

## Conforming Standard & High Balance – DU

| Primary Residence  |                    |                            |                    |                    |                    |          |
|--|--------------------|----------------------------|--------------------|--------------------|--------------------|----------|
| Purchase & Limited Cash-Out Refinance  |                    | Min Fico                   | Cash-Out Refinance |                    | Min Fico           |          |
| Property Type  | Max LTV/CLTV/HCLTV | 620                        | Property Type      | Max LTV/CLTV/HCLTV | 620                |          |
| 1 Unit   | 95%/97%*           |                            | 1 Unit             | 80%                |                    |          |
| 2-4 Units  | 95%                |                            | 2-4 Units          | 75%                |                    |          |
| Second Home  |                    |                            |                    |                    |                    |          |
| Purchase & Limited Cash-Out Refinance  |                    | Min Fico                   | Cash-Out Refinance |                    | Min Fico           |          |
| Property Type  | Max LTV/CLTV/HCLTV | 620                        | Property Type      | Max LTV/CLTV/HCLTV | 620                |          |
| 1 Unit   | 90%                |                            | 1 Unit             | 75%                |                    |          |
| Investment Property  |                    |                            |                    |                    |                    |          |
| Purchase   |                    | Limited Cash-Out Refinance |                    | Cash-Out Refinance |                    | Min Fico |
| Property Type  | Max LTV/CLTV/HCLTV | Property Type              | Max LTV/CLTV/HCLTV | Property Type      | Max LTV/CLTV/HCLTV | 620      |
| 1 Unit   | 85%                | 1 Unit                     | 75%                | 1 Unit             | 75%                |          |
| 2-4 Units  | 75%                | 2-4 Units                  | 75%                | 2-4 Units          | 70%                |          |
| Footnotes  |                    |                            |                    |                    |                    |          |
| • Hawaii and Texas transactions: refer to the Geographic Restrictions section for additional guidance        |                    |                            |                    |                    |                    |          |
| • Mortgage insurance (MI) is required if LTV is over 80%   |                    |                            |                    |                    |                    |          |
| • 95.01-97% LTV/CLTV/TLTV: Conforming loan limits and first-time homebuyer only                              |                    |                            |                    |                    |                    |          |
| • Non-occupant borrowers are ineligible  |                    |                            |                    |                    |                    |          |
| • No limit on cash-out amount  |                    |                            |                    |                    |                    |          |
| *97% LTV restrictions: At least 1 borrower must be a FTHB, Primary home only, Min Fico of 680, Max DTI 43%   |                    |                            |                    |                    |                    |          |
| • High Balance restriction for Purchase&Limited Cash-out Refinance: 1 Unit 95% / 2 Units 85% / 3-4 Units 75% |                    |                            |                    |                    |                    |          |

## Conforming Standard & High Balance – DU

| Minimum Loan Amount                                | Conforming   | High-Balance  |                     |
|--|--|---|---------------------|
|  | \$60,000   | > Conforming loan limit for the # of units for high cost areas    |                     |
| Debt-To-Income (DTI)                               | • Refer to the Fannie Mae guidelines   |   |                     |
| AUS Requirements                                   | • <b>DU Approve/Eligible:</b> Fannie Mae guidelines apply<br>• Manual underwriting not permitted   |   |                     |
| Documentation                                      | • Refer to the Fannie Mae guidelines   |   |                     |
| Qualifying Ratios                                  | • Refer to the Fannie Mae guidelines   |   |                     |
| Qualifying Rate                                    | Initial Fixed-Rate Period ≤ 5 years  | Initial Fixed Rate Period > 5 years                               |                     |
|  | Qualify at the greater of the Fully Indexed Rate or the Note Rate + 2.0%   | Qualify at the greater of the Fully Indexed Rate or the Note Rate |                     |
|  | Per DU Approve/Eligible findings; loans with MI may have more restrictive requirements   |   |                     |
| Income/Employment                                  | Subject to AUS approval. Subject to additional documentation at the underwriter's discretion.<br>• Two-year employment history must be verified  |   |                     |
|  | Salaried Borrowers   |   |                     |
|  | • Current paystub dated within 120 days from the Note date<br>• W2s per AUS findings   |   |                     |
|  | Self-Employed Borrower   |   |                     |
|  | • Business in existence for at least two years<br>• Personal/Business signed individual tax returns, including all pages and schedules as required by LPA  |   |                     |
|  | Rental Income  |   |                     |
|  | Rental income is an acceptable source of stable income if it can be established that the income is likely to continue.<br>• Rental income derived from the subject property must be one of the following:<br>o 2-4 unit principal residence in which the borrower occupies one of the units, or<br>o 1-4 unit investment property<br>• Rental income derived from non-subject property have no restrictions on the property type<br>• Refer to the Fannie Mae guidelines |   |                     |
|  |  |   |                     |
| Asset / Reserves                                   | • Refer to the Fannie Mae guidelines   |   |                     |
| Interested Party Contribution (IPC)                |  |   |                     |
|  | Primary Residence and Second Home  |   |                     |
|  | > 90% LTV/CLTV/TLTV  | 75.01 -90% LTV/CLTV/TLTV  | ≤ 75% LTV/CLTV/TLTV |
|  | 3%   | 6%  | 9%                  |
| • Investment Properties: 2% regardless of LTV/CLTV |  |   |                     |

## Conforming Standard & High Balance – DU

|  |   |                                |   |              |              |
|--|---|--------------------------------|---|--------------|--------------|
| Borrower Eligibility                   | Eligible  |                                | Ineligible  |              |              |
|  | <ul style="list-style-type: none"><li>• U.S. Citizens</li><li>• Non-U.S. Citizens -Permanent / Non-Permanent</li><li>• Inter Vivos Revocable Trusts</li><li>• Non-Occupant Borrowers</li></ul>  |                                | <ul style="list-style-type: none"><li>• LLC</li><li>• Irrevocable Trusts</li><li>• Foreign National</li></ul>   |              |              |
| Property Types                         | Eligible  |                                | Ineligible  |              |              |
|  | <ul style="list-style-type: none"><li>• SFR/PUD (detached/attached)</li><li>• Condominium (low/mid/high rise)</li><li>• 2-4 Units</li></ul>   |                                | <ul style="list-style-type: none"><li>• Agricultural/Income producing properties</li><li>• Non-Warrantable Condo/Condotel</li><li>• Manufactured housing</li><li>• Earth homes, and geodesic domes</li><li>• Properties on more than 10 acres are typically ineligible</li><li>• Co-ops</li></ul> |              |              |
| Properties Listed for Sale             | Refinance transactions: Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)   |                                |   |              |              |
| Net Tangible Benefit                   | <ul style="list-style-type: none"><li>• Refinance must offer a documented, demonstrable, Net Tangible Benefit to the borrower</li><li>• State-required NTB forms must be completed as applicable.</li></ul>   |                                |   |              |              |
| Cash-Out                               | <ul style="list-style-type: none"><li>• At least one Borrower must have been on the title for 6 months prior to the disbursement date</li><li>• The mortgage being refinanced must be seasoned for at least 12 months</li><li>• If property was purchased in the past 6 months, borrower is ineligible for a cash-out refinance unless following delayed financing guidelines or the borrower acquired property through an inheritance or was legally awarded the subject property (divorce, separation, or dissolution of a domestic partnership)</li><li>• Property majority-owned or controlled by a borrower(s) limited liability corporation (LLC), may be counted towards meeting the borrower’s minimum 6-month ownership requirement. In order to close the new refinance transaction, title ownership must be transferred out of the LLC and into the borrower’s name.</li></ul> <p><b>Note:</b> Title ownership from LLC to borrower’s name can be transferred at closing</p> |                                |   |              |              |
| Financed Properties                    | <ul style="list-style-type: none"><li>• Including borrower’s primary residence if financed and the subject property</li><li>• Primary Residence – no limit on number of financed properties</li><li>• Second Home or Investment Property:<ul style="list-style-type: none"><li>o Max 10 financed properties,</li><li>o Min 720 credit score for 7-10 financed properties</li></ul></li></ul>  |                                |   |              |              |
| Homeownership Education and Counseling | Required for FNMA purchase transactions with LTV/CLTV, ratios greater than 95%, when <ul style="list-style-type: none"><li>• All borrowers are first-time homebuyers, at least one borrower must participate in homeownership education</li><li>• <a href="#">Fannie Mae Homeownership Education and Housing Counseling</a></li></ul>   |                                |   |              |              |
| Mortgage Insurance                     | <ul style="list-style-type: none"><li>• BPMI &amp; LPMI are eligible based on program LTV eligibility</li><li>• Financed/Custom/Reduced MI are not eligible</li><li>• Acceptable renewal types are Level/Constant and Non-refundable</li></ul>  |                                |   |              |              |
|  | Standard – Required MI Coverage   |                                |   |              |              |
|  | Loan Term   | LTV                            |   |              |              |
|  |   | 80.01-85.00%                   | 85.01-90.00%  | 90.01-95.00% | 95.01-97.00% |
|  | 25 and 30 Year  | 12%                            | 25%   | 30%          | 35%          |
| 10, 15, and 20                         | 6%  | 12%                            | 25%   | 35%          |              |
| Credit                                 | Mortgage/Rental History   |                                |   |              |              |
|  | <ul style="list-style-type: none"><li>• Refer to the Fannie Mae guidelines</li></ul>  |                                |   |              |              |
|  | Installment/Revolving   |                                |   |              |              |
|  | <ul style="list-style-type: none"><li>• Refer to the Fannie Mae guidelines</li></ul>  |                                |   |              |              |
|  | Derogatory Credit   |                                |   |              |              |
|  | Note: follow DU Approve findings, regardless of the time frames listed below.   |                                |   |              |              |
|  | Derogatory Event  |                                | Discharge/Dismissal   |              |              |
|  | Bankruptcy - Chapter 7 or 11  |                                | 4 years   |              |              |
|  | Bankruptcy - Chapter 13   |                                | 2 years from discharge date<br>4 years from dismissal date  |              |              |
|  | Multiple Bankruptcy Filings   |                                | 5 years from dismissal or discharge date  |              |              |
|  | Foreclosure   |                                | 7 years   |              |              |
| Deed-in-Lieu/Short Sale                |   | 4 years                        |   |              |              |
| Pre-foreclosure Sale                   |   |                                |   |              |              |
| Loan Modification                      |   | No Seasoning, DU will evaluate |   |              |              |

## Conforming Standard & High Balance – DU

|               |  |   |
|---------------|--|---|
| Student Loans | • Student loans in repayment, deferment or forbearance:  |   |
|               | If   | Then  |
|               | Payment Reflected on   | May use that amount for qualifying purposes   |
|               | Payment Not Reflected on credit report   | May use the monthly payment that is on the most recent student loan statement to qualify the borrower   |
|               | Credit report shows \$0  | <ul style="list-style-type: none"> <li>• Use 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</li> <li>• a fully amortizing payment using the documented loan repayment terms</li> </ul> <b>If income-driven payment plan is \$0:</b> <ul style="list-style-type: none"> <li>• Obtain student loan documentation to verify the actual monthly payment is \$0, then may qualify the borrower with a \$0 payment</li> </ul> |
| Restrictions  | • Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs: Refer to the Fannie Mae guidelines   |   |
|               | <ul style="list-style-type: none"> <li>• Texas Limited Cash-Out and Cash-Out Refinances <ul style="list-style-type: none"> <li>o 1-Unit primary residence transactions <ul style="list-style-type: none"> <li>• Ineligible</li> <li>• Refer to Texas Homestead Refinance Matrix</li> </ul> </li> <li>o Second home and 1-unit investment property transactions <ul style="list-style-type: none"> <li>• Eligible when the borrower owns a primary residence homestead in the state of Texas</li> </ul> </li> </ul> </li> </ul> |   |