



theTIN Matrix

Effective Date: 08.21.23

| | | | Owner Occupied |
|---------------------------|---------|------|----------------|
| Loan Amount | Max DTI | FICO | CLTV |
| \$125,000 - \$1,000,000 | 45/50% | 740 | 80% |
| | | 720 | 75% |
| | | 700 | 70% |
| | | 680 | 65% |
| \$1,000,001 - \$1,500,000 | 45/50% | 740 | 75% |
| | | 720 | 75% |
| | | 700 | 70% |
| | | 680 | 65% |

| Guidelines | |
|-------------------------------|---|
| Appraisal Requirements | <ul style="list-style-type: none"> • FNMA Form 1004, 1073 with interior/exterior inspection. • Fannie SSR < 2.5 • CDA required if CU score is ≥ 2.5 |
| Assets | <ul style="list-style-type: none"> • As per guidelines |
| Credit Event Seasoning | <ul style="list-style-type: none"> • 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years. • Max LTV 75% when a credit event is present regardless of seasoning |
| Credit Score | <ul style="list-style-type: none"> • Lowest of 2 scores, middle of 3 scores. Qualifying score is lowest of all borrowers. • Non-traditional credit ineligible. |
| Declining Markets - > 65% LTV | <ul style="list-style-type: none"> • In balance <ul style="list-style-type: none"> ○ -5% if under 3 months marketing time ○ -10% if ≥ 3 months marketing time • Shortage <ul style="list-style-type: none"> ○ -5% if ≤ 6 months marketing time • Oversupply <ul style="list-style-type: none"> ○ -10% if > 6 months marketing time |
| Derogatory Credit | <ul style="list-style-type: none"> • Judgements, Garnishments and Liens: <ul style="list-style-type: none"> ○ The borrower is required to pay-off all open judgements, garnishments, and liens (including mechanics liens or material men's liens) prior to the loan closing. • Collection Accounts and Charge-offs do not have to be paid in full if the following applies: <ul style="list-style-type: none"> ○ Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000 ○ Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence ○ Collections and charge-offs that have passed beyond the statute of limitation for that state (supporting documentation required) 19 ○ All medical collections ○ Exception: IRS repayment plans with 3 months history of payments may remain unpaid. • All Past Due Accounts must be brought current regardless of the type of account |
| DTI | <ul style="list-style-type: none"> • 50% Max LTV 75% • 45% no LTV restriction |
| Eligible Borrowers | <ul style="list-style-type: none"> • Permanent and Non-permanent Resident Aliens, DACA |
| Geographic Restrictions | <ul style="list-style-type: none"> • Allowed wherever HEM is licensed |
| Housing Lates | <ul style="list-style-type: none"> • 1x30x12 on all mortgages for all borrowers. • Minimum 12-month housing history required |
| No Housing History | <ul style="list-style-type: none"> • Minimum 6 months reserves after closing. • 10% minimum borrower contribution. • VOR/VOM must be obtained for all month's available reflecting paid as agreed. |



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| | <ul style="list-style-type: none"> • Properties owned free and clear are considered 0x30 for grading purposes. • Borrowers who own their primary residence free and clear for a minimum of 12 months are acceptable. • Borrowers living rent free with a spouse are acceptable with rent-free letter and evidence of spouse's mortgage. |
| Ineligible Borrowers | <ul style="list-style-type: none"> • Vesting is not permitted to be in the name of an LLC, Corporation or Partnership |
| Occupancy | <ul style="list-style-type: none"> • Primary residence only |
| Property Type | <ul style="list-style-type: none"> • SFR • PUD • Condo-Warrantable • Condo-Non-warrantable max 75% LTV • Modular • 2-4 Units |
| Purpose | <ul style="list-style-type: none"> • Purchase • R/T Refinance |
| Qualifying Payment | <ul style="list-style-type: none"> • Qualifying ratios based on Full Note Rate |
| Recently Listed Properties | <ul style="list-style-type: none"> • Property must be removed from listing for at least six months prior to application. |
| Reserves | <ul style="list-style-type: none"> • Loan Amount < \$1M – 3 months • Loan Amount ≥ \$1M – 6 months |
| Residual Income | <ul style="list-style-type: none"> • \$1,500 |
| Seasoning | <ul style="list-style-type: none"> • Non-first loans being paid off must be seasoned for > 12 months |
| Terms Available | <ul style="list-style-type: none"> • Full Am: 30 year • ARM: 5/6 & 7/6 |
| Title Report | <ul style="list-style-type: none"> • Standard or Short ALTA - Lenders Policy is acceptable |
| Tradeline Requirement | <ul style="list-style-type: none"> • All borrowers should have an established credit history that is partially based on tradeline history. • Only the Primary Wage Earner is required to meet the minimum tradeline requirements and will have open and active tradelines that meet the following requirements: <ul style="list-style-type: none"> ○ 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months. |
| Vesting | <ul style="list-style-type: none"> • Vesting as an individual or Living Trusts only |
| Documentation Options | |
| Full Doc – 1 & 2 years | <ul style="list-style-type: none"> • Standard Fannie Mae Documentation • Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding is required. |
| Alt Doc - 1099 | <ul style="list-style-type: none"> • 2 year history of receipt <ul style="list-style-type: none"> ○ Borrowers who have recently converted from W2 to 1099 and have at least one year of receiving 1099 in the same line of work may utilize this program. • 1099 for the previous year tax year • Verification of Employment from the current contract employer covering the most recent two years plus Year-to-Date earnings <ul style="list-style-type: none"> ○ Likelihood of continued contractor status ○ Expenses must be disclosed. ○ If the verification does not reference related expenses, then a Fixed Expense Ratio of 10% may be used. ○ Most recent two months proof of receipt is required in the form of paystubs, checks or bank statements |