

PRIME Connect

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

PRIMARY RESIDENCE (1-3 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	90% ^{1,2,3,4,5} (Purchase Only)	\$1,000,000	700
	85% ^{1,3,4}	\$1,500,000	680
	80%	\$2,000,000	660
		\$2,500,000	680
		\$3,000,000	700
75%	\$3,500,000	700	
CASH OUT	80% ³	\$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% ^{1,3,4}	\$1,000,000	680
		\$1,500,000	720
	80%	\$1,000,000	660
		\$2,000,000	680
		\$2,500,000	700
	75%	\$1,500,000	660
\$2,500,000		680	
CASH OUT	75%	\$1,500,000	680
		\$2,000,000	720
	70%	\$1,500,000	660
		\$2,000,000	680
		\$2,500,000	720
65%	\$2,000,000	660	

INVESTMENT (1-4 Units)

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

¹>80%: Interest Only 40 Yr IO not permitted

²>85%:

- Max DTI 45%
- Min loan amount \$200k.
- Interest Only not permitted
- No FTHB

³12/24 Month P&L – Max 80% Purchase: Max 75%/Rate & Term; Max 70% Cash Out; Max \$2M UPB

⁴Non-Warrantable Condo – Max 80%

⁵Condos – Max 85%

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

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PRIMARY RESIDENCE (1-3 Units)

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

- 12/24 Month P&L – Max 80% Purchase; Max 75% Rate & Term; Max 70% Cash Out; Max \$2M UPB

***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 1-3 Units	PURCHASE RATE AND TERM	PRIME Connect	80%	\$2,500,000 ¹	660
		PLUS Connect			640
	CASH OUT	PRIME Connect	75%	\$2,500,000 ¹	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 ¹	660
		PLUS Connect			640

¹12/24 Month P&L – Max 80% Purchase; Max 75% Rate and Term; Max 70% Cash Out; Max \$2M UPB

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 to the nearest .125)
	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 PLUS Connect	Max 50% Max 45% DTI on LTVs >85%
	FLEX Connect	Per DO® (max of 50% DTI)
Borrower Eligibility	U.S. Citizen Permanent Resident Alien Non-Permanent Resident Alien Non-Occupant Co-Borrowers <ul style="list-style-type: none"> Per FNMA/FNMA/AUS Eligible with blended ratios First Time Investor First Time Homebuyers – <ul style="list-style-type: none"> Defined as not having owned a property/rental in the last 7 years Limited Partnerships, General Partnerships, Corporations, Limited Liability Company – Eligible (Layered entities not permitted) All borrowers must have a valid SSN Foreign Nationals – Ineligible	
CREDIT EVENTS	Short Sale, Foreclosure, Single BK, NOD, 120+ Delinquent	
	PRIME Connect	4 Years BK - Ch 7, 11,13 – based on discharge or dismissal date
	PLUS Connect	2 Years 1 Year (additional LLPA applies)
	FLEX Connect	Follow applicable PRIME or PLUS Connect credit grades 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.
HOUSING HISTORY	12 Month Housing History	
	PRIME Connect	0 x 30 x 12
	PLUS Connect	0 x 60 x 12
	FLEX Connect	PRIME: 1 x 30 x 12 (per DO®) (no rolling)
		PLUS: 0 x 60 x 12
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.		
QUALIFYING FICO	Full Doc, Express Doc, Asset Utilization and FLEX	
	Primary wage earner	
	Bank Statement	
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), 640 (PLUS FLEX), 620 (PLUS Connect) First Time Investor – Min 700 FICO		

RESERVES	Prime/Plus:	Full Doc (Full Doc, Express Doc, 1099) – 3 Months Alt Doc (Bank statements, P&L, and Asset Utilization) – 6 Months R/T Refi, Max 60% LTV/CLTV, Min 0x30x12 No reserves needed	
	FLEX Connect	Follow DO®. Cash out may be used for reserves. Loans with layered risk may require additional borrower assets to meet reserve requirements.	
GIFT FUNDS	Primary Purchase Only Borrower must have 5% of their own funds documented but not required to use; borrowers with no housing history must have 10% 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.		
MAX CASH OUT		≤70% LTV/CLTV	>70% LTV/CLTV
	All Programs	Unlimited	\$1M
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 purchase Note date to the current Note date 		
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 • FNMA approved third party direct pull services are eligible (i.e. Blend) • 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 Third Party VOE (i.e., Equifax, Experian, TrueWork) and 1 or 2 years W2 ▪ Self-Employed = 1 or 2 years personal & business tax returns w/ YTD P&L if application is dated more than 120 days after the end of the business tax year 		<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	
<ul style="list-style-type: none"> ▪ Follow DO® findings with min 1-year verification of income ▪ If the tax return year is dated more than 90 days prior to the note date, a YTD P&L dated within 90 days of note date, along with the two most recent months of banks statements ▪ Third Party VOE (i.e., Equifax, Experian, TrueWork) is acceptable ▪ Bank Statement product is eligible with FLEX features 		Tax Attorney/CPA/EA/CTEC prepared P&L with attestation and license verification (PTIN is ineligible)	
		<ul style="list-style-type: none"> ▪ 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 20% ownership (25% for business bank statements; 20% for personal statements w/evidence of business bank account) 		
	BUSINESS BANK STATEMENTS		
	Borrowers who are using more than 5 business bank accounts must qualify using personal bank statements		
	FIXED EXPENSE RATIO		
Option 1: 50% Expense Factor - All businesses can qualify using a 50% expense ratio <ul style="list-style-type: none"> • Any loan with LTV >85% will be required to us 50% expense factor • 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 if all of the following applies to business

- Max 85% LTV/CLTV
- Borrower is sole owner and operator of the business (no partners, employees, etc.)
- Consultant, contractor or service business with minimal cost of goods, no heavy equipment or machinery and less than 10% of income goes toward any office space (must be documented)
- Decreasing or negative ending balances must be addressed
- Cyclical and seasonal trends may be taken into consideration

Option 3: Third Party Expense Ratio | 10% Floor

- Max LTV 80% Purchase/Rate & Term; 75% Cash Out
- Tax Preparer must be an independent, licensed Tax Attorney/CPA/EA/CTEC in good standing. (PTIN is ineligible)
- Third party must attest to having filed most recent 1 or 2 years business tax returns audited the business financial statements, OR reviewed working papers provided by the borrower
- Tax Preparer must verify the name of the business and borrower's ownership percentage
- To determine net income, multiply eligible business deposits by the following: 100% minus the Expense Ratio as described above
- CPA letter must be on letterhead, **wet signed, dated** and originate from CPA office, DocuSign not allowed

****Note:** Self-employed borrowers who file their own tax returns are not eligible**

PERSONAL BANK STATEMENTS

Option 1: Personal bank statements with evidence of business bank account.

- 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)
- Minimum 20% ownership

Option 2: Personal bank statements with no business bank account – service business.

10% Expense factor for Co-mingled bank accounts (Example: Sch C consultants, independent contractors, etc.)

- 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)
- 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

Option 3: Personal bank statements with no business bank account – non-service business

- Comingled business and personal with no business account for non-service businesses are considered as business bank statements with the appropriate expense factor applied.
- 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
- Minimum 25% ownership

**P&L INCOME
12/24 MONTH**

- Max 80% Purchase/75% Rate & Term; 70% Cash Out
- Min 680 FICO
- Max \$2M loan amount
- Primary Residence Only
- Must be US based business
- Passive income from crowdfunding, real estate investors (with fewer than 10 residential units), venture capitalists, asset speculation, day trading and the like are considered ineligible for P&L
- 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
- Two months business bank statement for the most recent two months reflected on the P&L
- Bank statement deposits must support 80% of the monthly average revenue from the P&L. If the most recent 2 months of the bank statements do not support 80% of the gross revenue, continuous bank statements may be added to the analysis until the tolerance is met.
 - LTV ≤70%, standalone P&L allowed without supporting bank statements
- Profit & Loss statements must be completed by an independent licensed Tax Attorney/CPA/EA/CTEC in good standing (PTIN is ineligible)

	<ul style="list-style-type: none"> Tax Preparer must attest to having filed or reviewed 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 				
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.
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TRADELINES	<table border="1"> <tr> <td> PRIME Connect PLUS Connect </td> <td> <ul style="list-style-type: none"> If primary borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers 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) Authorized user or self-reported accounts may not be used to satisfy minimum tradelines Authorized user or self-reported accounts may be excluded from DTI Non-traditional credit is not allowed as an eligible tradeline </td> </tr> <tr> <td> FLEX Connect </td> <td>Follow DO® Findings</td> </tr> </table>	PRIME Connect PLUS Connect	<ul style="list-style-type: none"> If primary borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers 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) Authorized user or self-reported accounts may not be used to satisfy minimum tradelines Authorized user or self-reported accounts may be excluded from DTI Non-traditional credit is not allowed as an eligible tradeline 	FLEX Connect	Follow DO® Findings
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PROPERTY	<table border="1"> <tr> <td> Primary 1-3 Units / Second Home 1 Unit /Non-Owner 1-4 Units Rural Properties - eligible for PRIME, PLUS and FLEX Connect <ul style="list-style-type: none"> Primary Residence – Max 75% 2nd Home – Max 70% Investment – Ineligible Must be primarily for residential use Max Financed Properties – Prime/Plus - no limit; FLEX- as per FNMA DO® CEL exposure to a single borrower/guarantor is limited to \$5M UPB or 10 loans. Live/Work Condos – Follow FNMA Subject Property Short Term Rentals not permitted </td> <td> Max Acreage - Max 10 acres Minimum Square Footage – 500 sq ft. per unit- No kitchenettes Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance </td> </tr> <tr> <td colspan="2"> State Condominium Requirement (Warrantable and Non-Warrantable): California Balcony Bill – SB326 : An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground. Projects with an unacceptable or no inspection are ineligible. </td> </tr> </table>	Primary 1-3 Units / Second Home 1 Unit /Non-Owner 1-4 Units Rural Properties - eligible for PRIME, PLUS and FLEX Connect <ul style="list-style-type: none"> Primary Residence – Max 75% 2nd Home – Max 70% Investment – Ineligible Must be primarily for residential use Max Financed Properties – Prime/Plus - no limit; FLEX- as per FNMA DO® CEL exposure to a single borrower/guarantor is limited to \$5M UPB or 10 loans. Live/Work Condos – Follow FNMA Subject Property Short Term Rentals not permitted	Max Acreage - Max 10 acres Minimum Square Footage – 500 sq ft. per unit- No kitchenettes Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance	State Condominium Requirement (Warrantable and Non-Warrantable): California Balcony Bill – SB326 : An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground. Projects with an unacceptable or no inspection are ineligible.	
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NON-WARRANTABLE CONDOS	Non-Warrantable Condos – Limited to two				
	Products	All Products			
	Max LTV	80%			
	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			
	Delinquent HOA	Up to 25%			
	Master Coverage Deductible	10% deductible max allowed. Coverage less than full replacement cost is ineligible. ACV not permitted.			
Reserves	<10% replacement, maintenance, and/or deductible				

	Mandatory Memberships	Cannot exceed 10% of purchase price				
	Material Litigation - Structural/Functional litigation against developer	Ineligible				
	Insurance Coverage	Coverage amount less than the replacement cost is ineligible (Actual Cash Value is not permitted)				
	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				
	Project Completion	Project not 100% complete and HOA not turned over: <ul style="list-style-type: none"> At least 50% of the units in the subject property phase must be sold or under bona fide contract All common elements in the project or legal phase must be 100% complete 				
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. 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 All appraisals require a third-party valuation product (Desk review/CU/LCA/AVM) ordered by ClearEdge When 2 full appraisals are required – separate product review is not required</p> <p>PRIME, PLUS and FLEX Connect All appraisals require a third-party desk review CU/LCA score of 2.5 or lower - no 3rd party review required. When both a CU and a LCA SSR are provided, the lower score of the two is used to determine if a review is required. Transferred appraisals acceptable. Must be ordered through an AMC.</p>					
ESCROWS	<ul style="list-style-type: none"> Required for HPML loans per CFPB 					
SUBORDINATE FINANCING	Secondary financing allowed for primary residence only Re-subordination allowed for refinances LTV = CLTV per matrix FLEX Connect – Follow FNMA/DO®					
PREPAYMENT PENALTY (INVESTMENT PROPERTIES)	Applies only to Investment Properties – PRIME Connect, PLUS Connect, FLEX Connect Hard Prepayment penalties may be required on investment property transactions when permissible by state law. Buydown options are available to reduce or remove prepayment penalty Prepayment Penalty is not allowed in the following states: DE, IL, KS, LA, MD, MI, MN, MS, NH, NJ, NM, OH, PA, RI, VT <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 Prepayment Penalty in the state of South Carolina is not allowed for loan amounts ≤ \$765,000 					