GENERAL	
Program Introduction	The FlexPath Program is designed to allow borrowers alternate qualifying routes giving them the ability to utilize Full Doc, Streamline Doc, Written Verification of Employment (WVOE) Income Qualification, 12-Month Profit & Loss (P&L) Income Qualification, Personal Bank Statements Calc, Business Bank Statements Calc, Asset Depletion/Asset Qualifier or DSCR methods.

Alt Doc	• Alt Doc is for Borrowers with a clean derogatory housing event history (>=48 months clean) and mortgage history (0x30x12)
	• Borrowers can qualify with alternative documentation methods:
	    o Full Documentation (including 1099s)
	    o Streamline Documentation (including 1099s)
	    o Written Verification of Employment ("WVOE")
	    o Asset Depletion
	    o Asset Qualifier
	    o 12 Month 3rd Party P&L
	    o 12M/24M Personal and Business Bank Statements
	• Max Loan Size of $3.5mm
	• Max LTV of 90%
	• Minimum FICO of 660
	• DTI up to 55%
	    o Requires a FICO score of 700 or greater
	    o Maximum LTV 80%
	    o Primary Residence only, no First Time Home Buyers
	    o Requires 1.5x Residual Income
	• Interest Only Eligible (Min 700 FICO, Max 85% LTV)
	• 6 Months Minimum reserves
	• Cash-Out can be used as reserves

DSCR	• DSCR is for professional investors with the following derogatory housing event history (>=36 months clean) and mortgage history (0x30x12) seeking a business purpose, non-owner-occupied loan • First Time Investors are allowed provided that the DSCR is >1.0, the Credit score is >700 and there are no exceptions on the file • Max Loan Size is limited to $2.0mm • First Time Investors MAY NOT be a First Time Homebuyer • Borrowers will qualify with property income (Debt Service Coverage Ratio) • Debt Service Coverage Ratio = Gross Rent / PITIA (Amortizing loan) or Gross Rent / ITIA (Interest Only) • DSCR eligible at .75x • No Ratio DSCR is acceptable with restrictions

Last Revision Date:8.12.2026

	• No personal income to qualify • Personal recourse required for all guarantors that meet the requirements. No additional Borrowers are allowed to join an entity on Title or on the subject loan • Max Loan Size of $3.0mm • Max LTV of 80% • Minimum FICO of 660 • Interest Only acceptable with restrictions • 3 months minimum reserves • No requirement for additional reserves for other financed properties, Subject Property reserves only • Cash-Out can be used as reserves • Housing history verification is required on subject property and borrower primary residence, regardless of whether or not the borrower is on the Note or Vested on Title. Any additional housing history included in the loan file that reflects delinquencies will be subject to review and must adhere to loan program matrix
State Eligibility	Ineligible: • Alaska • Hawaii • Maine • Massachusetts • New York • North Dakota • Rhode Island • South Dakota • Vermont • West Virginia • Puerto Rico • Guam • American Samoa • Northern Marina Islands • U.S. Virgin Islands Florida Condominiums – Reach out to your Account Executive for additional details.
Borrower Eligibility	Eligible borrowers: • U.S. Citizens • Non-Occupant Co-Borrowers

	• Inter Vivos Revocable Trust (Must meet FNMA requirements) Eligible with additional requirements: • Permanent Resident Aliens • Non-Permanent Resident Aliens • Foreign Nationals • First-Time Home Buyers • Limited Partnerships, General Partnerships, Corporations, Limited Liability Companies ("LLCs") Ineligible borrowers: • Irrevocable or Blind Trusts • Layered Entity with a Trust • Land Trusts • Non-profit organizations • Borrowers with diplomatic immunity • Asylum applicants • Self-employed Borrower deriving their income from any Cannabis related business • Borrowers(s) with residence of any country not permitted to conduct business with U.S. Companies as determined by U.S. government authority

LOAN TERMS	
Product Types	3/6 ARM 3/6 ARM IO 5/6 ARM 5/6 ARM IO 7/6 ARM 7/6 ARM IO 10/6 ARM 10/6 ARM IO 15 Yr Fix 30 Yr Fix 30 Yr Fix IO 40 Yr Fix IO

Loan Purpose	Purchase • Sellers must have owned the property more than 12 months, otherwise the transaction is subject to review as a Flip Transaction. Maximum Interested Party Contributions permitted up to 6% Rate & Term Refinances • Limited cash to the Borrower must not exceed the lesser of $5,000 or 2% of the principal amount of the new mortgage to be considered a Rate / Term refinance Cash-Out Refinances • To be eligible for a Cash-Out Refinance the Borrower must have owned the property for a minimum of six (6) months prior to the note date. Additional requirements apply for DSCR loans.
Occupancy	Primary Residence Second Homes • Is restricted to a one-unit dwelling • Must not be subject to any timeshare arrangements, rental pools or other agreements which require the Borrower to rent the subject property or otherwise give control of the subject property to a management firm • Gift funds not permitted on Second Homes >80% LTV / CLTV Non-Owner Occupied • All Borrower(s) must execute the Occupancy Certification • For DSCR Borrower(s) obtaining a Rate / Term or Cash-Out Refinance loan, the individual signing the Note and/or providing a personal guaranty must execute the Business Purpose & Occupancy Affidavit • For non-owner-occupied loans with a Guarantor, the individual(s) providing the guaranty must execute the Personal Guaranty Agreement. • Gift funds not permitted on Non-Owner-Occupied loans >80% LTV / CLTV
Loan Amount	Minimum Loan Amount ○ $150,000 = Alt Doc ○ $100,000 = DSCR Plus See FICO & LTV/CLTV Grid for additional requirements
Loan-to-Value	See FICO & LTV/CLTV Grid for requirements
Debt-to-Income (DTI)	• Max DTI permitted: 50%

	• DTI up to 55% allowable in Alt Doc only with the following requirements:
	  ○ Minimum 700 FICO
	  ○ Max 80% LTV / CLTV
	  ○ Primary residence only
	  ○ No FTHB
	  ○ 1.5x minimum residual income
	• Please refer to the respective chart at the end of the matrix for specific DTI limits
	• Loans with a DTI greater than 43% or HPML must follow residual income requirements
	
	Qualifying Payment
	• For fixed rate loans, apply the fixed rate based on original balance fully amortized over selected term
	• Qualifying payments for I/O loan must include a principal component. Applicable to Alt Doc.
	  ○ For ARM I/O qualifying rate / payment, calculate using the higher of the fully indexed rate or Note rate based on the original balance and remaining amortizing term at the end of the I/O period (i.e., 240 months or 360 months)
	  ○ For fixed rate, I/O loans, qualifying payment, calculate qualifying payment based on the fixed rate, the original balance and remaining amortizing term at the end of the I/O period (i.e., 240 months or 360 months)

Pre-Payment Penalties (PPP)	• Permitted on Non-Owner Occupied (Investment Properties) only. Prepayment penalties on primary residences and second home transactions are prohibited. • Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds. • High-cost mortgages are not permitted
Adjustable-Rate Mortgage (ARM)	• Please refer to the respective chart at the end of the matrix for adjustable-rate criteria (caps, floors, margins, etc.) • ARM floor is equal to the loan's initial margin • 30 Day Average SOFR Index as published by the New York Federal Reserve • Reset Period on ARMs will occur every six months after the initial reset
Temporary Interest Rate Buydowns	SimplyPMG permits Temporary Interest Rate Buydowns in accordance with the Fannie Mae Seller Guides. Please default to the Fannie Mae Seller Guides unless specifically mentioned.
Other Loan Terms	Delayed financing / purchase financing is available when a property was purchased by a Borrower using cash, within one hundred eighty days (180) from the date of purchase to the new mortgage note date Non-Arm's Length transactions allowed on Primary Purchase transactions only

INCOME

Employment History	All borrowers should have a two-(2) year income history from employment or other allowable sources.
Income Calculation	The expectation is that income year over year is stable or shows a trend with a gradual increase. This type of income should be averaged for the borrower(s) gross monthly income used to qualify. A reasonable expectation should be present that the borrower(s) source(s) of income will continue for the foreseeable future.

Full Documentation	Wage Earners
	• Most recent paystub (most recent thirty (30) day period) including year-to-date earnings (YTD must cover minimum of thirty (30) days)
	• Two (2) years IRS 1040s or W2's and a Written Verification of Employment (if needed for the analysis of overtime, bonus, or commission)
	• 4506-C W2 transcripts or 4506-C transcripts (If 1040 transcripts are provided, W2 transcripts are not required).
	• Verbal Verification of Employment (VVOE) must be completed within ten (10) calendar days of the closing date
	
	Self-Employed Borrowers
	• A Borrower is considered self-employed with 25% or more ownership interest in a business.
	  ○ Borrowers may qualify with (2) years of Tax Returns or (2) years of 1099s
	• If the P&L covers more than nine (9) months, three (3) month bank statements are required to validate continued positive cash flow of the Borrower's business. Additional bank statements may be required if deemed necessary.
	• Borrower will be qualified on the lower of:
	  ○ Monthly average of the net income from the tax return and P&L or
	  ○ Monthly net income from tax return multiplied by 115%
	• All Borrowers must also provide evidence that business has been in existence for at least two (2) years via CPA / Tax preparer letter, confirmation from regulatory or state agency, or applicable licensing bureau. Verification of business existence and that the business is fully operational / active required within ten (10) calendar days of closing. Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent.

Streamline Documentation	Wage Earners • One (1) year IRS 1040 or W2 • Most recent paystub including year-to-date earnings (YTD must cover minimum of thirty (30) days) • 4506-C W2 transcripts in the case where taxes have been filed and the wage transcripts are not available from the IRS, the IRS response to the request must reflect "No Record Found" and be present in the loan file. Self-Employed Borrowers • A Borrower is considered self-employed with 25% or more ownership interest in a business. The business may be a sole proprietorship, general partnership, limited partnership, corporation, or S-corporation. Borrowers may qualify with (1) year of tax returns or 1099. • If the P&L covers more than nine (9) months, three (3) month bank statements are required to validate continued positive cash flow of the

	Borrower's business. Additional bank statements may be required if deemed necessary
	• Borrower will be qualified on the lower of:
	  ○ Monthly average of the net income from the tax return and P&L or
	  ○ Monthly net income from tax return multiplied by 115%
	• If a Borrower is not able to provide confirmation of no job-related expenses, a 10% Expense Factor will be applied
	• Most recent check stub (or three (3) months bank statements for 1099) including year-to-date earnings (YTD must cover minimum of thirty (30) days)
	• All Borrowers must also provide evidence that business has been in existence for at two (2) least years via CPA / Tax preparer letter, confirmation from regulatory or state agency, or applicable licensing bureau. Verification of business existence and that the business is fully operational / active required within ten (10) calendar days of closing
	• Self-employed Borrower income in a licensed profession (i.e., Medical, Legal, Accounting) will be considered from a business that has been in existence for less than two (2) years, but greater than one (1) year if the Borrower has at least two (2) years of documented previous experience in the same profession, or evidence of formal education in a related field.

Written Verification of Employment (WVOE) Income Qualification	Eligibility
	• Wage earners only
	• Two (2) years history of employment in same industry and 1-year continuous employment at current job
	
	Documentation Requirements
	• Borrower(s) employed by a family member or related individuals are not eligible for qualification under the WVOE program
	• FNMA Form 1005 must be fully completed by Human Resources, Payroll Department, or an Officer of the Company. The form must be sent and received directly from the employer
	• Verification of delivery and receipt of the FNMA Form 1005 must be in the file and comprise the following form of documentation: Physical mail, Fed-Ex, facsimile, or email communication. Physical mail, Fed-Ex, and facsimile must come directly from the employer's address. Email communication must properly identify the Company representative
	• FNMA Form 1005 must have a twenty-four (24) month history of wage earnings / salary and must contain the following:
	  ○ Dates of employment
	  ○ Position
	  ○ Prospect of continued employment
	  ○ Base pay amount and frequency
	  ○ Gross Earnings: year to date plus last two (2) year's earnings, or at least one (1) year earnings if current job is less than two (2) years
	  ○ Additional salary information
	  ○ Bonus
	  ○ Overtime
	  ○ Tips

	○ Commission Income ○ Paystubs, Tax Returns, 4506-C, or W-2's not required • A Verbal Verification of Employment (VVOE) must be performed within ten (10) calendar days prior to the funding date. VVOE should include name of contact at place of employment, phone number and title along with company name, address and Borrower's job description and title. Verbal verification of employment for previous jobs within last two (2) years Qualifying Income • Qualifying income is the lower of the income disclosed on the FNMA Form 1005 or monthly income disclosed on the initial signed 1003, unless the borrower provides a satisfactory signed explanation letter why the initial 1003 shows a lower amount
12-Month Profit & Loss (P&L) Income Qualification	Eligibility • Self-employed Borrower(s) only; Borrower(s) who file their own tax returns are not eligible • Minimum of two (2) years self-employment in the current profession. Validation of a minimum of two (2) years existence of the business from one of the following: Business License, Letter from Tax Preparer, Secretary of State Filing or equivalent • Self-Employed defined as Borrower owning >=25% ownership of respective business • Ownership percentage must be documented via Certified Public Account ("CPA") / IRS Enrolled Agent ("EA") / California Tax Education Council ("CTEC") letter, Operating Agreement or equivalent • The CPA / EA / CTEC preparing the P&L must have filed the Borrower's most recent business tax returns Documentation Requirements • Most recent 12-month Profit & Loss statement (P&L) completed by and signed by an independent CPA / EA / CTEC. • P&L end date must be less than sixty (60) days old at closing • CPA / EA / CTEC must provide attestation that they prepared Borrower's tax returns and that they are not related to the Borrower or associated with Borrower or Borrower's business • The CPA / EA / CTEC must attest that they have audited the business financial statements or reviewed papers provided by the Borrower • Credit file must contain documentation that the CPA / CTEC license is verified and active. A screen shot of the IRS web site for an IRS Enrolled Agent (EA) is acceptable • Borrower narrative on nature of business required • An internet search of the business is required with documentation to be included in the credit file to support existence of the business Qualifying Income • Qualifying income is the lower of the 12-Month Profit & Loss statement (P&L) or monthly income disclosed on the initial signed 1003, unless the borrower provides a satisfactory signed explanation letter why the initial 1003 shows a lower amount

Asset Depletion/Asset Qualifier	Borrowers must have a minimum of $450K post-closing qualifying Assets across both Asset Depletion / Asset Qualifier. Assets used for qualifying must be seasoned for one hundred twenty (120) days. Asset Depletion - The utilization of financial assets will be considered as Borrower income to qualify: • Qualifying Assets with utilization draw schedule of seven (7) years (Qualified Assets divided by eighty-four (84)) will be used as qualifying income. • Borrowers must have a minimum of the lesser of $1mm in Qualifying Assets OR must have Qualifying Assets >= to 125% of the original subject loan amount • A borrower must have a debt to income ("DTI") that qualifies per the respective guideline Asset Qualifier - The utilization of financial assets will be used to calculate a Borrower's residual income: • To determine residual income, Qualifying Assets will be divided by eighty-four (84) months. From this number, subtract the Borrower's total monthly debt obligation (total liabilities) to produce the Borrower's residual income. Do not impute tax deductions when determining residual income. Borrowers must meet residual income requirements. • Total post-closing assets must be >/= to 125% of the original subject loan amount Not permitted: • Cannot use other sources of employment income. • Non-Owner Occupied or Second Homes (See Program Matrix for Max LTV and Program Eligibility) • Cash-Out • Gift funds • Business Assets • Foreign Assets • Non-Occupant Co-Borrower
Supplemental Income Sources	Rental Income • 100% ownership is not required. Allowed income will be calculated based on ownership percentage and 100% of PITIA must be used regardless of ownership percentage • Rental income reported on Tax returns: Schedule E net income should be used for loans using full/streamline documentation types • Rental income not reported on tax returns OR loans qualifying with alternative documentation types: Lease agreement and two (2) months cancelled checks to show proof of rental payments, or if subject is recently rented, a copy of two of the following will be acceptable (first month's rent, last month's rent, security deposit) • Calculation: ○ Purchase transactions: 75% of 1007 market rent utilized for qualifying income.

	○ Refinance Transaction (including Non-Subject Properties): 75% of fully executed Lease agreement with the supporting 2 months evidence of receipt Allowed with additional requirements: • Short-Term Rental Income • Trust Income • Alimony / Child Support • Note Receivable • Royalty Payments • Retirement • Restricted Stock (RSUs) and Restricted Stock Employment Income: Allowable but must meet FNMA guidelines • Recently transitioned W-2 to 1099 • Foreign Income • Secondary Employment
Additional Employment & Income Requirements	Employment Gaps: Borrowers should explain any employment gaps exceeding thirty (30) days in the last twelve (12) months and sixty (60) days in the last thirteen to twenty-four (13-24) months Averaging of bonus / commission, 2 years: A two (2) year average is required; exceptions can be considered with one-year minimum history of receipt is required and must be likely to continue. Employer to document likelihood of continuance. Grossing up Non-Taxable Income: Non-taxable income to be grossed up 125% Residual income equals Gross Qualifying Income Less Monthly Debt (as included in the debt-to-income ratio). If the loan is an HPML, or if the DTI exceeds 43%, Borrowers must have a minimum monthly residual income as required below: • # in Household – Required Amount • 1 – $1,500 • 2 – $2,500 • Add $150 for each additional household member

BANK STATEMENT INCOME

Bank Statement Income Requirements	The Bank Statement options are designed for borrowers with an active U.S. based business that is generating stable revenue. Borrowers that only receive income from passive or portfolio sources are ineligible (e.g., borrower managing their own rental properties, distributions from limited partnership, day trading, property flippers, etc.) • Any loan file with evidence of tax returns or tax transcripts in the origination file will be ineligible • Borrowers paid 1099 from a single company are not eligible • Borrowers who are using more than three (3) businesses to qualify must use Personal Bank Statement option • Co-mingling of personal and business accounts is not permitted in personal bank accounts option. • Two (2) months of business bank statements must be provided to validate Borrower utilizing separate banking accounts • Business narrative must include details relating to the size / score and operating profile of the business, including Description of Business / Business Profile, Location and Associated Rent, Number of Employees / Contractors, Estimated Cost of Goods Sold, Materials / Trucks / Equipment, Commercial or Retail Client Base • Verification of business existence and that the business is fully operational / active required within ten (10) calendar days of closing Documentation Analysis • Unusually large deposits exceeding 100% of monthly income into bank accounts must be explained via LOE and must be consistent with the business profile. If LOE is sufficient, no sourcing required • Declining Income requires an LOE Business Requirements • Validation of a minimum of two (2) years existence of the business from one of the following: Business License, Letter from Tax Preparer, Secretary of State Filing or equivalent • Ownership percentage must not be less than 25% and documented via CPA letter, Operating Agreement, or equivalent
12M / 24M Personal Bank Statements Option	Documentation Analysis • Any deposits into a personal account deemed to derive from a source other than the business (rents, SSI, joint account holder wage income, IRS refunds) must be excluded from the analysis Business Requirements • Borrowers who own more than three (3) businesses must use personal bank statements option Qualifying Income • For personal bank statement income, the qualifying income is the lowest of the following: ○ Personal bank statement average (total eligible deposits / 12 or 24 months)

- If a Borrower has declining income and is qualifying with twenty-four (24) months of bank statements, the last twelve (12) months of income will be utilized to qualify
- Monthly income disclosed on the initial 1003, unless the borrower provides a satisfactory, signed explanation letter why the initial 1003 shows a lower amount

12M / 24M Business Bank Statements Option

Documentation Analysis

- Transfers from other bank accounts into the business bank accounts will require conclusive evidence that the source of transfer is business-related income
- NSFs may require a Borrower LOE documenting they are not due to financial mishandling or insufficient income. A maximum of 3 NSF occurrences within a twelve-month period are allowed. If there are zero occurrences in the most recent three-month period, up to 6 occurrences in the most recent twelve-month period are acceptable. NSFs should be covered with deposits shortly after they are incurred.
- Expense line items that can be added back to the business net income include depreciation, depletion, amortization, casualty losses, and other losses or expenses that are not consistent and recurring

Business Requirements

- Borrowers utilizing business bank statements that own ≥ 25% but < 100% of a business will be qualified at the net income multiplied by their ownership percentage

Qualifying Income (three options)

Option 1 (Expense Ratio)

- Percentage of gross deposits (twelve (12) or twenty-four (24 months)) using expense ratio factor based on business type and number of employees
- Qualifying income is the lower of the Expense Ratio formula or monthly income disclosed on the initial signed 1003, unless the borrower provides a satisfactory signed explanation letter why the initial 1003 shows a lower amount
- Expense ratio should be reasonable for the profession
- Qualifying income should be multiplied by the Borrowers documented business ownership
- If a Borrower has declining income and is qualifying with twenty-four (24) months of business bank statements, the last twelve (12) months of income will be utilized to qualify

Service Business (Offers Services)	0	1-5	>5
Examples of Service Business: Consulting, Accounting, Legal, Therapy, Counseling, Financial Planning, Insurance, Information Technology	15% Expense Factor	30% Expense Factor	50% Expense Factor
Product Business (Sells Goods)	0	1-5	>5

Examples of Product Business: Retail, Food Services, Restaurant, Manufacturing, Contracting, Construction	25% Expense Factor	50% Expense Factor	85% Expense Factor

Option 2 (3rd Party Profit & Loss Statement)

- Qualifying income is the lower of the Profit & Loss ("P&L") net income from the validated third-party prepared P&L or monthly income disclosed on the initial signed 1003, unless the borrower provides a satisfactory signed explanation letter why the initial 1003 shows a lower amount
- Businesses qualifying with a P&L statement showing less than a 15% expense ratio will be limited to a 15% ratio. Expense ratio should be reasonable for the profession
- Borrower prepared P&L will not be permitted under any circumstances
- Business Bank Statements are used to validate third-party prepared P&L. Gross revenue listed on P&L must be within +/- 10% of the total qualified deposits
- If a Borrower has declining income and is qualifying with twenty-four (24) months of business bank statements, the last twelve (12) months of income will be utilized to qualify
- Following documentation is required:
  - Twelve (12) or twenty-four (24) months complete business bank statements from the same account (transaction history printouts are not acceptable)
  - Business bank accounts, personal bank accounts addressed to a DBA or personal accounts with evidence of business expenses can be used for qualification
  - P&L statement must be prepared by a Tax Professional
    - Tax Professional defined as a Certified Public Accountant ("CPA"), Tax Attorney, Enrolled Agent ("EA"), California Tax Educational Council member ("CTEC") or Paid Tax Professional (PTIN)
  - P&L statement must cover the same months as the bank statements submitted
  - P&L must be signed by the Borrower and the Tax Professional
  - Tax Professional must attest that they have audited the business financial statements or reviewed working papers provided by the Borrower
  - Tax Professional must attest that they are not related to the Borrower or associated with the Borrower's business
  - Tax Professional must have filed the Borrower's most recent two (2) years business tax returns

Option #3 (3rd Party Expense Ratio)

- Qualifying income is the lower of the 3rd Party Prepared Expense Ratio net income or monthly income disclosed on the initial 1003, unless the borrower provides a satisfactory signed explanation letter why the initial 1003 shows a lower amount
- To determine net income, multiple eligible business deposits by the following: (100% minus the Expense Ratio) / 12 or 24 months)
- 3rd Party Prepared Expense Ratio floored at 15%

	- If a Borrower has declining income and is qualifying with twenty-four (24) months of business bank statements, the last twelve (12) months of income will be utilized to qualify - The Expense Statement must be prepared and signed by a third-party Tax Professional specifying business expense as a percentage of the gross annual sales / revenue - Self-employed Borrowers who have filed their own business tax returns are ineligible - Following documentation is required: - Twelve (12) or twenty-four (24) months complete business bank statements from the same account (transaction history printouts are not acceptable) - Business bank accounts, personal bank accounts addressed to a DBA or personal accounts with evidence of business expenses can be used for qualification - Tax Professional must attest that they have audited the business financial statements or reviewed working papers provided by the Borrower - Tax Professional must certify that the Expense Statement represents an accurate summary of the applicable cash expenses of the business - Tax Professional must attest that they are not related to the Borrower or associated with the Borrower's business - Tax Professional must have filed the Borrower's most recent two (2) years business tax returns - Tax Professional license must be verified and signed

DSCR (Debt Service Coverage Ratio)	
General	This program is only eligible for Professional Investors - Professional Investors must have at least twelve (12) months of experience owning and/or managing income-producing real estate within the most recent thirty-six (36) months from the origination of the Note - First Time Investors are allowed provided that the DSCR is >1.0, the Credit Score is >700 and there are no exceptions on the file - Max Loan Size is limited to $2.0mm - First Time Investors MAY NOT be a First Time Homebuyer - A Letter of Explanation (LOE) by the Borrower / Guarantor is required to detail relevant real estate experience Rent loss insurance for the subject property is required and must equal at least six (6) months of local average monthly rents Recourse / Guaranty: Personal recourse required. All Borrower(s) should execute the Personal Guaranty Agreement. Assignment of Rent: 1–4 Family Rider / Assignment of Rents must be in origination file (FNMA Form 3170)

	Cash-Out: Cash-Out proceeds on a refinance loan are allowed with additional requirements. All Borrower(s) must execute the Occupancy Certification.
DSCR Calculation	A Debt Service Coverage Ratio (DSCR) ratio is required. DSCR = Gross Rental Income / PITIA or DSCR = Gross Rental Income / ITIA for Interest Only loans • DSCR loans will be qualified at original Note Rate, regardless of ARM or Fixed • Gross Income will be calculated using the lower of the A) executed lease agreement or B) market rent from applicable Appraisal • If executed lease agreement reflects a higher monthly rent than Appraisal, it may be used in the calculation with sufficient evidence of receipt. Three (3) most recent, consecutive months should be provided • Vacant properties not eligible for Refinance with exception of properties currently vacant due to the subject property having undergone recent renovation or rehab, with the intention of being rented out soon. Support of this must be provided via the appraiser confirming recent work completed and providing visual evidence. In scenarios like this, market rent from the 1007 schedule in the property appraisal may be used to qualify
Short-Term Rental Income (STR)	Eligibility • STR rental income is permitted for both purchase and refinance transactions • STR income must be legally permitted and considered common for the area, as confirmed by the appraisal and/or property location • Maximum Combined Loan-to-Value (CLTV): 70% and Minimum Debt Service Coverage Ratio (DSCR): 1.00x • Maximum Loan Size is limited to $2.0mm Documentation • STR income may be documented using a supplemental appraisal form completed by the licensed appraiser who performed the original appraisal. This form must accompany and be a part of the original appraisal • Income may be verified through a third-party property management provider OR Vendors such as Airbnb, VRBO, and HomeAway are acceptable Caculation • Purchases: Gross rent is based on 100% of the 1007 market rent from the appraisal or the supplement appraisal form completed by the appraiser of record • Refinances: Gross rent is the lower of the following: • 100% of the 1007 market rent from the appraisal, or 100% of the supplement appraisal form completed by the appraiser of record reporting Short Term Rental Income • AND

	• 100% of actual 12-month STR income history, supported by documentation from Airbnb, VRBO, HomeAway, or a third-party property management provider. A full 12 month history is required for refinance transactions
Reserve Requirements	• Reserves are calculated off actual P&I payment plus taxes, insurance, and HOA fees (PITIA) • For Interest Only loans, reserves will be calculated off the initial Interest payment, taxes, insurance, and HOA fees (ITIA) • No requirement for additional reserves for other financed properties, Subject Property reserves only • Cash-Out proceeds can be utilized for reserves on loans • See chart for specific reserve requirements

CREDIT / LIABILITIES	
Credit Report	A tri-merged in file credit report from all three repositories is required A written explanation for all inquiries within ninety (90) days of application is required disclosing no new debt Each Borrower's credit profile must include a minimum of two (2) trade lines within the last twenty-four (24) months that show a twelve (12) month history, or a combined credit profile between Borrower and co-Borrower with a minimum of three (3) trade lines
Credit Score/FICO	See FICO & LTV/CLTV Grid for requirements
Other Requirements	Housing History: Twelve (12) months housing history is required for all occupancy types – Primary, Second Home and Investment Properties. If primary housing is documented as free and clear, no exception is needed; This includes whether or not the borrower is on the Note or Vested on Title of their primary Derogatory Housing History and/or Credit Events: Requires additional analysis Departing Residence: Departing residence positive rental income cannot be used to qualify. Departing residence PITIA / ITIA can be offset by 75% of projected net rental income or if subject is recently rented, a copy of two of the following will be acceptable (first month's rent, last month's rent, security deposit). Departing residence rental that produces a loss must be included in DTI. Additional restrictions apply. Property Tax Estimates for New Construction: Property taxes should be calculated using 1.5% of sales price for qualification (1.25% in California). Use of other property tax rates is allowed provided the rates are documented in the file

	Student Loans: Student loan payments must be included regardless of deferment or repayment in the DTI ratio. If a payment amount is not identified, 1% of the current loan balance may be utilized. Affordability based payments may be used. Solar Leases: Must conform to FNMA guidelines. PACE loans (or any similar loans with payments that are included in property taxes or take lien priority) are not eligible. Payoff of Debt to Qualify: Installment and revolving debt paid at closing may be excluded from the debt-to-income ratio with ONE of the following: a Credit supplement, Verification from the creditor liability as paid in full OR Evidence of payoff on Closing Disclosure Debts Paid by Others / Contingent Liabilities: Contingent liabilities can be excluded from DTI if the Borrower provides evidence that their business or another individual / entity has made payments for twelve (12) months (0x30). Any liability related to a separation or divorce can be omitted if ordered by family court. Documentation from the court is required. Obligations Paid by Business: Excludable if can be tied to business related activities (i.e., – vehicle) and twelve (12) months (0x30) proof that business pays. Expense must be evident on business financials, and the borrowing entity is an individual. Maximum Financed Properties • The maximum number of financed properties to any one Borrower/Guarantor is limited to twenty (20) residential properties • Maximum exposure to single Borrower/Guarantor: $5mm in unpaid principal balance or ten (10) residential properties

ASSETS	
Assets	Full Asset Documentation is required for both funds to close and reserves. For most asset types, this would include all pages of the most recent two-months of statements, the most recent quarterly statement, or FNMA approved third party direct pull services Maximum Interested Party Contributions permitted up to 6% LOE is required for large deposits exceeding 100% of monthly income. If LOE is sufficient, sourcing may not be required DSCR large deposits should be in line and consistent with the borrower's overall credit profile and may require a letter of explanation
Business Assets	Business assets are an acceptable source of funds for down payment, closing costs, and reserves for self-employed borrowers; ALL of the following must be met: • The borrowers on the loan must have a minimum of 25% ownership of the business and must be owners on the business account

	• Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent • The balance of the business assets must be multiplied by the ownership percentage to determine the owner's portion of business assets allowed for the transaction • A signed letter from a CPA or Underwriter Cash Flow Analysis must also be obtained verifying that the withdrawal of funds for the transaction will not have a negative impact on the business; • All non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and confirming the borrower's access to funds in the account
Gift Funds	Purchase transactions only. Not permitted for Second Homes or Investor properties >80% LTV / CLTV or for borrowers utilizing Asset Depletion / Asset Qualifier feature. Gifts from family members, as defined by FNMA, are allowed Gift of Equity permitted allow for Primary Residence Purchase Only. Must meet all other guidelines for gift funds Down Payment Requirements: Gift funds are acceptable as 100% down payment for loans <75% LTV / CLTV. Gift funds are acceptable for loans >=75% LTV / CLTV however the underlying Borrower(s) must contribute at least 5% of the transaction from their own funds
Other Asset Sources	Allowed with additional requirements: • Life insurance cash value • Foreign Assets • Non-borrowing Spousal Joint Accounts • Restricted Stock • Sale of Personal Assets • Employer assistance • 1031 Assets

COLLATERAL	
Eligible Property Types	• One Unit Single Family Residences (Attached, Detached and Modular) • Single Family properties with ADUs (Accessory Dwelling Units) follow FNMA requirements and restrictions • Unpermitted additions/alterations and deferred maintenance to follow FNMA guidelines • Warrantable and Non-Warrantable Condominium Projects meeting all applicable criteria • 2-4 unit properties • PUDs – Attached and Detached

	• Townhouses • Leasehold Properties • Cooperatives (CO-OPs) must be Owner Occupied and meet FNMA requirements • Maximum of 20 acres
Ineligible Property Types	• Manufactured Homes • Residential units with >= 5 units • Log Homes • Condotels or Motels • Condominium projects with registration services or restrictions on owner's ability to occupy • Unique Properties • Mixed Use Properties • Builder Model Leaseback • Boarding Houses • Group Homes • Fractional Ownership / Timeshares • Assisted Living / Continuing Care Facilities • Mandatory Country Club Memberships • Zoning Violations • Properties under Construction • Barndominiums • Agricultural zoned properties • Hawaii properties located in lava zones 1 and/or 2 • Multiple dwellings on same lot (legal ADUs are acceptable, must follow FNMA criteria) • Working Farms • C5 or C6 Property Condition Grades • Live / Work Condos • Earth Berm Homes • Geodesic Domes • Houseboats • Homes on Native American Land (Reservations) • Properties used for the cultivation, distribution, manufacture, or sale of Marijuana • Theme Park Resort Properties
Appraisal	Appraisal

	• All appraisals must comply with any and all agency guideline requirements • Two appraisals are required to be delivered for loan amounts > $2,000,000 and HPML flip transactions as defined by the CFPB • Any loan qualifying as a Non-Agency Investor/2nd Home must have an appraisal (Appraisal Waivers are not accepted) • Appraisals with condition or quality ratings of C5 or C6 will not be eligible AUS Appraisal Waivers • Simply PMG will accept loans with AUS Appraisal Waivers in lieu of an Appraisal provided the loan meets all Fannie Mae/DU or Freddie Mac/LP requirements for qualification • AUS Waivers include Fannie Mae's Value Acceptance and Freddie Mac's Automated Collateral Evaluation (ACE) • Loans using an AUS Appraisal Waiver will need an AVM as a third-party valuation • Loans qualifying as a Non-Agency Investor/2nd Home will be ineligible for Appraisal Waiver • Freddie Mac/LP currently does not accept Appraisal Waivers on Investment properties Third Party Appraisal Review • Loans should be submitted to SimplyPMG's fulfillment vendor with completed third-party review that validates the origination appraisal. Either a ClearCapital – Collateral Desktop Analysis "CDA" or a Protek Valuation – Appraisal Risk Review "ARR" are acceptable. • Loans using an Appraisal Waiver will need an AVM as a third-party valuation. If an AVM comes back outside of tolerance, the next option would be a Brokers Price Opinion "BPO" Declining Markets: Properties in declining markets as determined by the appraisal, other third-party valuation (i.e., Desk Review, BPO, AVM, etc.) will require a 5% reduction to the LTV/CLTV caps for all tiers within the loan matrices. Zoning: Legal non-conforming zoned properties must indicate that the subject property can be 100% rebuilt if it is severely damaged or destroyed Condition/Quality Ratings: Appraisals with condition or quality ratings of C5 or C6 are not eligible. Deferred maintenance identified in third-party reports may not exceed 3% of the value of the subject property and must be cured prior to closing.
Hazard Insurance	100% of the replacement cost value of the improvements as of the current property insurance policy effective date, or the unpaid principal balance of the loan, provided it equals no less than 80% of the replacement cost value of the improvements as of the current property insurance policy effective date
Listing History / Sale Restriction	The property must be removed from listings for at least one (1) month prior to application. Properties listed for sale by the borrower within the past six (6) months from the Note date may not be currently listed at the time of loan application, and require a borrower LOE and a listing cancellation. Where the property was listed within the last three (3) months by the current owner, lendable value is the LOWER of list price or appraised value. If improvements have been made, a scope of work / rehab budget must be provided to support the increase in value, and the appraiser must describe where improvements were made. Multiple listings in the past twelve (12) months are NOT eligible.

FlexPath Program

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Alt Doc – FICO & LTV/CLTV Grid

FICO & LTV/CLTV Grids		Purchase & Rate / Term Refinance						Cash-Out Refinance					
		Owner Occupied		Second Home		Investment		Owner Occupied		Second Home		Investment	
FICO	Loan Size	Full Doc	Alt-Doc	Full Doc	Alt-Doc	Full Doc	Alt-Doc	Full Doc	Alt-Doc	Full Doc	Alt-Doc	Full Doc	Alt-Doc
740	<= $1.0mm	90	90	85	85	85	85	80	80	75	75	75	75
	<= $1.5mm	85	85	85	80	85	80	75	75	75	75	75	75
	<= $2.0mm	85	85	80	80	80	80	75	75	70	70	70	70
	<= $2.5mm	80	80	75	75	75	75	70	70	65	65	65	65
	<= $3.0mm	75	75	70	70	70	70	65	65	60	60	60	60
	<=$3.5mm	65	65	60	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
720	<= $1.0mm	85	85	85	85	85	85	75	75	75	75	75	75
	<= $1.5mm	85	85	85	80	85	80	75	75	75	75	75	75
	<= $2.0mm	80	80	80	80	80	80	70	70	70	70	70	70
	<= $2.5mm	80	80	75	75	75	75	70	70	65	65	65	65
	<= $3.0mm	75	75	70	70	70	70	65	65	60	60	60	60
	<= $3.5mm	60	60	60	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
700	<= $1.0mm	85	85	85	85	85	85	75	75	75	75	75	75
	<= $1.5mm	85	85	85	80	85	80	75	75	70	70	70	70
	<= $2.0mm	80	80	80	80	80	80	70	70	70	70	70	70
	<= $2.5mm	75	75	75	75	75	75	65	65	65	65	65	65
	<= $3.0mm	70	70	70	70	70	70	60	60	60	60	60	60
680	<= $1.0mm	80	80	80	80	80	80	70	70	70	70	70	70
	<= $1.5mm	80	80	80	80	80	80	70	70	70	70	70	70
	<= $2.0mm	75	75	75	75	75	75	65	65	65	65	65	65
	<= $2.5mm	70	70	70	70	70	70	60	60	N/A	N/A	N/A	N/A
	<= $3.0mm	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
660	<= $1.0mm	80	80	80	80	80	80	70	70	70	70	70	70
	<= $1.5mm	75	75	75	75	75	75	70	70	70	70	70	70
	<= $2.0mm	75	75	70	70	70	70	60	60	60	60	60	60
	<= $2.5mm	70	70	65	65	65	65	N/A	N/A	N/A	N/A	N/A	N/A
	<= $3.0mm	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Last Revision Date:8.12.2026

Income Qualifications			
Grid	Documentation Type	Income Requirements	Considerations
Full Doc	Full Documentation	2 Yrs. W2s or 1040 Tax Returns, YTD Paystub, VVOE or 2yrs 1099. For self-employed borrowers: 2 Yrs. Tax Returns (Business, Personal), K1s, YTD P&L or 1099 Qualification	
	Streamlined Documentation	1 Yr. W2s or 1040 Tax Returns, W2 Transcripts, YTD Paystub, VVOE or 1099 Qualification. For self-employed borrowers, 1 Yr. Tax Return (Business, Personal), K1s, YTD P&L	
	Asset Depletion/Asset Qualifier	Qualifying Assets, 84 Month Amortization for DTI if applicable	Max 85% LTV, Min 700 FICO, No Cash-Out, OO Only
Alt Doc	12M/24M Bank Statement	Personal – 12/24 months consecutive bank statements Business – 3 options to qualify: Expense Ratio (Fixed), Expense Ratio (3rd party), 3rd Party Prepared P&L	
	12M P&L	CPA/EA/CTEC Prepared (12M P&L)	Max 80% LTV, Min 660 FICO
	WVOE	FNMA Form 1005	Max 80% LTV, Min 660 FICO

FlexPath Program

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General Requirements	
Product Type	3/6 ARM, 5/6 ARM, 7/6 ARM, 10/6 ARM, 15 Yr. Fixed, 30 Yr. Fixed, 40 Yr. Fixed (IO)
Loan Amount	$3.5mm max; $150k min
Occupancy	Owner Occupied, 2nd Home, Investment
Max LTV/Min FICO	90%/ 660
Max DTI(1)	55%
Payment History	0x30x12, 0x60x24
Housing Event Seasoning	4+ Years
Interest Only	Eligible (10/20 IO & 10/30 IO), ARMs & Fixed
Interest Only Restrictions	Min 700 FICO, Max 85% LTV

Borrower Eligibility	
First Time Homebuyer (FTHB)	No Interest Only (IO)
Non-Occupant Co-Borrower	1 Unit, OO Only, Max 43% DTI, Max 80% LTV/CLTV, No Cash-Out
Permanent Resident Alien	Eligible, No Restrictions
Non-Permanent Resident Alien	Max 80% LTV/CLTV, No Cash-Out

Property Type	
2-4 Units	Max 85% LTV/CLTV
Warrantable Condos/ Cooperatives	Max 85% LTV/CLTV
Non-Warrantable Condos	Max 80% LTV/CLTV
Declining Markets	5% LTV Reduction

ARM Information	
ARM Margin	4.00%
ARM Caps (3/6m), (5/6m)	2/1/5
ARM Caps (7/6m), (10/6m)	5/1/5
Reset Period	6 Months
Index	30 Day Average SOFR
ARM Floor	Floor = Margin

Cash-Out Requirements	
LTV >60%	$750k (Max Cash-Out)
LTV <=60%	Unlimited Cash-Out

Reserve Requirements	
$150,000 – $500,000	6 Months
$500,001 – $1,000,000	6 Months
$1,000,001 – $2,000,000	9 Months
$2,000,001-- $3,500,000	12 Months
Additional Financed Properties	(2) Months Incremental PITIA/ITIA Per Financed Property
Cash-Out Used as Reserves	Allowable

EQUAL HOUSING LENDER

Last Revision Date:8.12.2026

FlexPath Program

DSCR – FICO & LTV/CLTV Grid

FICO & LTV/CLTV Grids		DSCR >= 1.00			DSCR >= 0.75			No Ratio DSCR		
FICO	Loan Size	Purchase	Rate / Term Refi	Cash-Out	Purchase	Rate / Term Refi	Cash-Out	Purchase	Rate / Term Refi	Cash-Out
740	<= $1.0mm	80	80	75	75	75	70	75	75	65
	<= $1.5mm	75	75	70	70	70	65	70	70	60
	<= $2.0mm	75	75	60	65	65	60	65	65	60
	<= $2.5mm	70	70	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<= $3.0mm	65	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
720	<= $1.0mm	80	80	75	75	75	70	70	70	60
	<= $1.5mm	75	75	70	70	70	65	65	65	60
	<= $2.0mm	75	75	60	65	65	N/A	N/A	N/A	N/A
	<= $2.5mm	70	70	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<= $3.0mm	65	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
700	<= $1.0mm	75	75	70	75	75	65	65	65	60
	<= $1.5mm	75	75	70	70	70	65	65	65	60
	<= $2.0mm	70	70	60	65	65	N/A	N/A	N/A	N/A
	<= $2.5mm	65	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
680	<= $1.0mm	75	75	65	70	70	60	65	60	60
	<= $1.5mm	70	70	60	N/A	N/A	N/A	N/A	N/A	N/A
	<= $2.0mm	65	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
660	<= $1.0mm	70	70	65	60	60	60	60	60	60
	<= $1.5mm	65	65	60	N/A	N/A	N/A	N/A	N/A	N/A
	<= $2.0mm	60	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A

FlexPath Program

General Requirements	
Product Type	3/6 ARM, 5/6 ARM, 7/6 ARM, 10/6 ARM, 15 Yr. Fixed, 30 Yr. Fixed, 40 Yr. Fixed (IO)
Loan Amount	$3.0mm max; $100k min
Occupancy	Investment Property
Max LTV/Min FICO	80%/ 660
Min DSCR	.75x or No Ratio Permissible
DSCR Calculation	Gross Rent/PITIA (P&I), Gross Rent/ITIA (Interest Only)
DSCR No Ratio	Eligible
Payment History	0x30x12
Housing Event Seasoning	3+ Years
Interest Only	Eligible (10/20 IO & 10/30 IO), ARMs & Fixed
Interest Only Restrictions (DSCR >=1.00)	Min 700 FICO, Max 75% LTV
Interest Only Restrictions (DSCR >=0.75)	Min 700 FICO, Max 70% LTV
Interest Only Restrictions (No Ratio)	Not Permissible
Interest Only Restrictions (Loan Amount)	$2,000,0001-$2,500,000: Max 65% CLTV, $2,500,0001-$3,000,000: Max 60% CLTV
Personal Guaranty	Required
Prepay Penalties by State	Permissible by Law
Short Term Rental	Max $2.0mm Loan Amount
First Time Investor	Max $2.0mm Loan Amount

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Borrower Eligibility	
Permanent Resident Alien	Eligible, No Restrictions
Non-Permanent Resident Alien	Max 75% LTV/CLTV, No Cash-Out, Max $2.0mm Loan Amount

Property Type	
2-4 Units	Max 75% LTV, $2,000,0001-$2,500,000: Max 65% CLTV, $2,500,0001-$3,000,000: Max 60% CLTV
Warrantable Condos	Max 75% LTV $2,000,0001-$2,500,000: Max 65% CLTV $2,500,0001-$3,000,000: Max 60% CLTV
Cooperatives	Not Allowed
Non-Warrantable Condos	Max 75% LTV, Max $2.0mm Loan Amount
Declining Markets	5% LTV Reduction

ARM Information	
ARM Margin	5.00%
ARM Caps (3/6m), (5/6m)	2/1/5
ARM Caps (7/6m), (10/6m)	5/1/5
Reset Period	6 Months
Index	30 Day Average SOFR
ARM Floor	Floor = Margin

Cash-Out Requirements	
Max Loan Amount	$2.0mm
LTV >60%	$500k (Max Cash-Out)
LTV <=60%	Unlimited Cash-Out

Reserve Requirements	
$100,000 – $500,000	3 Months
$500,001 – $1,000,000	6 Months
$1,000,001 – $2,000,000	6 Months
$2,000,001 – $3,000,000	9 Months
Additional Financed Properties Reserves	None
Cash-Out Used as Reserves	Allowable

EQUAL HOUSING LENDER

Last Revision Date:8.12.2026

Revisions Table

Date	Topic (effective immediately unless otherwise noted)	Page
2026.08.11	Created	All