

PRIME Connect

FULL DOC, EXPRESS DOC, ASSET UTILIZATION, 12/24 BANK STATEMENT, 1099 AND 12/24 MONTH P&L

PRIMARY RESIDENCE (1-2 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	90% ^{1,3,4} (Purchase Only)	\$1,000,000	720
	85% ^{1,4} (Purchase Only)	\$1,500,000	680
	80%	\$2,000,000	660
		\$2,500,000	680
		\$3,000,000	700
70%	\$3,500,000	720	
CASH OUT	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		

SECOND HOME (1 Unit)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	85% ^{1,4} (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	
	70%	\$1,500,000	680
\$2,000,000		720	
\$1,500,000		660	
\$2,000,000		680	
65%	\$2,500,000	720	
	\$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)	\$1,500,000	660
		\$2,000,000 ²	680
		\$2,500,000 ²	700
	75%	\$2,000,000 ²	660
CASH OUT	75%	\$1,500,000	680
	70%	\$2,000,000 ²	660
		\$2,500,000 ²	720

¹Interest Only 40 Yr IO not permitted.

²Loan amounts ≥ \$2MM allowed for 2–4-unit properties only, except CA. CA allows SFR and 2–4-unit properties

³Max DTI 45%

⁴12/24 Month P&L – Max 80%

Asset Utilization

- Primary and 2nd 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, 12/24 BANK STATEMENT, 1099 AND 12/24 MONTH P&L			
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
		\$2,500,000	700
	65%	\$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
		\$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
		\$2,500,000	680
CASH OUT	75%	\$1,500,000	660
		\$2,000,000	700
	70%	\$1,000,000	640
		\$2,000,000	660
		\$1,500,000	640
	65%	\$2,500,000	680

***Asset Utilization**

- Primary and 2nd 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	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		
MIN LOAN AMOUNT	All Programs	\$125,000					
INTEREST ONLY	PRIME Connect	Purchase: >80% LTV/CLTV - 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; Max 80% LTV/CLTV 30 Year Interest Only = 10 year I/O then 20-year amortization; Max 85% LTV/CLTV					

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 – qualify at the Note Rate <ul style="list-style-type: none"> HPML/HPCT qualify at the greater of the 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 Max 45% DTI on LTVs >85%	
	FLEX Connect	Per DO® (max of 50% DTI)	
BORROWER	Non-Occupant Co-Borrower	PRIME Connect Eligible on all programs	Primary Purchase & R&T, 1 Unit Only Eligible with blended ratios
		PLUS Connect	Per FNMA/DO®
		FLEX Connect	Per FNMA/DO®
	Non-Permanent Resident Aliens	PRIME/PLUS Connect	Max 80% LTV, Primary Purchase & R&T; 1- 2 Unit Only
		FLEX Connect	Per FNMA/DO®
Limited Partnerships, General Partnerships, Corporations, Limited Liability Company – Eligible (Layered entities not permitted) First Time Homebuyers – <ul style="list-style-type: none"> Defined as not having owned a property/rental in the last 7 years IO allowed with 720 FICO ≤ 80% Foreign Nationals – Ineligible FLEX Connect – All borrowers must have a valid SSN			
FIRST TIME INVESTOR	PRIME Connect, PLUS Connect	Eligible with a 5% LTV/CLTV reduction	
	FLEX Connect	Per FNMA/DO®	
CREDIT EVENTS	PRIME Connect	Short Sale, Foreclosure, Bankruptcy	12 Month Housing History
		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
	PLUS Connect	2 Years	0 x 60 x 12
		1 Year (additional LLPA applies)	
	FLEX Connect	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.		PLUS: 0 x 60 x 12	
QUALIFYING FICO	Full Doc, Express Doc, Asset Utilization and FLEX		Bank Statement
	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; PRIME FLEX), 620 (PLUS Connect, PLUS FLEX),		
RESERVES	PRIME Connect	≤\$2,000,000	6 months
		>\$2,000,000	9 months
	PLUS Connect	≤ \$1,000,000	3 months
		≤\$2,000,000	6 months
		>\$2,000,000	9 months
	R/T Refi, Max 60% LTV/CLTV, Min 0x30x12	No reserves needed	
FLEX Connect	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.			

GIFT FUNDS	<p>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.</p> <p>If min borrower contribution % is not used towards the down payment, those funds can be used towards reserves.</p>		
MAX CASH OUT		≤70% LTV/CLTV	>70% LTV/CLTV
CASH OUT TRANSACTION	<ul style="list-style-type: none"> ▪ Cash-Out permitted to meet reserves for all programs. ▪ Borrower must have owned the property for a minimum of 6 months prior to the Note 		
ASSETS	<ul style="list-style-type: none"> • Asset Statements <ul style="list-style-type: none"> ○ Asset Utilization: 4 months statements ○ All other programs: 1 month statement <ul style="list-style-type: none"> ▪ Statements not required for Cash-Out transactions which satisfy reserves • 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 		
INCOME DOCS (Available for all programs)	Full Doc (2 year)/Express Doc (1 year)		1099
	<ul style="list-style-type: none"> ▪ Wage Earner - most recent YTD paystub or Electronic WVOE (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 		<ul style="list-style-type: none"> ▪ Self-employed independent contractors or 100% commission qualify at 90% of gross 1099 earnings ▪ 1 or 2 years 1099 + YTD earnings statement
	12/24 Month Bank Statements		Asset Utilization
	<ul style="list-style-type: none"> ▪ 12 or 24 months bank statements for self-employed. See Bank Statement Income below 		<ul style="list-style-type: none"> • Use unrestricted liquid assets as qualifying income • 120 days of statements with 5 yr draw period
	FLEX Connect		12/24 Month P&L Only
<ul style="list-style-type: none"> ▪ Follow DO® findings with min 1-year verification of income ▪ Electronic WVOE (i.e., The Work Number) is acceptable ▪ Bank Statement product is eligible with FLEX features 		<ul style="list-style-type: none"> ▪ CPA/EA/PTIN prepared P&L with attestation and license verification ▪ Borrower must have owned and operated the business a minimum 2 years 	
BANK STATEMENT INCOME	<ul style="list-style-type: none"> ▪ 12- or 24- months most recent Personal or Business bank statements ▪ 2-year history of business ownership - greater than 1 year but less than 2 can be considered ▪ Business ownership –Minimum of 25% ownership 		
	BUSINESS BANK STATEMENTS		
	Borrowers who are using more than 3 business bank accounts must qualify using personal bank statements		
	FIXED EXPENSE RATIO		
	All business can qualify using a 50% expense ratio		
	Option 1: 50% Expense Factor will be utilized to calculate income <ul style="list-style-type: none"> • Verify borrower is minimum 25% owner of business • Decreasing or negative ending balances must be addressed • Cyclical and seasonal trends may be taken into consideration 		
	Option 2: 20% Expense Factor eligible only if all of the following applies to the business <ul style="list-style-type: none"> • Borrower is sole owner and operator of the business (no partners, employees, etc.) • Service business (no cost of goods, no heavy equipment, machinery, etc.) • Does not require office space that would incur rent 		
PERSONAL BANK STATEMENTS			
Option 1: Personal bank statements with evidence of business bank account. <ul style="list-style-type: none"> ○ 100% of business deposits in a personal bank account can be used. ○ 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) 			
Option 2: Personal bank statements with no business bank account – service business. <p>10% Expense factor for Co-mingled bank accounts (Example: Sch C consultants, independent contractors, etc.)</p> <ul style="list-style-type: none"> ○ 12-or 24 months complete personal bank statements from the same account if borrower does not have a separate business bank account ○ Service business (no goods, parts or materials needed) 			

	<ul style="list-style-type: none"> ○ Sole practitioner (no partners, employees, or contractors) ○ Works out of the home (does not rent any space office/warehouse) ○ Does not require any heavy equipment/ machinery/ vehicles <p>Option 3: Personal bank statements with no business bank account – non-service business</p> <ul style="list-style-type: none"> ○ Comingled business and personal with no business account for non-service businesses are considered as business bank statements with the appropriate expense factor applied. <ul style="list-style-type: none"> ● Deposits from self-employment business only, will be included into bank statement calculation. ● A trend of repeated expense not reported on the credit report may need additional explanation and may be considered a liability 												
P&L INCOME ONLY 12/24 MONTH	<ul style="list-style-type: none"> ● Max LTV 80% ● Self-Employed borrowers only. Must own >= 50% of respective business ● Most recent 12 or 24 -month P&L wet signed and dated by Preparer and Borrower. P&L end date must be less than 90 days old at closing ● Profit & Loss statements must be completed by an independent licensed CPA/EA/PTIN in good standing ● Preparer must attest to having filed the most recent 1 or 2 years business tax returns and that they are not related to or associated with the borrower or borrower’s business. Preparer’s license and contact information must be included. ● Business must have been owned and operated for a minimum of 2 years ● Borrower narrative on nature of business required ● Self-employed borrowers who file their own tax returns are not eligible 												
FLEX CONNECT (DO® Documentation and Bank Statement Income)	<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.</p>												
	<table border="1"> <tr> <td>Underwriting Process</td> <td> <ul style="list-style-type: none"> ▪ FNMA DO® is required ▪ FHLMC LP® is not allowed </td> </tr> <tr> <td>DO® (AUS) Requirements</td> <td> <ul style="list-style-type: none"> ▪ Approve/Eligible ▪ Approve/Ineligible (due to loan amount, loan structure, Interest Only, property (non-warrantable condo) and credit event. ▪ Refer to Credit Event section for details ▪ Note: Refer or Caution findings will not be eligible for delivery, however, may be eligible under Connect Prime or Connect Plus Program and considered a manual UW. </td> </tr> </table>	Underwriting Process	<ul style="list-style-type: none"> ▪ FNMA DO® is required ▪ FHLMC LP® is not allowed 	DO® (AUS) Requirements	<ul style="list-style-type: none"> ▪ Approve/Eligible ▪ Approve/Ineligible (due to loan amount, loan structure, Interest Only, property (non-warrantable condo) and credit event. ▪ Refer to Credit Event section for details ▪ Note: Refer or Caution findings will not be eligible for delivery, however, may be eligible under Connect Prime or Connect Plus Program and considered a manual UW. 								
Underwriting Process	<ul style="list-style-type: none"> ▪ FNMA DO® is required ▪ FHLMC LP® is not allowed 												
DO® (AUS) Requirements	<ul style="list-style-type: none"> ▪ Approve/Eligible ▪ Approve/Ineligible (due to loan amount, loan structure, Interest Only, property (non-warrantable condo) and credit event. ▪ Refer to Credit Event section for details ▪ Note: Refer or Caution findings will not be eligible for delivery, however, may be eligible under Connect Prime or Connect Plus Program and considered a manual UW. 												
TRADELINES	<p>PRIME Connect PLUS Connect</p> <ul style="list-style-type: none"> ▪ Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months. ▪ Tradeline may be opened or closed ▪ Eligible tradelines cannot have any derogatory history in previous 24 months ▪ Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks/debits) ▪ No authorized user accounts will be used to satisfy minimum tradelines ▪ Non-traditional credit is not allowed as an eligible tradeline 												
	<p>FLEX Connect</p> <p>Follow DO® Findings</p>												
PROPERTY	<table border="1"> <tr> <td> <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"> ● Primary Residence – Max 75% ● 2nd Home – Max 70% ● Investment - Ineligible ● Must be primarily for residential use <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> </td> <td> <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"> ● Eligible for PRIME, PLUS and FLEX Connect ● Must be a primary residence ● 10% LTV/CLTV reduction – 65% LTV/CLTV floor ● Max 4-Units <p>Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance</p> </td> </tr> </table>	<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"> ● Primary Residence – Max 75% ● 2nd Home – Max 70% ● Investment - Ineligible ● Must be primarily for residential use <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"> ● Eligible for PRIME, PLUS and FLEX Connect ● Must be a primary residence ● 10% LTV/CLTV reduction – 65% LTV/CLTV floor ● Max 4-Units <p>Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance</p>										
<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"> ● Primary Residence – Max 75% ● 2nd Home – Max 70% ● Investment - Ineligible ● Must be primarily for residential use <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"> ● Eligible for PRIME, PLUS and FLEX Connect ● Must be a primary residence ● 10% LTV/CLTV reduction – 65% LTV/CLTV floor ● Max 4-Units <p>Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance</p>												
NON- WARRANTABLE CONDOS	<p>Non-Warrantable Condos – Limited to two</p> <table border="1"> <tr> <td>Products</td> <td>All Products</td> </tr> <tr> <td>Max LTV</td> <td>PRIME – 80%; all other programs 75%</td> </tr> <tr> <td>Presale</td> <td>At least 30% of the units must be sold or under bona fide contract</td> </tr> <tr> <td>Investor Concentration</td> <td>Up to 70% of units can be tenant occupied</td> </tr> <tr> <td>Commercial Space</td> <td>Up to 50%</td> </tr> <tr> <td>Recreational Leases</td> <td>Eligible</td> </tr> </table>	Products	All Products	Max LTV	PRIME – 80%; all other programs 75%	Presale	At least 30% of the units must be sold or under bona fide contract	Investor Concentration	Up to 70% of units can be tenant occupied	Commercial Space	Up to 50%	Recreational Leases	Eligible
	Products	All Products											
	Max LTV	PRIME – 80%; all other programs 75%											
	Presale	At least 30% of the units must be sold or under bona fide contract											
	Investor Concentration	Up to 70% of units can be tenant occupied											
	Commercial Space	Up to 50%											
Recreational Leases	Eligible												

	Single Entity Ownership	A single entity can own up to 30% of units				
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements				
	Reserves	<10% replacement, maintenance, and/or deductible				
	Mandatory Memberships	Cannot exceed 10% of purchase price				
	Material Litigation - Structural/Functional litigation against developer	Ineligible				
	Delinquent HOA Dues	Considered up to 25%				
	Newly Converted - Non-full gut rehabs	Ineligible				
	Flood Insurance	Projects in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable				
APPRAISAL REQUIREMENTS	PRIME Connect	Loan amount ≥ \$2,000,000 and >65% LTV/CLTV - 2 full appraisals				
	PLUS Connect	1 Full appraisal required for all transactions				
	FLEX Connect	Follow applicable credit grade (PRIME Connect or PLUS Connect) appraisal requirements.				
		All appraisals require a third-party desk review <ul style="list-style-type: none"> For CU scores ≤ 2.5 – no 3rd party review is required PIWs are ineligible				
	Hybrid Appraisals	Approved Vendors	CEL Approved Vendors			
		Hybrid Appraisal Type	Purchase, Rate/ Term Cash Out	Interior Hybrid Appraisal signed by a state licensed/certified appraiser.		
		Max Loan Amount	\$1,500,000			
		Property Types	Eligible	Ineligible		
			<ul style="list-style-type: none"> SFR PUD Condo 	<ul style="list-style-type: none"> Rural Leaseholds or Properties on leased land Irregular or non-residential zoning Atypical or extremely custom homes Properties on acreage - 5+ Acres Properties in need of major repairs New construction PUDs / Condos Properties subject to inspection HPML 		
	Max LTV/CLTV		Purchase	Rate/Term	Cash Out	
	Owner Occupied	75%	70%	60%		
	2nd Home	70%	70%	60%		
	Investment	70%	65%	60%		
	<p>HPML flips require 2nd full appraisal</p> <p>All appraisals require a third-party valuation product (Desk review/CU/AVM) ordered by ClearEdge</p> <p>When 2 full appraisals are required – separate product review is not required</p> <p>PRIME, PLUS and FLEX Connect</p> <p>CU score of 2.5 and below - no 3rd party review required</p> <p>Transferred appraisals acceptable</p>					
ESCROWS	<ul style="list-style-type: none"> Required for HPML loans per CFPB 					
SUBORDINATE FINANCING	<p>Secondary financing allowed for primary residence only</p> <p>Re-subordination allowed for refinances</p> <p>LTV = CLTV per matrix</p> <p>FLEX Connect – Follow FNMA/DO®</p>					
PREPAYMENT PENALTY (INVESTMENT PROPERTIES)	<p>Applies to all Investment Properties – PRIME Connect, PLUS Connect, FLEX Connect</p> <p>Hard Prepayment penalties are required on investment property transactions when permissible by state law</p> <p>Standard Prepayment Penalty Term – Minimum 1 year (see rate sheet for details)</p> <p>Prepayment Penalty is not allowed in the following states:</p> <p>DE, IL, KS, LA, MD, MI, MN, MS, NH, NJ, NM, OH, PA, RI, VT</p> <ul style="list-style-type: none"> Prepayment Penalty is not allowed on ARM transactions in the state of Indiana Prepayment Penalty in the state of Kentucky is not allowed on refinances from the same lender 					