WesLend Jumbo Matrix

Purpose	Occupancy	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum FICO	Maximum DTI (%)	Minimum Reserves (Months)	Maximum Cash Out
Purchase Rate/Term Refinance	Primary Residence	1 Unit	$1,500,000	80/80	700	43	12	N/A
			$2,000,000	80/80	700	43	15	
			$2,500,000	75/75	740	43	24	
				70/70	720	43	24	
			$3,000,000	75/75	780	43	30	
				70/70	740	43	30	
		2 Unit	$2,000,000	70/70	720	43	15	
	Second Home	1 Unit	$1,000,000	80/80	720	43	12	
			$1,500,000	80/80	740	43	18	
			$2,000,000	75/75	720	43	18	
	Investment Property	1Unit	$1,000,000	70/70	720	43	18	
			$1,500,000	70/70	740	43	24	
			$2,000,000	60/60	760	43	24	
		2-4 Units	$1,000,000	65/65	720	43	18	
			$1,500,000	65/65	740	43	24	
			$2,000,000	60/60	760	43	24	
Cash Out refinance	Primary Residence	1 Unit	$1,000,000	80/80	720	43	12	$350,000
				75/75	700	43	12	
			$1,500,000	80/80	740	43	15	
				75/75	720	43	15	
			$2,000,000	75/75	760	43	15	$500,000
				70/70	740	43	15	
			$2,500,000	65/65	760	43	24	
	Second Home	1 Unit	$1,000,000	70/70	740	43	12	$350,000
				65/65	720	43	12	
			$2,000,000	70/70	760	43	15	
				65/65	740	43	15	
			$2,500,000	60/60	760	43	24	

Program Code:	*Product Type:*
3000-41	**Jumbo 30 Year Fixed**

Continued

Minimum Loan Amount	• Must be $1 over the current Agency loan limit for the property County and State and number of units.
Appraisal Requirements	• Transferred appraisals are allowed on a case by case basis • Appraisal must be completed for the subject transaction. • Recertification of value is not allowed. If the appraisal is over 120 days old, a new full appraisal is required. • Collateral Desktop Analysis (CDA with accompanying MLS sheets ordered from Clear Capital or an approved alternative vendor, with a similar product, is required to support the value of the appraisal. I. If the CDA returns a value that is " Indeterminate" or if the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, then (1) of the following requirements must be met: ♦ A Clear Capital BPO)Broker Price Opinion) and a clear Capital Value Reconciliation, will be used for the appraised value of the property. ♦ A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. • If two (2) full appraisals are provided, a CDA is not required. • For properties purchased by the seller of the property within 90 days of the fully executed purchase contract the following requirements apply: ▪ Second full appraisal is required. ▪ Property seller on the purchase contract is the owner of record. ▪ Increases in value should be documented with commentary from the appraiser and recent paired sales. ▪ The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed- in lieu. • Higher-Priced Mortgage Loans (HPML) ▪ If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt. ▪ If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20% then a second full appraisal is required. Bank owned properties are not exempt. ▪ If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals. • Appraisal requirements based on loan amount: ▪ Loan amounts up to $1,500,000 requires 1 full appraisal ▪ Loan amounts more than $1,500,000 requires 2 full appraisals • When two (2) appraisals are required, the following applies: ▪ Appraisals must be completed by two (2) independent companies. ▪ The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value

	conclusion. ▪ Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled. ▪ If the two appraisals are done "subject to" and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon.
Assets:	• Beyond the minimum reserve requirements and to fully document the borrowers' ability to meet their obligations, borrowers should disclose all liquid assets. • Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs. Lender is responsible for verifying large deposits did not result in any new undisclosed debt. • Asset verification by a Fannie Mae approved asset validation provider is allowed in lieu of 2 months statements provided by the borrower. The asset verification must provide 60 days of account activity and include all items normally indicated on bank statements.
Construction to Permanent Financing	• The conversion of construction-to-permanent financing involves the granting of a long- term mortgage to a borrower for the purpose of replacing interim construction financing that the borrower obtained to fund the construction of a new residence. ▪ Note: Units in a condo or co-op project and manufactured housing are not eligible for construction-to-permanent • A single disbursement to a builder for the purchase of a completed property is not considered a conversion of construction-to-permanent financing transaction. This is considered a standard purchase transaction. • The borrower must hold title to the lot, which may have been previously acquired or purchased as part of the current transaction. The borrower must be the primary obligor on the mortgage or deed of trust note for the permanent financing. (Further requirements will apply)
Credit	**<u>All borrowers must have a minimum credit score of 700</u>** The representative score for each borrower is: • The middle score when three scores are obtained, or • The lower score when two scores are obtained • A minimum of two (2) credit scores must be available for each borrower. **<u>Tradeline Requirements</u>** • Minimum three (3) tradelines are required. The following requirements apply: ▪ tradeline must be open for twenty-four (24) months and active within the most recent six (6) months. ▪ remaining tradelines must be rated for twelve (12) months and may be opened or closed. **OR** • Minimum two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the last twenty-four (24) months and one (1) additional open tradeline. • Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not

	contributing income for qualifying purposes are not subject to minimum tradeline requirements.
	• Authorized user accounts are not allowed as an acceptable tradeline.
	• Non-traditional credit is not allowed as an acceptable tradeline.
	
	Disputed Tradelines:
	• All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute.
	• Derogatory accounts must be considered in analyzing the borrower's willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded.
	
	Mortgage History Requirements
	• If the borrower(s) has a mortgage history in the most recent twenty- four (24) months, a mortgage rating must be obtained. The mortgage rating may be on the credit report or a VOM. Applies to all borrowers on the loan.
	• No more than 0X30 in the last twenty four (24) months.
	• No notice of default (NOD) filed on any property in the past 7 years.
	• If the mortgage holder is a party to the transaction or relative of the
	
	Rental History Requirement:
	• If the borrower(s) has a rental history in the most recent twenty four (24) months, a VOR must be obtained. Applies to all borrowers on the loan.
	• No more than 0X30 in the last twenty four (24) months.
	• If the landlord is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory rent history is required; otherwise if not related or a party to the transaction a satisfactory VOR can be provided.
	
	Derogatory Credit
	• Bankruptcy (Ch. 7, 11 and 13), Short Sale, Deed-in-Lieu, Charge-off of Mortgage Accounts – None less than seven (7) years Foreclosure – None in the last seven (7) years
	• Judgment/Tax Lien/Collections/Charge-Offs
	  ▪ Judgments and Tax Liens must be paid
	  ▪ Medical collections are excluded regardless of amount
	  ▪ Any new charge-offs or non-medical collections within the last 12 months greater than $1,000 per trade line, or the cumulative amount is greater than $2,000, must be paid off.
	• Consumer Credit Counseling – Borrowers who have experienced credit or financial management problems in the past may have elected to participate in consumer counseling sessions to learn how to correct or avoid such problems in the future. Whether borrowers have or have not completed participation in the sessions before closing on the mortgage transaction is not relevant since it is the borrower's credit history that is of primary importance. (FNMA B3-5.2-01)
	• Disputed Accounts – Disputed accounts are reviewed to determine current balance and derogatory information (a 30-day or more delinquency) within 2 years prior to the credit report date:
	  ▪ Zero balance and no derogatory information – no action required

	▪ Zero balance and derogatory information - remove and pull new credit report ▪ A positive balance and no derogatory information– remove and pull new credit report ▪ A positive balance and derogatory information– remove and pull new credit report A credit supplement is not allowed to document disputed accounts.
Debt to Income Ratio (DTI)	• Maximum DTI: 43.00% • Non-Occupant Co-Borrowers with Blended Ratios: 43.00%
Disaster Declarations and Recertification	Whenever an area is declared a disaster area, the Federal Emergency Management Agency (FEMA) releases disaster declaration announcements. FEMA makes available individual and public assistance when a disaster occurs. If an area containing the subject property is eligible to receive individual assistance and/or public assistance, as designated by FEMA, the property will require a recertification of value as follows: An appraisal completed in an area after the disaster declaration was released • An appraisal completed in an area after the disaster declaration was released (incident date) does not require a recertification. Ideally, the appraiser will comment that the property is free from damage and the disaster had no effect on the property. • If the appraisal was completed prior to the disaster, at a minimum a re-inspection stating the property is free from damage and the disaster had no effect on the property value and marketability is required (including exterior photos of the property). • Payment for necessary re-inspections will be the responsibility of the borrower or seller Interior photos may be required on a case-by-case basis The re-certification must be obtained as promptly as possible (but not until after the disaster is active) in order to ensure a timely closing, funding (and purchase if applicable) of the loan.
Documentation	• All loans must be manually underwritten and fully documented. No documentation waivers based on AUS recommendations permitted. • Income calculation worksheet or 1008 with income calculation. Current Fannie Mae Form 1084, Freddie Mac Form 91 or equivalent is required for self-employment analysis. • Full income and asset verification is required. • All credit documents, including title commitment must be no older than ninety (90) days from the Note date. • All appraisals must be no older than 120 days from the Note date. Recertification of value is not allowed. A new appraisal is required. • Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (Regulation Z). • Residual income calculation must be provided and meet the residual income requirements indicated in the Income/Employment section of this guide. • If subject transaction is paying off a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed. • If the 1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral.
Eligible	• First-Time Homebuyer is defined as a borrower who has not owned

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<td>Borrowers</td>
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a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, first-time homebuyer requirements do not apply.
▪ Maximum loan amount is $1,500,000
  • 720 Minimum FICO score
  • Primary residence only
  • Maximum 80% LTV/CLTV/HCLTV
  • Minimum of twelve (12) months reserves
  • Maximum LTV/CLTV of 80%
• RESIDENT AND IMMIGRATION STATUS
Lawful permanent or nonpermanent residents of the U.S. are eligible borrowers under the same terms-mortgage product, transaction type, occupancy status and LTV ratios-that are available to U.S. Citizens.
• US Citizens
• Non-US Citizens
  ▪ Non-US Citizens who are lawful permanent or non-permanent residents of the United States, as defined by the INS, are eligible borrowers on loans purchased by Reliant Bank.
  ▪ Identification Requirements:
    • Non-US Citizens must provide non-expired official identification to confirm and document the applicant's immigration status
    • Documentation must include:
      ♦ Identification type and number
      ♦ Place of issuance
      ♦ and expiration dates

• Permanent Resident Aliens with evidence of lawful residency
  ▪ Must be employed in the US for the past twenty-four (24) months.
• Non-Permanent Resident Aliens must meet the following requirements:
  ▪ Must have an unexpired passport from their country of citizenship containing INS form I-94 which must be stamped Employment Authorized
  ▪ An Employment Authorization Card along with a copy of the Petition for Non-Immigrant Worker (form I-140) in file
  ▪ The borrower(s) must have a minimum of 2 years residency, with the likelihood of employment continuance for at least 3 years
  ▪ Owner Occupied only, Single Family, PUD, and Condo
  ▪ Visas accepted are H1B, H2B, L-1, E-1, E-2, O, R-1 and G Series
  ▪ Visa must have a minimum remaining duration of 2 years with a letter of intent from the employer to renew
  ▪ Borrower must have a 5 year history in the same line of work
  ▪ Borrowers with diplomatic immunity or A1, A2, A3 Visas are ineligible

• Non-Occupant Co-Borrowers are allowed with the following restrictions:
  ▪ Primary residence – One (1) Unit Property.
  ▪ Purchase and rate & term refinance transactions only.
  ▪ Max loan amount $1,000,000
  ▪ Max LTV/CLTV 80% (or less depending on program).
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	▪ No minimum down payment required from the occupant borrower, down payment and reserves may be from the occupant borrower or non-occupant co-borrower. ▪ Additional six (6) months reserves required. ▪ Non-occupant co-borrower must be a family member. ▪ Blended ratios allowed with a maximum 43% DTI. ▪ Transaction must be an arm's length transaction. • Inter Vivos Revocable Trust: An inter vivos (living) revocable trust is a trust that (i) an individual creates during his or her lifetime, (ii) becomes effective during its creator's lifetime, and (iii) can be changed or canceled by its creator at any time, for any reason, during that individual's lifetime. The Firm will accept vesting in an inter vivos revocable trust for a first lien mortgage that is secured by a one-family primary residence or a second home so long as the following eligibility criteria is satisfied. ▪ The inter vivos revocable trust must be established by a natural person. It may be established solely by one individual or jointly by more than one individual. ▪ No inter vivos revocable trusts that permit powers of attorney will be permitted. ▪ A copy of the fully executed trust agreement with all amendments must be provided to verify the terms of the trust. ▪ An inter vivos revocable trust will be considered eligible vesting if it meets the following requirements: ▪ The trust must be established by a written document during the lifetime of the individual establishing the trust, to be effective during his or her lifetime; ▪ The trust must be one in which the individual establishing the trust has reserved to himself or herself the right to revoke the trust during his or her lifetime; ▪ The primary beneficiary of the trust must be the individual establishing the trust. If the trust is established jointly by more than one individual, there may be more than one primary beneficiary; provided, that the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage. For owner–occupied properties, at least one individual establishing the trust must occupy the security property and sign all applicable mortgage loan documents; ▪ The trust document must name one or more trustees to hold legal title to, and manage, the property that has been placed in the trust. The trustees must include either the individual establishing the trust (or at least one of the individuals, if there are two or more) or an institutional trustee that customarily performs trust functions in (and is authorized to act as trustee under the laws of) the relevant state; and ▪ The trustee(s) must have the power to mortgage the security property for the purpose of securing a loan to the party (or parties) who are the "borrower(s)" under the mortgage or deed of trust note. • The property must be a one-family primary residence, second home • Title to the mortgaged property may be vested: (i) solely in the trustee(s) of the inter vivos revocable trust, or, (ii) jointly in the trustee(s) of the inter vivos revocable trust and in the name(s) of the individual borrower(s), or, (iii) in the trustee(s) of more than one inter vivos revocable trust;

	• The title insurance policy (or ownership report, where applicable) must ensure full title protection to the Seller and must state that title to the mortgaged property is vested in the trustee(s) of the inter vivos revocable trust. Moreover, the title insurance policy must not list any exceptions with respect to the trustee(s) holding title to the mortgaged property or to the trust; • Title held in the trust must not diminish the mortgagee's rights as a creditor, including the right to have full title to the security property vested in the mortgagee should foreclosure proceedings have to be initiated to cure a default under the terms of the related mortgage; and • The mortgage must be underwritten as if the individual establishing the trust (or at least one of the individuals, if there are two or more) were the borrower (or a co-borrower).

Eligible Occupancy Types	• Primary residences for 1 unit (SFR, condo, townhome or PUD) property.
	• Second home residences for one (1) unit(SFR, condo, townhome or PUD) property.
	  ▪ Must be a reasonable distance away from borrower's primary residence.
	  ▪ Must be occupied by the borrower for some portion of the year.
	  ▪ Must be suitable for year-round use.
	  ▪ Must not be subject to a rental agreement and borrower must have exclusive control over the property.
	  ▪ Any rental income received on the property cannot be used as qualifying income.

Product	Fixed Rate Loan: • 30 year fixed rate fully amortizing.

Eligible Properties	• 1 Unit Owner Occupied Properties
	• 1 Unit Second Homes
	• Condominiums – Attached – Warrantable
	  ▪ Limited review allowed for attached units in established condominium projects:
	  ▪ Eligible transactions as per Fannie Mae guidelines.
	  ▪ CPM or PERS allowed
	  ▪ Full Review allowed. Warranty to Fannie Mae full review guidelines
	  ▪ Projects with 2-4 units – no condominium review or condominium warranty is required. Fannie Mae basic requirements apply.
	  ▪ Condominium documents to support condominium eligibility review must be no older than 120 days from Note date. Condominiums – Detached (including site condominiums)
	  ▪ No condominium review or condominium warranty is required. Fannie Mae basic requirements apply. Cooperatives
	• Modular homes
	• Planned Unit Developments (PUDs)
	• Properties with <= 10 Acres
	  ▪ Maximum land value 35%
	  ▪ No income producing attributes
	  ▪ Properties with large acreage are eligible property types provided the property is non-agricultural, not zoned as rural, and no larger than ten (10) acres. It must be determined that the property is legal, conforming, and relatively common for the area. The appraisal must indicate that the current use of the property is "Highest and Best", and includes at least one

	comparable similar in style, size, design and acreage (but no more than ten (10) acres). • Properties Subject to Existing Oil/Gas Leases must meet the following: ♦ Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease. ♦ No active drilling. Appraiser to comment or current survey to show no active drilling. ♦ No lease recorded after the home construction date. Re-recording of a lease after the home was constructed is permitted. ♦ Must be connected to public water. **NOTE:** Properties that fall outside these parameters can be considered on an exception basis. **Miscellaneous**: Properties with leased solar panels must meet Fannie Mae requirements.
Escrow Holdbacks	• Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase.
Financing / Seller Concessions	• Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction. The following restrictions for interested party contributions apply: ▪ May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves. ▪ Maximum interested party contribution is limited to 6% for primary and second home transactions with LTVs ≤80%. • All seller concessions must be addressed in the sales contract, appraisal and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, financing concessions) or any amounts not being used for closing costs or prepaid expenses.
Income / Employment	General Documentation Requirements: • Residual Income Calculation required. All loans must meet the a minimum of $3,000 per month in residual income. Residual income equals Gross Qualifying Income less Monthly Debt (as included in the debt-to- income ratio). • Tax transcripts for personal tax returns for two (2) years are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. • W-2 transcripts for two (2) years are required to validate W-2 wages if tax transcripts are not provided and the borrower does not have any other income source or loss. The following W-2 type earnings will require tax transcripts: ▪ Borrower with commission-based income that is greater than 25% of borrower's total pay. ▪ Borrower employed by family. ▪ Borrower with ownership in company. • Income calculation worksheet or 1008 with income calculation. The Fannie Mae 1084, or Freddie Mac Form 91 or equivalent is required for self-employment analysis. The most recent Form 1084 or Form 91 should be used based on application date. Instructions per Form

	1084 or Form 91 must be followed. ▪ Copy of liquidity analysis must be included in the loan file if the income analysis includes income from boxes 1, 2 or 3 on the K-1 that is greater than distributions indicated on the K-1. ▪ If a liquidity analysis is required and the borrower is using business funds for down payment or closing costs, the liquidity analysis must consider the reduction of those assets. • Paystubs must meet the following requirements: ▪ Clearly identify the employee/borrower and the employer. ▪ Reflect the current pay period and year-to-date earnings. ▪ Computer generated. • Paystubs issued electronically via email or internet, must show the URL address, date and time printed and identifying information. • Year-to-date pay with most recent pay period at the time of application and no earlier than ninety (90) days prior to the Note date. • W-2 forms must be complete and be a copy provided by the employer. • Verification of Employment Requirements below apply when income is positive and included in qualifying income: ▪ Verbal Verification of Employment (VVOE) must be performed no more than three (3) business days prior to the Note date. The Verbal VOE should include the following information for the borrower: • Date of contact • Name and title of person contacting the employer • Name of employer • Start date of employment • Employment status and job title • Name, phone #, and title of contact person at employer • Independent source used to obtain employer phone number ▪ Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than thirty (30) calendar days prior to the Note date. • Third party verification can be from a CPA, regulatory agency or applicable licensing bureau. A borrower's website is not acceptable third-party source. • Listing and address of the borrower's business Name and title of person completing the verification and date of verification. ▪ Written Verification of Employment may be required for a borrower's income sourced from commissions, overtime and or other income when the income detail is not clearly documented on W-2 forms or paystubs. Written VOEs cannot be used as a sole source for verification of employment, paystubs and W-2s are still required. • Tax Returns must meet the following requirements when used for qualifying: ▪ Personal income tax returns (if applicable) must be complete with all schedules (W-2 forms, K-1s etc.) and must be signed and dated on or before the closing date. ▪ Business income tax returns (if applicable) must be complete with all schedules and must be signed. ▪ Tax transcripts must be provided to support tax returns.
Unacceptable Income Sources	Unacceptable Sources of Income: • Any unverified source • Deferred compensation

	• One-time occurrence income
	• Rental income from primary residence – One (1) unit property or one unit property with accessory unit
	• Rental income from second home
	• Retained earnings
	• Education benefits
	• Trailing spouse income
	• Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying:
	  ▪ Foreign shell banks
	  ▪ Medical marijuana dispensaries
	  ▪ Any business or activity related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law.
	  ▪ Businesses engaged in any type of internet gambling.

Ineligible Borrowers	• Borrowers with diplomatic status • Foreign National Borrowers • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, except for Illinois Land Trust • Borrowers with any ownership in a business that is federally illegal, regardless if the income is not being considered for qualifying
Ineligible Products and Features	• High Cost Loans (Federal, State or Local) • Non-Standard to Standard Refinance Transactions (ATR Exempt) • Balloons • Negative Amortization • Graduated Payments • Temporary Buy Downs • Loans with Prepayment Penalties • Convertible ARMs
Ineligible Properties	• Condotels • Manufactured Homes/Mobile Homes • Mixed-use properties Model Home • Leasebacks Properties with condition rating of C5/C6 • Properties with construction rating of Q6 • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained • Properties >10 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards
Liabilities	Liability Requirements: • The monthly payment on revolving accounts with a balance must be included in the borrower's DTI, regardless of the number of months remaining. If the credit report does not reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of $10 or 5%. • If the credit report reflects an open-end or net thirty (30) day account, the balance owing must be subtracted from liquid assets.

	• Loans secured by financial assets (life insurance policies, 401(k), IRAs, CDs, etc.) do not require a payment to be included in the DTI if documentation is provided to show the borrower's financial asset as collateral for the loan.
	• For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower's monthly debt obligation.
	  ▪ If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying.
	  ▪ If the credit report does not provide a monthly payment or if it shows $0 as the monthly payment, the monthly payment may be one of the options below:
	    • Loan payment indicated on student loan documentation indicating monthly payment is based on income-driven plan.
	    • For deferred loans or loans in forbearance:
	      ♦ 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or
	      ♦ A fully amortizing payment using the documented loan repayment terms
	• HELOCs with a current outstanding balance with no payment reflected on the credit report may have the payment documented with a current billing statement. HELOCs with a current $0 balance do not need a payment included in the DTI unless using for down payment or closing costs.
	• Lease payments, regardless of the number of payments remaining must be included in the DTI.
	• Installment debts lasting ten (10) months or more must be included in the DTI.
	• Alimony payments may be deducted from income rather than included as a liability in the DTI.
	• If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date.
	
	Contingent Liabilities:
	• Co-Signed Loans: The monthly payment on a co-signed loan may be excluded from the DTI if evidence of timely payments made by the primary obligor (other than the borrower) is provided for the most recent twelve (12) months and there are no late payments reporting on the account.
	• Court Order: If the obligation to make payments on a debt has been assigned to another person by court order, the payment may be excluded from the DTI if the following documents are provided.
	  ▪ Copy of court order.
	  ▪ For mortgage debt, a copy of the document transferring ownership of property.
	  ▪ If transfer of ownership has not taken place, any late payments associated with the repayment of the debt owing on the mortgage property should be considered when reviewing the borrower's credit profile.
	• Assumption with No Release of Liability: The debt on a previous mortgage may be excluded from DTI with evidence the borrower no longer owns the property. The following requirements apply:
	    • Payment history showing the mortgage on the assumed

	property has been current during the previous twelve (12) months or • The value on the property, as established by an appraisal or sales price on the HUD-1/CD results in an LTV of 75% or less.
LTV/CLTV/HCLTV Calculation for Refinances	• If subject property is owned more than twelve (12) months, the LTV/CLTV/HCLTV is based on the current appraised value. The twelve (12) month time frame may be based on subject transaction Note date • If subject property is owned more than six (6) months but less than twelve (12) months, LTC/CLTV/HCLTV is based on the subject purchase price plus documented improvements. • If subject property is owned less than six (6) months the LTV/CLTV/HCLTV is based on the subject purchase price. • See matrix/rate sheet for cash out limits.
Multiple Financed Properties	• The number of 1-4 unit financed properties, including the borrower's primary residence and subject property are limited to a maximum of four (4) properties. • Borrower(s) limited to four (4) 1-4 unit residential property loans with Reliant Bank, and not to exceed $5,000,000.
New York Subprime Law	*New York – Subprime Home Loans: Loans That meet the definition of a subprime home loan under New York law are not eligible. **Furthermore, Lenox / WesLend will not purchase loans in New York for Primary residences, 1-4 unit properties, that meet the Fannie Mae conforming loan limits (to include High Balance loan amounts in certain high cost counties).** See FHFA Conforming Limits site: http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx As a reminder, the following loans are not included in the New York subprime definition: • Primary residence, 1-4 unit properties, when loan amounts that are $1 or more above the conforming limits (which include high balance loan amounts in certain high cost counties) • Second homes – any loans amount
Non-Arm's Length Transactions	A non-arm's length transaction exists whenever the borrower has a personal or business relationship with parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party. The following non-arm's length transactions are eligible: • Family sales or transfers • Property seller acting as their own real estate agent • Relative of the property seller acting as the seller's real estate agent • Borrower acting as their own real estate agent • Relative of the borrower acting as the borrower's real estate agent • Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file. • Originator is related to the borrower • Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord). • Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity. Real estate agents may

	apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations. • Non-arm's length transactions may be acceptable on an exception basis.
Properties Listed for Sale	• Properties currently listed for sale (at the time of application) are not eligible. • Properties listed for sale within six (6) months of the application date are acceptable if the following requirements are met. ▪ Rate and Term refinance only. ▪ Primary and second homes only. ▪ Documentation provided to show cancellation of listing. ▪ Acceptable letter of explanation from the borrower detailing the rationale for cancelling the listing. • Cash-out refinances are not eligible if the property was listed for sale within twelve (12) months of the application date.
Qualifying Rate and Ratios	Qualifying Rate: • Fixed Rate loans qualify at the not rate.
Refinance Transactions	Rate and Term Refinance: • The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items. ▪ If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed $2000 in the most recent twelve (12) months. ▪ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months. ▪ A seasoned equity line is defined as not having draws totaling over $2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history. ▪ Max cash back at closing is limited to 1% of the new loan amount. • Properties inherited less than twelve (12) months prior to application date can be considered for a Rate and Term refinance transaction if the following requirements are met: ▪ Must have clear title or copy of probate evidencing borrower was awarded the property. ▪ A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries. ▪ Borrower retains sole ownership of the property after the pay out of the other beneficiaries. ▪ Cash back to borrower not to exceed 1% of loan amount. Delayed Purchase Refinancing is allowed with the following requirements: • Property was purchased by borrower for cash within six (6) months of the loan application. • HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property. • Preliminary title reflects the borrower as the owner and no liens. Funds used to purchase the property are fully documented and sourced and must be the borrower's own funds (no gift funds or business funds). • Funds drawn from a HELOC on another property owned by the borrower, funds borrowed against a margin account or funds from a

	401(k) loan are acceptable if the following requirements are met: ▪ The borrowed funds are fully documented ▪ The borrowed funds are reflected on the Closing Disclosure (CD) as a payoff on the new refinance transaction • LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas. Cash Out Refinance Requirements: • Borrower must have owned the property for at least six (6) months. If the property is owned free and clear and six (6) month seasoning is not met, refer to Delayed Purchase Refinancing section above. • Maximum cash-out limitations include the payoff of any unsecured debt, unseasoned liens and any cash in hand. ▪ Cash Out Limits • Cash out is defined as net proceeds distributed directly to the borrower, net of customary fees, prepayment fees and other related closing costs. • Cash out is limited to $500k if subject property is lien free. • Refer to matrix for maximum cash out allowed. • Inherited properties may not be refinanced as a cash-out refinance prior to twelve (12) months ownership. See Rate and Term Refinances for requirements. • Cash-out refinances where the borrower is paying off a loan from a pledged asset/retirement account loan, secured loan, unsecured family loan or replenishing business funds used to purchase the property, the following guidelines apply: ▪ Cash-out limitation is waived if previous transaction was a purchase. ▪ Seasoning requirement for cash-out is waived (borrower does not have to have owned for six (6) months prior to subject transaction). ▪ Funds used to purchase the subject property must be documented and sourced. ▪ HUD-1/CD for subject transaction must reflect payoff or pay down of pledged asset/retirement account loan, secured loan, unsecured family loan or business asset account. If cash- out proceeds exceed payoff of loans, excess cash must meet cash-out limitations. ▪ The purchase must have been arm's length.
Refinance Continuity of Obligation	When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements has been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible: • The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: ▪ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or • Is related to the borrower on the mortgage being refinanced. • The borrower on the new refinance transaction was added to title twenty-four (24) months or more prior to the disbursement date of the new refinance transaction. • The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution

	of a domestic partnership. • The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: ▪ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer. ▪ The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan. **NOTE:** Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.
Secondary Financing	• Institutional Financing only. Seller subordinate financing not allowed. • Subordinate liens must be recorded and clearly subordinate to the first mortgage lien. • If there is or will be an outstanding balance at the time of closing, the monthly payment for the subordinate financing must be included in the calculation of the borrower's debt-to-income ratio. • Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms. The following are acceptable subordinate financing types: ▪ Mortgage terms with interest at market rate. ▪ Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization. • Employer subordinate financing is allowed with the following requirements: ▪ Employer must have an Employee Financing Assistance Program in place. ▪ Employer may require full repayment of the debt if the borrower's employment ceases before the maturity date. • Financing may be structured in any of the following ways: ♦ Fully amortizing level monthly payments ♦ Deferred payments for some period before changing to fully amortizing payments ♦ Deferred payments over the entire term. ♦ Forgiveness of debt over time ♦ Balloon payment of no less than five (5) years, or the borrower must have sufficient liquidity to pay off the subordinate lien. • LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing.
Texas 50(a)(6) Refinance (Texas Equity Loans)	• Allowed (30 Year fixed rate only)
Traditional Verified Income / Employment	• Stable monthly income must meet the following requirements to be considered for qualifying: ▪ Stable - two (2) year history of receiving the income ▪ Verifiable ▪ High probability of continuing for at least three (3) years ▪ **Declining Income:** When the borrower has declining income, the most recent twelve (12) months should be used. In certain cases, an average of income for a longer period may be used when the decline is related to a one-time capital expenditure and proper documentation is provided. In all cases, the decline in income must be analyzed to determine if the rate of decline

	would have a negative impact on the continuance of income and the borrower's ability to repay. The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying. • Gaps in Employment: A minimum of two (2) years employment and income history is required to be documented. ▪ Gaps more than sixty (60) days during the past two (2) years require a satisfactory letter of explanation and the borrower must be employed with their current employer for a minimum of six (6) months to include as qualifying income.