HELOAN Plus

(Piggy back, Standalone 2nd TD)

Program Code: HELOAN Plus -30, -20, -15, -10

Loan Amt	Min FICO	Max CLTV		
		Primary	2nd Home	Investment
		Full Doc		
100,000-250,000	**740**	**85%**	**80%**	**75%**
	700	**80%**	**75%**	**70%**
	680	**75%**	**75%**	**NA**
250,001-500,000	**740**	**80%**	**80%**	**75%**
	700	**80%**	**75%**	**70%**
	680	**75%**	**75%**	**NA**

*** Warrantable Condo Max CLTV: 80%**

*** 2-4 Units Max CLTV: 65%**

* Declining Market Restrictions: Maximum LTV/CLTV is reduced by 10%

- the appraisal report identifies the property as a declining market

General Requirements

DTI	▪ Maximum DTI ratio: ○ 50% DTI (Primary) ○ 45% DTI (2nd /Investor) ○ If 1st lien is an Interest Only (IO), fully amortizing payment to be used to qualify ○ If 1st lien is an Adjustable Rate Mortgage (ARM), the higher of the fully indexed rate or Note rate to be used to qualify
Occupancy	▪ Primary Residence ▪ Second Home ▪ Investment
Product Type	▪ 30-Yr Fixed ▪ 20-Yr Fixed ▪ 15-Yr Fixed ▪ 10-Yr Fixed
Loan Purpose	▪ Stand-Alone Cash-Out ▪ Concurrent(Piggyback)
Cash-Out	▪ **Max Cash-Out:** $500,000

Loan Amount	▪ Min: $100,000 ▪ Max: $500,000 ▪ $2.5M Maximum Loan Amount (1st & 2nd Lien combined)
Property Type	▪ Single Family ▪ 2-4 Units (Max 65% CLTV) ▪ PUD ▪ Fannie Mae Warrantable Condo (Max 80% CLTV)
Ineligible Property	▪ Assisted Living/Continuing Care Facilities ▪ Boarding Houses / Group Homes ▪ Builder Model Leaseback ▪ C5 or C6 Property Condition Grades ▪ Condotels ▪ Cooperatives ▪ Fractional Ownership / Timeshares ▪ Geodesic Domes ▪ Homes on Native American Land (Reservations) ▪ Houseboats ▪ Live / Work Condos ▪ Log Homes ▪ Mandatory Country Club Memberships ▪ Manufactured Homes ▪ Mixed Use Properties ▪ Non-Warrantable Condo ▪ Properties listed for sale within the last 6 (six) months ▪ Properties under Construction ▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana ▪ Properties with >20 acres ▪ Rural properties ▪ Theme Park Resort Properties ▪ Unique Properties ▪ Working Farms ▪ Zoning Violations ▪ Unpermitted Additions/alterations and deferred maintenance to follow GSE guides ▪ Barndominiums ▪ Condo projects with registration services or restrictions on owner's ability to occupy
Appraisals	▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product is required unless 2nd appraisal is obtained ▪ Transferred Appraisal is **NOT** acceptable

Appraisal Review	• Secondary valuation product required in every file. Acceptable review products include one of the following:
	  ○ Collateral Underwriter (CU) or Loan Collateral Advisor (LCA) as a secondary valuation if the score is <= 2.5
	  ○ Clear Capital - AVM
	    ▪ AVM Supporting value within 10% variance
	    ▪ Confidence Score of at least 90%
	    ▪ FSD Score to be 0.00 to 0.13
	  ○ CDA from Clear Capital

State Restrictions	▪ TX: Not allowed
Escrow Impound	▪ Not Required
Prepayment Penalties	▪ Not allowed
CONCURRENT REQUIREMENTS ("PIGGYBACKS")	▪ Approval letter / final approval from 1st mortgage showing all conditions have been satisfied ▪ Final Closing Disclosure from 1st mortgage transaction ▪ Use of Appraisal from the 1st lien is acceptable ▪ Title policy from 1st lien transaction can be used and must include title insurance/CPL/wire instructions ▪ HOA statement, HOI, flood insurance from the 1st lien transaction (if applicable)
General Underwriting Guidelines	
Tradelines	▪ Document per Fannie Mae Seller Guidelines or Freddie Mac Seller Guidelines ○ Fannie Mae: No minimum tradeline required. ○ Freddie Mac: 3 minimum tradelines required.
Credit Score	▪ Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. ▪ Non-traditional credit ineligible.
Housing History	▪ 0x30x12 - Verification of mortgage history required on all loans.
Housing Event Seasoning	▪ Foreclosure /Short Sale/Deed in Lieu / Any Bankruptcy/Default Modification, Notice of Default, Lis Pendens or 120+ Days Delinquent : : 48 month waiting period ○ Borrowers with multiple Housing Events within the last seven (7) years are not eligible
INELIGIBLE TRANSACTIONS (1ST LIEN)	▪ Construction Loans ▪ Temporary Buydowns ▪ Builder Bailout & Model leasebacks ▪ Conversion Loans ▪ Rent Credits ▪ Non-Arm's Length ▪ Lease Option ▪ Subject Loan being used as Bridge financing ▪ Cross Collateralized ▪ Renovation Loans
Interest Only	▪ NA
Reserves	▪ NA
Borrower Eligibility	▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident (Primary Residence ONLY) ▪ Daca Borrowers
POWER OF ATTORNEY	▪ Not Permitted

<table>
<tr><td>Ineligible Borrower</td><td>Non-Occupant Co-borrowers
Foreign Nationals
ITINs
Irrevocable or Blind Trusts
Land Trusts
Borrowers with diplomatic immunity
Asylum applicants
Self-employed Borrower deriving their income from any Cannabis related business
Borrowers(s) with residence of any country not permitted to conduct business with U.S. Companies as determined by U.S. government authority</td></tr>
<tr><td>CASH OUT CLTV</td><td>Use the lesser of the appraised value and the purchase price for properties owned less than 12 months
Properties that have been on the market within six months of the application date are ineligible</td></tr>
<tr><td>Senior Liens Requirement & Documentation</td><td>$2.5mm Maximum Loan Amount (1st & 2nd Lien combined)
Must document 1st mortgage with a copy of 1st mortgage note or billing statement
Senior liens with high-risk features which can include, but are not limited to:
Loans with a Negative Amortization feature
Outstanding term >30 years
Loans in active forbearance or deferment
Reverse Mortgages
Private 1st liens
Balloon loans with a maturity date before the maturity date of the 2nd subject lien
First Lien HELOC
Land Contracts
Cross Collateralized loans</td></tr>
<tr><td>Solar Lease</td><td>Must conform to FNMA guidelines
PACE loans (or any similar loans with payments that are included in property taxes or take lien priority) are not eligible</td></tr>
<tr><td>Mortgage Insurance</td><td>Not required</td></tr>
<tr><td colspan="2">Income Documentation Option</td></tr>
<tr><td>Full Doc</td><td>Wage/Salary
Most recent 30-day paystubs
2-years W-2s
Tax transcripts
Self-Employed
25% or greater ownership required
2-years of Personal and Business Tax Returns
YTD P&L
Tax transcripts</td></tr>
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