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1. SERIES 10 ELIGIBILITY GUIDELINES

1.1 GENERAL INFORMATION

The Lendz Financial Series 10 Eligibility Guidelines are to be used in conjunction with the most recent Lendz Financial Non-QM Eligibility Guidelines.

The Lendz Financial guidelines are intended to reference and supplement Fannie Mae's Seller Guide. Refer to the Fannie Mae Seller Guide for specific information concerning qualification requirements that are not specifically referenced in the guidelines. All loans must be manually underwritten

All Covered Loans must be designated as ATR compliant and must adhere to the standards set forth in the CFPB's Reg Z, Section 1026.43(c).

Deviations from the underwriting guidelines based on compensating factors need to be documented in the loan file.

2.0 SUMMARY OF OVERLAYS FOR SERIES 10

- DACA, Asylum, TPS and ITIN borrowers are ineligible
- Non-occupant co-borrowers using all income from the non-occupant borrower is an exception
- DSCR properties listed for sale must be off the market at least 6 months.
- P/L Only program is ineligible
- Written VOE program is ineligible
- DSCR - Unleased/vacant properties require a 5% LTV reduction.
- 5+ unit properties are ineligible
- Mixed-use properties are on an exception basis only
- Gift funds may not be used for reserves or for investment properties
- An appraisal may not be more than 180 days old at the time of closing
- Ineligible properties including geographic restrictions
- Condominium requirements for special assessments and listed for sale in the project

3.0 BORROWER ELIGIBILITY

The following are ineligible for Series 10:

- DACA Recipients
- Asylum applicants
- Temporary Status
- ITIN borrowers

3.5 NON-OCCUPANT CO-BORROWERS

If a loan is using a non-occupant co-borrower and all of the income is derived from the non-occupant co-borrower, the loan will only be considered on an exception basis.

6.0 TRANSACTION SPECIFIC

6.4 PROPERTIES LISTED FOR SALE

DSCR Investment Properties:
Properties previously listed for sale must be seasoned at least six (6) months from the listing contract expiration date to the note date.

8.0 INCOME AND EMPLOYMENT

8.6.2 12- OR 24-MONTH PROFIT AND LOSS (P&L) ONLY STATEMENT

The P&L Only program is ineligible.

8.6.4 WRITTEN VERIFICATION OF EMPLOYMENT (WVOE) ONLY

The Written VOE program is ineligible.

8.7 DEBT SERVICE COVERAGE (INVESTMENT PROPERTY)

8.7.3.1 PROPERTY INCOME ANALYSIS

Unleased/vacant properties require a 5% LTV reduction.

8.7.7 5-8 RESIDENTIAL AND 2-8 MIXED USE PROPERTY

- 5-8 residential properties are ineligible.
- Mixed-use properties are on an exception basis and no more than 4 units are allowed.

9.0 ASSETS

9.4.1 GIFT FUNDS

Gift funds may not be used for the following:
- Gift for reserves
- Gift funds for investment properties

10.0 COLLATERAL

10.1.2 APPRAISAL AGE

The appraisal should be dated no more than 180 days prior to the Note date.

When an appraisal report will be more than 120 days old on the date of the Note, regardless of whether the property was appraised as proposed or existing construction, the appraiser must inspect the exterior of the property and review current market data to determine whether the property has declined in value since the date of the original appraisal. This inspection and the results of the analysis must be reported on the Appraisal Update and/or Completion Report (Form 1004D).

- If the appraiser indicates on Form 1004D that the property value has declined, then the underwriter must obtain a new appraisal for the property.
- If the appraiser indicates on Form 1004D that the property value has not declined, then the underwriter may proceed with the loan in process without requiring any additional fieldwork.

10.9 INELIGIBLE PROPERTY TYPES

In addition to the ineligible property types listed in the Lendz Financial guidelines, the following are ineligible:

- 5-8 residential properties
- Mixed-use properties are on an exception basis and no more than 4 units are allowed.
- Single family residential properties with more than 6 bedrooms

Geographic Restrictions

- See Matrix

11.0 CONDOMINIUMS

For all condominiums, the following requirements must be met regarding special assessments:

- If there is a special assessment, the assessment may not be more than 10% of the condominium's value
    - Example, if the condo is $280,000 the special assessment may not be more than $28,000

For all established condominiums, the following requirements must be met regarding properties listed for sale:

- No more than 10% of the total condominiums in the community can be listed for sale