

WESLEND SELECT STANDARD – FULL DOCUMENTATION PRODUCT MATRIX												
Primary Residence												
Purchase, Rate & Term c						Cash-Out Refinance						
Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Months Reserves**	Max DTI	Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Maximum Cash-Out	Months Reserves**	Max DTI
1-Unit SFR,PUD, Condo	80	1,500,000	700	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%	1-Unit SFR, PUD, Condo	75	1,500,000	700	500,000	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%
	75	2,000,000	740		50%		70	2,000,000	740			<720 = 45% ≥720 = 50%
		2,000,000	700		<720 = 45% ≥720 = 50%							
		1,000,000	680		<720 = 45% ≥720 = 50%							
2-4 Units	75	1,500,000	700	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%	2-4 Units	75	1,500,000	700	500,000	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%
	70	2,000,000	700		<720 = 45% ≥720 = 50%		70	2,000,000	700			<720 = 45% ≥720 = 50%
		2,000,000	700		<720 = 45% ≥720 = 50%							
		1,000,000	680		<720 = 45% ≥720 = 50%							
Second Home												
Purchase, Rate & Term Refinance						Cash-Out Refinance						
Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Months Reserves**	Max DTI	Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Maximum Cash-Out	Months Reserves**	Max DTI
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		2,000,000	700		<720 = 45% ≥720 = 50%							
		1,000,000	680		<720 = 45% ≥720 = 50%							
Investment Property												
Purchase, Rate & Term Refinance						Cash-Out Refinance						
Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Months Reserves**	Max DTI	Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Maximum Cash-Out	Months Reserves**	Max DTI
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2-4 Units	70	1,500,000	700	12	2-4 Units	65	1,500,000	700	500,000	12	<720 = 45% ≥720 = 50%	

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65	2,000,000	740	50%	60	2,000,000	740	50%
	2,000,000	700			<720 = 45%		
	1,000,000	680			≥720 = 50%		

WESLEND SELECT STANDARD – ASSET QUALIFIER PRODUCT MATRIX												
Primary Residence												
Purchase, Rate & Term Refinance						Cash-Out Refinance						
Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum CreditScore	Months Reserves**	Max DTI	Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Maximum Cash-Out	Months Reserves**	Max DTI
1-Unit SFR, PUD, Condo	75	2,000,000	700	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%	1-Unit SFR, PUD, Condo, 2-4 Units	70	2,000,000	700	500,000	< \$1MM = 6 ≥ \$1MM = 12	<720 = 45% ≥720 = 50%
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Second Home												
Purchase, Rate & Term Refinance						Cash-Out Refinance						
Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Months Reserves**	Max DTI	Property Type	LTV/CLTV*	Maximum Loan Amount	Minimum Credit Score	Maximum Cash-Out	Months Reserves**	Max DTI
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Interest Only Product Requirements

Interest-Only Description: 30-year fixed-rate - fully amortizing mortgage loan that pays interest-only during the first 10 years and is fully amortizing over the remaining 20 years

- LTV/CLTV Restrictions: The following maximum LTV/CLTV restrictions apply based on occupancy type:
 - Primary Residence: Maximum 75% LTV/CLTV
 - Second Home and Investment Property: Maximum 65% LTV/CLTV
- Qualifying Payment: Borrowers qualify at the note rate based on fully amortizing Principal and Interest (P&I) payment during the principal repayment period.
- State and Geographic Restrictions (Allowable States): The interest-only product is allowed for loans secured by a property located in one of the following states: Arizona, California, Colorado, Florida, **Maryland, Massachusetts**, Nevada, New Mexico, Oregon, Pennsylvania, **Tennessee**, Texas, **Utah, Virginia**, and Washington.

Available Products	Product Codes
Select Standard	
30 yr Fixed Full Documentation	9000-19 30yr Fixed Select Standard Full Doc
30 yr Fixed Asset Qualifier	9084-19 30yr Fixed Select Standard Asset Utilization
30 yr Fixed I/O Full Documentation	9000-19IO 30yr Fixed Select Standard Interest Only Full Doc
30 yr Fixed I/O Asset Qualifier	9084-19IO 30yr Fixed Select Standard Interest Only Asset Utilization

Product Offerings 30 Year Fixed Rate Products	
Product	30 Year Fixed Rate Mortgage
Description	Fully amortizing mortgage loan with an interest rate that is fixed over the entire 30 year term.
Term	360
Interest Only Term	30-year fixed-rate - fully amortizing mortgage loan that pays interest-only during the first 10 years and is fully amortizing over the remaining 20 years
Amortization Term	360
Conversion Option	Not Applicable
Pre-payment Penalty (PPP)	Not Applicable

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Borrower Qualification	Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment
Temporary Buydown	<ul style="list-style-type: none"> • Not Allowed • Not Required or Permitted
Mortgage Insurance	<ul style="list-style-type: none"> • Not Required or Permitted
Assumability	<ul style="list-style-type: none"> • Not Assumable

Appraisal Valuation	
Requirements	<p>Purchase:</p> <ul style="list-style-type: none"> • 1 Full Appraisal if Combined Loan Amount <=\$2.0 MM <ul style="list-style-type: none"> ▪ <i>Appraisal must be uploaded to the UCDP and receive a Collateral Underwriter Risk Score</i> • 2 Full Appraisals if combined Loan Amount > \$2.0 MM <ul style="list-style-type: none"> ▪ <i>The appraisal with the lower of the two values must be uploaded to the UCDP and receive a Collateral Underwriter Risk Score</i> <p>Refinance:</p> <ul style="list-style-type: none"> • 1 Full Appraisal if Combined Loan Amount <=\$1.5 MM <ul style="list-style-type: none"> ▪ <i>Appraisal must be uploaded to the UCDP and receive a Collateral Underwriter Risk Score</i> • 2 Full Appraisals if combined Loan Amount > \$1.5 MM <ul style="list-style-type: none"> ▪ <i>The appraisal with the lower of the two values must be uploaded to the UCDP and receive a Collateral Underwriter Risk Score</i> <p>Second Appraisal Requirements:</p> <ul style="list-style-type: none"> • The second appraisal must be completed by a different appraiser not affiliated with the original appraiser or appraisal company. A second appraisal ordered through the same AMC as the original appraisal is acceptable. • The appraised value for underwriting purposes is the loser of the purchase price or the two appraisals. <p>Note: Prior Sale within 180 days: For purchase transactions, if there has been a sale or ownership transfer of the subject property within 180 days, additional review requirements are warranted.</p> <p>Transferred Appraisals – NOT ALLOWED</p>
Third Party Review Requirements	<ul style="list-style-type: none"> • A Clear Capital Collateral Desktop Analysis – (CDA) is required, regardless of CU Score. For loans with two appraisals, the appraisal with the lowest value requires the CDA.
Clear Capital Collateral	

Desktop Analysis (CDA)	<i>If the CDA finding is:</i>	<i>Additional Review Requirements</i>
	<= 10% of the Appraised Value or the purchase price	The lower of the purchase price or appraised value is used to calculate the LTV/CLTV.
	> 10% below the original appraised value of the property, or the finding is “indeterminate”	Obtain both: Clear Capital Broker Price Opinion, and Clear Capital Value Reconciliation of Three Reports (Recon Form 3.0). 1. The Value Reconciliation will take into account the original appraisal, CDA and BPO 2. The final value determined by Clear Capital will be used as the appraised value for the property.
	> The appraised value	The lower of the purchase price or appraised value is used to calculate LTV/CLTV.

Program Credit Matrix	
Program	Expanded
Minimum FICO Score	680
Minimum Loan Amount	\$200,000
Documentation Types	<ul style="list-style-type: none"> • Full Documentation • Asset Qualifier
Underwriting	1. Select Standard Programs – Manual Underwriting ONLY: No automated underwriting system (AUS) is required.
Borrower Eligibility	<ul style="list-style-type: none"> • Loans to One Borrower: is the lessor of 4 loans or combined loan amounts totaling \$4 million. The maximum number of loans to one borrower secured by Second Homes is (1) loan. • Eligible Borrower Types are limited to: <ul style="list-style-type: none"> ○ U.S. Citizens ○ Permanent Resident Aliens (green Card) ○ Inter Vivos Revocable “Living” Trusts • Ineligible Borrower Types: <ul style="list-style-type: none"> ○ Non-Permanent Resident Aliens, Non-Resident Aliens or Other ○ Person(s) with diplomatic immunity or a Foreign Politically Exposed Person(s). ○ Foreign Nationals • Non-Occupant Co-Borrowers: <ul style="list-style-type: none"> ○ Permitted on Primary Residence, One Unit, Purchase and Rate and Term refinance transactions only. Cash-Out refinances are not permitted. ○ Must qualify under Full Income Documentation. Non-Occupant Co-Borrowers are not eligible Asset Qualifier

	<p>income documentation.</p> <ul style="list-style-type: none"> ○ Up to two non-occupant co-borrowers are permitted. ○ The Primary (occupant) borrower’s credit profile will be used for underwriting and determining the Qualifying Credit Score. ○ Gift funds are not permitted. ○ Subordinate financing is not permitted ○ See Assets – Borrower Required Funds <ul style="list-style-type: none"> ● All guarantors, co-signers and non-occupant borrowers whose income is considered in qualifying and/or who sign the Note, must meet the “Borrower Eligibility” requirements above
Mortgage History (includes all financed properties)	<p>Mortgage Payment History</p> <ul style="list-style-type: none"> ● 0 x 30 in the past 24 months ● 1 x 30 (no rolling) in the past 24 months
Renting	<p>Rental Payment History</p> <ul style="list-style-type: none"> ● Credit report rating (if management company rates), or ● Management company Verification of Rents (VOR) or ● Cancelled checks, or ● Bank statements, or ● Evidence of electronic transfers. <p>Ratings</p> <ul style="list-style-type: none"> ● 0X30 within the past 24 months
Living Rent Free	<ul style="list-style-type: none"> ● At least one of the borrowers must have a fully documented, recent, consecutive, 12 months primary housing history. ● Loans where all borrowers are living rent free and do not have a recent, consecutive, 24 months primary housing history are not eligible.
Subject property owned Free and Clear	<ul style="list-style-type: none"> ● Provide evidence that the property is free and clear. ● Owned Free and Clear ≥ 24 months: No additional documentation is required. ● Owned Free and Clear < 24 months: Verify timely payment of mortgages, taxes, insurance, and HOAs, as applicable for the previous 24 months. When the property has been owned free and clear < 24 months, additional housing history documentation is required to verify a complete a full 24-month history.
Housing Payment History	

<p>Options</p>	<ul style="list-style-type: none"> Borrowers who lack a primary mortgage or housing history or do not have a complete history as required above are eligible if one of the following is met: <table border="1" data-bbox="531 324 1906 933"> <thead> <tr> <th data-bbox="531 324 884 349">Housing History</th> <th data-bbox="884 324 1906 349">Housing Payment History</th> </tr> </thead> <tbody> <tr> <td data-bbox="531 349 884 690"> <p>Mortgage Credit History 24 Months</p> </td> <td data-bbox="884 349 1906 690"> <p>Borrower has a fully documented, recent, consecutive, 24-month mortgage history on a Second Home or 1-4 Unit Investment Property.</p> <ul style="list-style-type: none"> Mortgage Payment History: <ul style="list-style-type: none"> Must be from an institutional lender, documented on the credit report, by cancelled checks, bank statements, evidence of electronic transfers, or through a statement produced by the lender. Private Party Loans: Not permitted. Ratings: Inclusive of all liens regardless of position, and applicable to all mortgages on all financed properties, rating must indicate: <ul style="list-style-type: none"> 0 X 30 within the past 24 months Subject Transaction Restrictions: <ul style="list-style-type: none"> Primary Residence only Maximum LTV/CLTV = 75% or the program maximum, whichever is less <p>See Credit - Significant Derogatory Credit Events and Trade-Lines for additional mortgage-related requirements.</p> </td> </tr> <tr> <td data-bbox="531 690 884 933"> <p>Mortgage Credit History < 24 Months, Renting, or Living Rent Free</p> </td> <td data-bbox="884 690 1906 933"> <p>Borrower does not have a fully documented, recent, consecutive, 24-month primary housing history or has been living Rent Free.</p> <ul style="list-style-type: none"> Ratings: <ul style="list-style-type: none"> For primary housing history < 24 months (mortgage or rental) no 30 day or more late payments for the rated period. Subject Transaction Restrictions (See the PRODUCT MATRIX for program requirements): <ul style="list-style-type: none"> Primary Residence only Maximum LTV/CLTV = 75% or the program maximum, whichever is less Minimum Qualifying Credit Score = 700 or the program minimum, whichever is higher <p>See Credit - Significant Derogatory Credit Events and Trade-Lines for additional mortgage-related requirements.</p> </td> </tr> </tbody> </table> 	Housing History	Housing Payment History	<p>Mortgage Credit History 24 Months</p>	<p>Borrower has a fully documented, recent, consecutive, 24-month mortgage history on a Second Home or 1-4 Unit Investment Property.</p> <ul style="list-style-type: none"> Mortgage Payment History: <ul style="list-style-type: none"> Must be from an institutional lender, documented on the credit report, by cancelled checks, bank statements, evidence of electronic transfers, or through a statement produced by the lender. Private Party Loans: Not permitted. Ratings: Inclusive of all liens regardless of position, and applicable to all mortgages on all financed properties, rating must indicate: <ul style="list-style-type: none"> 0 X 30 within the past 24 months Subject Transaction Restrictions: <ul style="list-style-type: none"> Primary Residence only Maximum LTV/CLTV = 75% or the program maximum, whichever is less <p>See Credit - Significant Derogatory Credit Events and Trade-Lines for additional mortgage-related requirements.</p>	<p>Mortgage Credit History < 24 Months, Renting, or Living Rent Free</p>	<p>Borrower does not have a fully documented, recent, consecutive, 24-month primary housing history or has been living Rent Free.</p> <ul style="list-style-type: none"> Ratings: <ul style="list-style-type: none"> For primary housing history < 24 months (mortgage or rental) no 30 day or more late payments for the rated period. Subject Transaction Restrictions (See the PRODUCT MATRIX for program requirements): <ul style="list-style-type: none"> Primary Residence only Maximum LTV/CLTV = 75% or the program maximum, whichever is less Minimum Qualifying Credit Score = 700 or the program minimum, whichever is higher <p>See Credit - Significant Derogatory Credit Events and Trade-Lines for additional mortgage-related requirements.</p>
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<p>Current Residence Pending Sale or Conversion</p>	<ul style="list-style-type: none"> <p>Pending Sale of Current Primary Residence, Conversion of Primary Residence to Second Home, Conversion of Primary Residence to Investment Property: See the table below for requirements that must be met if the Borrower's current primary residence is pending sale, or is being converted to a second home or investment property.</p> <table border="1" data-bbox="531 1128 1906 1409"> <thead> <tr> <th colspan="2" data-bbox="531 1128 1906 1153">Pending Sale of Current Residence</th> </tr> </thead> <tbody> <tr> <td data-bbox="531 1153 741 1409"> <p>Qualification</p> </td> <td data-bbox="741 1153 1906 1409"> <p>Housing payment for the departure residence may be excluded from the DTI calculation if one of the following are met:</p> <p>Option 1: Departure Residence Not Under Contract:</p> <ul style="list-style-type: none"> Current listing or borrower written letter of intent (LOI) indicating intent to list within three months of closing on subject property AVM or appraisal (2055 exterior or full appraisal) on the departure residence, dated within six months of the closing date of the new transaction <ul style="list-style-type: none"> Borrower must have at least 20% equity in the departure residence Equity must be calculated based on existing outstanding property lien(s) divided by the lessor of the listed sales price (if listed) or the AVM or appraisal </td> </tr> </tbody> </table> 	Pending Sale of Current Residence		<p>Qualification</p>	<p>Housing payment for the departure residence may be excluded from the DTI calculation if one of the following are met:</p> <p>Option 1: Departure Residence Not Under Contract:</p> <ul style="list-style-type: none"> Current listing or borrower written letter of intent (LOI) indicating intent to list within three months of closing on subject property AVM or appraisal (2055 exterior or full appraisal) on the departure residence, dated within six months of the closing date of the new transaction <ul style="list-style-type: none"> Borrower must have at least 20% equity in the departure residence Equity must be calculated based on existing outstanding property lien(s) divided by the lessor of the listed sales price (if listed) or the AVM or appraisal 		
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	<ul style="list-style-type: none"> Additional 12 months reserves. Note: The Departure Residence is not counted as an Additional Financed Property. (See Section Multiple Financed Properties for the Same Borrower) Option 2: Departure Residence Under Contract: Copy of the fully executed sales contract. Sale must be arm's length. (See Section Identity of Interest and Non-Arm's Length Transactions) Departure Residence closing must be scheduled within 60 days of the subject property's closing transaction. Additional 6 months reserves. Note: The Departure Residence is not counted as an Additional Financed Property. (See Section Multiple Financed Properties for the Same Borrower) <p>Conversion of Primary Residence to Second Home</p> <p>Qualification</p> <p>Calculate DTI using the PITIA of both the current residence being converted to a second home and the new primary residence (subject property).</p> <ul style="list-style-type: none"> See Assets – Reserves, Additional Financed Properties <p>Conversion of Primary Residence to Investment Property</p> <p>The income or loss from the Conversion Residence may be included in qualifying income if one of the following are met. Otherwise, include the full PITIA in the borrower's DTI calculation:</p> <p>Option 1: Conversion Residence Does Not Have a Signed Lease:</p> <ul style="list-style-type: none"> Signed LOI to rent within three (3) months of the subject property's closing transaction AVM or appraisal (2055 exterior or full appraisal) on the departure residence, dated within 6 months of the closing date of the new transaction <ul style="list-style-type: none"> Borrower must have at least 20% equity in the departure residence Equity must be calculated based on existing outstanding property lien(s) divided by the lessor of the listed sales price (if listed) or the AVM or appraisal Market Rent Survey by Licensed Appraiser <ul style="list-style-type: none"> If 75% of market rent is more than the PITIA then this can be used to offset the PITIA. Positive income is not allowed. If 75% of market rent survey is less than the PITIA then the PITIA must be included in liabilities Additional 9 months PITIA reserves. Note: When calculating total reserves required, the conversion property is not considered an Additional Financed Property. <p>Option 2: Conversion Residence Does Have a Signed Lease:</p> <ul style="list-style-type: none"> A copy of the fully executed lease agreement. Sale must be arm's length. (See Section Identity of Interest and Non-Arm's Length Transactions) Receipt of a security deposit from the tenant <ul style="list-style-type: none"> Verification of deposit into the borrower's account Deposit funds cannot be used for funds to close or reserve requirements Lease income <ul style="list-style-type: none"> If 75% of market rent is more than the PITIA then this can be used to offset the PITIA. Positive income is not allowed. If 75% of market rent survey is less than the PITIA then the PITIA must be included in liabilities Additional 6 months PITIA reserves. Note: When calculating total reserves required, the conversion property is not considered an Additional Financed Property.
<p>Credit Depth</p>	<ul style="list-style-type: none"> Depth of Credit History: All borrowers whose income is used to qualify must reflect one of the following options <ol style="list-style-type: none"> Three or more established open and active tradelines as follows: <ul style="list-style-type: none"> All active in the last 12 months. This is defined as last activity within 12 months of the credit report date Derogatory tradelines do not count Tradelines for authorized users do not count

	<p>2) Minimum four years of established credit history as follows:</p> <ul style="list-style-type: none"> • Eight or more tradelines reported • At least one active in the last 12 months. This is defined as last activity within 12 months of the credit report date • At least one of these tradelines must be a mortgage tradeline (can be counted as the active tradeline) • Tradelines for authorized users do not count <p>Where any borrower does not meet the Depth of Credit History requirement, the loan will still be eligible under the following option:</p> <ul style="list-style-type: none"> ▪ Six months additional reserves <u>and</u> meets one of the following requirements: <ul style="list-style-type: none"> • DTI < 35%, or; • LTV/CLTV ≤ 70% or the program maximum, whichever is less <ul style="list-style-type: none"> • Qualifying Credit Score: For each Borrower, qualifying score is the middle of 3 or lower of 2 scores, as applicable. The Qualifying Credit Score for the loan is determined by the documentation type: <ul style="list-style-type: none"> ○ Full Documentation and Bank Statement Documentation: <ul style="list-style-type: none"> ▪ The score of the borrower with the highest qualifying income (Primary Borrower) is used to issue the credit decision. <ul style="list-style-type: none"> • If the borrowers earn equal income, the lower score is the Qualifying Credit Score for the loan. • For loans with non-occupant borrowers, use the highest qualifying credit score of the occupant(s) • All borrowers must meet the minimum credit score requirements for the program ○ Asset Qualifier Documentation: <ul style="list-style-type: none"> • The lowest borrower score is used to issue the credit decision. 																										
<p style="text-align: center;">Significant Derogatory Events</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="text-align: left;">Derogatory Credit Event</th> <th style="text-align: left;">Required Elapsed Time</th> <th style="text-align: left;">Requirements</th> </tr> </thead> <tbody> <tr> <td>Foreclosure</td> <td>4 years</td> <td> <ul style="list-style-type: none"> • Measured from completion date of the foreclosure action to application date. • Exceptions for extenuating circumstances – not permitted </td> </tr> <tr> <td>Short Sale, Deed in Lieu, or Pre-foreclosure sale</td> <td>4 years</td> <td> <ul style="list-style-type: none"> • Measured from completion date of event as stated on credit report or other documents provided by the borrower to application date. • Exceptions for extenuating circumstances – not permitted </td> </tr> <tr> <td>Loan Modification</td> <td>4 years</td> <td>Measured from the date of the Loan Modification Agreement to the application date.</td> </tr> <tr> <td>Mortgage included in Bankruptcy</td> <td>See requirement</td> <td>If documentation provided verifies that the mortgage loan in question was discharged in the bankruptcy, apply the bankruptcy waiting period. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting period must be applied.</td> </tr> <tr> <td>Bankruptcy Chapter 7 or 11</td> <td>4 years</td> <td>Measured from discharge or dismissal to the Note Date.</td> </tr> <tr> <td rowspan="2">Bankruptcy Chapter 13</td> <td>4 years</td> <td>If discharged, measured from discharge date to Note Date</td> </tr> <tr> <td>4 years</td> <td>If dismissed, measured from dismissal date to Note Date</td> </tr> <tr> <td>Multiple Credit events</td> <td>See requirement</td> <td>1. Borrowers with multiple Significant Derogatory Credit Events are</td> </tr> </tbody> </table>	Derogatory Credit Event	Required Elapsed Time	Requirements	Foreclosure	4 years	<ul style="list-style-type: none"> • Measured from completion date of the foreclosure action to application date. • Exceptions for extenuating circumstances – not permitted 	Short Sale, Deed in Lieu, or Pre-foreclosure sale	4 years	<ul style="list-style-type: none"> • Measured from completion date of event as stated on credit report or other documents provided by the borrower to application date. • Exceptions for extenuating circumstances – not permitted 	Loan Modification	4 years	Measured from the date of the Loan Modification Agreement to the application date.	Mortgage included in Bankruptcy	See requirement	If documentation provided verifies that the mortgage loan in question was discharged in the bankruptcy, apply the bankruptcy waiting period. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting period must be applied.	Bankruptcy Chapter 7 or 11	4 years	Measured from discharge or dismissal to the Note Date.	Bankruptcy Chapter 13	4 years	If discharged, measured from discharge date to Note Date	4 years	If dismissed, measured from dismissal date to Note Date	Multiple Credit events	See requirement	1. Borrowers with multiple Significant Derogatory Credit Events are
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- ineligible with the following exceptions:
- a. Derogatory events greater than 7 years from Note date.
 - b. When a Chapter 13 bankruptcy rolls into a Chapter 7 bankruptcy.
2. Two or more borrowers with individual bankruptcies are not cumulative, and do not constitute multiple bankruptcies.

Note: Mortgage Credit related “Significant Derogatory Credit Event” waiting time requirements apply to all Borrowers for all properties owned or previously owned, whether the borrower(s) owned the property solely or jointly. “Mortgage Credit” is defined as: Payment histories on all mortgage trade lines, regardless of occupancy, including first and subordinate mortgage liens, HELOCs, mobile homes, and manufactured homes, even if reported as an installment loan.

Other Credit Events	Requirements
Past Due Accounts	Per DU and / or Agency guidelines (Fannie Mae B3-5.3-02 Payment History)
Judgments, Garnishments, Liens and Potential Liens	All delinquent credit obligations that have the potential to affect the subject Mortgage Loan’s lien position or diminish borrower’s equity in the subject property must be paid off at or before closing including and without limitation: Delinquent Taxes (including State or Federal income taxes), delinquent property taxes, tax liens, judgements, garnishments and mechanics’ or materialmen’s liens.
Aggregate Charge-Offs and Collection Accounts	Per FNMA. (B3-5.3-09, DU Credit Report Analysis)
Tax Payment Plans	Tax repayment plans must be paid off prior to or at closing

Other REQUIREMENTS:

- **General Eligibility Requirement:**
 - No mortgage loan on which the borrower is obligated may be in forbearance as of the Note date.
- **Borrower in forbearance with no missed payments:**
 - A Borrower who was granted a Mortgage Payment Forbearance and continues to make payments as agreed under the terms of the original Note is not considered delinquent or late and shall be treated as if not in forbearance, provided that documentation is provided that the Forbearance Plan is terminated at or prior to the Note date.
- **Borrower in forbearance with missed payments resolved through a reinstatement:**
 - Reinstatement prior to the application date: No additional source of funds documentation required.
 - Reinstatement after the application date: Document source of funds. Proceeds from refinance may not be used to reinstate any mortgage loan.
 - Verify that the borrower has made at least three timely payments as of the Note date.
- **Borrower in forbearance with missed payments resolved through a loss mitigation solution:**
 - Verify that the borrower has made at least three timely payments as of the Note date.

<p>Refinance</p>	<ul style="list-style-type: none"> • Listed Properties: <ul style="list-style-type: none"> ○ <i>Listed at Time of Application:</i> Properties currently listed for sale (at the time of application) are not eligible for refinance transactions. ○ <i>Listed within 6 months:</i> Properties listed for sale by the Borrower within six (6) months of the application date are acceptable if the following requirements are met: <ul style="list-style-type: none"> ▪ Rate and Term refinance only: The listing must have expired or been withdrawn prior to the application date. ▪ Cash-out Refinance: <ul style="list-style-type: none"> ○ LTV/CLTV < 70%: The listing must have expired or been withdrawn prior to the application date. ○ LTV/CLTV ≥ 70%: The application date must be six months or more after the last listing expired or was withdrawn. • Continuity of Obligation Requirement: All refinance transactions must meet the following Continuity of Obligation Requirements: <ul style="list-style-type: none"> ○ <u>Rate and Term Refinance Transactions.</u> When an existing Mortgage will be satisfied as a result of a Rate and Term Refinance transaction, one of the following requirements must be met: <ul style="list-style-type: none"> ▪ At least one Borrower on the refinance mortgage was a Borrower on the mortgage being refinanced; or ▪ At least one Borrower on the refinance Mortgage held title to the subject property for the most recent 12-month period prior to the application date. In addition, for Primary Residence transactions, at least one Borrower on the refinance Mortgage has also resided in the subject property as a primary residence for the most recent 12 month period prior to the application date. The mortgage file must contain documentation evidencing that the borrower, either: <ul style="list-style-type: none"> • Has been making timely mortgage payments, including the payments for any subordinate financing, for the most recent 12-month period; or • Is a related person to a borrower on the mortgage being refinanced; or ▪ At least one Borrower on the refinance mortgage inherited or was legally awarded the subject property, e.g., in the case of divorce, separation, or dissolution of a domestic partnership; or ▪ The title to the subject property is in the name of a Limited Liability Company (LLC) or an acceptable trust. As of the application date, the borrower(s) must be a member of the LLC or beneficiary of the trust. Title to the subject property must be transferred into the Borrower’s name prior to or at closing. ○ <u>Cash-Out Refinance Transactions (including properties owned free and clear)</u> <ul style="list-style-type: none"> ▪ All Borrower(s) must have held title to the subject property for a minimum of 6 months prior to the application date. ▪ The title to the subject property may be in the name of a Limited Liability Company (LLC) or an acceptable trust. As of the application date, the borrower(s) must be a member of the LLC or beneficiary of the trust. Title to the subject property must be transferred into the Borrower’s name prior to or at closing. ▪ Property was purchased by borrower: <ul style="list-style-type: none"> • If the borrower’s purchase date is within 6 to 12 months prior to application date, the LTV/CLTV must be based on the lesser of the original sales price or the current appraised value • If the borrower’s purchase date is more than 12 months prior to application date, the LTV/CLTV may be based on the current appraised value. ▪ Property was not purchased by borrower (e.g. borrower was granted the property): <ul style="list-style-type: none"> • If the borrower has been on title for at least 6 months prior to the application date, the appraised value can be used to calculate LTV/CLTV. • The LTV/CLTV maximum is 50% or the program maximum whichever is less. <ul style="list-style-type: none"> ○ Borrower(s) must meet all other program guidelines including the mortgage housing history.
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Transfer of owners from a corporation to an individual does not meet the continuity of obligation requirement.

Loan Purpose: Rate and Term Refinance

- Cash back limit is the lesser of 2% of the loan amount or \$5,000
- **HELOCs:** A HELOC may be paid off in full and still considered a rate and term transaction provided the HELOC has no draws in excess of \$2,000 within 12 months prior to the new loan.
- The refinance Mortgage is considered to be a Cash-Out Refinance if the mortgage being refinanced was a Cash-Out Refinance within the last 6 months

Loan Purpose: Cash-Out Refinance

- Maximum cash-out allowed is \$500,000. This includes the payoff of consumer debt and certain subordinate debt and is not limited to “cash-in-hand.”
- **Seasoning Requirements:**
 - Minimum 12 months ownership seasoning to use appraised value to determine LTV/CLTV.
 - If the ownership seasoning is less than 12 months, the lower of the purchase price or the appraised value will be used to determine LTV/CLTV.
 - The purchase price must be documented.
- **All** Borrowers must have held title to subject property for a minimum of 6 months.
- Paying off a HELOC where borrower has drawn more than \$2,000 in the last 12 months.

Loan Purpose: Delayed Financing Option

Borrowers who purchased the subject property with cash or unsecured financing within the past six months (measured from the Acquisition Date to the Application Date of the new mortgage loan) are eligible for a Rate & Term refinance subject to the following requirements:

- The new loan amount must not be more than the actual documented amount of the Borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid items, and discount points.
- Cash-back to the borrower exceeding the original purchase price or appraised fair market value (whichever is lower) is not permitted
- The LTV/CLTV must be based on the lesser of the original purchase price or the current appraised value.
- The source of funds to acquire the property are documented and are the borrower's own funds
- No financing was obtained for the initial purchase of the property
- The date of the purchase transaction is documented by the *HUD-1 Settlement Statement* or *Closing Disclosure* which also 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 Settlement Statement or Closing Disclosure if such a statement was not provided to the purchaser at time of sale.
- The original purchase transaction was an arm's length transaction.
 - If the seller of the property was a legal entity, the principals of the entity must be documented.
- Inherited properties are not eligible

Cash-out limits do not apply to transactions with Delayed Financing.

Deed Restricted Properties	<ul style="list-style-type: none"> Not eligible, other than an acceptable age-related restriction meeting Fannie Mae guides, B5-5.2-02, Loans with Resale Restrictions.
Escrow Holdbacks	<ul style="list-style-type: none"> Not allowed (WesLend requirement)
Escrow/Impounds	<ul style="list-style-type: none"> Flood insurance must be escrowed if the loan is secured by a primary residence or second home located in a mandatory flood zone, regardless of whether any other funds are escrowed.
Identity of Interest and Non-Arm's Length Transactions	<ul style="list-style-type: none"> Loan Officers that want to have another Loan Officer from their office submit their loan must have an exception from WesLend Management in place to proceed with the transaction. Transactions with identity of interest or non-arm's length characteristics are not eligible under this Program. Examples of these types of transactions (not a complete list) include: <ul style="list-style-type: none"> Sales of properties between family members Sales of properties between business associates Sales involving a business entity and an individual who is an officer or principal in that business Sales involving the builder/developer of subject property and an employee or affiliate of the builder/developer <p>Transactions involving an assignment of the sales contract.</p>
Ineligible Transactions	<ol style="list-style-type: none"> Construction Loans Loans to properties subject to Texas Constitution Section 50(a)(6) or Section 50(f)(2) <ol style="list-style-type: none"> For all Texas refinance transactions, a copy of the previous Note, or security instrument, and closing disclosure is required to document that the previous loan being refinanced was not an (a)(6) or (f)(2). Loans with temporary buy downs or prepayment penalties. Loans to properties in the state of New York Loans to Multiple (2-4) unit properties in the state of New Jersey Loans to properties in Hawaii lava zones 1 and 2 Loans involving Native American (tribal land) or Indian Trust Land or Restricted Land. Purchase Contract Assignments – NOT ALLOWED
Property Flipping	<ul style="list-style-type: none"> Prior sale within 180 days: <ul style="list-style-type: none"> The loan is eligible if: <ol style="list-style-type: none"> Relocation Agency Foreclosure or Deed in Lieu, or Obtained through inheritance or divorce. The 180-day period is measured from Closing Date of the previous transaction to purchase contract date for the new transaction. <p>Identity of Interest (Non-Arm's Length) transactions are not eligible.</p>
Multiple Financed Properties	<p>Subject property:</p> <ol style="list-style-type: none"> Primary Residence: No maximum Second Home or Investment Property: a maximum of 10 financed properties, cumulative for all borrowers.
Power of Attorney	<p>Use of Power of Attorneys is not allowed for the following transactions:</p> <ul style="list-style-type: none"> Cash Out Refinance Non-Owner-Occupied properties (investment properties)

	<ul style="list-style-type: none"> Title taken as a trust. Non-Occupant Borrowers <p>Note: Settlement Agent is not allowed to act as the attorney-in-fact or sign documents on behalf of any party to the transaction.</p>
State and Geographic:	<ul style="list-style-type: none"> CT, IL, NJ and NY - NOT ALLOWED
Property Eligibility	<p>Property Condition:</p> <ul style="list-style-type: none"> Property condition rating of C1 through C4 required on all SFR, PUDs and Condominiums. Property condition rating of C4 is permitted with comparable properties with the same rating/condition. If no similar C4 comparable properties are provided, then a 5% LTV/CLTV reduction is required. 2-4 Unit Properties must have Condition description of Good or Average. Condition description of Fair is - NOT ACCEPTABLE <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> Mixed Use Properties (any type, no exceptions) Manufactured or Mobile homes (modular is allowed) Titled with more than 10 Acres Rural or Agricultural properties. Commercial, Industrial, or Business Zoned (where highest and best use is not residential) Houseboat Live/Work Projects Condotels Unique or non-traditional types of structures, including, but not limited to, "barndominiums" (barn conversions or barn-style buildings), "shouses" (living-space and work/storage combinations), berm homes, log homes and geodesic dome homes Properties in declining markets Property secured for land development purposes or where marketability has not been established. Square footage less than 650 square feet per unit. Un improved land Properties located on Indian/Native American tribal land. Properties not suitable for year-round occupancy regardless of location Boarding rooms or group homes Properties not readily accessible by roads that meet local standards Condominium conversion seasoned less than three years Time share units/projects Motel conversions Properties with any type of litigation not meeting Fannie Mae requirements. Properties that do not have full utilities installed to meet all local health and safety standards Properties appraised "subject to" without an Appraisal Update and/or Completion Certificate (FNMA Form 1004D or FHLMC Form 442) Properties appraised "As Is" that are incomplete and/or require significant repairs

	<ul style="list-style-type: none"> • Any property with health and safety, habitability, or structural issues • Properties in Hawaiian Lava Flow Hazard Zones 1 and 2 as determined by the US Geological Survey’s Hawaiian Volcano Observatory. • Bed and Breakfast • Boarding Houses • Condition: Properties with C5, C6 or Q6 are not allowed
<p>Condominium and PUDs</p>	<ul style="list-style-type: none"> • Condominium Project Review – Fannie Mae review types eligible for delivery to AmeriHome: <ul style="list-style-type: none"> o Limited Review, See <i>B4-2.2-01, Limited Review Process</i>. o Full Review (with or without Condo Project Manager™ (CPM™)) - (See <i>B4-2.2-02 and B4-2.2-03</i>.) <ul style="list-style-type: none"> • Without CPM requires an WesLend Lender Full Review Condo Project Eligibility Certification form, • Sellers may utilize an “acceptable equivalent” form in lieu of the WesLend Lender Full Review Condo Project Eligibility Certification form. o FHA Project Review – See <i>B4-2.2-05, FHA-Approved Condo Review Eligibility</i>. o Fannie Mae PERS – See <i>B4-2.2-06, Project Eligibility Review Service (PERS)</i>. • *Florida Condos: Additional eligibility restrictions, review requirements, and maximum LTV ratios apply, <i>B4-2.1-01 Project Standards, B4-2.2-04 Geographic-Specific Condo Project Considerations</i>. • Condo Project Manager “Unavailable” Status: CPM findings resulting in an “Unavailable” status, the loan will be ineligible for sale to WesLend, regardless of the project review process used in underwriting the loan. o Subject property with unit size less than 650 square feet o Co-ops o Manufactured Home Condominium Projects (MHCPs) o Condominium conversion seasoned less than three years
<p>Condominium and PUDs Non-Warrantable</p>	<ul style="list-style-type: none"> • General Requirements for all Non-Warrantable Condominiums and PUDs: <ul style="list-style-type: none"> ▪ A project may not be operated or managed as a hotel, motel, condotel, or similar commercial entity. See <i>B4-2.1-03, Ineligible Projects</i>. ▪ Projects in current or threatened litigation are not eligible, including litigation for minor matters with no impact on the safety, structural soundness, habitability, or functional use. ▪ The developer may be in control of the condominium association provided the Master Agreement provides for the homeowners to take control upon either a predetermined percentage of unit sales or within a defined time period. The developer cannot retain control of the development. All projects must have an HOA. ▪ Investor and Second Home Concentration: At least 40% of the total units in the project (all legal phases) must have been conveyed or be under contract for sale to principal residence purchasers. ▪ Buildings over four stories must be common to the area. Projects less than 10 units must be typical and common for the market area. • Non-Warrantable Project Allowances: <ul style="list-style-type: none"> • Commercial / Non-Residential Percentage: A maximum 50% of the total space may be used for non-residential purposes. The Subject Unit must be 100% residential. • Mandatory Membership Fees: Subject Units on areas such as golf courses, with pool clubs, or other amenities that are subject to a mandatory membership fee are acceptable. The fees must be included in the borrower’s debt to income ratio. • Single Entity Ownership: No single entity (an individual, investor group, partnership, or corporation) may own more than 50% of the total units in the project.

	<ul style="list-style-type: none"> • HOA Reserves: HOA budget must include a dedicated line-item allocation to replacement reserves of at least 8% of the budget. All projects must have a homeowners’ association. • Delinquent HOA Dues: No more than 25% of total units in a project may be 60 days or more past due on the payment of condominium/association fees. • Completion Status: The project, or the subject’s legal phase along with all prior phases, must be substantially complete. All common elements in the project or legal phase must be 100% complete. At least 50% must be sold or under bona fide contract.
<p>Residual Income</p>	<p>Applies to all Select Standard Programs / transactions regardless of occupancy (primary, second homes or investment properties) a minimum household residual income > or = \$3,000.00 is required – NO EXCEPTIONS</p>
<p>Assets</p>	<p>General Reserve Requirements:</p> <ul style="list-style-type: none"> • Minimum Months’ Reserves: See the Product Matrix for minimum number of months reserves required. <ul style="list-style-type: none"> ○ The minimum number of months’ reserves is based on the subject property’s PITIA, including payment for any secondary/subordinate financing. <p>Additional Reserves:</p> <ul style="list-style-type: none"> ○ Additional Financed Properties: 2 months reserves for each additional financed property. Additional reserves are calculated on the PITIA of each non-subject property. ○ Depth of Credit History: Additional 6 months reserves ○ Pending Sale or Conversion: Additional 6 months reserves ○ Maximum of 36 months required, including subject property. <ul style="list-style-type: none"> • Proceeds from a cash-out refinance as reserves: <ul style="list-style-type: none"> ○ Permitted for Full Documentation ○ Not permitted for Asset Qualifier loans <p>Gift funds are not eligible for reserves.</p> <p>Gift Funds:</p> <ul style="list-style-type: none"> • General Requirements for Use of Gift Funds: <ul style="list-style-type: none"> ○ Eligible only on Primary Residence transactions. Gift funds are not allowed on Second Home and Investment Property transactions. ○ Eligible only with Full Documentation and Bank Statement Documentation. Gift funds are not allowed with Asset Qualifier. ○ Gift funds may not be used to meet reserve requirements. ○ Gift funds are not allowed on transactions with Non-Occupant Co-Borrowers. • Acceptable Donors: <ul style="list-style-type: none"> ○ Eligible donors include a relative, defined as the borrower’s spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship, a fiancé, fiancée, or domestic partner. ○ A gift from an eligible donor who has lived with the borrower for the last 12 months is considered the borrower’s own funds and may be used to satisfy the minimum borrower contribution requirement if all individuals currently occupy or intend to occupy the subject property. • Gift Documentation Requirements For gift documentation requirements and verification of donor availability of funds and transfer of gift funds, <p>Maximum IPC: Generally, for principal residence or second homes 75-01-85 LTV = 6%, ≤ 75% = 9%. Investment property for all CLTV’s = 2%, B3-4.1-02 - 03.</p>

	<p>Borrower Required Funds:</p> <ul style="list-style-type: none"> • All of the borrower’s down payment may come from a non-occupant co-borrower. • All of the borrower’s down payment may be in the form of acceptable Gift Funds. Note that Gift Funds are not allowed on transactions with Non-Occupant Co-Borrowers. • Closing costs, prepaid items, and financing costs may be in the form of acceptable Gift Funds. Note that Gift Funds are not allowed on transactions with Non-Occupant Co-Borrowers. <p>All reserves must come from the borrower’s own funds.</p> <ul style="list-style-type: none"> • Proceeds from a cash-out refinance as reserves: <ul style="list-style-type: none"> ○ Permitted for Full Documentation and Bank Statement Documentation loans. ○ Not permitted for Asset Qualifier loans. • Foreign Assets: Assets held in a foreign account may be used as a source of funds to close and to meet applicable reserve requirements subject to the following: <ul style="list-style-type: none"> ○ Funds must be transferred to a United States domiciled account in the borrower’s name. The transfer should occur within 30 days of closing, but in all cases 10 days prior to closing. ○ Assets must be verified in U.S. dollar equivalency at the current exchange rate ○ A copy of the two most recent statements of the foreign account to verify that funds are seasoned a minimum of 60 days <p>Business Funds:</p> <p>The use of business funds for down payment, closing costs and reserves is allowed for self-employed borrowers whose business is structured as a sole proprietorship, partnership, or corporation, including an S-corporation. The following requirements are applicable for self-employed borrowers using business funds:</p> <ul style="list-style-type: none"> • Borrower(s) who are the sole proprietor or 100% owner of the business must provide three months’ business bank statements evidencing ending balances for each month that are greater than the funds being used for the subject transaction. • Business funds must be verified using standard documentation requirements. • All funds must be seasoned for at least 60 days. Any atypical or large deposits for the business must be sourced and fully documented along with an explanation letter. Atypical deposits are defined as more than 150% of the gross monthly qualifying income.
<p>Reserves All reserve requirements are calculated by determining the subject property PITIA and adding other property PITIAs as applicable</p>	<p>Primary:</p> <ul style="list-style-type: none"> • 6 months for loan amount < \$1.0 MM • 12 months for loan amount >= \$1.0 MM • Plus 2 additional months for each additional financed property <p>Second Home and Investment:</p> <ul style="list-style-type: none"> • 12 months PITIA reserves required

	<ul style="list-style-type: none"> • Plus 2 additional months for each additional financed property
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Documentation Overview	
Full Documentation	<p><u>Requirements:</u></p> <ul style="list-style-type: none"> • Most recent paystub covering one-month and includes year-to-date earnings • Most recent 2 years W-2's Bonus income <p><u>Additional if present:</u></p> <ul style="list-style-type: none"> • Bonus income – requires two-year history to be used as qualifying income. <ul style="list-style-type: none"> ▪ Sign-on bonuses or other one-time pay outs are not eligible ▪ Bonuses based on a forgivable loan structure are not eligible ▪ YTD bonus income must be annualized if included in the average ▪ If YTD bonus is reflecting 'Significant' increase or decrease: <ul style="list-style-type: none"> ○ Averaging not allowed ○ An acceptable Letter of Explanation from employer is required ○ Significant bonus income variations from year-to-year may require additional years of documentation to use the income to qualify • Overtime income – Use the last two- years average of income for qualifying • Commission income – averaged over 24-month regardless of duration of commission income. Note: Commission income received less than 12 months is not eligible. • IRA distributions – <ul style="list-style-type: none"> ▪ Two-year history of receipt on tax returns, and evidence the distributions will continue for a minimum of three years at a similar level as the prior two years; or ▪ Distribution letter, evidence at least one month's receipt, and at least three-year continuance. • Future income – Employment Offers and Contracts not allowed (WesLend Secondary overlay) • Self-Employed income – 25% or greater ownership interest in a business <ul style="list-style-type: none"> ▪ Minimum two-year self-employment history within the same business is required. ▪ Minimum two-year history of self-employment reflected on the borrower's loan application. ▪ Business liquidity test must be done to ensure that the business can support withdrawal of assets and revenue. ▪ Two most recent personal tax returns are required. Plus the following (if applicable Corporation or Partnership): <ul style="list-style-type: none"> ○ Two most recent years of business tax returns, ○ Two most recent years of IRS Schedule K-1 ○ Signed profit and Loss Statement.

	<ul style="list-style-type: none"> • Real Estate (Rental) Income – See FNMA See <i>B3-3.3-05, Income or Loss Reported on IRS Form 1040, Schedule E</i> <ul style="list-style-type: none"> ▪ For any rental income received from a family member: Provided documentation showing all rents due for the most recent six months have been received. ▪ Rental income from short term leases, Airbnb, VRBO, Homestay or other vacation rentals (i.e., short-term rentals) will be allowed with the following documentation and restrictions: <ul style="list-style-type: none"> • A two-year history of receipt is reported on the borrower’s income tax returns. • Evidence that the property is currently being offered for rent in the same manner • Market rents cannot be used for short-term rental income. • Covid-19 Requirements: <ul style="list-style-type: none"> ▪ Rental Income: Provide documentation for all rental income used to qualify that all rents due for the most recent two months have been received. ▪ Unemployment Benefits: Not eligible for qualifying income. • Restricted Stock Units (RSU) or Stock Options – May be considered subject to the following: <ul style="list-style-type: none"> ▪ The borrower must be currently employed by the employer issuing the RSU/Stock options for the income to be considered ▪ Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify. ▪ Evidence that the stock is publicly traded ▪ The vesting schedule indicates the income will continue for a minimum of three years at a similar level as the prior two years. Calculated by Available Number of RSUs as of the application date, multiplied by the 52-week low stock price, divided by 36 months. The result must be greater than or equal to the monthly qualifying amount. ▪ The calculated income derived from RSUs or stock options income should: <ul style="list-style-type: none"> • Average the previous two years • Determine continuance based on future vesting schedule • Use the lower of the two-year history or 36-month continuance to qualify
<p>Tax and W2 Transcripts</p>	<ul style="list-style-type: none"> • A signed 4506-C (or an alternate form acceptable to the IRS that authorizes the release of tax transcripts) is required for each borrower whose income (regardless of income source) is used to qualify • Tax or W-2 transcripts are required for all borrowers for the income type used and for each tax year covered by the income documentation used to qualify. • If tax transcripts are not yet available: <ul style="list-style-type: none"> ○ The loan file must contain a copy of an IRS or vendor document showing that no transcript is available, and; ○ Evidence of a refund check or payment made must be supplied. • Tax Extensions: <ul style="list-style-type: none"> ○ Tax extensions are permitted until October 15th. ○ If the borrower has not filed tax returns by April 15th, the following must be provided on or prior to June 30th: <ul style="list-style-type: none"> ▪ Evidence of tax extension (IRS Form 4868) or evidence of extension filing ▪ Proof of payment for tax liability (if applicable) or the amount of the tax liability due can be subtracted from the borrower’s liquid assets (if proof of payment is not supplied). ▪ The borrower will need to meet the required assets for down payment, closing costs and reserves after the taxes due are subtracted from the borrower’s liquid assets.

	<ul style="list-style-type: none"> • After June 30th, in addition to the requirements above, an IRS Form 4506-T transcript confirming “No Record Found” for the tax returns on extension must be supplied. • After October 15th proof of tax payment is required. • IRS tax transcripts may not be used in lieu of personal tax returns • W-2 Transcripts - W-2 transcript or tax transcript must be obtained for every Borrower whose W-2 income is being used to qualify, for each tax year covered by the W-2 income documentation used to qualify the Borrower(s).
<p>Asset Qualifier</p>	<ul style="list-style-type: none"> • Asset Qualifier uses a method of calculating monthly income by amortizing a borrower’s qualifying assets over a seven-year (84 month) period. • Asset Qualifier documentation is permitted as the borrower’s only income source, or may be used in conjunction with additional Full Documentation income sources. • Assets should reflect the borrower’s accumulated wealth over time and cannot be due to a recent windfalls or inheritances. • Liquidation of qualified assets is not required. • Transactions with non-occupant co-borrowers require the non-occupant co-borrower to qualify using Full Income Documentation. <p><u>Asset Requirements:</u></p> <ul style="list-style-type: none"> • Minimum <i>Post Closing Asset Value</i> of \$500,000 is required for assets being used for qualifying. <ol style="list-style-type: none"> 1. Assets used to meet cash-to-close or reserve requirements cannot be used to meet the minimum balance. 2. Publicly traded instruments and retirement account(s) reductions noted below do not apply to minimum (Use 100% of account value) • Account vesting and ability to access the account(s) used for the asset depletion income. <ol style="list-style-type: none"> 1. Only borrower on the loan may be listed on the account(s) • Asset History: <ol style="list-style-type: none"> 1. Most recent 12 months history is required • Asset Type and Utilization. <ol style="list-style-type: none"> 1. Bank Deposits, checking and/or savings – 100% of most recent documented value. 2. Publicly traded instruments, stocks, bonds, ETFs, mutual funds, futures, etc.... – 70% of the most recent documented value. 3. Fully vested retirement accounts or annuities: <ol style="list-style-type: none"> a. Borrowers who are 59 ½ or more years old may use 100% of the documented value. b. Borrowers who are less than 59 ½ years of age may use 70% of the documented value. <p><u>Asset Verification:</u></p> <ul style="list-style-type: none"> • Account statements or third-party asset verification for the most recent 12 months. • Documentation of the value for the account(s) being used within 30 days of the Note date. If a statement is not available within this time frame, a printout or screen shot of the account overview with the borrower name, account number and current balance or liquidating value is acceptable. <p><u>Ineligible Assets:</u></p>

	<ul style="list-style-type: none"> • Retirement accounts from which the borrower is already receiving distributions • Stock options • Privately held stock • Non-vested restricted stock units • Foreign funds • Deferred compensation • Non-regulated financial companies • Non-liquid assets (automobiles, artwork, business net worth, etc.) • Health Savings Accounts • Cash-out refinance proceeds • Non-financial assets (collectibles, stamps, coins, artwork, etc.) unless liquidated • Assets titled in an irrevocable trust • Custodial accounts • Escrow accounts • 529 accounts • Accounts pledged as collateral on another loan • Below investment grade corporate and municipal bonds • Cash value/surrender value of Life Insurance • Business funds • Inherited assets • Lottery winnings/windfall assets. • Non-liquidated crypto-currency <p><u>Calculated Income:</u></p> <ul style="list-style-type: none"> • Total qualifying assets available based on reductions indicated above <ul style="list-style-type: none"> a. Exclude assets being used for down-payment and closing costs and/or debt payoff b. Exclude assets being used for reserves • Apply 3% rate of return on remaining qualified assets • Asset Qualifier period: <ul style="list-style-type: none"> a. Qualifying assets are amortized over a seven-year (84 month) period regardless of age of borrower or loan term.
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