

FIXED RATE MORTGAGE PRODUCTS

QUALIFYING RATE

ADJUSTABLE-RATE MORTGAGE (ARM) PRODUCTS

FIRST MORTGAGE PORTFOLIO PROGRAM

CONFORMING AND JUMBO

CONFORMING AND JUMBO • 30 YEAR FIXED

 20 YEAR FIXED • 15 YEAR FIXED

> • 3/3 TREASURY ARM 30-YEAR TERM FULLY AMORTIZING 3 YEAR FIXED. • 5/6 SOFR ARM 30-YEAR TERM FULLY AMORTIZING 5 YEAR FIXED.

• 7/6 SOFR ARM 30-YEAR TERM FULLY AMORTIZING 7 YEAR FIXED.

QUALIFYING RATE • 3/3 TREASURY ARM: GREATER OF THE FULLY INDEXED RATE OR THE NOTE RATE + 2.0%

• (FULLY INDEXED RATE = INDEX + MARGIN) • 5/6 SOFR ARM: GREATER OF THE FULLY INDEXED RATE OR THE NOTE RATE + 2.0% • (FULLY INDEXED RATE = INDEX + MARGIN) • 7/6 SOFR ARM: THE NOTE RATE

• THE FIRST CHANGE DATE IS THE 60TH PAYMENT DUE DATE. SUBSEQUENT CHANGE DATES ARE

3/3 ARM: 2.50% **MARGIN** 5/6 & 7/6 ARM: 2.75%

3/3 ARM: 3 YEAR TREASURY SECURITIES WEEKLY AVERAGE **INDEX** 5/6 & 7/6 ARM: 30-DAY AVERAGE SOFR INDEX AS PUBLISHED BY THE FEDERAL RESERVE BANK OF NY

FLOOR RATE 3.875%

3/3: 3 YEAR FIXED • THE FIRST CHANGE DATE IS THE 36TH PAYMENT DUE DATE. SUBSEQUENT CHANGE DATES ARE EVERY THREE (3) YEARS THEREAFTER.

• INITIAL: +/- 2% • SUBSEQUENT: +/- 2% • LIFETIME: + 6%

EVERY SIX (6) MONTHS THEREAFTER. **CHANGE DATES & INTEREST RATE CAPS** • INITIAL: +/- 2% • SUBSEQUENT: +/-1% • LIFETIME: + 5% **7/6: 7 YEAR FIXED** • THE FIRST CHANGE DATE IS THE 84TH PAYMENT DUE DATE. SUBSEQUENT CHANGE DATES ARE EVERY SIX (6) MONTHS THEREAFTER.

5/6: 5 YEAR FIXED

• INITIAL: +/- 5%

• SUBSEQUENT: +/- 1% • LIFETIME: + 5%

CONVERSION OPTION NOT AVAILABLE SOFR ONLY: DUE ON SALE (DOS) DURING THE INITIAL FIXED PERIOD. ASSUMPTION PERMITTED AFTER **ASSUMPTION** THE INITIAL FIXED PERIOD.

PERMITTED ON PRIMARY & SECOND HOME **TEMPORARY BUYDOWN** • 2-1 FOR LOANS WITH AN INITIAL FIXED INTEREST PERIOD OF 3 YEARS • 2-1 OR 3-2-1 FOR LOANS WITH AN INITIAL FIXED INTEREST PERIOD GREATER THAN 3 YEARS

CREDIT DOCUMENTATION IS BASED ON QM ABILITY TO REPAY AND THE UNDERWRITER'S DISCRETION BASED ON THE RISK FACTORS OF THE LOAN FILE. UNLESS OTHERWISE ADDRESSED IN THESE **UNDERWRITING/ABILITY TO REPAY QM** GUIDELINES, FANNIE MAE UNDERWRITING GUIDELINES SHOULD BE FOLLOWED. IN SOME CASES, EXCEPTIONS TO UNDERWRITING GUIDELINES OR PRODUCT ELIGIBILITY MAY BE ACCEPTABLE WHEN STRONG COMPENSATING FACTORS EXIST TO DIRECTLY ADDRESS THE ISSUE AND OFFSET THE RISK.

STANDARD ELIGIBILITY MATRIX

Maximum Loan PITIA Loan Purpose Property Types Maximum LTV Maximum CLTV Minimum FICO Occupancy **RESERVES** Amount 6 1 Unit; Condo 65% 65% \$500,000 640 6 1 Unit; Condo 80% 95% \$1,000,000 680 12 Purchase, 1 Unit; Condo 75% 95% \$1,250,000 680 Rate/Term **Principal Residence** Refinance 12 1 Unit; Condo 70% 80% \$1,500,000 740 12 75% 80% \$1,000,000 680 2 Unit 12 70% 80% \$1,250,000 680 12 65% 65% \$500,000 640 12 **Second Home** Purchase, 75% 85% \$1,000,000 680 (Future Principle Rate/Term 1 Unit; Condo **Residence Only)** Refinance 85% 680 12 70% \$1,250,000 \$1,500,000 12 65% 80% 740 12 65% 65% \$500,000 640 12 **Owner Occupied** Cash-out Refinance 1 Unit; Condo 75% 95% \$1,000,000 680 12 70% 80% 740 \$1,250,000

Principal Residence Rate/Term 1 Unit; Condo Refinance Cash-out Refinance **Owner Occupied** 1 Unit; Condo

Subordinate financing must be secured through MPower Mortgage. Refer to

Loan Purpose

Purchase,

prepayment penalty.

CONDO-COMMERCIAL SPACE

RECREATIONAL LEASES

NON-INCIDENTAL INCOME

MAXIMUM BORROWERS

ASSETS REQUIRED FOR DOWNPAYMENT AND CLOSING COSTS

INELIGIBLE OCCUPANCY TYPES

INELIGIBLE PROPERTY TYPES

APPRAISAL REQUIREMENTS

SUBJECT PROPERTY IN DECLINING MARKET

TITLE INSURANCE

Occupancy

"General Eligibility" section below for max DTI, appraisal requirements, etc. No

Property Types

PERMITTED.

No prepayment penalty.	ORTFOLIO PARAMETERS & RATE ADJUSTMENT TIERS: NON-WARRANTABLE CONDOS	
Only available for Practicing MD, DO, DPM, D Subordinate financing must be secured throu Refer to "General Eligibility" section below for	DS, DMD. Igh MPower Mortgage	
Offer Letter prior to start date acceptable. Future Employment Start date: We allow up contract). Gift funds can be used- no min borrower contract.	to 9 months between the loan closing date and the start date of a new job, with proper documen	tation (e.g., signed offer letter or employment

DOCTOR LOAN ELIGIBILITY MATRIX

Maximum CLTV

100%

100%

Maximum LTV

80%

75%

ALLOWED UP TO 75% OF THE TOTAL BUILDING/PROJECT AREA.

UP TO 25% OF THE ASSOCIATION'S BUDGET.

Maximum Loan

Amount

\$1,000,000

\$1,000,000

Minimum FICO

680

680

PITIA

RESERVES

6

12

TIER 1

TIER 1

TIER 1

NO CREDIT SCORE	LTV/CLTV LIMIT OF 65%. ASSIGNED 640 FICO FOR PRICING.	TIER 1
SELF-EMPLOYED SEASONING	A W-2 WAGE EARNER TRANSITIONING TO SELF-EMPLOYMENT IS CONSIDERED STABLE IF THE BORROWER HAS 2 YEARS OF WORK HISTORY IN THE SAME JOB OR FIELD.	TIER 1
ESCROW HOLDBACKS	ALLOWED. TITLE COMPANY OR ATTORNEY MUST APPROVE TO MANAGE FUNDS.	TIER 1
DESCRIPTION	GUIDELINE PARAMETERS	RATE ADJUSTMENT TIER
PORTFOLIO PA	RAMETERS & RATE ADJUSTMENT TIERS: EXPANDED INCOME, CREDIT & COLLATERAL	GUIDELINES
LITIGATION	REVIEWED ON A CASE-BY-CASE BASIS, FACTORING IN BORROWER'S ABILITY TO REPAY.	TIER 3
BUDGET RESERVES	MINIMUM 5%, IF RESERVES EXCEED 50% OF TOTAL OPERATING EXPENSES.	TIER 3
INVESTOR CONCENTRATION	UP TO 75% OF UNITS MAY BE NON-OWNER OCCUPIED (NOO).	TIER 3
DELINQUENT HOA DUES	NO MORE THAN 20% OF TOTAL UNITS CAN BE 60+ DAYS PAST DUE ON CONDOMINIUM OR ASSOCIATION FEES.	TIER 3
PRE-SALE REQUIREMENT (NEW OR NEWLY CONVERTED CONDO PROJECTS)	AT LEAST 35% OF TOTAL UNITS OR THE SUBJECT LEGAL PHASE MUST BE CONVEYED OR UNDER CONTRACT FOR SALE TO PRINCIPAL RESIDENCE OR SECOND-HOME PURCHASERS.	TIER 2
SINGLE ENTITY OWNERSHIP	A SINGLE ENTITY (INDIVIDUAL, INVESTOR GROUP, OR CORPORATION) MAY OWN UP TO 35% OF THE TOTAL UNITS WITHIN THE PROJECT.	TIER 2

ALLOWED UP TO 80% MAXIMUM CASH-OUT.	TIER 1
ALLOWED UP TO 12 MONTHS.	TIER 2
 EXCESS ACREAGE & AGRICULTURAL ZONING ALLOWED. INTENDED PRIMARY USE IS RESIDENTIAL. INCOME GENERATED FROM PROPERTY CANNOT BE USED FOR QUALIFYING. 	TIER 2
 MUST PROVIDE ACCEPTABLE DOCUMENTATION PROVING LEGAL PRESENCE IN THE U.S. MUST HAVE BEEN EMPLOYED IN THE U.S. FOR THE PAST 24 MONTHS. MUST DEMONSTRATE 12 MONTHS OF VERIFIABLE INCOME/EMPLOYMENT WITH THE LIKELIHOOD OF CONTINUING FOR AT LEAST THREE (3) YEARS. 	TIER 3
GENERAL ELIGIBILITY	
US CITIZENSPERMANENT RESIDENT ALIEN	
 NON-PERMANENT RESIDENT ALIENS NON-OCCUPANT BORROWER LAND TRUSTS LIFE ESTATES TENANCY IN COMMON CORPORATIONS, GENERAL AND LIMITED PARTNERSHIP 	
	ALLOWED UP TO 12 MONTHS. • EXCESS ACREAGE & AGRICULTURAL ZONING ALLOWED. • INTENDED PRIMARY USE IS RESIDENTIAL. • INCOME GENERATED FROM PROPERTY CANNOT BE USED FOR QUALIFYING. • MUST PROVIDE ACCEPTABLE DOCUMENTATION PROVING LEGAL PRESENCE IN THE U.S. • MUST HAVE BEEN EMPLOYED IN THE U.S. FOR THE PAST 24 MONTHS. • MUST DEMONSTRATE 12 MONTHS OF VERIFIABLE INCOME/EMPLOYMENT WITH THE LIKELIHOOD OF CONTINUING FOR AT LEAST THREE (3) YEARS. • US CITIZENS • PERMANENT RESIDENT ALIENS • NON-OCCUPANT BORROWER • LAND TRUSTS • LIFE ESTATES • TENANCY IN COMMON

MINIMUM LOAN AMOUNT	\$100,000
MAXIMUM LOAN AMOUNT	\$1,500,000
STATE ELIGIBILITY	ALL STATES (TX IS LIMITED TO 80% LTV AND ONLY AVAILABLE ON PURCHASES AND LIMITED CASH-OUT REFINANCE)
HIGH PRICED LOANS	NOT ELIGIBLE
HIGH-COST LOANS	NOT ELIGIBLE
	CREDIT
MAXIMUM HOUSING RATIO/MAXIMUM DEBT RATIO	43%

FOUR (4) BORROWERS PER LOAN

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MINIMUM FICO	640
MINIMUM TRADELINES	A MINIMUM OF TWO (2) TRADELINES, OPEN OR CLOSED, THAT HAVE BEEN EVALUATED FOR AT LEAST TWENTY-FOUR (24) MONTHS IS REQUIRED. CANNOT INCLUD SELF-REPORTED OR AUTHORIZED USER TRADELINES.
UNSECURED DEBT	HIGH USE OF UNSECURED DEBT (> 20% OF ANNUAL INCOME) PRESENTS ADDITIONAL RISK FACTORS AND MAY RESULT IN A DECLINE.
STUDENT LOANS	STUDENT LOANS WILL BE UNDERWRITTEN IN ACCORDANCE WITH FREDDIE MAC GUIDELINES
MORTGAGE LATES	0X30 IN THE LAST 24 MONTHS
TAX LIENS	MUST BE PAID TO/AT CLOSING
	INCOME AND EMPLOYMENT
INCOME AND EMPLOYMENT VERIFICATION	STANDARD FNMA INCOME VERIFICATION REQUIRED
	ASSETS

ADDITIONAL RESERVE REQUIREMENTS	REFER TO ELIGIBILITY MATRIX IN THE GUIDELINES
	COLLATERAL
ELIGIBLE OCCUPANCY TYPES	PRIMARY RESIDENCE SECOND HOMES

INVESTMENT PROPERTIES

• 1-2 UNIT PUDS CONDOS

• 3-4 UNITS

CO-OPS

ADHERE TO FANNIE MAE GUIDELINES

ELIGIBLE PROPERTY TYPES	 WARRANTABLE CONDOS WARRANTABLE CONDOS NON-WARRANTABLE CONDOS MAX 65% LTV. MANAGEMENT MUST REVIEW THE PROJECT TO ENSURE ACCEPTABLE RISK)
	SEE CONDO SECTION BELOW FOR RESTRICTIONS
	TOWNHOUSE
	LEASEHOLD PROPERTIES (REFER TO FNMA FOR LEASE TERM AGREEMENT REQUIREMENTS)

ENSURE ACCEPTABLE RISK.
• RESTRICTIONS
ALL FLORIDA CONDO'S MUST BE FNMA WARRANTABLE.
 ALL FLORIDA CONDOS WILL BE RESTRICTED TO 80% CLTV IN ADDITION.
 MIAMI DADE COUNTY CONDO UNITS VALUED > \$1,000,000 WILL BE RESTRICTED TO 70%
CLTV.

LOAN AMOUNT

≤ \$1,000,000

> \$1,000,000

MANUFACTURED HOMES

1				1
	> \$1,000,000	> 65%	TWO (2) FULL APPRAISAL	
•	CLTV CAPS AS OUTLIN IF A DECLINING MARKE BE CAPPED AT 65%. APPRAISAL REFLECTIN	FLECT A D ED BELOV ET PERCEN	V. NTAGE IS NOT REFLECTED ON	GE ARE SUBJECT TO THE MAX THE APPRAISAL THE CLTV WILL AMI DADE COUNTY FOR CONDO

CAPPED AT 65% CLTV.

LONG FORM POLICY REQUIRED.

Max C	_TV Caps
0%	95%
<u><</u> 1%	85%
>1%-5%	80%
>5%-10%	75%
>10%	65%

• APPRAISALS THAT REFLECT A DECLINING MARKET REGARDLESS OF THE PERCENTAGE, WILL BE

 MUST BE FNMA WARRANTABLE. LIMITED REVIEW PERMITTED MEETING FNMA REQUIREMENTS. • NON-WARRANTABLE CONDOS MAX 65% LTV. MANAGEMENT MUST REVIEW THE PROJECT TO

STANDARD REQUIREMENT

FULL APPRAISAL

FULL APPRAISAL AND FIELD

REVIEW

APPRAISAL MATRIX

AVM/Appraisal Declining Market

PRIMARY RESIDENCE (2 UNIT) & SECOND HOME

CLTV

≤ 95%

<u><</u> 65%

POA MUST BE SPECIFIC TO THE TRANSACTION AND MUST STATE BOTH THE FIRST AND SECOND **POWER OF ATTORNEY (POA)** TRANSACTION SEPARATELY. CASH OUT TRANSACTIONS NOT PERMITTED. PERMITTED BASED ON FNMA GUIDELINES. IRREVOCABLE TRUSTS NOT PERMITTED. IF THE LOAN IS **TRUST AGREEMENTS** HELD IN A TRUST, A COPY OF THE FULLY EXECUTED TRUST AGREEMENT WITH ALL AMENDMENTS REQUIRED.