

SECTION 1: MATRIX:

<i>Investment – Fixed and ARM</i>				
<i>Purchase and Rate Term Refinance^{1,2}</i>				
<i>Occupancy</i>	<i>FICO</i>	<i>DTI</i>	<i>LTV</i>	<i>Max. Loan Amount</i>
Investment	660	≤ 43%	85%	\$1,500,000
Investment	620	≤ 43%	80%	\$1,500,000
Investment	620	≤ 43%	75%	\$1,750,000
Investment	620	≤ 43%	70%	\$2,000,000
<i>Investment – Fixed and ARM</i>				
<i>Cash-Out Refinance³</i>				
<i>Occupancy</i>	<i>FICO</i>	<i>DTI</i>	<i>LTV</i>	<i>Max. Loan Amount</i>
Investment	640	≤ 43%	80%	\$1,000,000

Notes:

1. Delayed Financing may be underwritten and priced as a rate term refinance. Maximum LTV per Matrix. Maximum loan amount per Matrix. Rate term cash back amount restrictions do not apply.
2. For Rate Term transactions, maximum cash back amount is \$2,000.
3. For Cash-Out transactions, maximum cash back amount is \$350,000.

<i>Investment Reserves</i>		
<i>Occupancy</i>	<i>LTV</i>	<i># of Months PITI</i>
Investment	> 80%	9 Months
Investment	≤ 80%	6 Months
Additional Reserves for Each Financed Property	N/A	6 Months

HIGHLIGHTS:

- Unlimited number of financed properties
- Model Home Leaseback allowed
- Higher than Agency allowed Seller Contributions
- Higher than Agency allowed loan amounts

SECTION 2: Products:

PROGRAM CODES:

<i>Investment Alternative</i>	
30 Year Fixed	9261-21
5/1 ARM	9761-21

SECTION 3:	Parameters and Underwriting:
MINIMUM LOAN AMOUNT	\$100,000
MAXIMUM LOAN AMOUNT	\$2,000,000 <i>(Maximum loan amount may be lower depending on loan parameters. Please see matrix for details.)</i>
ALLOWABLE TERMS	30 Year Fixed 5/1 ARM
ARM Caps	5/1 : 2/2/6
ARM INDEX	1 Year LIBOR
ARM MARGIN & FLOOR RATE	5.00%
QUALIFICATION	30 Year fixed <ul style="list-style-type: none"> • Must be qualified at Note Rate 5/1 ARM <ul style="list-style-type: none"> • Qualified at the higher of the fully indexed rate or note rate based on a fully amortizing principal and interest payment
ASSUMABILITY	<ul style="list-style-type: none"> • Allowed on ARM products per Fannie Mae
HIGHER PRICED MORTGAGE LOANS (HPML)	Allowed – Portfolio loans that exceed the federal higher priced mortgage loan (“HPML”) threshold and/or are classified as QM Rebuttable Presumption Loans, must comply with all HPML and Ability to Repay regulations.
SUBORDINATE FINANCING	New and existing subordinate financing is not allowed.
PURCHASE	Model Home Leaseback <ul style="list-style-type: none"> • Allowed • The Purchase contract may include an addendum for a Model Home Leaseback with the following restrictions: <ul style="list-style-type: none"> ▪ Only allowed for the borrower to lease back the model home to the builder. ▪ The borrower may not be the builder or employed by the builder. ▪ The leaseback is limited to 180 days. ▪ If any modifications to that property are needed, the leaseback must include a builder provision to convert the home back to a livable space within 180 days. ▪ A post close condition to the file for a 1004D for any modifications to the home, such as converting the office back into a garage.

	<p><u>Flip Transactions:</u></p> <ul style="list-style-type: none"> • Non-HPML Flipping Guidelines <ol style="list-style-type: none"> 1. Properties acquired by the seller within 90 days preceding the current sales contract are acceptable provided the increase in the sales price is less than 20%. 2. Properties with a sales increase of 20% or more require either a Collateral Desktop Analysis (CDA) or Desk Review to support the increase in Value. <ul style="list-style-type: none"> • If the value increase is due to recent renovations or improvements, the appraiser must supply interior photos of the renovations and comment on the cost of repairs/renovations, and likely contribution to the value increase. • Receipts, building permits and/or signed contracts must be submitted. 3. Properties acquired by the seller > 90 days preceding the current sales contract and the price has increased 20% or more must be justified. <ul style="list-style-type: none"> • If the value increase is due to recent renovations or improvements, the appraiser must supply interior photos of the renovations and comment on the cost of the repairs/renovations, and likely contribution to the value increase. • Receipts, building permits and/or signed contracts must be submitted. • HPML Flipping Guidelines: Applies to loans exceeding the Higher Priced Mortgage Loan threshold under 1026.35: <ol style="list-style-type: none"> 1. Sales within 0-90 days of seller's acquisition and purchaser price increased > 10% 2. Sales within 91-180 days of the seller's acquisition and purchase price increased > 20% an additional appraisal with an interior inspection of the subject property is required (borrower cannot be charged for the 2nd appraisal)
<p>RATE TERM REFINANCE</p>	<ul style="list-style-type: none"> • Payoff of a non-purchase money closed end and HELOC 2nd liens will be considered a rate/term refinance if they are seasoned > 12 months and the draw on the HELOC is not greater than \$2,000 within the last 12 months. • Payoff of a home improvement junior lien that is seasoned less than a year subject to the following restrictions: <ol style="list-style-type: none"> 1. A final inspection is required if the appraisal is made subject to completion of the improvements. 2. If completed, improvements must have been completed within the 12 months prior to the loan application, and the appraisal must note the improvements being made. 3. Closing costs, financing costs, and pre-paid costs may be financed. • Cash back to the borrower in a n amount no greater than \$2,000.00 • There is zero cash back allowed fore rate/term refinance transactions on primary/homestead residences in the state of Texas. • No seasoning of first mortgage • If a borrower owns the property for less than one year, the valuation utilized to calculate the loan-to-value ratio will be the lesser of the purchase price paid by the borrower for such property OR the appraised value of the property, unless both the Appraisal and the underwriter provide substantial evidence of either: <ul style="list-style-type: none"> ▪ A rehabilitation of the property that demonstrates sound reasoning behind using the then current appraised value or ▪ Other evidence to support the increase over the purchase price. • Refinancing a first lien that was previously a cash-out refinance requires the loan to be seasoned for a minimum of 12 months in order to be considered a rate/term refinance. • Properties Listed for Sale: The listing agreement must be canceled at least six months prior to the application date. A copy of the canceled/expired listing should be placed in the file and a search of the current multiple listing service should be completed to verify that the property is not currently listed by a different agency. • NY CEMA rate/term refinance transactions are allowed. • Evidence of continuity of obligation is not required; evidence that the borrower is the owner of record on title is required.

<p>DELAYED FINANCING</p>	<ul style="list-style-type: none"> • Borrowers who purchased the subject property within the past 12 months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a rate/term refinance if all of the following requirements are met. • Underwritten as a Rate/Term • Note: if the appraiser denotes a declining market, the transaction must be treated as a cash-out refinance transaction. • The original purchase transaction was an arms-length transaction. • The original purchase transaction is documented by a HUD-1/Closing Disclosure, which confirms that no mortgage financing was used to obtain the subject property. (A recorded trustee’s deed [or similar alternative] confirming the amount paid by the grantee to trustee may be substituted for a HUD-1/Closing Disclosure if a HUD-1/Closing Disclosure was not provided to the purchaser at time of sale.) The preliminary title search or report must confirm that there are no existing liens on the subject property. • The sources of funds for the purchase transaction are documented (such as a bank statement, personal loan documents, or a HELOC on another property). • If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject (such as a HELOC secured by another property), the HUD-1/Closing Disclosure for the refinance transaction must reflect that all cash-out proceeds used to pay down, if applicable, the loan (unsecured or secured by an asset other than the subject property) used to purchase the property. Any payments on the balance remaining from the original loan must be included in the DTI calculation for the refinance transaction. Note: Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan. • The new loan amount can be no more than the actual documented amount of the borrower’s initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan.
<p>CASH-OUT REFINANCE</p>	<ul style="list-style-type: none"> • Borrower must have owned the property for a minimum of 6 months (date vested on title to note date). • All liens on the property must be seasoned six months in order for the loan to be eligible for a cash-out refinance transaction. • Property owned < 12 months (measured from the HUD-1/Closing Disclosure closing date to the application date of the new loan): The LTV is based on the lesser of the appraised value or the sales price plus any documented improvement cost. • Properties listed for sale: The listing agreement must be canceled at least six months prior to the application date. A copy of the canceled/expired listing should be placed in the file and a search of the current multiple listing services should be completed to verify that the property is not currently listed by a different agency. • Cash back to the borrower in amount no greater than \$350,000. • The maximum cash out limit is the aggregate amount between debt being paid off (including non-purchase money 2nds) and cash in hand. • Cash out may not be used to pay down debt to qualify for the loan. • Evidence of continuity of obligation is not required; Evidence that the borrower is the owner of record on title is required. • NY CEMA cash-out refinance transactions are allowed.
<p>ELIGIBLE BORROWERS</p>	<ul style="list-style-type: none"> • United States Citizens, • Permanent Resident Aliens • Maximum number of borrowers is 4. • Borrowers with diplomatic immunity – not allowed
<p>INTER VIVOS / LIVING TRUST</p>	<p>Living (“inter-vivos”) trusts must comply with local state regulations and the following requirements to be eligible for financing:</p> <ul style="list-style-type: none"> • The settler, or the person who created the trust and • The beneficiary, or the person who is designated to benefit from the trust, and

	<ul style="list-style-type: none"> The trustee or the person who will administer the trust for the benefit of the beneficiary, the borrower. <p>The following documentation is required:</p> <ul style="list-style-type: none"> The trust was validly created and is duly existing under applicable law, Attorney’s Opinion Letter from the borrower’s attorney verifying all of the following: <ul style="list-style-type: none"> The trust is revocable, The borrower is the settler of the trust and the beneficiary of the trust. The trust assets may be used as collateral for a loan, The trustee is: <ul style="list-style-type: none"> Duly qualified under applicable law to serve as trustee, The borrower, The settler, Fully authorized under the trust documents and applicable law to pledge, or otherwise encumber the trust assets. A complete copy of the trust documents certified by the borrower to be accurate, or a copy of the abstract or summary for jurisdictions that require a lender to review and rely on an abstract or summary of trust documents instead of the trust agreements must be provided in the loan file.
<p>NUMBER OF OTHER FINANCED PROPERTIES</p>	<ul style="list-style-type: none"> Unlimited Maximum 5 financed properties with WesLend Landlord History: Borrowers with <12 month history of managing multiple investment properties are limited to 4 acquired properties in the last 12 months.
<p>UNDERWRITNG</p>	<p>Loans must be manually underwritten. Loan amounts \leq confirming/high balance loan limits must run through AUS to determine if WesLend Investment Alternative product meets the borrower’s best execution. Loan is ineligible if the borrower qualifies for an Agency product unless the property is a Non-Warrantable Condo.</p>
<p>CREDIT REQUIREMENTS</p>	<p><u>Credit Score:</u></p> <ul style="list-style-type: none"> Residential mortgage Credit Report or tri-merged in file from all three repositories required. Credit disputes must be removed. The representative credit score for each borrower is the median of the three scores (or lesser of two, if only two scores are returned); the representative score for the loan is that of the borrower with the lowest representative score. Each Borrower must have a minimum of 2 open tradelines (installment, revolving, mortgage, etc.) that have been reporting for a minimum of 12 months. Joint accounts count as one tradeline for each borrower. <ul style="list-style-type: none"> 1 of the 2 must be open and active within the last 12 months. <p>Note: Authorized User Accounts cannot be used to satisfy minimum trade line of FICO requirement.</p>

CREDIT EVENTS	Credit Event	Seasoning Period
	Housing History	0x30 Last12 Months
	Bankruptcy	24 months from application date.
	Housing Event	24 months from application date
	Multiple Housing Events	1 event within the most recent 48 months
	Judgements or Liens	Affecting title must be paid prior to or at closing.
	Charge-offs and Collections	Exceeding \$1,000 (either in individually or in aggregate) must be paid off.
	Medical Collections	<ul style="list-style-type: none"> If the aggregate balance is \leq \$2,000, the balance does not need to be paid off prior to close If the aggregate balance is $>$ \$2,000 \leq \$5,000, the borrower is not required to pay off the collection but is required to have a 5% payment included in the DTI calculation based upon the balance reported on the credit report $>$\$5,000, the borrower is required to pay off the collection prior to closing with proof paid provided.
	Student Loan Collections	If the aggregate balance is \leq \$25,000, the borrower is not required to pay off the collection but is required to have a 5% payment (or actual payment if on payment plan) included in the DTI calculation based upon the balance reported on the credit report.
	Past Due accounts	All past due accounts must be brought current prior to closing. Excluding medical collections and student loan collections that meet the above parameters
<p>Note:</p> <ul style="list-style-type: none"> Borrowers with a history of collection accounts will be required to pay off derogatory accounts.. <p><u>Multiple Derogatory Housing Events:</u></p> <ul style="list-style-type: none"> If there are multiple derogatory housing events tied to a bankruptcy, such as properties that were included in the bankruptcy, that reported pre-foreclosure, foreclosure, deed-in-lieu or short sale on the credit report, WesLend would consider the Bankruptcy a single event. A derogatory housing event (as defined above) that occurs within 24 months of a Chapter 7 Bankruptcy and is the result of the same event it should be viewed as a single derogatory housing event so long as the borrower had only one housing event. WesLend has discretion to determine that a bankruptcy linked with a single event, regardless of time, or that multiple housing events that occurred on the same property within 24 months may be viewed as a single derogatory housing event so long as there is a satisfactory letter of explanation (LOE) included in the loan file. Two or more borrowers with individual 1 time credit events are not cumulative, and do not constitute as multiple derogatory housing events. <u>Multiple derogatory housing events are allowed if the most recent event is seasoned per credit event matrix found in this summary.</u> 		
STUDENT LOAN OBLIGATIONS	<p>Student loan payments may be excluded with written evidence that the debt will be deferred for a period outside the 12 month timeframe. Repayment amount should be determined based on the actual documented payment (either from the credit report, obtained from the student loan lender, or supplied by the borrower). If the borrower is following an income-driven repayment plan (“IDR”), the IDR monthly payment amount must be used.</p>	

RATIOS	Maximum 43% DTI (<i>Maximum DTI requirement may be lower depending on loan parameters. Please matrix for details</i>)
RESIDUAL INCOME	<ul style="list-style-type: none"> All loans are required to be validated thru the WesLend Financial Residual Income Calculator and verified with the Residual Income Table. The Residual income must be equal to or more than the minimum requirement per the Residual Income Table. Loans that fail to meet the minimum requirements are not eligible for loan approval. <p><u>Residual Income Calculation:</u></p> <ul style="list-style-type: none"> Add all proposed housing costs, including monthly mortgage payments, insurance, and taxes or the monthly escrow account charges. Also include the estimate of monthly utility charges, such as electricity, water, and if applicable heating oil or natural gas. For estimated maintenance and utilities, multiply the square feet living area of the property by \$0.14 Add total monthly payments that the borrower makes for car loans, credit cards, alimony, child support and other regularly recurring monthly debts. Add the proposed housing costs and monthly payments together. Subtract the combined total of the proposed housing costs and monthly payments from the monthly gross income, and if applicable spouse's gross income.
EMPLOYMENT & INCOME	<p>Verify most recent two full years of employment.</p> <ul style="list-style-type: none"> Explain any gaps in employment that span one or more months / and Indicate if the borrower was in school or the military for the recent two full years, providing evidence supporting this claim, such as collet transcripts, or discharge papers <p><u>Salaried Borrowers:</u> A minimum history of two years of employment income is recommended, however, income that has been received for a shorter period of time may be considered as acceptable income, as long as the borrower's employment profile demonstrates that there are positive factors to reasonably offset the shorter income history.</p> <p><u>Bonus / Overtime Income:</u> Borrower should have received this type of income for the past two years and income documentation submitted for the loan must not explicitly indicate that Bonus / Overtime income is likely to stop.</p> <p><u>Commission Income:</u> A commissioned borrower is one who receives more than 25% of their annual income from commissions. Generally, the Borrower must have received this income for the past two years and that the income will likely continue.</p> <p><u>Part-time Income:</u> Part-time income refers to employment taken to supplement the borrower's regular employment (i.e. not primary job and worked less than 40 hours). Generally, the Borrower must have received this income for the past two years and will likely continue.</p> <p><u>Seasonal Employment:</u> Seasonal income is considered uninterrupted, as long as the borrower has constant history of seasonal income, and can be used to qualify the borrower. Verify employment during the last two years.</p> <p><u>Self Employed Definition:</u> A borrower with either 25% or greater ownership interest in a business or earns 100% of income from a self-employed entity but has < 25% ownership (excluding dominion partnerships and W-2 employees) is considered self-employed . Income from self-employment is generally considered stable if the borrower has been self- employed for two or more years.</p>

	<p>Rental Income:</p> <ul style="list-style-type: none"> • If the property was acquired subsequent to the most recent tax filing year, a signed lease agreement should be used to calculate qualifying rental income. • Rental income should be calculated using the 1040 tax return (schedule E) information. • Rental income derived from a multiple unit subject property where the borrower resides in on or more units and charges rent to tenants of other units may be used for qualifying purposes. • Rental income derived from subject property can be used as effective income for both purchase and refinance transactions. Rental income derived from the subject property on a purchase transaction is allowed, as long as the borrower currently owns another property. The following documentation is required: <ol style="list-style-type: none"> 1. New signed lease and / or 2. Transfer of existing lease. <p>NOTE: Rental income must be supported by a market rent analysis from applicable appraisal form. The lower of the two amounts (market rent vs lease amount) must be used for qualification.</p>
<p>INELIGIBLE INCOME</p>	<ul style="list-style-type: none"> • Asset dissipation • Asset depletion • Educational benefits, such as VA benefits or scholarships • Lump sum payments such as inheritances or lawsuit settlements (may be verified as assets to close) • Payments that are received for purchase or reimbursement of specified items. • Retained earnings • Reverse mortgage loan proceeds • Secondary income that will continue for less than three years. • Taxable forms of income that the borrower does not declare on federal income tax returns. • Unverifiable income • Value of a company furnished automobile • Value of employment benefit packages that are not received as cash wages • Lump sum payments of lottery earnings that are not ongoing • Non-borrower spouse income • Student loans / grants • Allowance income (for example, an allowance received from a family member) • Stock options • Room and board received for the borrower's principal residence • Severance Pay • Trailing wage earner income • Projected income • Marijuana Related Business (MRB) employment and income.
<p>4506T / TAX TRANSCRIPTS:</p>	<ul style="list-style-type: none"> • IRS Form 4506T is required to be signed and executed during the origination process, and transcript documentation for the most recent two years must be provided. • For Self-employed borrowers, this applies to both personal returns and business returns (for business where borrower has 25% ownership) • Full 1040 tax transcripts for all years of income received must match W2s and signed tax returns. • Income not used in the Qualifying income (either as income or liability) should not require IRS transcripts. • Form 4506T must also be signed at closing.

<p>VERBAL VERIFICATION OF EMPLOYMENT And WRITTEN VERIFICATION OF EMPLOYMENT (When required)</p>	<p>Document as follows:</p> <ul style="list-style-type: none"> • Within 10 business days prior to the closing date for employment income. • Within 30 calendar days prior to the closing date for self-employment income (VVOE for self-employed income should include verification of a phone listing and address for the borrower’s business AND verification through a third party such as a CPA, regulatory agency or applicable licensing bureau. If contact is made verbally, the loan file must be documented to identify both the source of the information obtained and the name and title of the person who obtained the information.
<p>ASSETS ELIGIBLE</p>	<p>Full Asset Documentation is required for both funds to close and reserves. For most asset type, this would include all pages of the most recent two months statements or the most recent quarterly statement.</p> <ul style="list-style-type: none"> • Borrower must disclose, and verify all qualifying assets. • The Down Payment must be sourced and seasoned at least 60 days before application date. • Business accounts may be used for down payment, closing costs, and reserves if the borrower is 100% owner of the business. A cash flow analysis or a letter from the business accountant is required to confirm that the withdrawal will not negatively impact the business. • Stocks/Bonds/Mutual Funds – 70% may be used for reserves. • Vested Retirement Account Funds – 60% may be considered for reserves, unless the borrower is of retirement age (59.5) at time of application (70% can be used for reserves). The terms of the withdrawal must show the borrower has access to the funds. • If needed to close, verification that funds have been liquidated (if applicable) is required. • Large deposits in excess of 25% of monthly qualifying income or any large deposit that is out of the ordinary are required to be explained and source documented in the file.
<p>ASSETS 1031 EXCHANGE</p>	<p><u>IRS 1031 Exchange:</u></p> <ul style="list-style-type: none"> • Assets for the down payment form a “like-kind exchange”, also known as a 1031 exchange, are eligible if properly documented and in compliance with Internal Revenue Code Section 1031. • The proceeds from a 1031 tax exchange may be used for second home or investment property purchases only. • The sale of real estate may be exempt from capital gains tax if it is done under Internal Revenue Code Section 1031. • The loan closing must be handled by a qualified intermediary (typically an escrow company or licensed exchange company) and cannot be an agent, investment banker, broker, employee of the borrower, or related family member. • Reverse exchanges are not allowed because the borrower is not on title to the property at the time of closing. • No seller provided subordinate financing. <p>Required 1031 Documentation:</p> <ul style="list-style-type: none"> • A complete copy of the fully executed exchange agreement; • A verification of the amount of assets being held by the intermediary • A copy of the HUD-1 / Closing Disclosure from the sale of the property being exchanged; • Purchase contract for the subject transaction; and • Final HUD-1 / Closing Disclosure for the subject transaction. • Clear Final title policy

<p>ASSETS INELIGIBLE</p>	<p>Ineligible</p> <ul style="list-style-type: none"> • Grant Funds • Gift and Gift of Equity • Builder Profits • Employer Assistance Assets • Foreign assets (assets on deposit within a non-US based financial institution) • Cash advance on credit cards • Signature loan • Unsecured financing • Personal Loan • Cash for which the source cannot be verified (cash on hand) • Commission from sale of subject property • Salary advance • Sweat equity (contribution to the construction or rehabilitation of a property in the form of labor or services rather than cash) • Unverifiable source of funds • Stock Options and non-vested restricted stock • Non-vested stock • Reverse Mortgage • Pension Fund • Seller Real Estate Tax Credit
<p>ELIGIBLE PROPERTIES</p>	<ul style="list-style-type: none"> • Single Family Residences (Attached and Detached) • 2-4 Units • PUDs (Attached and Detached) • Warrantable Condominiums (Attached and Detached) Warranty must meet FNMA’s project review guidance. WesLend and its investors will not finance more than 25% of the units in any on project. • Non-Warrantable Condominiums including Condotels will be reviewed and approved by WesLend and investor. See Non-Warrantable Condominium Addendum. Final Risk Levels are determined by WesLend and investors, after a Full Review is performed.
<p>ACREAGE</p>	<ul style="list-style-type: none"> • Maximum of 10 acres • Maximum land value: <ul style="list-style-type: none"> ▪ Rural properties – Not to exceed 35%. The land value would be based on total acreage. ▪ Non-rural Properties – No maximum land value as long as the property conforms to the area. • Working farms, commercial operations, or any other income producing properties are not allowed. • The primary use of the property must be residential and zoning must allow for residential use. • Properties on privately owned and maintained streets require a private road maintenance agreement, except for properties in California. If the property is located within a state, other than California, that has statutory provisions that define the responsibilities of property owners for the maintenance and repair of a private street, no separate agreement or covenant is required as long as the statutory provisions provided in the file. • All acres of the subject property are to be considered in the appraisal and the final conclusion of the estimated value and the Comparables must be similar size.

<p>INELIGIBLE PROPERTIES</p>	<ul style="list-style-type: none"> • Cooperative Units • Manufactured homes • Dome properties • Mixed Use properties • Log Homes • Unique Properties • Agricultural Zoned • Properties with more than 10 acres • Mobile homes • Houseboats • Timeshares • Hobby farms • Working Farms, ranges, orchards, and / or commercial operations • Property used for commercial purposes • Unimproved land • Properties lacking full kitchen and full bathroom facilities • Properties in less than average condition • Properties sold at auction by the builder, developer, or construction lender are not eligible • Previously approved condominium and Planned Unit Development (PUD) projects are often no longer acceptable if they have been sold at auction. • Foreclosed properties located in a state where a redemption period is allowed (allowed in some states for both Tax Sales and Judicial Foreclosures) until: The redemption period has expired AND the foreclosure sale had been confirmed AND clear and marketable title can be obtained. • Hotel condominiums (Condominium Hotel) hotel or motel conversions, or conversions of other transient properties (lodge, mort inn, etc.) • Properties in less than average condition as documented by the appraisal • Land Contracts • Projects in current or pending litigation • Any property not zoned residential
<p>STATE RESTRICTION</p>	<p>Program not offered in Massachusetts</p>
<p>DECLINING MARKET</p>	<p>If appraiser denotes market as declining, reduce maximum LTV by 5% from maximum financing limits.</p>
<p>APPRAISAL</p>	<p>Collateral Requirements:</p> <ul style="list-style-type: none"> • Purchases: <ul style="list-style-type: none"> ▪ One appraisal required for all loans ≤ \$1,500,000 ▪ Two appraisals required for all loans > \$1,500,000 • Refinances: <ul style="list-style-type: none"> ▪ One appraisal required for all loans ≤ \$1,000,000 ▪ Two appraisals required for all loans > \$1,000,000 • Appraisal must be Appraisal Independence Requirements (AIR) compliant.

- Appraiser must provide at least 5 comparable sales. Preferably all comparable sales should be closed sales. If the appraiser is unable to provide 5 comparable closed sales, the appraiser may use comparable listings or pending sales, but at a minimum 3 of the comparable sales must be closed sales.
- 1 unit properties require a Collateral Desktop Analysis (CDA) ordered by the Lender. The CDA must be obtained from Clear Capital. If 2 appraisals are required based on the loan amount and transaction type, the CDA must be ordered on the lower of the 2 appraisals.
- 2-4 unit properties require a filed review.
- Value will be assessed at the lesser of the appraised values of field review. If the difference of value between the appraisal and the CDA is within the acceptable variance tolerance percentage per waterfall chart, the appraised value may be utilized.

Screening Criteria	Initial Review Type	CDA Recommends Field Review	Variance	<=65%	65.01 – 75.00%	75.01 – 80.00%
1-Unit	CDA	NO	No Variance	Approve	Approve	Approve
			>0% and <5%	Approve	Approve	Review and Approve CDA
			>=5% and <8%	Approve	Review and Approve CDA	Subsequent Field Review Required
			>= 8% or Indeterminate	Subsequent Field Review Required	Subsequent Field Review Required	Subsequent Field Review Required
		YES	No Variance	Approve	Approve	Approve
			>0% and <5%	Approve	Review and Approve CDA	Review and Approve CDA
			>=5% and <8%	Review and Approve CDA	Review and Approve CDA	Subsequent Field Review Required
			>= 8% or Indeterminate	Subsequent Field Review Required	Subsequent Field Review Required	Subsequent Field Review Required
2-4 Unit	Field Review	N/A	N/A	Default to Field Review	Default to Field Review	Default to Field Review
Field Review Variance Threshold				8%	8%	8%

ESCROW

Unless prohibited by applicable law or granted a waiver by final investor, an escrow/impound account for each mortgage loan must be established.

ESCROW HOLDBACKS

Not Allowed

FEE LIMITATIONS

- Total Points and fees **must be less than 5%**

SELLER / INTERESTED PARTY CONTRIBUTIONS

Amounts in excess of the below limits or additional cash back to the borrower for any contributions that exceed the actual amount of closing costs are considered to be sales concessions and must be treated accordingly (deducted from sales price when calculating LTV.)

Occupancy Type	LTV/CLTV Ratio	Maximum IPC
Investment	All CLTV Ratios	6%