

| PRIME CONNECT | | | | |
|--|---|------------------------|------------------|-------------------------|
| RATE & TERM/CASH OUT | | | | |
| Full Doc/Express Doc/Bank Statements/1099/P&L ⁵ | | | | |
| Max Loan Amount | Min FICO | Max CLTV | | |
| | | Primary Residence | Second Home | Investment ⁴ |
| \$125,000 - \$350,000 | 720 | 90% ^{1,2,3,5} | 80% ¹ | 80% ¹ |
| | 700 (Full/Express/1099 Doc only) ⁶ | 90% ^{1,2,3,5} | | |
| | 700 | 85% ^{1,2,5} | | |
| | 680 | 80% ^{1,5} | 75% | 70% |
| \$350,001 - \$500,000 | 720 (Full/Express/1099 Doc only) ⁶ | 85% ^{1,2,5} | 75% | 70% |
| | 700 | 80% ^{1,5} | | |
| \$500,001 - \$750,000 | 720 | 75% | 70% | 65% |

¹3-4 unit – Max 75%

²Warrantable and Non-Warrantable Condo – Max 80% CLTV

³Bank Statements – Max 85%

⁴Investment properties are for business purpose only

⁵P&L income type – Primary Residence Only – Max 75%

⁶Excludes Bank Statements and P&L doc types

| INVESTOR CONNECT-DSCR ^{1,2,5} | | |
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| RATE & TERM/CASH OUT | | |
| Minimum 1.0 | | |
| Max Loan Amount | Min FICO | Max CLTV ^{3,4} |
| | | Investment |
| \$100,000 - \$350,000 | 720 | 75% |
| | 700 | 70% |

¹Short Term Rentals not permitted

²Non-Warrantable Condo not allowed

³Unleased property recently rehabbed or is listed for rent is allowed. CLTV reduction is 5%

⁴3-4 unit – Max 65%

⁵DSCR is for business purpose only

| PRODUCT FEATURES | |
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| TERM | 10, 15, 20, 30-year Fixed Rate – Fully amortizing Loans in the states of IN, KS, MI, SC, and WA will amortize on a 365/365 calendar |
| PRODUCT | Closed end second must have a 1 st lien Concurrent closing ineligible |
| PREPAYMENT PENALTY | Not permitted on primary residences or second homes PPP prohibited in KS, NJ, NM Three Prepayment Penalty structure options are available: <ol style="list-style-type: none"> Standard Prepayment Penalty: Penalty term of six month's advance interest on the amount prepaid that exceeds 20% of the original balance of the note – 1,2,3,4, or 5-year term Flat Structure: 3-, 4-, or 5-year prepayment term can be selected at a 5% flat rate instead of a tiered structure. Tier structure as indicated below: |

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| | | 5 Year PPP | 4 Year PPP | 3 Year PPP | 2 Year PPP | 1 Year PPP |
| | Payoff Year 1 (Max Prepay) | Other States: 5% OH Only: 1% VA Only: 2% | Other States: 5% OH Only: 1% VA Only: 2% | Other States: 5% OH Only: 1% VA Only: 2% | Other States: 3% OH Only: 1% VA Only: 2% | Other States: 3% OH Only: 1% RI and VA Only: 2% |
| | Payoff Year 2 | Other States: 4% OH Only: 1% VA Only: 2% | Other States: 4% OH Only: 1% VA Only: 2% | Other States: 4% OH Only: 1% VA Only: 2% | Other States: 3% OH Only: 1% VA Only: 2% | |
| | Payoff Year 3 | Other States: 3% OH Only: 1% VA Only: 2% | Other States: 3% OH Only: 1% VA Only: 2% | Other States: 3% OH Only: 1% VA Only: 2% | | |
| | Payoff Year 4 | Other States: 2% OH Only: 1% | Other States: 2% OH Only: 1% | | | |
| | Payoff Year 5 | All States: 1% | | | | |
| | State Restrictions: | | | | | |
| | State | Standard PPP Allowed | Flat PPP Allowed | Tiered PPP Allowed | Special Rules | |
| | Kentucky | Y | Y | Y | PPP prohibited on refinance loans that are paying off same lender | |
| | Illinois | Y | Y | Y | PPP may only be charged to entities (LLC, Corp, Partnership) | |
| | Minnesota | Y | Y | Y | PPP prohibited on conforming loan amounts | |
| | Mississippi | N | N | Y | | |
| | Montana | Y | N | N | | |
| | North Carolina | Y | Y | Y | PPP prohibited on loans <=\$100k or less | |
| | Ohio | N | N | Y | Max 5 yr PPP and max cannot exceed 1% penalty | |
| | Pennsylvania | Y | Y | Y | PPP may only be charged to entities (LLC, Corp, Partnership) | |
| Rhode Island | N | N | Y | Max 1 year PPP and cannot exceed 2% penalty | | |
| Virginia | N | N | Y | Max 5 year PPP and cannot exceed 2% | | |
| HIGH COST | Section 32 and State High Cost loans are ineligible | | | | | |
| STATE ELIGIBILITY and | Primary Residence/Second home properties are eligible in the following states: | | | | | |

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| LICENSING | <p>AL, AR, AZ, CA, CT, DE, DC, FL, GA, ID, IL, IN, KS, KY, LA, MD, ME, MI*, MN, MO, MS, MT, NC, NE, NH, NM, NV, OH, OK, OR, PA, RI, SC, UT, VA, WA, WI</p> <p>*MI requires broker state license for subordinate liens</p> <p>Investment properties are eligible in the following states: AL, AR, AZ, CA, CO, CT, District of Columbia, DE, FL, GA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI*, MN, MO, MS, MT, NC, NE, NH, NM, NV, NY, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, WI</p> <p>*MI requires broker state license for subordinate liens</p> <p>Investment properties do not require broker to be licensed for Wholesale loans in the following states: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, NC, NH, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI</p> <p>Investment properties do not require sellers to be licensed for Non-Delegated loans in the following states: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, MT, NE, NH, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI</p> <p>Disclaimer: This guide does not constitute legal advice and brokers and sellers are responsible for ensuring that they are properly licensed.</p> |
| DOCUMENTATION | <ul style="list-style-type: none"> • 1ST Lien Note and most recent Mortgage Statement must be provided (must be 30 days of the note date) • If 1st Lien closed in the name of an entity, guarantee and applicable entity documents must be provided |
| GENERAL ELIGIBILITY | |
| MANUAL | Where matrix is silent, follow PRIME Connect guidelines for Full Doc, Bank Statements, and 1099. For DSCR, follow Investor Connect. |
| 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 borrowers or vesting permitted unless removing a co-borrower or adding co-borrower whose income is not used to qualify. • Vesting (Investment purpose 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 • Asylum applicants • Borrowers involved in active litigation or pending separation/divorce • Borrowers with diplomatic immunity • Borrowers without a valid Social Security Number • DACA recipients • Foreign Nationals • Irrevocable, Land, or Blind Trusts • ITIN • Non-Permanent Resident Aliens • 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 |
| OWNERSHIP SEASONING | <ul style="list-style-type: none"> • Borrower must have owned property for 6 months prior to the note date • Cash-out used to pay off an existing subordinate lien must be seasoned 12 months (from Note date to Note date) |
| MINIMUM LOAN AMOUNT | <ul style="list-style-type: none"> • Full Doc/Bank Statement/1099: \$125,000 • DSCR: \$100,000 |
| COMBINED MAXIMUM LOAN AMOUNT | \$3,500,000 |
| ASSETS | Asset verification required if funds needed to consummate the transaction |
| INELIGIBLE 1ST LIENS | <ul style="list-style-type: none"> • 1st lien seasoned <180 days • ARMs (unless loan qualifies at 1st lien life cap payment & cannot adjust for 36 months) • Balloon • CEMA transactions • HELOC • Loan terms > 40 years • Loans in active forbearance or deferment (Prior natural disaster or hardship forbearances eligible if seasoned >=12 months and included in CLTV) • Loans with fixed interest-only where there is less than five years of interest only period remaining from the new CES Note |

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| | <ul style="list-style-type: none"> Date Negative Amortization Construction Loan Private Party Properties with a PACE lien (unless satisfied with subject loan) Reverse Mortgage |
| CREDIT | |
| DTI | <p>If UPB ≤ \$350k:</p> <ul style="list-style-type: none"> Max 50% <p>If UPB is > \$350k:</p> <ul style="list-style-type: none"> ≤ 85% CLTV – Max 50% > 85% CLTV – Max 45% <p>The current I/O payment on the 1st mortgage is used to calculate DTI or DSCR. 1st mortgage (P)ITI(A) per mortgage statement is used when calculating DTI or DSCR.</p> |
| CREDIT SCORE | <p>Qualifying FICO</p> <ul style="list-style-type: none"> Full Doc/Bank Statements: Mid-score for the Primary Income-Earner DSCR: Highest mid FICO score (use highest mid FICO of guarantor if more than one guarantor) <p>Min FICO:</p> <ul style="list-style-type: none"> Full Doc/Bank Statements: 680 DSCR: 700 <ul style="list-style-type: none"> No borrower can have a mid-score < 660 |
| ASSUMABLE | Loans are not assumable |
| DSCR | <ul style="list-style-type: none"> DSCR is calculated using the lesser of 1007 or lease <ul style="list-style-type: none"> If current lease exceeds market rent, borrower may use that amount up to 115% of market rent with most recent 3 months of evidence of rent receipts Minimum 1.0 DSCR Rented properties require lease agreements Unleased property recently rehabbed or is listed for rent is allowed. CLTV reduction is 5% Short-term rental properties not allowed |
| HOUSING HISTORY | <ul style="list-style-type: none"> Minimum 12 months housing/rental history required 0x30x12 |
| CREDIT EVENTS | <p><u>Short Sale, Deed in Lieu, Default Modification, Notice of Default, 120+ Delinquent, Foreclosure, and Bankruptcy</u></p> <p>4 years</p> <p>BK – Ch 7, 11, 13 – based on discharge or dismissal date</p> <p>Multiple credit events are ineligible</p> |
| COLLATERAL | |
| ELIGIBLE PROPERTY TYPES | <ul style="list-style-type: none"> SFR 2-4 units PUD Townhome Warrantable and Non-Warrantable Condo (NWC - Prime only) <ul style="list-style-type: none"> State Condominium Requirement <ul style="list-style-type: none"> 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. Rural/Ag properties ineligible Short-Term Rentals ineligible See PRIME Connect/INVESTOR Connect for ineligible property types |
| 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 |

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| 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 | | | |
| VALUATION | <p>HPML – Full appraisal (1004,1025,1073)</p> <ul style="list-style-type: none">• Declining markets maximum 75% CLTV <p>Non-HPML – Loan amount <=\$400k</p> <ul style="list-style-type: none">• AVM w/90% confidence factor and Property Condition Inspection from:<ul style="list-style-type: none">○ Clear Capital○ Collateral Analytics○ CoreLogic○ HouseCanary○ Homegenius○ Quantarium○ Veros• Full Appraisal required when AVM has less than 90% Confidence Factor.• Non-HPML – Loan amount >\$400k<ul style="list-style-type: none">○ Full appraisal (1004,1025, 1073)• Declining Markets:<ul style="list-style-type: none">○ Primary and 2nd Homes – Maximum 75% CLTV○ Investment – Maximum 70% CLTV <p>Transfer appraisals are allowed</p> | | | |
| INCOME/EMPLOYMENT | | | | |
| INCOME DOCUMENTATION | <i>Follow PRIME Connect Full Doc (2 year)/Express Doc (1 year)/1099</i> | <i>Follow Prime Connect 12/24 Month Bank Statement</i> | <i>Follow Prime Connect 12/24 Month Profit & Loss</i> | |
| | <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• 1099 – follow Prime connect | <ul style="list-style-type: none">• 12-or-24 month Bank Statements.• 50%, 20%, or CPA/EA/CTEC provided expense factor• Expense ratio must be reasonable for the industry• Expense factor <50% - Max 85%• Third Party Expense Ratio – Max 75% CLTV | <ul style="list-style-type: none">• 12-or-24 month P&L• Completed by CPA/EA/CTEC• Expense ratio must be reasonable for the industry• Primary Residence Only | |