

<b>PRIME Connect</b>			
<b>FULL DOC, EXPRESS DOC, ASSET UTILIZATION AND BANK STATEMENT</b>			
<b>PRIMARY RESIDENCE (1-2 Units)</b>			
<b>TRANSACTION TYPE</b>	<b>MAX LTV/CLTV</b>	<b>MAX LOAN AMOUNT</b>	<b>MIN FICO</b>
<b>PURCHASE RATE AND TERM</b>	85% <sup>1</sup> (Purchase Only)	\$1,500,000	680
	80%	\$2,000,000	660
		\$2,500,000	680
		\$3,000,000	700
<b>CASH OUT</b>	80%	\$1,500,000	700
		\$2,000,000	720
	75%	\$1,500,000	660
		\$2,000,000	700
		\$2,500,000	720
	70%	\$2,000,000	660
		\$2,500,000	700
		\$3,000,000	720
<b>SECOND HOME (1 Unit)</b>			
<b>TRANSACTION TYPE</b>	<b>MAX LTV/CLTV</b>	<b>MAX LOAN AMOUNT</b>	<b>MIN FICO</b>
<b>PURCHASE RATE AND TERM</b>	85% <sup>1</sup> (Purchase Only)	\$1,000,000	680
	80%	\$1,500,000	720
		\$1,000,000	660
		\$2,000,000	680
		\$2,500,000	700
	75%	\$1,500,000	660
\$2,500,000		680	
<b>CASH OUT</b>	75%	\$1,500,000	680
		\$2,000,000	720
	70%	\$1,500,000	660
		\$2,000,000	680
		\$2,500,000	720
		\$2,000,000	660
<b>INVESTMENT (1-4 Units)</b>			
<b>TRANSACTION TYPE</b>	<b>MAX LTV/CLTV</b>	<b>MAX LOAN AMOUNT</b>	<b>MIN FICO</b>
<b>PURCHASE RATE AND TERM</b>	80% (Purchase Only)	\$1,500,000	660
		\$2,000,000 <sup>2</sup>	680
		\$2,500,000 <sup>2</sup>	700
	75%	\$2,000,000 <sup>2</sup>	660
<b>CASH OUT</b>	75%	\$1,500,000	680
	70%	\$2,000,000 <sup>2</sup>	660
		\$2,500,000 <sup>2</sup>	720

<sup>1</sup> Interest Only 40 Yr IO not permitted.  
<sup>2</sup> Loan amounts ≥ \$2MM allowed for 2–4-unit properties only, except CA. CA allows SFR and 2-4 unit properties.

**Asset Utilization**

- Primary and 2<sup>nd</sup> home – Max 80% LTV/CLTV
- Investment Property – Max 65% LTV/CLTV
- Cash out – Max 60% LTV/CLTV
- Gift funds may not be used

## PLUS Connect

### FULL DOC, EXPRESS DOC, ASSET UTILIZATION AND BANK STATEMENT

#### PRIMARY RESIDENCE (1-2 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80%	\$1,500,000	640
		\$2,000,000	680
		\$2,500,000	720
	75%	\$2,000,000	620
		\$2,500,000	680
		\$3,000,000	700
CASH OUT	80%	\$1,000,000	680
	75%	\$1,500,000	660
		\$2,000,000	680
	70%	\$1,500,000	640
		\$2,000,000	660
	65%	\$2,500,000	700
\$1,500,000		620	
		\$2,500,000	680

#### SECOND HOME (1 Unit)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80%	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	680
	75%	\$1,500,000	640
		\$2,000,000	660
		\$2,500,000	700
70%	\$2,000,000	640	
	\$2,500,000	680	
CASH OUT	75%	\$1,500,000	660
		\$2,000,000	700
	70%	\$1,000,000	640
		\$2,000,000	680
	65%	\$2,000,000	660

#### INVESTMENT (1-4 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80% (Purchase Only)	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	680
	75%	\$1,500,000	640
		\$2,000,000	660
	70%	\$2,500,000	680
CASH OUT	75%	\$1,500,000	660
		\$2,000,000	700
	70%	\$1,000,000	640
		\$2,000,000	660
	65%	\$1,500,000	640
		\$2,500,000	680

**\*Asset Utilization**

- Primary and 2<sup>nd</sup> home – Max LTV/CLTV 80%
- Investment Property – Max LTV/CLTV 65%
- Cash out – Max LTV/CLTV 60%
- Gift funds may not be used

FLEX CONNECT					
FNMA DO® DOCUMENTATION					
OCCUPANCY	TRANSACTION TYPE	CREDIT GRADE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PRIMARY 1-2 Units	PURCHASE RATE AND TERM	PRIME Connect	80%	\$2,500,000	660
		PLUS Connect			640
	CASH OUT	PRIME Connect	75%	\$2,500,000	660
		PLUS Connect			640
SECOND HOME 1 Unit	PURCHASE RATE AND TERM	PRIME Connect	75%	\$2,500,000	680
		PLUS Connect			640
INVESTMENT 1-4 Units	PURCHASE RATE AND TERM	PRIME Connect	70%	\$2,500,000	660
		PLUS Connect			640

PRODUCTS	All Products	<table border="1"> <thead> <tr> <th>Product</th> <th>Term</th> <th>IO Term</th> <th>Initial Cap</th> <th>Periodic Cap</th> <th>Life Cap</th> </tr> </thead> <tbody> <tr> <td>5/6 ARM</td> <td>360 mo</td> <td>NA</td> <td>2</td> <td>1</td> <td>5</td> </tr> <tr> <td>5/6 ARM</td> <td>480 mo</td> <td>NA</td> <td>2</td> <td>1</td> <td>5</td> </tr> <tr> <td>5/6 ARM IO</td> <td>360 mo</td> <td>120 mo</td> <td>2</td> <td>1</td> <td>5</td> </tr> <tr> <td>5/6 ARM IO</td> <td>480 mo</td> <td>120 mo</td> <td>2</td> <td>1</td> <td>5</td> </tr> <tr> <td>7/6 ARM</td> <td>360 mo</td> <td>NA</td> <td>5</td> <td>1</td> <td>5</td> </tr> <tr> <td>7/6 ARM</td> <td>480 mo</td> <td>NA</td> <td>5</td> <td>1</td> <td>5</td> </tr> <tr> <td>7/6 ARM IO</td> <td>360 mo</td> <td>120 mo</td> <td>5</td> <td>1</td> <td>5</td> </tr> <tr> <td>7/6 ARM IO</td> <td>480 mo</td> <td>120</td> <td>5</td> <td>1</td> <td>5</td> </tr> <tr> <td>30 Yr Fixed</td> <td>360 mo</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>30 Yr Fixed IO</td> <td>360 mo</td> <td>120 mo</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>40 Yr Fixed</td> <td>480 mo</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>40 Yr Fixed IO</td> <td>480 mo</td> <td>120 mo</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> </tbody> </table>					Product	Term	IO Term	Initial Cap	Periodic Cap	Life Cap	5/6 ARM	360 mo	NA	2	1	5	5/6 ARM	480 mo	NA	2	1	5	5/6 ARM IO	360 mo	120 mo	2	1	5	5/6 ARM IO	480 mo	120 mo	2	1	5	7/6 ARM	360 mo	NA	5	1	5	7/6 ARM	480 mo	NA	5	1	5	7/6 ARM IO	360 mo	120 mo	5	1	5	7/6 ARM IO	480 mo	120	5	1	5	30 Yr Fixed	360 mo	NA	NA	NA	NA	30 Yr Fixed IO	360 mo	120 mo	NA	NA	NA	40 Yr Fixed	480 mo	NA	NA	NA	NA	40 Yr Fixed IO	480 mo	120 mo	NA	NA	NA
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MIN LOAN AMOUNT	All Programs	\$125,000																																																																																		
INTEREST ONLY	PRIME Connect	Purchase: >80% - 30 Yr IO only; 40 Yr IO ineligible Rate & Term and Cash-Out: Max 80% LTV/CLTV Min FICO 700																																																																																		
	PLUS Connect	Purchase/Rate & Term/Cash-Out: Max 80% LTV/CLTV Min FICO 680																																																																																		
	FLEX Connect	Purchase/Rate & Term: Max 80% LTV/CLTV, Cash-Out Max 75% LTV/CLTV																																																																																		
INTEREST ONLY PERIOD		40 Year Interest Only = 10 year I/O then 30-year amortization 30 Year Interest Only = 10 year I/O then 20-year amortization																																																																																		
QUALIFICATION	PRIME Connect, Plus Connect	5/6s and 7/6s - greater of Note Rate or the Fully Indexed Rate (rounded)																																																																																		
	FLEX Connect	5/6s – greater of the Note Rate + 2% or Fully Indexed rate 7/6s – greater of Note Rate or the Fully Indexed rate																																																																																		
	For I/O's calculate payment based on (1) the Qualifying Rate described above, (2) the original balance, and (3) a term that equals the amortization term (i.e., 360 months for 40 year I/O). Qualifying payment for I/O must include principal component.																																																																																			
DTI	PRIME Connect and PLUS Connect	50% DTI																																																																																		
	FLEX Connect	Per DO® (max of 50% DTI)																																																																																		
BORROWER	Non-Occupant Co-Borrower	PRIME Connect	Primary Purchase & R&T, 1 Unit Only Eligible with blended ratios																																																																																	

		<b>PLUS Connect</b>	Per FNMA/DO®		
		<b>FLEX Connect</b>	Per FNMA/DO®		
	Non-Permanent Resident Aliens	<b>All Programs</b>	Max 80% LTV, Primary Purchase & R&T; 1- 2 Unit Only		
		<b>FLEX Connect</b>	Per FNMA/DO®		
<p>Limited Partnerships, General Partnerships, Corporations, Limited Liability Company – Eligible (Layered entities not permitted)            First Time Homebuyers – Eligible with max 300% payment shock unless rent free            Foreign Nationals – Ineligible            FLEX Connect – All borrowers must have a valid SSN</p>					
<b>FIRST TIME INVESTOR</b>	<b>PRIME Connect, PLUS Connect</b>	Eligible with a 5% LTV/CLTV reduction			
	<b>FLEX Connect</b>	Per FNMA/DO®			
<b>CREDIT EVENTS</b>		<b>Short Sale, Foreclosure, Bankruptcy</b>		<b>12 Month Housing History</b>	
	<b>PRIME Connect</b>	4 Years BK - Ch 7, 11 – based on discharge or dismissal date BK - Ch 13 based on filed date BK – Ch 13 – payment history shows no 30-day lates  All bankruptcies must have been discharged/dismissed prior to application. No open bankruptcies allowed.		0 x 30 x 12	
	<b>PLUS Connect</b>	2 Years 1 Year (additional LLPA applies)		0 x 60 x 12	
	<b>FLEX Connect</b>	Follow applicable PRIME or PLUS Connect credit grades		PRIME: 1 x 30 x 12 (per DO®) (no rolling)	
		For loan casefiles with credit events outside of FNMA allowances, “Extenuating Circumstance (EC)” override in DO® may be used. The loan must still fall within Connect Prime or Connect Plus requirements for seasoning. See Underwriting Guidelines for details		PLUS: 0 x 60 x 12	
<b>QUALIFYING FICO</b>	<b>Full Doc, Express Doc, Asset Utilization and FLEX</b>		<b>Bank Statement</b>		
	Primary wage earner		Primary wage earner Borrowers with 50/50 split ownership, need to use the higher of the two mid FICO scores		
	No borrower can have a middle FICO score less than 660 (PRIME Connect), 620 (PLUS Connect), FLEX Connect – Per FNMA/DO® (see above matrix for minimum qualifying FICO requirements)				
<b>RESERVES</b>	<b>PRIME Connect</b>	≤\$2,000,000		6 months	
		>\$2,000,000		9 months	
	<b>PLUS Connect</b>	≤ \$1,000,000		3 months	
		≤\$2,000,000		6 months	
	>\$2,000,000		9 months		
	<b>R/T Refi, Max 60% LTV/CLTV, Min 0x30x12</b>		No reserves needed		
<b>FLEX Connect</b>		Per FNMA/DO®			
Departing Residence Pending Sale – An additional 6 months PITIA reserves for the departure residence is required if payment is being excluded and property is under contract. For FLEX Connect, follow FNMA/DO® requirements.					
<b>GIFT FUNDS</b>	Primary Purchase Only				
	>80% LTV/CLTV - Borrower must have 10% of their own funds documented but not required to use				
	≤80% LTV/CLTV - Borrower must have 5% of their own funds documented but not required to use				
Gift of equity eligible to a max 75% LTV (Primary Only)					
FLEX Connect – Follow FNMA for all gift, gift of equity and minimum borrower contribution requirements.					
If min borrower contribution % is not used towards the down payment, those funds can be used towards reserves.					
<b>MAX CASH OUT</b>		≥65% to 80% LTV/CLTV	>50% to <65% LTV/CLTV	≤50% LTV/CLTV	
	<b>PRIME Connect; FLEX PRIME Connect</b>	\$500,000	\$750,000	\$1,000,000	
	<b>PLUS Connect; FLEX PLUS Connect</b>	\$350,000	\$500,000	Unlimited	

<b>CASH OUT TRANSACTION</b>	<ul style="list-style-type: none"> <li>▪ Cash-Out permitted to meet reserves for all programs.</li> <li>▪ Borrower must have owned the property for a minimum of 6 months prior to the application date except for FLEX Connect which will follow FNMA guidelines.</li> </ul>											
<b>ASSETS</b>	<table border="1"> <thead> <tr> <th>Transaction Type</th> <th>Asset Statement Requirement</th> </tr> </thead> <tbody> <tr> <td>Asset Utilization</td> <td>4 Months Statements</td> </tr> <tr> <td>Purchase</td> <td>2 Months Statements</td> </tr> <tr> <td>Rate/Term Refinance</td> <td>1 Month Statement</td> </tr> <tr> <td>Cash-Out Refinance</td> <td>1 Month Statement 0 Months required if Cash Out satisfied reserve requirement</td> </tr> </tbody> </table>	Transaction Type	Asset Statement Requirement	Asset Utilization	4 Months Statements	Purchase	2 Months Statements	Rate/Term Refinance	1 Month Statement	Cash-Out Refinance	1 Month Statement 0 Months required if Cash Out satisfied reserve requirement	
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<p>One quarterly investment statement, or FNMA approved third party direct pull services 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage</p>												
<b>INCOME DOCS</b> (See guidelines for more details)	<p align="center"><b>Full Doc Connect</b></p> <ul style="list-style-type: none"> <li>▪ Eligible with PRIME Connect and PLUS Connect</li> <li>▪ Wage Earner - most recent YTD paystub with at least 30 days earnings or Electronic WVOE (i.e., The Work Number) and 2 years W2 (or tax transcripts ordered by CEL may be used)</li> <li>▪ Self-Employed = 2yrs personal &amp; business tax returns w/ YTD P&amp;L</li> </ul>	<p align="center"><b>Express Connect</b></p> <ul style="list-style-type: none"> <li>▪ Wage Earner - most recent YTD paystub with at least 30 days earnings or Electronic WVOE (i.e., The Work Number) and 1-year W2 (or tax transcripts ordered by CEL may be used)</li> <li>▪ Self-Employed = 1 year personal and business tax returns with YTD P&amp;L</li> </ul>										
	<p align="center"><b>Bank Statement Connect</b></p> <ul style="list-style-type: none"> <li>▪ Eligible with PRIME Connect, PLUS Connect and FLEX Connect</li> </ul>	<p align="center"><b>Asset Utilization</b></p> <ul style="list-style-type: none"> <li>• Qualified assets with draw schedule of 5 years</li> <li>• FLEX Connect – Follow FNMA guides w/ a 5-year draw</li> </ul>										
	<p align="center"><b>FLEX Connect</b></p> <ul style="list-style-type: none"> <li>▪ Follow DO® findings with min 1-year verification of income</li> <li>▪ Electronic WVOE (i.e., The Work Number) is acceptable</li> <li>▪ Bank Statement product is eligible with FLEX features</li> </ul>											
<b>BANK STATEMENT INCOME</b>	<ul style="list-style-type: none"> <li>▪ 12- or 24- months most recent Personal or Business bank statements</li> <li>▪ 2-year history of business ownership - greater than 1 year but less than 2 can be considered as per FNMA.</li> <li>▪ Business ownership –Minimum of 25% ownership</li> </ul>											
	<b>BUSINESS BANK STATEMENTS</b>											
	Borrowers who are using more than 3 business bank accounts must qualify using personal bank statements											
	<b>FIXED EXPENSE RATIO</b>											
	<p>All business can qualify using a <b>50% expense ratio</b></p> <p><b>Option 1: 50% Expense Factor</b> will be utilized to calculate income</p> <ul style="list-style-type: none"> <li>• Verify borrower is minimum 25% owner of business</li> <li>• Decreasing or negative ending balances must be addressed</li> <li>• Cyclical and seasonal trends may be taken into consideration</li> </ul> <p><b>Option 2: 20% Expense Factor</b> eligible only if all of the following applies to the business</p> <ul style="list-style-type: none"> <li>• Borrower is sole owner and operator of the business (no partners, employees, etc.)</li> <li>• Service business (no cost of goods, no heavy equipment, machinery, etc.)</li> <li>• Does not require office space that would incur rent</li> </ul>											
	<b>PERSONAL BANK STATEMENTS</b>											
<p><b>Option 1:</b> Personal bank statements with evidence of business bank account.</p> <ul style="list-style-type: none"> <li>○ 100% of business deposits in a personal bank account can be used.</li> <li>○ Provide most recent 2 months business statements to validate deposits are from the borrower owned business bank account. (Only giving credit for transfers from the business; or receipt of payroll from business and distributions only)</li> </ul> <p><b>Option 2:</b> Personal bank statements with no business bank account – service business.</p> <p>10% Expense factor for Co-mingled bank accounts (Example: Sch C consultants, independent contractors, etc.)</p> <ul style="list-style-type: none"> <li>○ 12-or 24 months complete personal bank statements from the same account if borrower does not have a separate business bank account</li> <li>○ Service business (no goods, parts or materials needed)</li> <li>○ Sole practitioner (no partners, employees, or contractors)</li> <li>○ Works out of the home (does not rent any space office/warehouse)</li> <li>○ Does not require any heavy equipment/ machinery/ vehicles</li> </ul> <p><b>Option 3:</b> Personal bank statements with no business bank account – non-service business</p> <ul style="list-style-type: none"> <li>○ Comingled business and personal with no business account for non-service businesses are considered as business bank statements with the appropriate expense factor applied.</li> </ul>												

	<ul style="list-style-type: none"> <li>Deposits from self-employment business only, will be included into bank statement calculation.</li> <li>A trend of repeated expense not reported on the credit report may need additional explanation and may be considered a liability</li> </ul>																						
<b>FLEX CONNECT (DO® Documentation and Bank Statement Income)</b>	<p>FLEX program will utilize Fannie Mae Desktop Underwriter (DO®) with the added guideline allowance of Connect PRIME and Connect PLUS benefits for ease of process. The loan will be underwritten to the FLEX program matrix, the DO® Findings, and the overlays noted below. Any items not addressed in this section will default to FNMA/DO® guidelines. This is a Non-QM program. Refer to full matrix and guidelines for additional process details</p>																						
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<b>PROPERTY</b>	<p>Primary 1-2 Units / Second Home 1 Unit /Non-Owner 1-4 Units Rural Properties - eligible for PRIME, PLUS and FLEX Connect</p> <ul style="list-style-type: none"> <li>Primary Residence – Max 75% LTV/CLTV</li> <li>2<sup>nd</sup> Home – Max 70% LTV/CLTV</li> <li>Must be primarily for residential use</li> </ul> <p>Max Financed Properties – Prime/Plus- no limit; FLEX- as per FNMA DO®</p> <p>CEL exposure to a single borrower/guarantor is limited to \$5M UPB or 10 loans.</p> <p>Live/Work Condos – Follow FNMA</p> <p>Subject Property Short Term Rentals not permitted</p>	<p>Max Acreage - Max 10 acres Minimum Square Footage – 500 sq ft. per unit- No kitchenettes Properties with Business and Residential Use</p> <ul style="list-style-type: none"> <li>Eligible for PRIME, PLUS and FLEX Connect</li> <li>Must be a primary residence</li> <li>10% LTV/CLTV reduction – 65% LTV/CLTV floor</li> <li>Max 4-Units</li> </ul> <p>Declining Markets requires a 5% LTV reduction</p>																					
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	<b>Hybrid Appraisal Type</b>	Purchase, Rate/ Term Cash Out	Interior Hybrid Appraisal signed by a state licensed/ certified appraiser.						
	<b>Max Loan Amount</b>	\$1,500,000							
	<b>Property Types</b>	Eligible	Ineligible						
		<ul style="list-style-type: none"> <li>• SFR</li> <li>• PUD</li> <li>• Condo</li> </ul>	<ul style="list-style-type: none"> <li>• Rural</li> <li>• Leaseholds or Properties on leased land</li> <li>• Irregular or non-residential zoning</li> <li>• Atypical or extremely custom homes</li> <li>• Properties on acreage - 5+ Acres</li> <li>• Properties in need of major repairs</li> <li>• New construction PUDs / Condos</li> <li>• Properties subject to inspection</li> <li>• HPML</li> </ul>						
	<b>Max LTV/CLTV</b>		<b>Purchase</b>	<b>Rate/Term</b>	<b>Cash Out</b>				
	<b>Owner Occupied</b>	75%	70%	60%					
	<b>2<sup>nd</sup> Home</b>	70%	70%	60%					
	<b>Investment</b>	70%	65%	60%					
<p>HPML flips require 2nd full appraisal  All appraisals require a third-party valuation product (Desk review/CU/AVM) ordered by ClearEdge  When 2 full appraisals are required – separate product review is not required</p> <p>PRIME and PLUS Connect  CU score of 2.5 and below, no 3<sup>rd</sup> party review required per chart below</p> <table border="1" style="width: 100%;"> <tr> <td>Purchase/Rate &amp; Term</td> <td>&lt;70% LTV/CLTV</td> </tr> <tr> <td>Cash Out</td> <td>&lt;60% LTV/CLTV</td> </tr> </table> <p>FLEX Connect  For CU score &lt;= 2.5 – no 3<sup>rd</sup> party review is required  Transferred appraisals acceptable</p>						Purchase/Rate & Term	<70% LTV/CLTV	Cash Out	<60% LTV/CLTV
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<b>RESIDUAL INCOME</b>	HPML requires Residual Income required per household size: 1 person \$1550; 2 persons \$2500, Add \$150 per additional household member A variance of 20% is allowed with documented compensating factors Not required on Non-Owner Properties FLEX Connect – Per FNMA/DO®								
<b>ESCROWS</b>	Required for HPML loans per CFPB								
<b>SUBORDINATE FINANCING</b>	Allowed behind Fixed and Institutional Financing Only, Primary Residence Only FLEX Connect – Follow FNMA/DO®								
<b>PREPAYMENT PENALTY (INVESTMENT PROPERTIES)</b>	Applies to all Investment Properties – PRIME Connect, PLUS Connect, FLEX Connect Hard Prepayment penalties are required on investment property transactions when permissible by state law Standard Prepayment Penalty Term – Minimum 1 year (see rate sheet for details) Prepayment Penalty is not allowed in the following states: DE, IL, KS, MD, MI, MN, MS, NH, NJ, NM, OH, PA, RI, VT								