

FULL DOC, EXPRESS DOC, 1099, BANK STATEMENTS, P&L, AND WVOE

RATE & TERM/CASH OUT				
MAX LOAN AMOUNT	MIN FICO	MAX CLTV		
		PRIMARY RESIDENCE	SECOND HOME	INVESTMENT
\$75,000 - \$350,000	700 (Full/Express/1099 only)	90%	80%	80%
	700	85%		
	680	80%	75%	70%
\$350,001 - \$500,000	720 (Full/Express/1099 only)	85%	75%	70%
	700	80%		
\$500,001 - \$750,000	720	75%	70%	65%

MAX CLTV	
Bank Statement	85%
Condos	80%
P&L	75%
WVOE	75%
3-4 Unit	75%
Third-Party Expense Ratio	75%
Declining Market – Primary & Second Home	75%
Declining Market – Investment	70%
Listed For Sale 6-12 months ago w/ PPP (See UW Manual)	65%

DSCR 1.0+

RATE & TERM / CASH OUT		
MAX LOAN AMOUNT	MIN FICO	MAX CLTV
\$100,000 - \$350,000	720	75%
	700	70%

Max CLTV	
Declining Market	70%
Listed For Sale 6-12 months ago w/ PPP (See UW Manual)	70%
3-4 Unit	65%
Properties acquired through inheritance or other non-purchase transactions (See UW Manual)	60%

PRODUCT FEATURES	
TERM	10, 15, 20, 30-year Fixed Rate – Fully amortizing Loans in IN, KS, MI, SC and WA must amortize on a 365/365 calendar
PRODUCT	Closed End second must have a 1 st lien Concurrent closing ineligible Flex Connect/AUS program ineligible
PREPAYMENT PENALTY	Not permitted on primary residences or second homes
GENERAL ELIGIBILITY	
MANUAL	Where the matrix is silent, follow PRIME Connect guidelines for Full Doc and Alt Doc. For DSCR, follow Investor Connect
DSCR	All borrowers will be required to sign a Business Purpose & Occupancy Affidavit prior to funding declaring that the property will be used for commercial business or investment purposes only.
BORROWER	<ul style="list-style-type: none"> • US citizens • Permanent Resident Alien • Intervivos Revocable Trusts • Non-Occupant Co-Borrower (must be non-occupant co-borrower on the 1st lien) • No changes in property vesting permitted unless removing a co-borrower or adding co-borrowing whose income is not used to qualify • Entity Vesting (Investment Occupancy only): Title vesting may be in an LLC as long as the borrower(s) have 25% ownership interest, and it is documented by the organization documentation
INELIGIBLE BORROWERS	<ul style="list-style-type: none"> • Administrative (GSE) Excluded Party Lists • Any parties to a transaction listed on HUD's Limited Denial of Participation (LDP) list, or the federal General Services • Borrowers involved in active litigation or pending separation/divorce • Borrowers with diplomatic immunity • Foreign Nationals • Irrevocable, Land, or Blind Trusts • POA for signing is ineligible • Vesting in retirement vehicles
ELIGIBLE LIEN POSITION	<ul style="list-style-type: none"> • 2nd lien only • No existing lien can be subordinated to 3rd position
SEASONING	<ul style="list-style-type: none"> • Borrower must have owned property for 6 months prior to the note date • Cash-out to pay off an existing subordinate lien must be seasoned 12 months (from Note date to Note date)
MINIMUM LOAN AMOUNT	\$75,000
MAXIMUM COMBINED LOAN AMOUNT	\$3,500,000
ASSETS	None
RESERVES	Rate & Term – requires 3 months reserves. Reserves based on PITIA on the 1 st and 2 nd lien
GEOGRAPHICAL RESTRICTIONS	TX 50(a)(6) is ineligible
DOCUMENTATION	1 st Lien Note and most recent Mortgage Statement must be provided (must be dated within 30 days of the note date) If 1 st Lien closed in the name of an entity, guarantee and applicable entity documents must be provided (See IC Manual)
INELIGIBLE 1ST LIENS	<ul style="list-style-type: none"> • 1st Lien seasoned < 6 months • ARMs (unless loan qualifies at 1st lien life cap payment & can't adjust for 36 months) • Balloon • HELOC • Original amortization terms > 40 years

	<ul style="list-style-type: none"> Loans in active forbearance or deferment (Prior natural disaster or hardship forbearances eligible if seasoned \geq 12 months and included in CLTV) Fixed rate interest-only with less than five years of the interest-only period remaining from the new CES Note Date Negative Amortization Open Renovations Private Party Properties with a PACE lien (Unless satisfied w/ subject transaction) Reverse Mortgage
CREDIT	
DTI	Max 50%
CREDIT SCORE	<p>Qualifying FICO</p> <ul style="list-style-type: none"> Full Doc & Alt Doc: Mid-score for the Primary Income-Earner DSCR: Highest <p>Mid-score Min FICO</p> <ul style="list-style-type: none"> Full Doc & Alt Doc: 680 DSCR: 700 No borrower can have a mid-score <660
ASSUMABLE	Loans are not assumable
DSCR	<ul style="list-style-type: none"> Minimum 1.0 DSCR Property must have a lease agreement in place Refer to the section titled 'Rent Qualification' of the Investor Connect Manual for instructions on calculating the DSCR All DSCR CES must include a Form 1007 Comparable Rent Schedule
TRADELINE REQUIREMENT	Refer to Underwriting Manuals
HOUSING HISTORY	<ul style="list-style-type: none"> Minimum 12 months housing/rental history required 0x30x12
RECENTLY LISTED PROPERTIES	Refer to Underwriting Manuals
CREDIT EVENTS	<p><u>Short Sale, Foreclosure, Deed in Lieu, Default Modification, Notice of Default, 120+ Delinquent and Single Bankruptcy</u></p> <ul style="list-style-type: none"> 4-year seasoning required BK – Ch 7, 11, 13 – based on discharge or dismissal date Multiple credit events are ineligible
COLLATERAL	
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> SFR 2-4 units PUD Townhome Warrantable Condo See Prime Connect/Investor Connect for ineligible property types Rural Properties Ineligible Short-Term Rentals Ineligible
OCCUPANCY	<ul style="list-style-type: none"> Owner-Occupied Second Homes Investment
ACREAGE LIMITATION	2 acres
SOLAR PANELS	<ul style="list-style-type: none"> Properties with solar panels are eligible for purchase, however, should not be included in property valuation Solar panel agreements are permitted in accordance with FNMA guidelines but can't carry a lien against the property

TITLE INSURANCE	<ul style="list-style-type: none"> • ≤\$250,000 – ALTA Residential Limited Coverage Junior Loan Policy insuring the second lien amount • >\$250,000 – ALTA Standard Coverage Policy insuring the second lien amount
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VALUATION	<p>All Loans:</p> <ul style="list-style-type: none"> • Declining Markets: <ul style="list-style-type: none"> o Primary and 2nd Homes – Maximum 75% CLTV o Investment – Maximum 70% CLTV • Desk Review not required • DG reserves the right to review all valuation reports and determine if the subject property value is supported <p>HPML:</p> <ul style="list-style-type: none"> • Full appraisal (1004,1025,1073) <p>Non-HPML:</p> <p><u>Loan amount ≤\$400k:</u></p> <ul style="list-style-type: none"> • AVM w/90% confidence factor and Property Condition Inspection from (Can be from same vendor): <ul style="list-style-type: none"> o Clear Capital o Collateral Analytics o CoreLogic o HouseCanary o Homegenius o Quantarium o Veros <p>Full Appraisal required when AVM has less than 90% Confidence Factor</p> <p><u>Loan amount >\$400k:</u></p> <ul style="list-style-type: none"> • Full appraisal (1004,1025, 1073)
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INCOME / EMPLOYMENT

INCOME DOCUMENTATION	<p>Follow Prime Connect UW Manual</p> <table border="1"> <tr> <td>Full Doc (2 year) Express Doc (1 year) 1099</td> <td> <ul style="list-style-type: none"> • Wage Earner – most recent YTD paystub or Electronic VOE (i.e., The Work Number) and 1 or 2 years W2 • Self-Employed = 1 or 2 years personal & business tax returns w/YTD P&L • Expense ratio must be reasonable for the industry </td> </tr> <tr> <td>12/24 Month Bank Statement</td> <td> <ul style="list-style-type: none"> • 12-or-24-month Bank Statements. • Refer to UW Manual for guidance on expense ratios • Expense ratio must be reasonable for the industry • Third Party Expense Ratio – Max 75% CLTV • DG permits the use of the Laminr bank statement income tool to calculate eligible monthly deposits for Business Bank Statements. See UW Manual for more information </td> </tr> <tr> <td>12/24 Month Profit & Loss</td> <td> <ul style="list-style-type: none"> • 12-or-24-month P&L statement • Completed by CPA/EA/CTEC • Expense ratio must be reasonable for the industry • Primary residence only </td> </tr> <tr> <td>Written Verification of Employment</td> <td> <ul style="list-style-type: none"> • FNMA Form 1005 • Only source of income is wages/salary • Primary residence only </td> </tr> </table> <ul style="list-style-type: none"> • Refer to UW Guidelines for complete guidance and document requirements per Doc Type • PTINs are ineligible across all programs and cannot be used to prepare P&L or provide third-party expense ratio. They can attest to borrower business ownership percentage (See Manual for full detail) 	Full Doc (2 year) Express Doc (1 year) 1099	<ul style="list-style-type: none"> • Wage Earner – most recent YTD paystub or Electronic VOE (i.e., The Work Number) and 1 or 2 years W2 • Self-Employed = 1 or 2 years personal & business tax returns w/YTD P&L • Expense ratio must be reasonable for the industry 	12/24 Month Bank Statement	<ul style="list-style-type: none"> • 12-or-24-month Bank Statements. • Refer to UW Manual for guidance on expense ratios • Expense ratio must be reasonable for the industry • Third Party Expense Ratio – Max 75% CLTV • DG permits the use of the Laminr bank statement income tool to calculate eligible monthly deposits for Business Bank Statements. See UW Manual for more information 	12/24 Month Profit & Loss	<ul style="list-style-type: none"> • 12-or-24-month P&L statement • Completed by CPA/EA/CTEC • Expense ratio must be reasonable for the industry • Primary residence only 	Written Verification of Employment	<ul style="list-style-type: none"> • FNMA Form 1005 • Only source of income is wages/salary • Primary residence only
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