INVESTOR OPAL						
DSCR ELIGIBILITY			DSCR >=1.0		DSCR >=.75	
Units	Max Loan Amount	Min FICO	Purchase / Rate Term	Cash-Out	Purchase / Rate Term	Cash-Out
1-4	≤ $1,500,000	720	80%	75%	75%	N/A
		700	80%	75%	70%	N/A
		680	75%	75%	N/A	N/A
		660	75%	75%	N/A	N/A
		640	70%	70%	N/A	N/A
	≤ $2,500,000	720	80%	75%	60%	N/A
		700	80%	75%	N/A	N/A
		680	75%	75%	N/A	N/A
		660	75%	75%	N/A	N/A
		640	70%	70%	N/A	N/A
	≤ $3,000,000	720	75%	75%	60%	N/A
		700	75%	75%	N/A	N/A
		680	N/A	N/A	N/A	N/A
		660	N/A	N/A	N/A	N/A
		640	N/A	N/A	N/A	N/A

>$2.5M – 30 year fixed only
.75-.99 – Min $175k loan amount; 40 yr and 40 yr IO product not permitted
.75-.99 - >70% - 30 year fixed only

Program Parameters				
Loan Products		Interest Only Features[1]		
ARMs		IO period	Amortization	Maturity
30Y Fixed, 5/6ARM, 7/6ARM		10 years	20 years	30 years
40Y Fixed, 5/6ARM, 7/6ARM		10 years	30 years	40 years
[1]Interest Only Restrictions		Min FICO 660		
Loan limits	**1 Unit**	**2-4 Unit**		
Minimum Value	N/A	Average $50,000/unit		
Minimum Loan Amount	$150,000 ($175,000 on DSCR.75-.99)	$150,000 ($175,000 on DSCR .75-.99)		
Maximum Loan Amount	$3,000,000 (>$2.5M: 30 Yr Fixed only)	$3,000,000 (>$2.5M: 30 Yr Fixed only)		
Maximum Cash-Out				
Unlimited				
Credit Requirements				

- **Three Credit Scores:**
  If the qualifying borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers.
- **Minimum Tradelines:**
  - Each borrower must have at least 2 tradelines, or
  - Joint borrowers must have a combined total of at least 3 tradelines.

- Tradelines must be rated for a minimum of 12 months and show activity within the last 24 months.

- **Open or Closed Accounts:**
  Tradelines may be either open or closed.
- **Derogatory History:**
  Eligible tradelines must not have any derogatory history within the previous 24 months.
- **Current Housing Not Reporting on Credit:**
  Current housing that is not reporting on the credit report may be considered an open tradeline if supported by bank records, such as cancelled checks or bank debits.
- **Authorized User Accounts:**
  Authorized user accounts may not be used to meet the minimum tradeline requirement.
- **Non Traditional Credit:**
  Nontraditional credit is not permitted as an eligible tradeline exception for housing history

Credit History	1-4 Unit
Mortgage History	1x30x12 is permitted, with no rolling late payments
BK / FC / SS / DIL / Default Mod /Notice of Default/Single BK or 120+ Delinquent	3 years
Seasoning	From the date of dismissal, discharge, or property resolution (completion date), as of the note date
Single BK Seasoning (including Ch 7, 11 and 13)	Based on discharge or dismissal date
Multiple Bankruptcies	Regardless of seasoning are ineligible
Other Program Requirements	
Occupancy	Financing of the investment property must be solely for commercial/business purposes, and a Certification of Business Purpose/Non-Owner Occupancy form must be signed and notarized.
Qualification	Fully amortizing fixed and ARM loans are qualified at the initial P&I (30 yr or 40 yr, as applicable), property taxes, insurance, HOA. Interest only loans are qualified on the interest only payment, property taxes, insurance, HOA.
DSCR Calculation	Lesser of 1) 1007 market rent or 2) current lease or 12 mo average Short-Term Rental statements, divided by (P)ITIA
Property Type	SFR PUD Warrantable Condo (Max 70% on 2nd homes and investment properties for attached condos in Florida) Non-warrantable Condo (5% LTV reduction) Max 75% 2-4 Unit Declining Markets – Appraisal identifies subject is in a declining market (5% LTV reduction) Rural Properties are ineligible • A property indicated by the appraiser or the CFPB rural/underserved tool, and/or containing any of the following characteristics may be considered a rural property: o Neighborhood is less than 25% built up o Area around the subject is zoned agricultural o Photographs of the subject show a dirt road o Comparables are more than 5 miles away from the subject o Subject is located in a community with a population of less than 25,000 o Subject property and/or comparables have lot sizes greater than 10 acres o Subject property and/or comparables have outbuilding or large storage sheds

<table>
<tr><td>Eligible Borrower(s)</td><td>US Citizen
Permanent Resident
Non-Permanent Resident (Min FICO 680, Purchase & R/T Max 75% CLTV, Cash Out Max 70% CLTV)
<table><tr><th colspan="3">Eligible VISA Types</th></tr><tr><td>C09 (No VISA required)</td><td>L-1A, L-1B, L-2</td><td>TN-1 Canadian NAFTA</td></tr><tr><td>E1, E2, E3</td><td>NATO 1-6</td><td>TN-2 Mexican NAFTA</td></tr><tr><td>G1, G2, G3, G4, G5</td><td>O1</td><td></td></tr><tr><td>H1, H-1B, H-1C</td><td>R1</td><td></td></tr></table>
First Time Investors (see below for details)
Limited Partnerships, General Partnerships, Corporations, Limited Liability Company
Inter-vivos Revocable Trust
First-time Homebuyer: Eligible with DSCR 1.0+
Foreign National
• Min 680
• Min DSCR 1.00
• Purchase & R/T Max 65% CLTV, Cash Out Max 60% CLTV
• Max $1.5M
Acreage- Max 10 acres
Minimum square footage required 500 sq ft per unit – Kitchenettes ineligible
Short Term Rentals – refer to Short Term/Variable Rental Guidelines
Unsold builder inventory not eligible

Florida – Projects over 30 years old or 25 years if within 3 miles from the coast a structural inspection within every 10 years is required for projects 3 stories or higher.
• Inspection must confirm no conditions severe enough to affect the safety, soundness, structural integrity or habitability of the improvements.
• Projects with unacceptable or no inspections are ineligible

State Condominium Requirements (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>
<tr><td>Non-Permanent</td><td>• Min FICO 680 • Max LTV 75% (Purch & R/T) • Max LTV 70% (Cash Out)</td></tr>
<tr><td>Foreign National</td><td><table><tr><td>Transaction Types</td><td>Purchase/R&T/Cash Out (1-2 Unit Properties only)</td></tr><tr><td>Max Loan Amount</td><td>$1,500,000</td></tr><tr><td>Max LTV/CLTV</td><td>Purchase/Rate & Term: 65%</td></tr><tr><td></td><td>Cash Out: 60%</td></tr><tr><td>Reserves</td><td>6 months</td></tr><tr><td>FICO</td><td>Use 680 FICO for pricing</td></tr><tr><td>Escrows</td><td>Escrow for taxes and insurance is required</td></tr><tr><td>DSCR</td><td>DSCR <1.0 is not permitted</td></tr><tr><td>Note:</td><td>If at least one borrower is not a Foreign National, the Foreign National restrictions still will apply.
Short Term rental income used for qualification is not permitted for Foreign Nationals.
ACH enrollment required – Must be drawn on a US Bank.</td></tr></table></td></tr>
</table>

Qualifying FICO	• **Qualifying Score:**
	The highest middle FICO score will be used for qualification purposes.
	  ○ If there is more than one guarantor, use the highest middle FICO score among the guarantors.
	• **Individual Borrower Score:**
	Each borrower's credit score is defined as:
	  ○ The middle score when three scores are reported, or
	  ○ The lower score when only two scores are reported.
	• **Minimum Score Requirement:**
	No borrower may have a middle FICO score below 620.
	• **Refinances:**
	For refinance transactions, the highest middle FICO score may only be used if that borrower meets the continuity of obligation requirement.
	• **Foreign Nationals:**
	Borrower is not subject to FICO requirements (use 680 FICO for pricing)

First Time Investor (FTI)	Min FICO 700 Min DSCR 1.00 Motivation letter required if property is purchased in a different state than the borrower's/guarantor's primary residence STR rental properties are ineligible
First Time Homebuyer	Min 1.0 DSCR Min 700 FICO >75%: No gift and subject property must be exposed to MLS Max $750k UPB Interest Only and/or 40 yr amortization is ineligible Min 3 months' reserves are required unless the LTV x Loan Amount requires additional Motivation letter required for purchasing investment and not owning a primary residence Rent free is ineligible
Unleased / Vacant Properties	• 1-unit: 5% LTV reduction. If recent, significant renovation and the appraisal supports then no LTV reduction • 2-4 unit: Up to one (1) unit may be unleased (5% LTV reduction)
Housing History	**Mortgage History Standard** 1x30x12 is permitted, with no rolling late payments **Recent Credit Event:** If the borrower has a Credit Event seasoned less than 4 years, they must demonstrate 0x30x12, evidenced by no 30 day late payments in the most recent 12 months. **Borrower Requirement:** Only one borrower is required to meet the housing history requirement **Current Status:** All borrowers must be current on their mortgage or rent at the time of loan application. **Tax Liens and HOA Dues:** Property tax liens and delinquent HOA dues require an LOE and may require borrower own funds to bring current **When Housing History is Required:** • Required for Primary Residence and subject property refinances • For other REO not reported on the credit report, no mortgage rating is required.

<table>
<tr><td></td><td>
However, if housing delinquencies appear on the credit report, they cannot be disregarded and must meet the 12 month lookback requirements noted above.
Construction Loan Refinances:
An institutional Verification of Mortgage for refinances of construction loans must include a payment ledger.
All Refinances:
A payment history on the subject property is required for all refinance transactions.
Open and Active Mortgage Reporting:
An open and active mortgage reporting on the initial credit report for a minimum of 12 months satisfies the housing history requirement.
No Open and Active Mortgage Reporting:
No open and active mortgage reporting on the initial credit report, except in the following circumstances.

The borrower owns a property free and clear and provides evidence that property taxes are current.
The initial credit report reflects at least 12 months of prior mortgage history that was active within the last 12 months
A private Verification of Mortgage and 12 months of bank statements, cancelled checks, or bank debits are provided.
The borrower lives rent from a spouse or holds title only ownership and provides an institutional Verification of Mortgage, or 12 months of bank statements, cancelled checks, or bank debits.
Twelve months of proof of payment through cancelled checks, bank debits highlighted on statements, or copies or handwritten rent receipts are not acceptable as bank records.
Credit supplements completed by an institution are acceptable Private lien holders or landlords are not eligible sources.

Recently Sold Residence:
A borrower who sold a home and is temporarily living rent free while purchasing a new home is not considered to have an incomplete housing history. The most recent 12 month housing history prior to the sale of the departing residence must be documented.
</td></tr>
<tr><td>Short Term Rental</td><td>PURCHASE: • Minimum DSCR 1.00 • Minimum FICO 700 • 5% LTV reduction (Maximum 75% LTV) and 1 year experience operating a short-term rental.
REFINANCE: • Minimum DSCR 1.00 • Minimum FICO 700 • 5% LTV reduction (Maximum 70% LTV)</td></tr>
<tr><td>Appraisal Requirements</td><td>1 appraisal requirement
2 full appraisals required when loan amount is >$2,000,000 and >65% LTV/CLTV
All appraisals require a third-party valuation by ClearEdge
CU/LCA score of 2.5 or lower, no 3rd party review. When both a CU and an LCA SSR are provided, the lower score of the two is used to determine if a review is required.

Hybrid appraisal are ineligible.</td></tr>
<tr><td>Non-Warrantable Condos</td><td>
<table>
<tr><th colspan="2">Non-Warrantable Condos – Limited to Two</th></tr>
<tr><td colspan="2">Allowable Features:</td></tr>
<tr><td>Max LTV</td><td>5% LTV reduction, max 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>Single Entity Ownership</td><td>A single entity can own up to 30% of units</td></tr>
</table>
</td></tr>
</table>

	<table><tr><td>Commercial Space</td><td>Up to 50%</td></tr><tr><td>Recreational Leases</td><td>Eligible</td></tr><tr><td>Delinquent HOA</td><td>Up to 25%</td></tr><tr><td>Master Coverage Deductible</td><td>10% deductible max allowed</td></tr><tr><td>Reserves</td><td>Minimum 10% required</td></tr><tr><td>Mandatory Memberships</td><td>Cannot exceed 10% of purchase price</td></tr><tr><td colspan="2">Ineligible Features/Requirements for Non-Warrantable Condos:</td></tr><tr><td>Material Litigation – Structural/Functional litigation against developer</td><td>Ineligible</td></tr><tr><td>Insurance Coverage</td><td>Coverage amount less than the replacement cost is ineligible (Actual Cash Value is not permitted except for the roof)</td></tr><tr><td>Newly Converted – Non-full gut rehabs</td><td>Ineligible</td></tr><tr><td>Flood Insurance</td><td>Project in a flood zone with no master flood coverage are ineligible Borrower individual policies are not acceptable</td></tr><tr><td>Project Completion</td><td>Project not 100% complete and HOA not turned over: - 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 </td></tr></table>
Declining Market	Appraisal identifies subject is in a declining market (5% LTV reduction)
Reserves	**DSCR >= 1.0** ≤$1.5M and ≤70% LTV – no reserves ≤$1.5M and >70% LTV – 3 months >$1.5M – 9 months **DSCR .75-.99** ≤$1.5M – 6 months >$1.5M – 9 months **Cash Out** – 6 months **Foreign Nationals** – 6 months First Time Homebuyers – Minimum 3 months required unless LTV x Loan Amount above requires additional. Interest Only Loans – reserves calculated using the ITIA payment

<table>
<tr><td></td><td>Multi pack loans – reserves are calculated based o the highest (P)ITIA of all loans.
No additional reserves needed for additional financed properties
Cash Out may be used as reserves. Loans with layered risk may require additional borrower assets to meet reserve requirements.</td></tr>
<tr><td>Assets</td><td>Asset Statements
1 month or 1 quarterly investment statement of FNMA approved third party direct pull services
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</td></tr>
<tr><td>Gift Funds</td><td>Allowed for DSCR =>1.0
Gift funds are not allowed on Foreign Nationals
Purchase transaction only
Minimum Borrower Contribution
≤75% LTV – No minimum contribution required
>75% LTV – Borrower must have 5% of their own funds documented but not required to use
If the minimum borrower contribution % is not used towards the down payment, those funds can be used towards reserves
Gift funds are not permitted for reserves
Only gifts from family members are allowed
Gift of Equity is ineligible</td></tr>
<tr><td>Properties Listed for Sale</td><td><table><tr><th>Transaction Type</th><th>PPP Term/LTV</th><th>0-6 Months</th><th>6.1-12 Months</th></tr><tr><td>Rate & Term no Penalty</td><td>N/A</td><td>Not Permitted</td><td>Second Level Review</td></tr><tr><td>Rate & Term Penalty</td><td>Min 2 yr PPP</td><td>Permitted</td><td>Permitted</td></tr><tr><td>Cash Out no Penalty</td><td>Max LTV 70%</td><td>Not Permitted</td><td>Second Level Review</td></tr><tr><td>Cash Out w/Penalty</td><td>Min 2 yr PPP and max LTV 70%</td><td>Permitted</td><td>Permitted</td></tr></table>
LTV based on lower of appraised value or lowest listing price in the last 12 months.</td></tr>
<tr><td>Interest Party Contributions</td><td>Max 6% of purchase price</td></tr>
<tr><td>Insurance</td><td>Commercial, Landlord or rental dwelling policy required</td></tr>
<tr><td>State Specific Restrictions</td><td>Ineligible:
Baltimore City (MD)
Philadelphia (PA)</td></tr>
<tr><td>Prepayment Penalty</td><td>PPP prohibited in KS, MN, NJ, NM

Three Prepayment Penalty structure options are available:
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.
See state restrictions and tier structure as indicated below:</td></tr>
</table>

	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%	Other States: 5% OH Only: 1%	Other States: 5% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1% RI Only: 2%
Payoff Year 2	Other States: 4% OH Only: 1%	Other States: 4% OH Only: 1%	Other States: 4% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%	
Payoff Year 3	Other States: 3% OH Only: 1%	Other States: 3% OH Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%		
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
Illinois	Y	Y	Y	PPP may only be charged to entities only (LLC, Corp, Partnership)
Kentucky	Y	Y	Y	PPP prohibited on refinance loans that are paying off same lender
Louisiana	N	N	Y	
Michigan	N	N	Y	Max 3 Yr PPP (or less) and cannot exceed 1% penalty
Mississippi	N	N	Y	
Montana	Y	N	N	
North Carolina	Y	Y	Y	PPP prohibited on loans ≤$100k
Ohio	N	N	Y	Max 5 yr PPP and max cannot exceed 1% penalty PPP is not allowed on 1-2 unit properties for loan amounts <$116,356
Pennsylvania	Y	Y	Y	PPP prohibited on loans for 1-2 units with

					loan amount ≤$329,411
	Rhode Island	N	N	Y	Max 1 yr PPP and max cannot exceed 2% penalty

Non-Delegated Only – Colorado Loans: Prepayment Penalties are prohibited on loans where UCCC election is made (Supervised Loans).

State Eligibility and Licensing

Investor Opal is 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, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC,
TN, TX, UT, VA, WA, WI.

ClearEdge does not require brokers to be licensed for Wholesale Investor Opal 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.

ClearEdge does not require sellers to be licensed for Non-Delegated Investor Opal loans in the following states: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, NE, NH, NJ, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI

Disclaimer: This guide does not constitute legal advice and brokers and sellers are responsible for ensuring that they are properly licensed.

NOTE: LTV reductions to be applied in aggregate (ex: declining market 5% + non-warrantable 5% = 10% total)