DG PINNACLE HOME LOANS NMLS # 1433994 TPO

03.09.2026

DG Closed End Second-Series II Standard and Alt Doc

Standard Doc - Maximum CLTV

Loan Amount	Credit Score	Primary Residence	Second Home	Investment
$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
$750,000	740	80	75	NA
	700	80	70	NA
	680	75	65	NA

Bank Statement and 1099 - Maximum CLTV

Loan Amount	Credit Score	Primary Residence	Second Home	Investment
$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
$750,000	740	75	65	NA
	700	70	60	NA
	680	65	55	NA

WVOE and P&L Statement with 2 Mo Bank St - Maximum CL TV

Loan Amount	Credit Score	Primary Residence	Second Home	Investment
$350,000	740	80	70	70
	700	75	65	60
	680	70	60	NA
$500,000	740	75	65	65
	700	70	60	60
	680	65	55	NA
$750,000	740	70	60	NA
	700	65	55	NA
	680	60	50	NA

Property Type

- Single Family: Attached, Detached
- 2-4 Unit: Max CLTV 75%
- Condominium: Max CLTV 80%
- **Not Eligible:** Rural, Condotel

Housing History	Credit Event Seasoning Forbearance	Modification or Deferral	First Time Homebuyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 48 Mo	> 12 Mo	Not Allowed

State Eligibility

- Ineligible States: TX
- Ineligible Locations:
  - Investor occupancy in Baltimore City, MD, and Philadelphia County, PA
  - Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, FL, IL, NJ, NY:
  - Single Family, Condominiums: Max CLTV 80%, min credit score 720
  - 2-4 Unit: Max CLTV 75%, min credit score 720

Declining Market

If the appraisal report identifies the property in a declining market, the maximum CLTV is limited to 80% for all transactions.

General Requirements

Product and Term	• Fixed Rate Terms: 10, 15, 20, 25, 30 years • 30/15 Balloon: 30 year fully amortized term with 15 year balloon term o Amortization term on the Note is 360 months but the qualifying amortization term for the debt-to-income ratio is based upon 180 months
Interest Only	• Occupancy: Primary residence only • Max CLTV 80% • Terms: o 20 Year Fixed Rate Term: 3 year interest only with 17 year amortization o 30 Year Fixed Rate Term: 3 year interest only with 27 year amortization • Qualification based upon remaining term (amortized) after expiration of interest only period
Loan Amounts	• Min: $50,000 • Max: $750,000
Combined Loan Balance	• The CLTV of the combined loan balances are restricted as follows: o Combined loan balance> $2,000,000 - maximum 80% CLTV o Combined loan balance> $3,000,000 - maximum 75% CLTV • Maximum combined loan balance for all liens not to exceed $4,000,000

DG Closed End Second - Standard and Alt Doc continued

General Requirements, continued	
Loan Purpose	• Stand-Alone Cash-Out (minimum ownership of 6 months required) • Simultaneous Purchase. First Lien must be an Agency-eligible loan
Occupancy	• Primary, Second Home, Investment
Cash-In-Hand	• Max: $750,000
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien: Max 80% CLTV
Ineligible Loan Features	• Lien Free Properties - if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out - if the existing lien is a cash-out, measured within six (6) months of the note date to note date. • Frequent Refinances - Two (2) or more cash-out refinances in the past twelve (12) months.
Eligibility Criteria	• For criteria not referenced in this matrix, follow the Closed End Second chapter in the Non-Agency Seller Guide
First Lien Eligibility	
First Lien Documentation Requirements	• First lien documentation requirements, all of the following apply: o Copy of 1st lien Note • Default interest rate on Note cannot exceed Note rate • If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) o Copy of most recent monthly mortgage payment statement • Utilized to determine if payment includes escrows (See DTI Requirements)
First Lien Qualifying Payment	• First lien qualifying payment for the debt-to-income (DTI) ratio: o Stand-Alone Cash-Out Transaction: Use the mortgage payment verified on the credit report. o Simultaneous Purchase Transaction: Fixed Rate: Note rate amortized over the total loan term. Adjustable Rate Mortgage (ARM): Qualifying rate is the higher of the fully indexed rate or the Note rate. Interest Only (Fixed/ ARM): Qualifying rate is amortized over the remaining term after the expiration of the interest only period.
Ineligible First Liens	• Ineligible First liens with high-risk features include, but are not limited to: o Forbearance, modifications, or deferrals completed or reinstated within 1 2- months of the Note date o Loans in active forbearance or deferment o Negative amortization including loans with Paid-In-Kind (PIK) features o Balloon, if the balloon payment becomes due during the amortization period of the new 2 d lien o Reverse Mortgages o Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages o Home Equity Line of Credit o Note with default interest rate greater than the Note rate
Income Requirements	
Standard Doc	• Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business (If applícable) Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	• 1 2- or 24-months of personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 12- or 24-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	• 1 2 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: o Fixed Expense Ratio (50%) o Expense ratio provided by a Third party (CPA, EA, or tax preparer) with min ratio of 10% o Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
P&L Statement with Two Months Bank Statements	• 1 2- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement • CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return Two (2) months business bank statements for the most recent two (2) months reflected on the P&L Statement • Max CLTV 80%
Written VOE	• FNMA Form I 005 • Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements • Max CLTV 80%
IRS Form 1099	• 1-year or 2-years I 099 • Fixed Expense Ratio of I 0% • YTD documentation to support continued receipt of income
Desktop Underwriter (DU) or Loan Product Advisor (LPA)	• Final AUS findings must be included in the loanfile o Fannie Mae: DU Approve/Eligible, or o Freddie Mac: LPA Accept/Eligible • Ineligible, Caution, or Refer with Caution not allowed • For simultaneous purchase transactions only • Findings permitted to be used for income, asset, and liability documentation • Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible) • Max DTI based upon CLTV restrictions for this program. See DTI Requirements.

DG Closed End Second - Standard and Alt Doc continued

Property Requirements	
Acreage	• Property up to 1O acres, not meeting the rural definition, eligible
Appraisal Requirements	• HPML loans that are not Qualified Mortgages require a full appraisal report with an interior inspection, regardless of loan balance • Any simultaneous transaction requires a full appraisal with an interior inspection • Transferred appraisals are eligible • Primary Valuation and Secondary Valuation are required for all loan files. • **Primary Valuation:** o Primary Valuation - Loan Amount <=$400,000: See Non-Agency Seller Guide for requirements o Primary Valuation - Loan Amount >$400,000: Full appraisal report with an interior inspection is required, see Non-Agency Seller Guide for requirements • **Secondary Valuation (Appraisal Review):_See** Non-Agency Seller Guide for requirements
Listing Seasoning	• Properties currently listed for sale or previously listed for sale within the past 6-months are not eligible
Title Requirements	• **Title Report:** o Loan Amount <= $250,000: See Non-Agency Seller Guide for requirements o Loan Amount > $250,000: Title Insurance is required, see Non-Agency Seller Guide for requirements • **Ownership Seasoning:** Subject property must be owned a minimum of 6-months (on title) to be eligible • **Existing Subordinate Liens:** All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of the Non Agency Seller Guide. o All Solar Panel loans and leases with PACE/HERO financing must be paid off.
Flood Certificate and Flood Insurance	• Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA • Loss payee clause must reflect seller as additional insured
Hazard Insurance	• Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect seller as additional insured
Escrows	• Escrows for taxes and insurance are not permitted for second lien programs

Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower with the highest qualifying income o Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting l 2-months w/recent activity • If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Assets	• Min of 30-day asset verification required if funds are needed to consummate the transaction	**Reserves**	• Simultaneous Purchase Transactions: Follow First lien requirements • Stand-Alone Cash-Out Transactions: None required
Gift Funds	• Simultaneous Purchase Transactions: Follow First lien requirements	**DTI Requirements**	• Maximum DTI ratio: o 50% DTI for CLTV less than or equal to 80% o 45% DTI for CLTV greater than 80%
Document - Age Property	• Appraisal, Title Report (or O&E): 120-days • AVM: 90-days	**Document Age - Credit**	• 120-days
Prepayment Penalty Investment Properly Only	• Acceptable Structures include the following: o Fixed percentage of no less than 3% o Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years Example, (5%/4%/3%/3%/3) or (5%/4%/3%/2%/1) o Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period • Prepayment periods up to 5-Years eligible, see rate sheet		• **AK, KS, MI, MN, NM, OH, RI, VA:** Penalties not allowed • **IL, NJ,** Penalties not allowed on loans vested to individuals • **MD:** Penalties not allowed on second liens less than $75,000 • **MS:**Only declining prepayment penalty structures are allowed • **PA:** Penalties not allowed on 1-2 unit loans with a loan amount less than or equal to the base figure ($329,41 l for 2026; adjusted annually). This restriction applies to business purpose loans whether vested to an individual or an entity. 3+ unit loans, or with a loan amount greater than $329,411 are not subject to prepayment restrictions.