

**SECTION 1: MATRIX:**

<b>Primary Residence<sup>1,2,3</sup></b>			
<b>Purchase and Rate &amp; Term Refinance</b>			
<b>Minimum FICO Score</b>	<b>Units</b>	<b>LTV / CLTV</b>	<b>Maximum Loan Amount</b>
720	1	90	\$1,500,000
	1-4 <sup>4</sup>	85	\$2,500,000
		70	\$3,500,000
700	1	90	\$1,500,000
	1-4 <sup>4</sup>	85	\$2,500,000
		70	\$3,000,000
680	1	90	\$1,500,000
	1-4	80	\$2,500,000
		70	\$3,000,000
660	1	85	\$1,500,000
	1-4	80	\$2,500,000
		70	\$3,000,000
640	1-2	85	\$1,500,000
	1-4	80	\$2,000,000
620	1-4	65	\$1,000,000
		60	\$1,500,000

<b>Primary Residence<sup>1,2,3</sup></b>			
<b>Cash Out Refinance</b>			
<b>Minimum FICO Score</b>	<b>Units</b>	<b>LTV / CLTV</b>	<b>Maximum Loan Amount</b>
720	1-4 <sup>4</sup>	85	\$1,500,000
		75	\$2,500,000
		65	\$3,000,000
		60	\$4,000,000
700	1-4 <sup>4</sup>	85	\$1,500,000
		75	\$2,500,000
		60	\$4,000,000
660	1-4	80	\$1,000,000
		75	\$2,000,000
		70	\$2,500,000
640	1-4	75	\$1,000,000
		70	\$1,500,000
		65	\$2,000,000
620	1-4	65	\$1,000,000
		60	\$1,500,000

**Primary Residence Notes:**

1. For Credit Scores of less than 650, the minimum loan amount is \$150,000
2. Condotels limited to 70% LTV / CLTV
3. Interest Only loan limited to 85% LTV
4. 3-4 Units limited to 80% LTV

<b>Second Home<sup>1,2</sup></b>			
<b>Purchase and Rate &amp; Term Refinance</b>			
<b>Minimum FICO Score</b>	<b>Units</b>	<b>LTV / CLTV</b>	<b>Maximum Loan Amount</b>
720	1-2	80	\$2,500,000
		70	\$3,500,000
680	1-2	80	\$2,500,000
		70	\$3,000,000
660	1-2	80	\$2,000,000
		70	\$3,000,000
		55	\$3,500,000
640	1-2	75	\$1,500,000
		70	\$2,000,000
620	1-2	65	\$1,000,000
		60	\$1,500,000

<b>Second Home<sup>1</sup></b>			
<b>Cash Out Refinance</b>			
<b>Minimum FICO Score</b>	<b>Units</b>	<b>LTV / CLTV</b>	<b>Maximum Loan Amount</b>
680	1-2	80	\$1,000,000
		75	\$1,500,000
		70	\$2,000,000
		65	\$2,500,000
		60	\$4,000,000
660	1-2	75	\$1,000,000
		70	\$1,500,000
		65	\$2,000,000
		60	\$3,000,000
640	1-2	70	\$1,500,000
		65	\$2,000,000
620	1-2	65	\$1,000,000
		60	\$1,500,000

**Second Home Notes:**

1. For Credit Scores of less than 650, the minimum loan amount is \$150,000
2. Condotels limited to 70% LTV / CLTV

<b>Investment / Business Purpose 1-4 Unit and Condo<sup>1,2</sup></b>			
<b>Purchase and Rate &amp; Term Refinance</b>			
<b>Minimum FICO Score</b>	<b>Units</b>	<b>LTV / CLTV</b>	<b>Maximum Loan Amount</b>
700	1-4	80	\$1,000,000
		75	\$1,500,000
		70	\$3,000,000
680	1-4	75	\$1,000,000
		70	\$1,500,000
		65	\$3,000,000

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660	1-4	75	\$1,000,000
		70	\$1,500,000
		65	\$2,000,000
		50	\$3,000,000
640	1-4	70	\$1,000,000
		65	\$1,500,000
		60	\$2,000,000
620	1-4	55	\$1,000,000

<i>Investment / Business Purpose 1-4 Unit and Condo<sup>1,2</sup></i>			
<i>Cash Out</i>			
<i>Minimum FICO Score</i>	<i>Units</i>	<i>LTV / CLTV</i>	<i>Maximum Loan Amount</i>
720	1-4	75	\$1,000,000
		70	\$1,500,000
		65	\$3,000,000
		60	\$4,000,000
680	1-4	75	\$1,000,000
		70	\$1,500,000
		65	\$3,000,000
		60	\$3,500,000
660	1-4	70	\$1,000,000
		65	\$1,500,000
		60	\$2,000,000
		50	\$3,000,000
640	1-4	65	\$1,500,000
		60	\$2,000,000
620	1-4	50	\$1,000,000

**Investment / Business Purpose Notes:**

1. For Credit Scores of less than 650, the minimum loan amount is \$150,000
2. Condotels Loans Limited to 65% LTV

**SECTION 2: Products:**

<i>WesLend Code</i>	<i>Term</i>
1760-38	5/1 ARM
1760-38(IO)	5/1 ARM 10 Year I/O
1860-38	7/1 ARM
1860-38(IO)	7/1 ARM 10 Year I/O
1060-38	30 Year Fixed
1060-38(IO)	30 Year Fixed 10 Year I/O

**SECTION 3: Parameters:**

Program Description	INCOME per Bank Statements
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ARM Parameters	<p>Caps: 5/1 ARM – 2/2/5 7/1 ARM – 2/2/5</p> <p>Margins: 1. Owner Occupied = 3.25% 2. Investment = 5.25%</p> <p>Index: 1 Year LIBOR</p> <p>Floor (Lifetime minimum rate): Initial note rate</p>
Interest Only and Amortization Options	<p>5/1 ARM: 10 Year Interest Only or 30 Year Self-amortizing. 7/1 ARM: 10 Year Interest Only or 30 Year Self-amortizing. 30 Year Fixed: 10 Year Interest Only or 30 Year Self-amortizing (Interest Only products are for a 30-year term. After the Interest Only period the loan must amortize over the remaining term; Interest only not available in Illinois)</p>
Self-employment requirements	At least on borrower must have been continually self-employed for two years
Citizenship / VISA requirements	Citizens / US persons permitted, foreigners NOT permitted.
Income	<p>Bank Statements programs must document that: Determine and document income from self-employment by calculating the product of</p> <ol style="list-style-type: none"> <li>1. the average deposits from Acceptable Sources into the Borrowers’ business bank accounts (or if the Borrowers’ deposit business revenues into personal accounts, then into the Borrowers’ business and personal accounts) over the 12-month period preceding the month of the Borrower’s Initial Application (“Average Acceptable Deposits”), times</li> <li>2. the Profit Margin (as defined below) for the Borrowers’ business, times</li> <li>3. the percentage of the Borrowers’ business owned by the Borrowers.</li> </ol> <p>For the purposes of these Underwriting Guidelines:</p> <ol style="list-style-type: none"> <li>1. Acceptable sources for deposits are deposits from the ordinary operations of the Borrowers’ business, and exclude             <ol style="list-style-type: none"> <li>a. transfers from another bank or asset account,</li> <li>b. extraordinary asset sales,</li> <li>c. unusual borrowing (provided that borrowings which are common and customary for the business such as programmatic borrowing under a secured revolving credit facility or factoring agreement, shall not be excluded), or</li> <li>d. tax refunds;</li> </ol> </li> <li>2. The (“Profit Margin”) for the Borrowers’ business is 50%. Notwithstanding the foregoing,             <ol style="list-style-type: none"> <li>a. if the Borrowers are in a high margin business (for example, doctors, architects, consultants, persons working under personal service type contracts, tutors, coaches and teachers) then Lenders may choose to use a Profit Margin higher than 50% provided either:                 <ol style="list-style-type: none"> <li>1. the Borrowers’ business is a Type 1 or Type 2 business in accordance with the requirements for Type 1 and Type 2 businesses below; if the Borrowers business is a Type 1, then the Profit Margin is 85%; if the Borrowers’ business is a Type 2, then the Profit Margin is 60%, or</li> <li>2. the Borrowers’ certified public accountant supplies a historical profit and loss</li> </ol> </li> </ol> </li> </ol>

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	<p>statement for the Borrowers’ business for the calendar year preceding the date of the Borrower’s loan application, provided (x) twelve times the Average Acceptable Deposits (the annualized Average Acceptable Deposits) must be equal to or greater than 90% of the revenue set forth on the profit and loss, and (y) the profit and loss statement must be signed by the certified public accountant; or</p> <p>b. if the Borrowers are in a business that is a High Value Dealer (as defined below) then the Profit Margin is 20%,</p> <p>3. The percent of the business owned by the Borrowers is the Borrowers verified ownership interest in the business on a current (as opposed to fully diluted) basis (preferred securities, convertible securities and options are not includable in determining the Borrowers’ percent of the business owned).</p>								
Maximum Debt to Income Ratio (DTI)	50% DTI for LTVs up to 85% 43% DTI for LTVs up to 90%								
Eligible Property Types	1-4 Unites, warrantable condo and non-warrantable condo ( Non-warrantable condos require a rate add-on and Condotels are limited to 70% LTV and require a rate add-on)								
Permissible Occupancy	Primary residences, Second Homes and Investment								
Required Reserves	<table border="1"> <thead> <tr> <th>Loan Amount</th> <th>Reserves</th> </tr> </thead> <tbody> <tr> <td>Up to \$1,000,000</td> <td>3 Months PITIA*</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td>6 Months PITIA*</td> </tr> <tr> <td>More than \$2,000,000</td> <td>12 Months PITIA*</td> </tr> </tbody> </table> <p>* If (i) the Borrowers own one or more investment properties which are not the Subject Property, and (ii) the Subject Property is a primary residence or second home, then required reserves must be increased by one month of the PITIA for the Subject Property for each investment property owned by any of the Borrowers. If (i) the Borrowers own one or more investment properties which are not the Subject Property, and (ii) the Subject Property is an investment property, then required reserves must be increased by two months of the PITIA for the Subject Property for each investment property owned by any of the Borrowers.</p> <p>For cash-out refinances, loan proceeds disbursed to Borrower may be used to meet reserve requirements.</p>	Loan Amount	Reserves	Up to \$1,000,000	3 Months PITIA*	\$1,000,001 to \$2,000,000	6 Months PITIA*	More than \$2,000,000	12 Months PITIA*
Loan Amount	Reserves								
Up to \$1,000,000	3 Months PITIA*								
\$1,000,001 to \$2,000,000	6 Months PITIA*								
More than \$2,000,000	12 Months PITIA*								
Gifts	Gifts permitted provided gifts must conform to all Fannie Mae gift requirements (except that Fannie requirements are modified to permit gifts for investor occupancy); For gifts of equity, LTV must be reduced by 5%.								
Credit History	<p>No Foreclosure, Bankruptcy, Deed-in-Lieu or Short Sale permitted over the past 48 months at standard LTV’s and reserves.</p> <p>No Foreclosure, Bankruptcy, Deed-in-Lieu or Short Sale permitted over the past 24 months available, at a maximum LTV of 75% and with reserves increased by 6 months.</p>								
Mortgage and Rental History	Maximum permitted delinquency is 1X30X12								
Subordinate Financing	Subordinate financing permitted provided (1) CLTV does not exceed the applicable LTV limits, (2) that the debt service on subordinate financing is included in the DTI calculation, and (3) that the terms of the subordinate								

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	financing conform to Fannie Mae requirements.
Appraisal Requirements	1 Full Appraisal + CDA or ARR, Loan amounts over \$1,500,000 require 2 appraisals + CDA or ARR
Escrows	Required
AUS	Note applicable: Manual Underwrite only
Pre-Payment Penalty	3 YR prepayment penalty required for investor occupancy / business purpose loans where permitted by law (PPP buyouts may be available)
ACH draft required for mortgage payments	ACH not required (Foreign Borrowers are not eligible for loan program A5)