: Refi.</td><td>See matrix above</td><td>75%</td><td>NA</td></tr>
<tr><td>Max Loan Amt:</td><td>See matrix above</td><td>$1,500,000</td><td>$1,000,000</td></tr>
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<table>
<tr><td>Credit Event Seasoning</td><td>
<table>
<tr><th>BK/FC/SS/DIL/PreFC/MC</th><th>>= 36 Mo</th><th>>= 24 Mo</th><th>>= 12 Mo</th></tr>
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</table>

The seasoning period is measured from the date of discharge/ dismissal or property resolution (completion date) to the note date.
In the case of a foreclosure which was included in a BK, the seasoning timeline will start from the earlier of the date of discharge of bankruptcy and the foreclosure completion date

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<tr><td>Notice of Default</td><td>

Notice of Default will be considered 1x90x12 under housing history restrictions.
If the borrower cured the default and has made 12 timely payments, they are eligible without any restrictions.

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<tr><td>Forbearance, Modification, and Deferrals</td><td>

Forbearance, modifications and Deferrals (including COVID-19 related events) are considered under housing payment history.
Greater than 12 months from note date: Completed or reinstated greater than 12 months from the note date of the subject transaction may be eligible subject to housing history requirements for the selected program.
Within 12 months of note date: Completed or reinstated within 12 months from the note date of the subject transaction are Not eligible.

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<tr><td>Reserves</td><td>

Reserve requirements are determined by loan amount and LTV as follows:
o Loan Amount ≤ $1.5 million and LTV ≤ 75% → None required
o Loan Amount ≤ $1.5 million and LTV > 75% → 2 months of PI
o Loan Amount > $1.5 million → 4 months of PI
o Loan Amount > $2.0 million → 6 months of PI
Cash out may be used to satisfy requirement

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<tr><td>Assets Requirements</td><td>

1 month bank statement or VOD with 30-day average.

</td></tr>
<tr><td>Business Funds</td><td>

Business accounts may be considered for assets. The amount of business assets that may be utilized is limited to the borrower’s ownership percentage in the business.
For business purpose loans assets held in the name of the vested entity: 100% of the assets may be used

</td></tr>
<tr><td>Gift Funds</td><td>Gift funds

LTV/CLTV ≤ 80%: 100% gift allowed for down payment, closing and reserves
LTV/CLTV > 80%: Gift funds allowed for down payment, closing and reserves after Minimum 5% borrower contribution is met
Gift funds are allowed in refinance transactions.

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<tr><td>First Time Home Buyer</td><td>

Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted.
DTI may not exceed 50%.
The rental history, reflecting 0x30, documented;
First time homebuyers with less than 12-month rental history:
LOE or rent-free letter is required.

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</table>

Interested Party Contributions	▪ Primary and Second Home o 6% for LTVs > 75% o 9% for LTV ≤ 75% ▪ Investment o Max 6%
Ineligible Property Type	▪ Properties with agricultural features (e.g., vineyards, farms, ranches, orchards, equestrian facilities) ▪ Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment, Continuing Care Facilities) ▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana ▪ Properties with condition rating of C5/C6 or quality rating of Q6 on the appraisal ▪ Barndominiums ▪ Properties under Construction ▪ Units with >= 5 units ▪ Properties > 20 acres ▪ Zoning Violations or illegal use ▪ Properties on Native American Land (Reservations) ▪ Manufactured or Mobile homes ▪ Mixed Use Properties ▪ Faux Log Homes (properties with a Log Cabin aesthetic, may be eligible with exception, subject to LLPA) ▪ Houseboats ▪ Log Homes ▪ Units subject to timeshare arrangements ▪ Properties with fractional ownership ▪ Boarding Houses ▪ Builder Model Leaseback ▪ Condominium projects with registration services or restrictions on owner's ability to occupy ▪ Condotels ▪ Cooperatives ▪ Earth Berm Homes ▪ Group Homes ▪ Live/Work Condos ▪ Mandatory Country Club Memberships ▪ Unique Properties ▪ Working Farms ▪ Theme Park Resort Properties ▪ 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 ▪ Units in a Co-op development ▪ Properties used as boarding houses, bed/breakfast, or single room occupancy (e.g., pad split app) ▪ Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop) ▪ Dome or geodesic properties

Listing Seasoning	• Properties that have been listed for sale within the past six (6) months from the Note Date may not be currently listed at the time of Loan Application and will require a borrower LOE and listing cancellation. • Multiple listings in the past twelve (12) months are not eligible. ▪ For all refinances, the LTV/CLTV will be based on lesser of lowest list price in prior 12 months or appraised value.