CLEAREDGE LENDING

Prime Opal Full Doc

Prime Opal Full Doc (1 or 2 years)								
Expanded Eligibility		Primary		2nd Home		Investment[1]		
Max Loan Amount	Min FICO	Purchase / Rate Term	Cash-Out	Purchase / Rate Term	Cash-Out	Purchase	Rate Term	Cash-Out
<= $1,000,000	720	90%	80%	85%	75%	85%	75%	75%
	700	90%	80%	85%	75%	85%	75%	75%
	680	90%	75%	80%	75%	80%	75%	70%
	660	80%	75%	80%	75%	75%	75%	70%
	640	80%	70%	70%	65%	N/A	N/A	N/A
	620	75%	N/A	N/A	N/A	N/A	N/A	N/A
<= $1,500,000	720	90%	80%	85%	75%	85%	75%	75%
	700	90%	80%	85%	75%	85%	75%	75%
	680	85%	75%	80%	75%	80%	75%	70%
	660	80%	75%	80%	75%	75%	75%	70%
	640	70%	65%	N/A	N/A	N/A	N/A	N/A
<= $2,000,000	720	85%	80%	85%	75%	85%	75%	75%
	700	85%	80%	85%	75%	80%	75%	75%
	680	80%	75%	80%	75%	80%	70%	70%
	660	80%	75%	80%	75%	70%	70%	65%
	640	65%	N/A	N/A	N/A	N/A	N/A	N/A
<= $2,500,000	720	80%	80%	80%	75%	80%	N/A	70%
	700	80%	75%	80%	75%	75%	N/A	65%
	680	80%	75%	80%	75%	70%	N/A	60%
<= $3,000,000	720	80%	70%	80%	65%	80%	N/A	N/A
	700	75%	70%	70%	60%	N/A	N/A	N/A
	680	70%	65%	N/A	N/A	N/A	N/A	N/A
<= $3,500,000	720	70%	70%	N/A	N/A	N/A	N/A	N/A
[1]Investment restrictions:	• FL attached condo max 65%							

Program Parameters			
Loan Products	Interest Only Features[2]		
Arms	IO Period	Amortization	Maturity
• 20Y and 25Y Fixed	N/A	N/A	N/A
• 30Y Fixed, 5/6ARM, 7/6ARM	10 Years	20 Years	30 Years
• 40Y Fixed, 5/6ARM, 7/6ARM	10 Years	30 Years	40 Years
[2]Interest only restrictions:	• Min FICO 700 • Max 80%		

Loan Limits	1-Unit	2-4 Unit
• Minimum Value	N/A	Average $50,000/unit
• Minimum Loan Amount	$125,000	$150,000
• Maximum Loan Amount	$3,500,000	$3,500,000
Cash Out Limits	≤70% LTV CLTV	>70% LTV/CLTV
Maximum Cash Out	Unlimited	$1M

- Cash out permitted to meet reserves
- May pay off an existing mortgage(s) with a minimum 6 months seasoning or create a new lien if the property is owned free and clear.

Qualification
5/6 – greater of the Note Rate + 2% or Fully Indexed Rate 7/6 – qualify at the Note Rate • 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.

Credit Requirements
▪ **Three Credit Scores:** If the qualifying borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers. ▪ **Minimum Tradelines:** o Each borrower must have at least 2 tradelines, or o Joint borrowers must have a combined total of at least 3 tradelines. o 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:** Non traditional credit is not permitted as an eligible tradeline.

Credit History	Full Doc
Mortgage History	1x30x12
Short Sales, Foreclosure, Single BK, NOD, 120+ Delinquent	4 years
BK – Ch 7, 11, 13	Based on discharge or dismissal date
Multiple BK's	Regardless of seasoning are ineligible

Other Program Requirements	
>85%	• Max DTI 45% • Min loan amount $200k • No FTHB • Escrows Required (See Operations Manual for state specific requirements)
Occupancy	Owner Occupied (1-4 Unit), 2nd Home (1 Unit ONLY) and Investment (1-4 Unit)
Property Type	SFR PUD 1-4 Unit Warrantable Condo (85%) Live/Work Condos – Follow FNMA Non-Warrantable Condo (5% LTV reduction/Max 80% LTV) Rural Property is ineligible (See Overlay Sheet for Rural Definition) Subject Property STR income is not allowed

<table>
<tr><td></td><td>Long term annual rents to qualify is permitted
Minimum Square Footage – 500 sq ft. per unit – No kitchenette

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.

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.</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>80% (5% LTV reduction)</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>Commercial Space</td><td>Up to 50%</td></tr>
<tr><td>Recreational Leases</td><td>Eligible</td></tr>
<tr><td>Single Entity Ownership</td><td>A single entity can own up to 30% of units</td></tr>
<tr><td>Delinquent HOA</td><td>Up to 25%</td></tr>
<tr><td>Master Coverage Deductible</td><td>Up to 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"><u>Ineligible Features/Requirements:</u></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>New Converted – Non-full gut rehabs</td><td>Ineligible</td></tr>
<tr><td>Flood Insurance</td><td>Projects 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>
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<table>
<tr><td>Eligible Borrower(s)</td><td>US Citizen
Permanent Resident
Non-Permanent Resident
First Time Investor
First-Time Homebuyer
• Max $2M
• Defined as not having owned a property/rental in the last 7 years
Non-Occupant Co-Borrower
• Max $1M
• Max 80%
• Per FNMA/AUS
• Eligible with blended ratios
• TX50(a)(6) transactions are ineligible
Limited Partnerships, General Partnerships, Corporations, Limited Liability Company – Eligible (Layered entities not permitted)
Foreign National - Ineligible</td></tr>
<tr><td>Qualifying FICO</td><td>• Primary income earner
• No borrower can have a middle FICO score less than 620
• First Time Investor – Min 700 FICO
• VantageScore and T-Score ineligible
• When supplement sources of income are being used, the lower of doc type, pricing and LTV/FICO caps apply</td></tr>
<tr><td>Debt-to-Income (DTI)</td><td><table>
<tr><td>Max 55%</td><td>• 9 months reserves
• Min 720
• Max $1.5M
• No 40 yr term
• No Interest Only
• Max 80% LTV/CLTV on Primary Residence only
• 2nd Homes/Investment properties are ineligible
• Cash-out ineligible</td></tr>
<tr><td>Max 45%</td><td>LTVs/CLTVs>85%</td></tr>
<tr><td>Max 50%</td><td>All other</td></tr>
<tr><td></td><td></td></tr>
</table></td></tr>
<tr><td>Assets</td><td>Asset Statements
• All other programs: 1 current month’s statement
  ○ 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</td></tr>
<tr><td>Reserves</td><td>Full Doc (Full Doc and Express Doc) – 3 Months
No Reserves Required – R&T, Max 60%, Min 0x30x12</td></tr>
<tr><td>Gift Funds</td><td>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
• If the above minimum borrower contribution % is not used towards the down payment, those funds can be used towards reserves</td></tr>
</table>

	• Must follow FNMA's "Acceptable Donors" list Gift of equity eligible to a max 75% (Primary Only) If minimum borrower contribution % is not used towards the down payment, those funds can be used towards reserves.
Interested Party Contributions (IPC)	Primary and Second Homes: • 6% for LTV >75% • 9% for LTV ≤75% Investment: • Max 6%
Full Doc (1 or 2 year)	• 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 • Temporary Leave and Short-Term Disability: Max LTV 80% or program maximum, whichever is less
Appraisal Requirements	Loan amount ≥$2M and >65% LTV/CLTV – 2 full appraisals Appraisals ordered with no AMC are ineligible Hybrid appraisal are ineligible 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 All appraisal 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 CLA 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.
Condominiums	Warrantable Condos (Max 85%) Non-warrantable: 5% LTV reduction, Max 80% FL attached condo max 65% LTV/CLTV/HCLTV (NOO)
Declining Market	Appraisal identifies subject is in a declining market (5% LTV reduction)
Max Acreage	≤ 20 acres (> 10 acres Max 80% LTV)
Escrows	Required for HPML loans per CFPB Required for LTVs>85% (See Operations Manual for state specific requirements)
Subordinate Financing	Secondary financing allowed for primary residence only Re-subordination allowed for refinances LTV=CLTV per matrix
Prepayment Penalties	Applies only to Investment Properties 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, RI, VT • 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 Pennsylvania prohibited on loans for 1-2 units with loan amount ≤$329,411

	Prepayment Penalty in the state of South Carolina is not allowed for loan amounts ≤$810,000
State-specific Restrictions	• TX 50(a)(6) only allowed on 30Y fixed rate products • INELIGIBLE: Baltimore City MD
NOTE: LTV reductions to be applied in aggregate (ex: declining market 5% + non-warrantable 5% = 10% total)	