

Non-Delegated Correspondent Bayview Agency Investor Plus

Community Loan Servicing is pleased to offer this program tailored to meeting the needs of the real estate investment community. All loans originated to Bayview Agency Investor Plus product are secured by investment properties and cannot be occupied by any of the borrowers and or guarantors. Seller shall deliver loans that were originated in accordance with the Fannie Mae Single Family Selling Guide or the Freddie Mac Single-family Seller/Service Guide, (as applicable), unless otherwise noted in this product matrix.

Non-Delegated Correspondent Bayview Agency Investor Plus

| Bayview Agency Investor Plus | | | | |
|------------------------------|-------|-------------------------|-------------------------------|--|
| Transaction Type | Units | Loan limit | Maximum LTV/CLTV ² | Minimum FICO |
| Purchase | 1 | Conforming ¹ | 80% / 80% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | Non-Conforming | 80% / 80% | 740 |
| | 2-4 | Conforming ¹ | 75% / 75% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | Non-Conforming | 70% / 70% | 740 |
| Rate and Term Refinance | 1 | Conforming ¹ | 80% / 80% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | | 75% / 75% | 740 |
| | | Non-Conforming | 70% / 70% | 740 |
| | 2-4 | Conforming ¹ | 80% / 80% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | | 75% / 75% | 740 |
| | | Non-Conforming | 70% / 70% | 740 |
| Cash-Out Refinance | 1 | Conforming ¹ | 80% / 80% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | | 75% / 75% | 740 |
| | | Non-Conforming | 70% / 70% | 740 |
| | 2-4 | Conforming ¹ | 80% / 80% | ≤ 7 financed properties: 660 > 7 financed properties: 700 |
| | | | 70% / 70% | 740 |
| | | Non-Conforming | 65% / 65% | 740 |

¹Loan amounts up to high cost limits per county

²See Declining Market Section for LTV/CLTV reductions

| Loan Product | | |
|-------------------------------|---|---|
| Eligible Products/Terms | Borrower has ≤ 10 properties financed | Borrower has > 10 properties financed |
| | PPF360 – 30 year fixed | PPF361 – 30 year fixed |
| | PPF390 – 10 year interest-only with loan fully amortizing over remaining 20 years with pre-pay penalty | PPF391 – 10 year interest-only with loan fully amortizing over remaining 20 years with pre-pay penalty |
| Ineligible Products Types | <ul style="list-style-type: none"> • HomeStyle Renovation/Energy Mortgages • Construction to Perm / One-Time Close Mortgages • Loans with Out of Scope findings | |
| Maximum Minimum Loan Amount | <ul style="list-style-type: none"> • \$1,500,000 maximum loan amount • \$100,000 minimum loan amount | |
| Purpose | <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash-Out – requires a signed letter of explanation from the Borrower, stating that the cash out will be used for business purposes only and not household nor consumer use | |



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| Occupancy | Investment |
| Temporary Buy downs | Not permitted |
| Eligibility | |
| Borrower Eligibility | <ul style="list-style-type: none"> • Acceptable Residency Statuses: <ul style="list-style-type: none"> • U.S. Citizen(s) • Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Special Products Seller Guide or the Residency and Eligibility Guide • Inter Vivos Revocable Trusts permitted in accordance with Fannie Mae or Freddie Mac guidelines, as applicable. File to contain clear evidence of compliance. <ul style="list-style-type: none"> ◦ Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses • Life Estates are not permitted • Properties vested in LLC: <ul style="list-style-type: none"> ◦ The borrower(s) on the loan application must be a managing member(s) and have documented authority to sign on behalf of the entity. In addition, all members with signing authority must sign the security instrument. All members with 25% ownership or more are subject to AML/BSA review. ◦ <u>Documentation Requirements:</u> <ul style="list-style-type: none"> • Certificate of formation, filed articles of incorporation, including any and all addendums and a current listing of all ownership interests. Lender to provide a clear OFAC check for all individuals with 25% or more ownership of the entity as confirmed by a current listing of ownership interests. • The Operating Agreement for the LLC must be provided in order to confirm acceptability of the LLC • Current Certificate of good standing, dated within 12 months prior to note date |
| Co-borrower/Co-signer | Permitted in accordance with Fannie Mae Selling Guide or Freddie Mac Seller Guide |
| Homebuyer Education | Not required |
| Non-Arm's Length Transactions | If the borrower has a relationship or business affiliation with the builder, developer, or seller of a newly constructed property, the loan is ineligible. |
| Credit | |
| AUS | <ul style="list-style-type: none"> • Desktop Underwriter (DU) with Approve/Eligible or Loan Product Advisor (LPA) with Accept/Eligible findings required with the following exceptions: <ul style="list-style-type: none"> ◦ Ineligible, Caution or Refer with Caution finding due to: <ul style="list-style-type: none"> ▪ Number of financed properties ▪ Loan amount ▪ LTV over 75% on a refinance (minimum 740 FICO) ▪ FICO below 720 on conforming loans where the borrower has ≥ 7 financed properties ▪ Pre-Payment penalty |



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| | <ul style="list-style-type: none"> • Must enter 30-year fully amortized PITIA into DU or LPA (as applicable), on all Interest-Only products • Loans with Out of Scope findings are not eligible for purchase • Manual underwriting not permitted • Credit is evaluated by DU/LPA as applicable <p>Note: Findings related to Mortgage Insurance (MI) may be ignored as MI is not required</p> |
| Credit Score | Refer to eligibility chart above |
| Non-Traditional Credit | Non-traditional credit is not acceptable |
| Significant Derogatory Credit | <ul style="list-style-type: none"> • Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable with the exception of forbearance (See section below for specific requirements) |
| Forbearance | <p><u>Determining Eligibility for New Loan</u> For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. <u>All other loans must wait four years from the exit of a forbearance plan to be considered eligible.</u></p> <ul style="list-style-type: none"> • Any loans that are shown to be in active or previous forbearance but where the borrower continued to make regularly scheduled payments and has made at least one (1) regularly scheduled payment since forbearance inception date are eligible <ul style="list-style-type: none"> ◦ All payments must have been made within the month due <p>The forbearance plan must be terminated at or prior to closing and the loan file must contain documentation that the forbearance is no longer active (i.e. removal letter from servicer, etc.).</p> <ul style="list-style-type: none"> • Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status must meet the requirements below: <ul style="list-style-type: none"> • Purchase & Rate/Term Refinance: <ul style="list-style-type: none"> ◦ Three (3) consecutive months of required payments since completed forbearance plan ◦ All payments must have been made within the month due • Cash-out Refinance: <ul style="list-style-type: none"> ◦ Twelve (12) consecutive months of required payments since completed forbearance plan ◦ All payments must have been made within the month due • Payment Deferral: The refinance of a loan that has a payment deferral and where the amount of the deferred payments is included in the new loan is eligible as a rate/term transaction. Funds applied to pay off the prior loan, including the deferred portion, are not considered cash out • Repayment Plan: The full amount of the repayment plan monthly payment must be considered in meeting the required consecutive payment requirements (Purchase/Rate Term or Cash-out) detailed above • A mortgage subject to forbearance must utilize the mortgage payment history in accordance with the forbearance plan in determining late housing payments • Loan file must contain a letter of explanation from the borrower detailing the reason for forbearance and that the hardship no longer exists |



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| <p>DTI</p> | <p>Per AUS</p> <ul style="list-style-type: none"> • When the subject transaction includes a non-occupant co-borrower, the DTI ratio must include the borrowers' principal residence housing expense (PITIA). If the borrower and/or the non-occupant co-borrower are renting, then all primary residence rental payments must be included in the housing expense portion of the DTI ratio. • The following is acceptable documentation to verify the borrowers' primary housing rental payment: <ul style="list-style-type: none"> ○ Six months most recent canceled checks or equivalent payment source*; ○ Six months most recent bank statements reflecting a clear and consistent payment to an organization or individual*; ○ Direct verification of rent from a management company and two months most recent cancelled checks dated prior to application; ○ Direct verification of rent from a landlord and twelve months most recent cancelled checks dated prior to application; or ○ A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) dated prior to application and supporting the rental payment amount. • * See liabilities section of this product matrix for private party VOR payment history requirements. If rental or mortgage history documentation suggests a payment delinquency, additional documentation may be required to establish a satisfactory payment history in accordance with Fannie Mae Agency requirements. • Interest-Only products require the 30YR fully amortized PITIA to be entered into DU or LPA as applicable, for debt ratio calculations purpose |
| <p>Liabilities</p> | <ul style="list-style-type: none"> • Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable • Private party VOM/VOR as a stand-alone document is not permitted, 12 months cancelled checks are required to document the payment history • Any credit inquiries within the previous 120-day period must contain a written explanation from the borrower to attest that the inquiry did not result in any additional debt not reported on the credit report. |
| <p>Employment/Income</p> | |
| <p>Employment/ Income Verification</p> | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of the AUS findings and the Fannie Mae Seller Guide or Freddie Mac Seller Guide as applicable, including all additional investor COVID-19 guidelines and diligence requirements for income and employment verification that are still in place. <ul style="list-style-type: none"> ○ Approved third party suppliers and distributors that generate employment and income verification reports are permitted for the purpose of verifying income and employment • For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the Note date <ul style="list-style-type: none"> ○ Approved third party suppliers and distributors that generate employment and income verification "automated" reports are permitted for the purpose of verifying income and/or employment <ul style="list-style-type: none"> ▪ Because third-party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor's database was no more than 35 days old as of the Note date |



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- o Request for Verification of Employment, Form 1005 (VOE) or a VOE/VOI completed manually/ researched through a third party, is not permitted as stand-alone document
- Income validation obtained through DU | LPA may fulfill the VOE requirement provided that it is obtained within ten (10) business days prior to the Note date
- For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date
- For borrowers in the military, a military Leave and Earnings Statement dated within 120 days prior to the note date is acceptable in lieu of a verbal verification of employment.
- All sources of qualifying income must be legal in accordance with all applicable Federal, State and Local laws, rules and regulations, without conflict
- A 4506-C form is required to be signed at time of application and at closing for all transactions
- For future income, paystubs are required prior to closing
- Mortgage Credit Certificates are not permitted
- Transcript Requirements:
 - o W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and /or 1099 fixed income sources
 - o Tax transcripts are required in the following circumstances:
 - When tax returns are used to qualify a borrower. The number of years provided must be based on the DU findings. Income verified via tax returns includes but is not limited to the examples listed below:
 - Self-employment income
 - Rental Income
 - Other Income Sources (i.e. Dividend/Interest, Capital Gains, Alimony, etc.)
 - Employment by family members
 - Handwritten paystubs/W2s
 - When amended tax returns have been filed, tax transcripts are required and must support the amended income
 - When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/income types);
 - o Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted
 - o Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended returns must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of the borrower's overall income profile. The following documentation will be required:
 - A letter of explanation from the borrower detailing the reason for re-filing
 - Evidence of re-filing via tax transcript (Record of Account) supporting the amended return
- Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented



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| Rental Income | <ul style="list-style-type: none"> • Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable with the following restriction: • When purchasing or refinancing a 1-4 unit investment property, the borrower must currently own a primary residence in order to use rental income from the subject property for qualifying purposes • Delayed financing will be permitted only when the borrower meets the primary housing history requirements listed below: <ul style="list-style-type: none"> ◦ Borrower(s) will need to represent primary ownership through mortgage history or property records/tax and HOI payments; or ◦ Borrower(s) must demonstrate that they have handled a primary housing payment. This can be documented through 12 months cancelled checks or VOR from a property management company. |
| Variable Income | <p>For variable income types, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third-party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline in variable income between the prior year(s) and/or YTD earnings that exceeds 10%, the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized.</p> |
| Assets/Reserves | |
| Asset/Reserve Requirements | <ul style="list-style-type: none"> • Asset <u>documentation</u> must comply with the requirements of DU/LPA findings and the Fannie Mae Selling Guide or Freddie Mac Seller Guide <ul style="list-style-type: none"> ◦ Fannie Mae/Freddie Mac approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets. • Reserves: 6 months for the subject property plus: <ul style="list-style-type: none"> ◦ 2% of the aggregate UPB if the borrower has <u>one to four financed</u> properties, ◦ 4% of the aggregate UPB if the borrower has <u>five to six financed</u> properties, or ◦ 6% of the aggregate UPB if the borrower has <u>seven to fifty financed</u> properties |
| Ineligible Asset Type | <ul style="list-style-type: none"> • Cash on hand • Custodial accounts for minors • <u>Pooled funds</u> • <u>Trade Equity</u> • Virtual Currency (i.e. bitcoin) • <u>Sweat Equity</u> |
| Gifts | Not permitted |
| IPC – Interested Party Contributions | Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable |
| Subordinate Financing | |
| New Subordinate Financing | Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable |



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| Existing Subordinate Financing | Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • 2-4 Unit Detached • PUDs • Condominiums – follow Fannie Mae eligibility guidelines • Rural Properties (in accordance with Agency Guidelines, properties must be residential in nature) • Leaseholds (cannot be secured by Indian/Tribal lands) |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u>Manufactured homes</u> • Mobile Homes • <u>Cooperatives</u> • Geodesic Domes • Condotels-Reviewed on an exception basis • Hotel Condominiums- Reviewed on an exception basis • Timeshares • Working Farms and Ranches • Unimproved Land • Land trusts in those states where the beneficiary is an individual • <u>Group Homes</u> • <u>Community Land Trusts</u> |
| Declining Markets | <ul style="list-style-type: none"> • LTV/CLTV/HCLTV must be 5% below product maximum per product matrix eligibility grid <p><i>As an example: If the eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i></p> |
| Appraisal Requirements | <ul style="list-style-type: none"> • A full appraisal including a Comparable Rent Schedule (1007 or 1025 as applicable) is required • The subject property must be appraised within 90 days prior to the Note date • Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged but from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date • The following additional requirements that apply for all Non-Conforming Loan amounts unless two full appraisals are provided <ul style="list-style-type: none"> ○ A Collateral Desktop Analysis (CDA) ordered from Clear Capital is required to support the value of the appraisal. If the CDA returns a value that is “Indeterminate” or if the CDA indicates a lower value than the appraised value by more than a 10% tolerance, then one (1) of the following requirements must be met: <ul style="list-style-type: none"> ▪ A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of the three Reports is required. The Value Reconciliation will be used for the appraised value of the property. |



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| | <ul style="list-style-type: none"> ▪ A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. <p>OR</p> <ul style="list-style-type: none"> ○ Collateral Underwriter (CU) with a score of 2.5 or less in lieu of a CDA <ul style="list-style-type: none"> ▪ Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets. See Declining Market section for additional requirements • <u>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted</u> • Appraisal transfers are permitted in accordance with the Fannie Mae/Freddie Mac Guides as applicable • The re-use of an appraisal is permitted in accordance with the Fannie Mae/ Freddie Mac Selling Guide • <u>Successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac are required. Loans will not be purchased that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</u> • <u>When the property is located on a community or privately-owned and maintained street and a legally enforceable, recorded use and maintenance agreement is not in place, the loan may be considered by exception basis only. The following states do not require an exception as they currently define the responsibilities of property owners for maintenance and repair: CA, CO, MN, NM, OR, PA, RI, and WA</u> |
| <p>Condos/PUDS</p> | <ul style="list-style-type: none"> • Must follow Fannie Mae or Freddie Mac published Condominium Eligibility guidelines as applicable • Streamlined Review for attached Condominium Units in Established Condominium Projects permitted in accordance with Freddie Mac guidelines • Limited Review for attached Condominium Units in Established Condominium Projects permitted in accordance with Fannie Mae/Freddie Mac guidelines • <u>PERS approval is not permitted</u> • <u>Reciprocal Project Review is not permitted</u> |
| <p>Disaster Policy</p> | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Special Products Selling Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ○ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ○ Areas where FEMA has not made a disaster declaration, but Community Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ○ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |



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| Escrow Holdbacks | <ul style="list-style-type: none"> Follow Fannie Mae or Freddie Mac (as applicable) guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation. It is Seller's responsibility to forward final completion documents to CLS per Fannie Mae Guidelines |
| Geographic Restrictions | <ul style="list-style-type: none"> The following states are not eligible: NY Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted |
| Special Restrictions | |
| High Cost | Community Loan Servicing will not purchase High Cost Loans |
| HPML | Refer to Fannie Mae Selling Guide or Freddie Mac Seller Guide as applicable |
| Multiple Financed Properties | <ul style="list-style-type: none"> Maximum of 50 financed properties <ul style="list-style-type: none"> The following property types are not subject to these limitations, even if the borrower is personally obligated on a mortgage on the property: <ul style="list-style-type: none"> commercial real estate, multifamily property consisting of more than four units, ownership in a timeshare, ownership of a vacant lot (residential or commercial), or ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on the home) |
| POA | The use of a POA is not permitted on Cash-Out Refinance transactions |
| Maximum Financed Bayview Exposure | Borrower(s) are limited to a maximum of \$6,250,000 in aggregate with Bayview |
| Insurance | |
| Mortgage Insurance | <ul style="list-style-type: none"> Not required AUS findings regarding mortgage insurance may be ignored |
| Title Insurance | An attorney's title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans. |
| Other Considerations | |
| Pre-Payment Penalties | <ul style="list-style-type: none"> May be charged on interest-only loans only Pre-payment penalties are not allowed in New Mexico, New Jersey, or Alaska for any reason Pre-payment penalties may be assessed as noted below for loans that pre-pay between the loan origination date and year five (5) in all states, except: MI, MN, MS, NC, NJ, OH, PA, RI, TX, and VA which must follow all state specific requirements as noted in Appendix A |



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| | | | Prepayment Penalty by Year | | | | |
|---|---|----|----------------------------|----------|----------|----------|----------|
| | | | Year 0-1 | Year 1-2 | Year 2-3 | Year 3-4 | Year 4-5 |
| | Prepayment Penalty Options | A | 5% | 5% | 5% | 5% | 5% |
| B | | 5% | 4% | 3% | 2% | 1% | |
| C | | 3% | 2% | 1% | 0% | 0% | |
| D | | 1% | 1% | 1% | 0% | 0% | |
| Age of Documentation | <ul style="list-style-type: none"> All credit documents must be dated within 120 days of the note date Preliminary Title Policies must be no more than 180 days old on the date the note is signed See Appraisal Requirements section for age of appraisal requirements | | | | | | |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller with 7 calendar days of purchase date. Refer to Seller Guide for transfer requirements. | | | | | | |
| Seasoning Requirements | Refer to FNMA Guidelines | | | | | | |
| Principal Curtailment | <ul style="list-style-type: none"> If the borrower receives more cash back than is permitted for a Limited Cash-Out Refinance, the lender can apply a curtailment to reduce the amount of cash back to the borrower to bring the loan into compliance with the maximum cash back requirement <ul style="list-style-type: none"> Must be applied prior to delivery If, at the time of closing, curtailment must be clearly documented on the Closing Disclosure If, after closing, but before delivery, the servicing file must be documented with the reason and source information The maximum amount of the curtailment cannot exceed the lesser of \$2,500 or 2% of the original loan amount for the subject loan. For principal curtailment and cash back allowances on purchase transactions, see Fannie Mae Selling Guide | | | | | | |
| Escrow Waivers | <ul style="list-style-type: none"> Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required. Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide or Freddie Mac Seller Guide (as applicable) and all state specific restrictions. Tax and insurance escrows are required on all HPML loans. | | | | | | |
| Loan Documentation Requirements | <ul style="list-style-type: none"> Business Purpose Affidavit Interest-Only Note (if applicable) Interest-Only Rider (if applicable) Pre-Payment Penalty Rider (if applicable) 1-4 Family Rider Signed explanation of cash out (if applicable) All other forms required per the document checklist which is posted in the Reference Library of the Correspondent Portal | | | | | | |
| Seller shall deliver loans that were originated in accordance with the Fannie Mae Single Family Selling Guide or Freddie Mac Seller Guide, unless otherwise noted in this product matrix. | | | | | | | |



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**Appendix A
State Specific Pre-payment Penalty Requirements**

| <u>State</u> | <u>PPP Permitted</u> | <u>Requirement</u> |
|----------------|----------------------|--|
| Alaska | No | No prepayment penalty shall be permitted |
| Louisiana | Yes with conditions | A mortgage lender may contract for and receive a prepayment penalty in an amount not to exceed: (a) Five percent of the unpaid principal balance if the loan is prepaid in full during the first year of its term. (b) Four percent of the unpaid principal balance if the loan is prepaid in full during the second year of its term. (c) Three percent of the unpaid principal balance if the loan is prepaid in full during the third year of its term. (d) Two percent of the unpaid principal balance if the loan is prepaid in full during the fourth year of its term. (e) One percent of the unpaid principal balance if the loan is prepaid in full during the fifth year of its term. |
| Michigan | Yes with conditions | Max 3YR at max 1% for SFR |
| Minnesota | Yes with conditions | Loan amount is less than Fannie/ Freddie conforming limits = 2% of UPB, or 60 days interest at the time of prepayment, whichever is less No prepayment penalty Restrictions for: Single Family Loan > \$647,200 2 Unit Loan > \$828,700 3 Unit Loan > \$1,001,650 4 Unit Loan > \$1,244,850 |
| Mississippi | Yes with conditions | (i) Five percent (5%) of the unpaid principal balance if prepaid during the first year; (ii) Four percent (4%) of the unpaid principal balance if prepaid during the second year; (iii) Three percent (3%) of the unpaid principal balance if prepaid during the third year; (iv) Two percent (2%) of the unpaid principal balance if prepaid during the fourth year; (v) One percent (1%) of the unpaid principal balance if prepaid during the fifth year; and (vi) No penalty if prepaid more than five (5) years from date of the note creating the debt. |
| New Jersey | No | Pre-payment penalties cannot be charged to natural person borrowers. |
| New Mexico | No | No prepayment penalty shall be permitted |
| North Carolina | Yes with conditions | Prepayment penalty may be charged only on loans greater than \$150,000 |
| Ohio | Yes with conditions | 1-2 unit: maximum 1% within 5 years of execution date of the mortgage only if loan amount >=\$93,119; No prepayment penalty permitted if loan amount < \$93,119 3-4 unit : prepayment penalty permitted without restriction |



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| | | |
|--------------|---------------------|--|
| Pennsylvania | Yes with conditions | 1-2 unit: only if loan balance >\$278,204; No prepayment penalty permitted if balance <=\$278,204 3-4 unit: prepayment penalty allowed without restriction |
| Rhode Island | Yes with conditions | Prepayment penalty max 2% of balance |
| Texas | Yes with conditions | Property cannot be owner-occupied |
| Virginia | Yes with conditions | Max 1% if balance < \$75k |



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| Version Control | | | |
|-----------------|------------------------|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| AS | Forbearance | 06.03.22 | Added Forbearance Section |
| AS | Borrower Eligibility | 06.03.22 | Added: Lender to provide a clear OFAC check for all individuals with 25% or more ownership of the entity as confirmed by a current list of ownership interests |
| AS | Appraisal Requirements | 06.03.22 | Deleted: Determined by DU/LPA Findings Replaced with: A Full appraisal including a Comparable Rent Schedule (1007 or 1025 as applicable) is required |
| DM | Appendix | 6.3.22 | Updated ppp for PA and MN |
| DH | Eligibility Grid | 11.04.22 | Added Declining Market footnote |
| DH | Declining Market | 11.04.22 | Added Declining Market section <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 5% below product maximum per product matrix eligibility grid <p><i>As an example: If the eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i></p> |
| DH | Appraisal Requirements | 11.04.22 | Removed <ul style="list-style-type: none"> Re-certification of value, in accordance with Fannie Mae/Freddie Mac guidelines, as applicable Added <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date The subject property must be appraised within 90 days prior to the Note date Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets |
| AS | Eligibility Grid | 12.02.22 | Reduced LTV to maximum of 80% |



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| Bank Statement Eligibility Matrix | | | | |
|-------------------------------------|--------|-------------------|---------------------------------------|--------------------------|
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 680 | 80% | \$1,000,000 |
| | | 640 | 75% | |
| | | 720 | 80% | |
| | | 680 | 75% | \$1,500,000 |
| | | 700 | 75% | |
| | | 680 | 70% | \$2,000,000 |
| | | 720 | 75% | |
| | | 700 | 65% | \$2,500,000 |
| | | 740 | 75% | |
| | | 720 | 70% | \$3,000,000 ¹ |
| 720 | 70% | | | |
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-4 | 700 | 80% | \$1,000,000 |
| | | 680 | 75% | |
| | | 640 | 70% | |
| | | 720 | 80% | \$1,500,000 |
| | | 680 | 70% | |
| | | 640 | 65% | |
| | | 700 | 75% | \$2,000,000 |
| | | 680 | 65% | |
| | | 720 | 70% | \$2,500,000 |
| | | 700 | 60% | |
| | | 740 | 70% | \$3,000,000 ¹ |
| | | 720 | 65% | |
| | | Second Home | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-Unit | 700 | 80% | \$1,000,000 |
| | | 680 | 75% | \$1,500,000 |
| | | 700 | 75% | \$2,000,000 |
| Second Home | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-Unit | 680 | 65% | \$1,000,000 |
| | | 700 | 75% | \$1,500,000 |
| | | 720 | 65% | \$2,000,000 |



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¹ Loan amounts greater than \$2,500,000 require 24 months of income verification via either with bank statements or 1099s

² Cash-Out Refinance Transactions: Maximum Cash-Out

- LTV ≥ 70%: \$250,000
- LTV > 50 & < 70: \$500,000
- LTV ≤ 50%: \$1,000,000

³ Interest Only

- Minimum 680 FICO

⁴ Non-Warrantable Condominiums: LTV/CLTV must be 10% below product/program maximums up to a maximum of 70% LTV/CLTV

⁵ See Declining Market Section for LTV/CLTV/HCLTV reductions and Appendices A, B, C & D for Category Eligibility grids

| Category | States | LTV/CLTV/HCLTV Reduction |
|------------|--------------------------------|---|
| Category 1 | TX | 20% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% |
| Category 2 | AZ, ID | 15% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% |
| Category 3 | DC, NV, NC, SD, WA | 10% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% |
| Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% |

Bayview Bank Statement Notes:

Single loan variances may be granted on a case-by-case basis by Community Loan Servicing (at its sole determination) for loans with terms or characteristics that are outside of the Bank Statement Eligibility requirements. Approval of the single loan variance must be granted by Community Loan Servicing prior to the delivery of the loan



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Loan Product

All loans must be in compliance with the Ability to Repay (ATR) rules established by the Consumer Financial Protection Bureau (“CFPB”). Loans must be originated in accordance with the Special Products Seller Guide unless otherwise stated in this product matrix. For topics not specifically addressed in this product matrix or the Special Products Seller Guide, refer to the Fannie Mae Single Family Selling Guide.

| Product Description | <ul style="list-style-type: none"> The Bayview Bank Statement product is designed for strong credit quality self-employed borrowers and permits the use of bank statements (personal or business), in lieu of tax returns, to support self-employed income for qualification purposes. The documentation must provide evidence that the borrower’s self-employed income is stable, sufficient to repay the borrower’s debts and likely to continue Business or personal bank statements are permitted Twelve (12) or twenty-four (24) month bank statement option is available 1099 income option permitted Loans that are eligible for sale to a Government-Sponsored Enterprise (GSE) – Fannie Mae or Freddie Mac – are ineligible for the Bayview Bank Statement program | | | | | | | | |
|---|---|---------------|---------------|------------------------------|------------------------------|--|---|---|--|
| Minimum Loan Amount | \$100,000 | | | | | | | | |
| Eligible Products Terms | <table border="1"> <thead> <tr> <th data-bbox="418 873 976 909">30 Year Terms</th> <th data-bbox="976 873 1536 909">40 Year Terms</th> </tr> </thead> <tbody> <tr> <td data-bbox="418 909 976 957"> PBF330 – 30 Yr. Fixed </td> <td data-bbox="976 909 1536 957"> PBF400 – 40 Yr. Fixed </td> </tr> <tr> <td data-bbox="418 957 976 1031"> PBF305 – 5 Yr. I/O with loan fully amortizing over remaining 25 years </td> <td data-bbox="976 957 1536 1031"> PBF410 – 10 Yr. I/O with loan fully amortizing over remaining 30 years </td> </tr> <tr> <td data-bbox="418 1031 976 1098"> PBF310 – 10 Yr. I/O with loan fully amortizing over remaining 20 years </td> <td data-bbox="976 1031 1536 1098"></td> </tr> </tbody> </table> | 30 Year Terms | 40 Year Terms | PBF330 – 30 Yr. Fixed | PBF400 – 40 Yr. Fixed | PBF305 – 5 Yr. I/O with loan fully amortizing over remaining 25 years | PBF410 – 10 Yr. I/O with loan fully amortizing over remaining 30 years | PBF310 – 10 Yr. I/O with loan fully amortizing over remaining 20 years | |
| 30 Year Terms | 40 Year Terms | | | | | | | | |
| PBF330 – 30 Yr. Fixed | PBF400 – 40 Yr. Fixed | | | | | | | | |
| PBF305 – 5 Yr. I/O with loan fully amortizing over remaining 25 years | PBF410 – 10 Yr. I/O with loan fully amortizing over remaining 30 years | | | | | | | | |
| PBF310 – 10 Yr. I/O with loan fully amortizing over remaining 20 years | | | | | | | | | |
| Interest Only | <ul style="list-style-type: none"> Minimum 680 FICO See DTI section for calculation requirements | | | | | | | | |
| Ineligible Product Types | <ul style="list-style-type: none"> High Cost Loans (Federal, State or Local) Balloons Graduated Payments Temporary Buydowns Adjustable Rate Terms Single Close Construction to Permanent Transactions | | | | | | | | |
| Loan Purpose | <ul style="list-style-type: none"> Purchase Rate/Term Refinance Cash-Out | | | | | | | | |
| Rate/Term Refinance Transactions | <ul style="list-style-type: none"> The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items <ul style="list-style-type: none"> If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction | | | | | | | | |



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| | <p>history</p> <ul style="list-style-type: none"> o Max cash back at closing is limited to 1% of the new loan amount • Properties inherited less than twelve (12) months prior to application date can be considered for a Rate and Term refinance transaction if the following requirements are met: <ul style="list-style-type: none"> o Must have clear title or copy of probate evidencing borrower was awarded the property o A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries o Borrower retains sole ownership of the property after the pay out of the other beneficiaries o Cash back to Borrower not to exceed 1% of the loan amount |
| <p>Cash-Out Transaction</p> | <p>Maximum Cash-Out</p> <ul style="list-style-type: none"> • LTV ≥ 70%: \$250,000 • LTV > 50 & < 70: \$500,000 • LTV ≤ 50%: \$1,000,000 • Borrower must have owned the property for at least six (6) months. If the property is owned free and clear and six (6) month seasoning is not met, refer to Delayed Purchase Refinancing section below • Maximum cash-out limitations include the payoff of any unsecured debt, unseasoned liens and any cash in hand • Inherited properties may not be refinanced as a cash-out refinance prior to twelve (12) months ownership. See Rate and Term Refinances for requirements • Cash-out refinances where the borrower is paying off a loan from a pledged asset/retirement account loan, secured loan, unsecured family loan or replenishing business funds used to purchase the property, the following guidelines apply: <ul style="list-style-type: none"> o Cash-out limitation is waived if previous transaction was a purchase o Seasoning requirement for cash-out is waived (borrower does not have to have owned for six (6) months prior to subject transaction) o Funds used to purchase the subject property must be documented and sourced o HUD-1/CD for subject transaction must reflect payoff or pay down of pledged asset/retirement account loan, secured loan, unsecured family loan or business asset account. If cash-out proceeds exceed payoff of loans, excess cash must meet cash-out limitations o The purchase must have been arm's length |
| <p>Delayed Financing</p> | <ul style="list-style-type: none"> • Property was purchased by borrower for cash within six (6) months of the loan application • HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property • Preliminary title reflects the borrower as the owner and no liens • Funds used to purchase the property are fully documented and sourced and must be the borrower's own funds (no gift funds or business funds) • Funds drawn from a HELOC on another property owned by the borrower, funds borrowed against a margin account or funds from a 401(k) loan are acceptable if the following requirements are met: <ul style="list-style-type: none"> o The borrowed funds are fully documented o The borrowed funds are reflected on the Closing Disclosure (CD) as a payoff on the new refinance transaction • LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas. |



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| Occupancy | <ul style="list-style-type: none"> • Primary Residence for 1-4 units • Second home residences for one (1) unit <ul style="list-style-type: none"> ◦ Must be a reasonable distance away from borrower's primary residence ◦ Must be occupied by the borrower for some portion of the year ◦ Must be suitable for year-round use ◦ Must not be subject to a rental agreement and borrower must have exclusive control over the property ◦ Any rental income received on the property cannot be used as qualifying income |
| LTV/CLTV/HCLTV Calculation for Refinance Transactions | <ul style="list-style-type: none"> • If subject property is owned more than twelve (12) months, the LTV/CLTV/HCLTV is based on the current appraised value. The twelve (12) month time frame may be based on subject transaction Note date • If subject property is owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the original purchase price plus documented improvements made after the purchase of the property, or the appraised value. Documented improvements must be supported with receipts. The twelve (12) month time frame may be based on subject transaction Note date |
| Age of Documents | <ul style="list-style-type: none"> • All credit documents, including title commitment must be no older than ninety (90) days from the Note date <ul style="list-style-type: none"> ◦ See Self-Employment section for restrictions |
| Documentation | <ul style="list-style-type: none"> • QM designation must be provided in the loan file; for the Bayview Bank Statement program: <ul style="list-style-type: none"> ◦ QM designation is Non-QM • Loan file must meet and document the eight (8) Ability to Repay (ATR) rules under the federal Truth-in-Lending Act, as implemented by Regulation Z |
| Higher Priced Mortgage Loans (HPML) | <ul style="list-style-type: none"> • Higher Priced Mortgage Loans (HPML) are allowed if the following requirements are met: <ul style="list-style-type: none"> ◦ Loan must have an escrow account for a minimum of 5 years ◦ 102.14(a)(1) allowing the consumer to waive the requirement that the appraisal copy be provided three (3) business days before consummation, does not apply to Higher Priced Mortgage Loans subject to §1026.35(c). A Consumer of a Higher Priced Mortgage Loan subject to §1026.35(c) may not waive the timing requirement to receive a copy of the appraisal under §1026.35(c)(6)(i) • Appraisal Requirements <ul style="list-style-type: none"> ◦ If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt. ◦ If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20%, then a second full appraisal is required. Bank owned properties are not exempt ◦ If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals |
| Eligibility | |
| Texas 50(a)(6) | Transactions in the state of Texas subject to 50(a)(6) are not permitted |
| Borrower Eligibility | <ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens with evidence of lawful residency <ul style="list-style-type: none"> ◦ Must be employed in the US for the past twenty-four (24) months |

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|--------------------------------------|---|
| | <ul style="list-style-type: none"> • Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions: <ul style="list-style-type: none"> ◦ Primary Residence Only ◦ Maximum LTV/CLTV/HCLTV 75% ◦ No other financed properties in the US ◦ Unexpired H1B, H2B, E1, L1, and G Series VISAs only; G Series VISAs must have no diplomatic immunity ◦ Credit tradeline requirements must be met, no exceptions ◦ Borrower must have a current twenty-four (24) month employment history in the US • Documentation evidencing lawful residency must be met (see Special Products Seller Guide for requirements) • Illinois Land Trust (see Special Products Seller Guide for requirements) • Inter Vivos Revocable Trust (see Special Products Seller Guide for requirements) • All borrowers must have a valid Social Security Number • The primary borrower must be self-employed and represent the majority of qualifying income |
| Non-Occupant Co-Borrower | <ul style="list-style-type: none"> • Must be a family member • Primary Residence – 1 unit only • Reduce maximum LTV/CLTV by 5% |
| Ineligible Borrowers | <ul style="list-style-type: none"> • Foreign Nationals • Borrowers with Diplomatic Immunity status • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, except for Illinois Land Trust • Borrowers with any ownership in a business that is Federally illegal, regardless if the income is not being considered for qualifying |
| First-Time Homebuyer | <ul style="list-style-type: none"> • First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, First-Time Homebuyer requirements do not apply • All First-Time Homebuyers must meet the following requirements: <ul style="list-style-type: none"> ◦ Primary residence only ◦ Borrower must contribute 10% of their own funds to the transaction ◦ Payment Shock – maximum 250% ◦ Must be able to document a satisfactory twelve (12) month rental history |
| Non-Arm's Length Transactions | <p>A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party. The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> • Family sales or transfers • Property seller acting as their own real estate agent • Relative of the property seller acting as the seller's real estate agent • Borrower acting as their own real estate agent • Relative of the borrower acting as the borrower's real estate agent • Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file • Originator is related to the borrower |



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| | <ul style="list-style-type: none"> Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord) <p>Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity. Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations</p> <p>Other non-arm's length transactions may be acceptable on an single loan variance basis</p> |
| <p>Continuity of Obligation</p> | <p>When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:</p> <ul style="list-style-type: none"> The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or Is related to the borrower on the mortgage being refinanced The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> |
| <p>Credit</p> | |
| <p>Underwriting</p> | <ul style="list-style-type: none"> Manual underwrite is required AUS findings are not considered; no documentation waivers are considered In all cases, the loan file must document the eight (8) ATR rules In some cases, single loan variances to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Single loan variance must be granted by CLS Borrower's Affirmation of Information Form required Second Home Transactions: Prudent underwriting must be exercised to determine the reasonableness of considering the property a second home |
| <p>Credit Requirements</p> | <ul style="list-style-type: none"> Two (2) tradelines must be open for twenty-four (24) months and active within the most recent twelve (12) months, or Three (3) tradelines must be rated for twelve (12) months Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not contributing to income for qualifying purposes are not subject to minimum tradeline requirements Authorized user accounts are not allowed as an acceptable tradeline Non-traditional credit is not allowed as an acceptable tradeline Disputed tradelines: <ul style="list-style-type: none"> All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute |



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| | <ul style="list-style-type: none"> o Derogatory accounts must be considered in analyzing the borrower’s willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded • Credit Inquiries: <ul style="list-style-type: none"> o If the credit report indicates inquiries within the most recent 120 days of the credit report, the Seller must confirm the Borrower did not obtain additional credit that is not reflected in the credit report or mortgage application. In these instances, confirmation of no new debt may be in the form of a new credit report, pre-close credit report or gap credit report or borrower explanation for the credit inquiry o If additional credit was obtained, a verification of that debt must be provided, and the borrower must be qualified with the monthly payment • Frozen Credit: Follow Fannie Mae Selling Guide requirements except as noted below <ul style="list-style-type: none"> o All borrowers must have a minimum of two (2) credit scores <u>that are generated from the unfrozen bureaus</u> |
| <p>Housing History</p> | <ul style="list-style-type: none"> • Mortgage history requirements: <ul style="list-style-type: none"> o If the borrower(s) has a Mortgage in the most recent twelve (12) months, a mortgage rating must be obtained, reflecting 1x30 in the last twelve (12) months o The mortgage rating may be on the credit report or a VOM o Applicable to all borrowers on the loan o The borrower(s) credit report must be reviewed to determine status of all mortgage loans including verification mortgage is not subject to a loss mitigation program, repayment plan, loan modification or payment deferral plan. In addition to reviewing the credit report, due diligence must also be applied for each mortgage loan on which a borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine the loan payments are current as of the Note date of the subject transaction. Current means the borrower has made all payments due in the month prior to the Note date of the subject transaction and no later than the last business day of that month. Acceptable documentation includes one of the following: <ul style="list-style-type: none"> ▪ Loan payment history from the servicer or third party verification service ▪ Payoff statement for loans being refinanced ▪ Current mortgage statement from the borrower ▪ Verification of mortgage (VOM) o If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required • Rental history requirements: <ul style="list-style-type: none"> o If the borrower(s) has a rental history in the most recent twelve (12) months, a VOR must be obtained reflecting 0x30 in the last twelve (12) months o Applicable to all borrowers on the loan o Verification of rent must be from a management company or via cancelled checks/bank statements. Private party rental history is not permitted |
| <p>Significant Derogatory Credit</p> | <p>Waiting Periods:</p> <ul style="list-style-type: none"> • Bankruptcy, Chapter 7, 11, 13 - four (4) years since discharge / dismissal date • Foreclosure - four (4) years since completion date • Notice of Default - four (4) years • Short Sale/Deed-in-Lieu - four (4) years since completion / sale date • Forbearance resulting in subsequent loan modification - four (4) years since exit from forbearance (See below Forbearance section for additional requirements) • Mortgage accounts that were settled for less, negotiated or short payoffs – four (4) years since |

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| | <p>settlement date</p> <ul style="list-style-type: none"> • Loan modifications: <ul style="list-style-type: none"> ○ Lender initiated modification will not be considered a derogatory credit event if the modification did not include debt forgiveness and was not due to hardship as evidenced by supporting documentation. No seasoning requirement would apply ○ If the modification was due to hardship or included debt forgiveness – four (4) years since modification • Waiting periods down to 36 months permitted and must meet the below criteria; <ul style="list-style-type: none"> ○ LTV/CLTV must be 5% below product/program maximum ○ Additional six (6) months reserves required • Single loan variances for credit events will be considered on a case-by-case basis between two (2) and three (3) years with extenuating circumstances subject to the following: <ul style="list-style-type: none"> ○ Extenuating circumstances are defined as non-recurring events that are beyond the borrower's control resulting in a sudden significant and prolonged reduction in income or catastrophic increase in financial obligations <ul style="list-style-type: none"> ▪ Examples would include death or major illness of a spouse or child but would not include divorce or job loss ○ Documentation must be provided to support the claim of extenuating circumstances and confirm the nature of the event that led to the credit event and illustrate the borrower has no reasonable option other than to default on their obligations ○ <u>Single loan variance must be approved by CLS</u> ○ If the defaulted debt was assigned to an ex-spouse and the default occurred after the borrower was relieved of the obligation, the event may be considered on a single loan variance basis • Multiple derogatory credit events not allowed, regardless if seasoned over four (4) years <ul style="list-style-type: none"> ○ A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event ○ A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event • Medical collections are allowed to remain outstanding if the balance is less than \$10,000 in aggregate • Tax liens, judgments, charge-offs, and past-due accounts must be satisfied or brought current prior to or at closing • Cash-Out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts • Payment plans on prior year tax liens/liabilities are not allowed, must be paid in full |
| <p>Forbearance</p> | <p><u>Determining Eligibility for New Loan</u></p> <p>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</p> <ul style="list-style-type: none"> • Any loans that are shown to be in active or previous forbearance but where the borrower continued to make regularly scheduled payments and has made at least one (1) regularly scheduled payment since forbearance inception date are eligible <ul style="list-style-type: none"> ○ All payments must have been made within the month due |



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| | <ul style="list-style-type: none"> o The forbearance plan must be terminated at or prior to closing and the loan file must contain documentation that the forbearance is no longer active (i.e. removal letter from servicer, etc.). • Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance <u>and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status</u> must meet the requirements below: <ul style="list-style-type: none"> o <u>Purchase & Rate/Term Refinance:</u> <ul style="list-style-type: none"> ▪ Three (3) consecutive months of required payments since completed forbearance plan ▪ All payments must have been made within the month due o <u>Cash-out Refinance:</u> <ul style="list-style-type: none"> ▪ Twelve (12) consecutive months of required payments since completed forbearance plan ▪ All payments must have been made within the month due • <u>Payment Deferral:</u> The refinance of a loan that has a payment deferral and where the amount of the deferred payments is included in the new loan is eligible as a rate/term transaction. Funds applied to pay off the prior loan, including the deferred portion, are not considered cash out • <u>Repayment Plan:</u> The full amount of the repayment plan monthly payment must be considered in meeting the required consecutive payment requirements (Purchase/Rate Term or Cash-out) detailed above • A mortgage subject to forbearance must utilize the mortgage payment history in accordance with the forbearance plan in determining late housing payments • Loan file must contain a letter of explanation from the borrower detailing the reason for forbearance and that the hardship no longer exists • Forbearance resulting in subsequent loan modification is considered a significant derogatory credit event and subject to a seven (7) year waiting period |
| DTI | <ul style="list-style-type: none"> • 49.99% • Interest Only loans must qualify using the fully amortized PITIA payment amortized over the following: <ul style="list-style-type: none"> o 30 year term with 5 year I/O: 25 years o 30 year term with 10 year I/O: 20 years o 40 year term with 10 year I/O: 30 years |
| Payment Shock | <ul style="list-style-type: none"> • Maximum 350% of the borrower's current primary residence housing payment • First Time Homebuyer - maximum 250% of the borrower's current primary residence housing payment |
| Lawsuit/Pending Litigation | <p>If the Uniform Residential Loan Application, title commitment or credit documents indicate that the borrower is party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral</p> |
| Liabilities | |
| Liabilities | <ul style="list-style-type: none"> • The monthly payment on revolving accounts with a balance must be included in the borrower's DTI, regardless of the number of months remaining. If the credit report does not |

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- reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of \$10 or 5%
- If the credit report reflects an open-end of net thirty (30) day account, the balance owing must be subtracted from liquid assets
- Loans secured by financial assets (life insurance policies, 401(k), IRAs, CDs, etc.) do not require a payment to be included in the DTI if documentation is provided to show the borrower's financial asset as collateral for the loan
- Lease payments, regardless of the number of payments remaining, must be included in the DTI
- Installment debts lasting ten (10) months or more must be included in the DTI
- Child support, alimony, and separate maintenances with ten (10) or more months remaining
 - Alimony payments may be deducted from income rather than included as a liability in the DTI for divorces prior to 1/1/2019. For borrowers with a divorce on or after 1/1/2019, the alimony payment must be treated as a liability

Business Debt Exclusion

- A business debt is a financial obligation of a business but may also be the responsibility of the business owner, making that person also liable for the debt. If the debt is reflected on the borrower's personal credit report, the borrower is personally liable for the debt and it must be included in the debt-to-income ratio. When a self-employed borrower claims that a monthly obligation that appears on his or her personal credit report is being paid by the borrower's business, it must be confirmed that the obligation was actually paid out of company funds to exclude the debt. Any of the following supporting documentation can be included in the credit file to exclude business debt:
 - Most recent six (6) months of cancelled checks drawn against the business account
 - Most recent business bank account statement must show assets remaining after funds to close and reserve requirements are deducted, with a balance greater than or equal to the balance of the debt
- If the debt is less than six (6) months old, the payment must be included in the DTI ratio

Student Loans

- For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower's monthly debt obligation
 - If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying
 - If the credit report does not provide a monthly payment or if it shows \$0 as the monthly payment, the monthly payment may be one of the options below:
 - Loan payment indicated on student loan documentation verifying monthly payment is based on an income-driven plan
 - For deferred loans or loans in forbearance:
 - 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or
 - A fully amortizing payment using the documented loan repayment terms

HELOCs and OREOs

- HELOCs with a current outstanding balance with no payment reflected on the credit report may have the payment documented with a current billing statement. HELOCs with a



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- current \$0 balance do not need a payment included in the DTI unless using for down payment or closing costs
- Monthly PITIA for any additional properties owned by the borrower including second homes with a negative cash flow
- Current real estate taxes and insurance on properties owned free and clear

Tax liens and Payment Plans

- If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if the tax transcripts show an outstanding balance due:
 - A payment plan for the most recent tax year is allowed if the following requirements are met:
 - Payment plan was setup at the time the taxes were due. Copy of the payment plan must be included in the loan file
 - Payment is included in the DTI
 - Satisfactory pay history based on terms of payment plan is provided
 - Payment plan is only allowed for taxes due for the most recent tax year, prior years not allowed. For example, borrower files their 2019 return or extension in April 2020 A payment plan would be allowed for taxes due for 2019 tax year. Payment plans for 2018 or prior years would not be allowed
 - Borrower does not have a prior history of tax liens

Contingent Liabilities

- Co-Signed loans – the monthly payment on a co-signed loan may be excluded from the DTI if evidence of timely payments made by the primary obligor (other than the borrower) is provided for the most recent twelve (12) months and there are no late payments reporting on the account
- Court Order – if the obligation to make payments on a debt has been assigned to another person by a court order, the payment may be excluded from the DTI if the following documents are provided:
 - Copy of the court order
 - For mortgage debt, a copy of the document transferring ownership of property
 - If transfer of ownership has not taken place, any late payments associated with the repayment of the debt owning on the mortgage property should be considered when reviewing the borrower's credit profile
- Assumption with No Release of Liability – the debt on a previous mortgage may be excluded from the DTI with evidence that the borrower no longer owns the property. The following requirements apply:
 - Payment history showing the mortgage on the assumed property has been current during the previous twelve (12) months or
 - The value on the property, as established by an appraisal or sales price on the HUD-1/CD results in an LTV of 75% or less

Departure Residence

- Departure Residence Pending Sale – To exclude the payment for a borrower's primary residence that is pending sale but will close after the subject transaction, the following requirements must be met:



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| | <ul style="list-style-type: none"> o A copy of an executed sales contract for the property pending sale and confirmation all contingences have been cleared/satisfied. The pending sale transaction must be arm's length o The closing date for the departure residence must be within thirty (30) days of the subject transaction Note date o Six (6) months reserves must be verified for the PITIA of the departure residence • Departure Residence Subject to Guaranteed Buy-Out with Corporation Relocation – To exclude the payment for a borrower's primary residence that is part of a Corporate Relocation, the following requirements must be met: <ul style="list-style-type: none"> o Copy of the executed buy-out agreement verifying the borrower has no additional financial responsibility toward the departing residence once the property has been transferred to the third party o Guaranteed buy-out by the third party must occur within four (4) months of the fully executed guaranteed buy-out agreement o Evidence of receipt of equity advance if funds will be used for down payment or closing costs o Verification of an additional six (6) months PITIA of the departure residence |
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Employment/Income

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| <p>Non- Self-Employment Income</p> | <p>Stable monthly income must meet the following requirements to be considered for qualifying</p> <ul style="list-style-type: none"> • Stable - two (2) year continuous history of receiving the income in the same line of work <ul style="list-style-type: none"> o When the borrower has less than a two (2) year history of receiving income, the lender must provide a written analysis to justify the determination that the income used to qualify the borrower is stable • Verifiable • High probability of continuing for at least three (3) years • Borrower to execute attestation at closing changes to employment and income listed on the final loan application and affirming their ability to repay the loan • Sources other than the Borrower's self-employment are permissible for qualifying purposes, i.e., spouse's employment income (if spouse is also a borrower) social security, rent, pension, spouse's employment income • Tax returns/tax transcripts must not be included in the loan file <p>Declining Income (Non-Self Employed): When the borrower has declining income, the most recent twelve (12) months should be used or the most conservative income calculation if the declining period is shorter than 12 months. Income must be stabilized and not subject to further decline in order to be considered for qualifying purposes</p> <p>In certain cases, an average of income for a longer period may be used when the decline is related to a one-time capital expenditure and proper documentation is provided</p> <p>In all cases, the decline in income must be analyzed to determine if the rate of decline would have a negative impact on the continuance of income and the borrower's ability to repay. The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying</p> <p>Gaps in Employment: A minimum of two (2) years employment and income history is required to be documented</p> <p>Gaps more than thirty (30) days during the past two (2) years require a satisfactory letter of explanation and the borrower must be employed with their current employer for</p> |
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| | <p>a minimum of six (6) months to include as qualifying income.</p> <ul style="list-style-type: none"> o Extended gaps of employment (six (6) months or greater) require a documented two (2) year work history prior to the absence o Single loan variances may be considered on a case-by-case basis when the borrower is on the job less than six (6) months, and the gap is less than six (6) months <ul style="list-style-type: none"> • W-2 transcripts for two (2) years are required to validate W-2 wages • A 4506-C form for non-self-employment income is required to be signed at closing • Income calculation worksheet or 1008 with income calculation for non-self-employment income. • Paystubs must meet the following requirements: <ul style="list-style-type: none"> o Clearly identify the employee/borrower and the employer o Reflect the current pay period and year-to-date earnings o Computer generated o Paystubs issued electronically via email or internet, must show the URL address, date and time printed and identifying information o Year-to-date pay with most recent pay period at the time of application and no earlier than ninety (90) days prior to the Note date • W-2 forms • Verification of Employment Requirements (Requirements below apply when income is positive and included in qualifying income): <ul style="list-style-type: none"> o Verbal Verification of Employment (VVOE) must be performed no more than ten (10) business days prior to the Note date. The Verbal VOE should include the following information for the borrower: <ul style="list-style-type: none"> • Date of contact • Name and title of person contacting the employer • Name of employer • Start date of employment • Employment status and job title • Name, phone #, and title of contact person at employer • Independent source used to obtain employer phone number • Written Verification of Employment may be required for a borrower's income sourced from commissions, overtime and or other income when the income detail is not clearly documented on W-2 forms or paystubs • Written VOEs cannot be used as a sole source for verification of employment. Paystubs and W-2s are still required |
| <p>Self-Employment</p> | <ul style="list-style-type: none"> • Any borrower who has a 25% or greater ownership interest in a business is considered to be self-employed and must be evaluated as such. Self-employed borrowers must be self-employed with the same business for a minimum of two consecutive years. A CPA/accountant/tax preparer letter or equivalent document (e.g. Current Operating Agreement) verifying self-employment/percentage of ownership must be provided in all cases • At least one borrower must have 51% or more of their qualifying income coming from self-employment • Percentage of self-employment ownership <ul style="list-style-type: none"> o Personal Bank Statement Option: Minimum 25% ownership o Business Bank Statement Option: Minimum 50% ownership • 1099 income option permitted – see 1099 income section below • Ineligible Self-Employment Sources: |



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| | <ul style="list-style-type: none"> o Foreign businesses o Businesses that function as a non-profit enterprise • Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than twenty (20) business days prior to the Note date. In addition, confirmation that the business is currently operating must be provided. Below are acceptable examples of documentation to confirm the business is currently operating: <ul style="list-style-type: none"> o Evidence of current work (executed contracts or signed invoices) that indicate the business is operating on the day the lender verifies self-employment; o Evidence of current business receipts within 10 days of the Note date (payment for services performed); o Lender certification the business is open and operating (lender confirmed through a phone call or other means); or o Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled) |
| <p>Bank Statement Income Calculation Requirements</p> | <ul style="list-style-type: none"> • Personal Bank Statements <ul style="list-style-type: none"> o Qualifying income is determined by the lower of a) Total eligible deposits from the 24 or 12-months of personal statements divided by 12 or 24 months multiplied by the Borrower's percentage of ownership of the business, or b) Monthly net income stated on the initial Uniform Residential Loan Application <ul style="list-style-type: none"> ▪ Borrower must provide 3-months business bank statements if utilizing personal bank statements for income qualification to confirm personal account is not utilized as a business account. Business bank statement requirements must be followed for income calculation if 3-months business statements are not provided o Unacceptable deposits as identified further below must be excluded from the income calculation • Business Bank Statements <ul style="list-style-type: none"> o Qualifying income is determined by the lower of the income disclosed on the initial Uniform Residential Loan Application Uniform Residential Mortgage Application or one of the following methods: <ul style="list-style-type: none"> ▪ <u>Option 1 – Fixed Expense:</u> <ul style="list-style-type: none"> • <u>Gross deposits will be multiplied by a fixed 50% expense factor to determine a net deposit number and divided by 12 or 24 months, dependent upon the number of bank statements provided and then multiplied by the Borrower's percentage of ownership of the business</u> • A business narrative form is required to be provided by the borrower's business which includes details regarding the industry, size, and operating profile of the business, addressing number of employees/contractors. The business narrative form is to be completed by an employee (non-relative) of the borrower's business, with knowledge and information of the operations and finances of the business. Typical positions held by this employee would include: Controller, Treasurer, V.P. Finance, Finance Manager, or Accounting Manager. This form can also be completed by a third-party individual with direct knowledge of the borrower's business, such as Certified Public Accountant or an IRS Enrolled Agent • Businesses within an industry that experience higher expense factors are not eligible for the 50% Fixed Expense option and must utilize another option. Higher expense factor industries include, but are not limited to the following: <ul style="list-style-type: none"> o Construction |



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| | <ul style="list-style-type: none"> o Manufacturing o Retail and Wholesale Trade o Hospitality, Food and Beverage Services o Transportation • The business narrative form should be used to determine if the borrower’s business is eligible for the Fixed Expense option based on the reasonableness of expenses ▪ <u>Option 2 – CPA/Accountant/Tax Preparer Statement:</u> <ul style="list-style-type: none"> • In lieu of using a fixed 50% expense factor, the expense factor can be determined via a CPA/accountant/tax preparer produced written statement specifying the actual expense ratio of the business (including cost of goods sold and all other business expenses) based on the most recent year’s filed tax returns. Such statement must not include any unacceptable disclaimer or exculpatory language regarding its preparation. The minimum allowable expense ratio for qualifying is 20% irrespective of a third-party statement showing a lower expense ratio ▪ <u>Option 3 – P&L:</u> <ul style="list-style-type: none"> • A third-party CPA/accountant/tax preparer produced Profit and Loss (P&L) statement accompanied by a written statement that the CPA or tax preparer has reviewed the P&L. The bank statements and the P&L must cover the same time period. The P&L and accompanying statement must not have any unacceptable disclaimer or exculpatory language regarding its preparation. Net income from the P&L should be divided by the number of the bank statements (12 or 24) and then multiplied by the Borrower’s percentage of ownership in the business. Net income from the P&L will be used for qualifying provided revenue is supported by the bank statements provided (i.e. the deposits on the bank statements must be at least 85% of the Gross Receipts on the P&L) • A Bank Statement Calculator must be utilized and results made part of the loan file; a sample bank statement income calculator can be found on the Client Portal • W-2 income permitted if not associated with the business • Unacceptable Deposits: Include but are not limited to the following <ul style="list-style-type: none"> o Cash advances from credit cards o Income sources already taken into account o Non-business related account transfers o Tax refunds o Product returns/credits o Gift funds o Credit line deposits/business financing o Paycheck Protection Program (PPP) loans |
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| <p>Bank Statement Analysis and Documentation and Requirements</p> | <p>Bank Statement Documentation</p> <ul style="list-style-type: none"> • Business or personal bank statements: 12 or 24 consecutive months within 90 days of note date. Up to 24 months of bank statements may be required at the underwriter’s discretion. Income situations that may require additional bank statements for review include but are not limited to inconsistencies in cash flows consistent with occupation type or seasonal types of self-employment. Examples include seasonal income such as that received by a tax accountant whose primary income occurs in the first half of a year, or large isolated payments such as those received by political consultants or promoters who are paid for a specific events or contracts and have a history of similar types of payments. <ul style="list-style-type: none"> o Multiple bank accounts permitted o Combination of personal and business accounts not permitted |
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- When personal bank statements are used, most recent 3 month's business statements are also required
 - If borrower does not maintain a separate business account, then the personal account will be considered comingled and would require the same documentation and income calculation as would be used for Business Accounts
- Bank statements may be obtained from the borrower or via a third-party asset vendor such as Finicity or Form Free.
- CPA letter confirming percentage of ownership required
- Tax returns/tax transcripts must not be included in the loan file
- Loan amounts greater than \$2,500,000 require 24 months of bank statements

Bank Statement Analysis

- Ending Balances: The bank statements should show a trend of ending balances that are stable or increasing over the 12 month or 24 month period. Low ending balances must be explained; additional documentation may be required. Income must be deemed stable to be eligible
- Income Trends:
 - DTI > 36%: When 12 months of statements are provided, a decline in deposits 6 months over 6 months of up to 10% is allowed. Beyond 10%, an additional 12 months of statements are required. When 24 months of statements are required, a maximum decline in deposits of 10% is allowed from the prior 12 months to the current 12 months. Otherwise, the income is ineligible. If deposits are declining year over year but within the 10% tolerance, use the current 12 month average income for qualifying. In the event a P&L is used to qualify, a revised P&L should be provided covering only the most recent 12 month period and used for determining the borrower's income. If the income is increasing, use the 24 month average income for qualifying
 - DTI ≤ 36%: When 12 months of statements are provided, a decline in deposits 6 months over 6 months of up to 20% is allowed. Beyond 20%, an additional 12 months of statements are required. When 24 months of statements are required, a maximum decline in deposits of 20% is allowed from the prior 12 months to the current 12 months. Otherwise, the income is ineligible. If deposits are declining year over year but within the 20% tolerance, use the current 12 month average income for qualifying. In the event a P&L is used to qualify, a revised P&L should be provided covering only the most recent 12 month period and used for determining the borrower's income. If the income is increasing, use the 24 month average income for qualifying
- Deposits: Net deposits must not reflect any other income sources already taken into consideration (i.e., SSI, W-2 wage earnings, etc.)
- Non-Sufficient Funds (NSF)/Overdraft Protection
 - NSF: With a satisfactory LOE, no more than 3 NSFs are permitted in the last 12 months
 - Overdraft Protection: An overdraft is any occurrence whereby the account balance goes negative but is linked to another depository account or line of credit with the same financial institution. Such occurrences are not considered in the 3 occurrence limit described above provided the account does not reflect in a negative balance, the account shows a transfer from the other account, and the underwriter has no concerns over the viability of the business. A satisfactory LOE is also required
- A Bank Statement Calculator must be utilized and results made part of the loan file; a sample bank statement income calculator can be found on the Client Portal



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| <p>1099 Income</p> | <ul style="list-style-type: none"> • 1099 income is permitted for individual(s) earning 100% commission or for independent contractors <ul style="list-style-type: none"> ◦ 1-year or 2-years of 1099s or 1099 transcript(s) permitted using a 10% Expense Factor • Qualifying income is the 12 or 24 monthly average from the total number of 1099's minus the 10% expense factor • YTD documentation required to support the continued receipt of income from same source • YTD earnings must be documented to support the ongoing receipt of income showing on the 1099s by: <ul style="list-style-type: none"> ◦ Checks or a single check stub(s) with YTD totals if available, or ◦ Bank statements (YTD) • The YTD earnings from the total of check stubs or the tally of deposits from bank statements must be within 10% or greater than prior year earnings • Loan amounts greater than \$2,500,000 require 2 years of 1099s |
| <p>Unacceptable Sources of Income</p> | <ul style="list-style-type: none"> • Any unverified source • Deferred compensation • Temporary or one-time occurrence income • Rental income from primary residence – One (1) unit property or one (1) unit property with accessory unit • Rental income from a second home • Retained earnings • Education benefits • Trailing spouse income • Capital gains • Dividends and interest • Foreign income • Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying: <ul style="list-style-type: none"> ◦ Foreign shell banks ◦ Medical marijuana dispensaries if borrower has any ownership ◦ Any income resulting from ownership in a business related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law |
| <p>Residual Income</p> | <p>\$2500</p> |
| <p>Salaried Income</p> | <ul style="list-style-type: none"> • YTD paystub • W-2s – two (2) years • W-2 transcripts • VVOE |
| <p>Hourly and Part-time</p> | <ul style="list-style-type: none"> • YTD paystub • W-2s – two (2) years • W-2 transcripts • VVOE • Stable to increasing income should be averaged over a two (2) year period |
| <p>Commission Income</p> | <ul style="list-style-type: none"> • YTD paystub • Two (2) years W-2s if commissions are less than 25% of total income or • W-2 transcripts • VVOE • Stable to increasing income should be averaged for the two (2) years |



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| <p>Overtime and Bonus Income</p> | <ul style="list-style-type: none"> • YTD paystub • W-2s – two (2) years • W-2 transcripts • VVOE • Stable to increasing income should be averaged for the two (2) years • Bonus income that is received on an annual basis and exceeds 25% of total income must be considered carefully due to the potential impacts of COVID-19 <ul style="list-style-type: none"> ◦ Employer must confirm that the current year bonus is in line with the prior years and is not negatively impacted due to COVID-19 |
| <p>Rental Income (for all properties except departing primary residence)</p> | <ul style="list-style-type: none"> • All properties (except departing primary residences) • Lease agreements must be provided if rental income is used for qualifying purposes <ul style="list-style-type: none"> ◦ Current lease for each rental property; rent rolls are not allowed ◦ The rental income reflected on the current lease agreement must be discounted by a 25% vacancy factor ◦ Most recent 2 months' receipt of rental income dated within 30 calendar days of the note date ◦ For leases that have a roll over clause, or the property is in a state where all leases roll over, the following requirements must be met: <ul style="list-style-type: none"> ▪ Copy of most recent lease • Net rental income may be added to the borrower's total monthly income; net rental losses must be added to the borrower's total monthly obligations • If the subject property is the borrower's primary residence (one (1) unit property or one (1) unit property with an accessory unit) and generates rental income, the full PITIA should be included in the borrower's total monthly obligations • If the subject property is the borrower's primary residence with two (2) units, rental income may be included for the unit not occupied by the borrower if the requirements for a lease agreement • Short Term Rental: <ul style="list-style-type: none"> ◦ Property leased on a short-term basis utilizing an on-line service such as Airbnb gross monthly rents can be determined by using a 12-month look back period to account for seasonality ◦ Rents for the look back period must be documented with either 12-monthly statements or an annual statement provided by the on-line service. In the event the borrower owns a single rental property, bank statements with deposits clearly identified/sourced as rental income can be substituted. If two or more rental properties owned, statements from an online service must be provided to associate rents received with the specific property <ul style="list-style-type: none"> ▪ 75% of the verified monthly rental income can be used to offset the PITIA of the rental property ◦ A screen shot of the online listing must show the property(s) activity marketed as a short-term rental |
| <p>Rental Income – Departing Primary Residence</p> | <ul style="list-style-type: none"> • If the borrower is converting their current primary residence to a rental property and using rental income to qualify or offset the payment the following requirements apply: <ul style="list-style-type: none"> ◦ Borrower must have documented equity in departure residence of 25% ◦ Documented equity may be evidenced by an exterior or full appraisal dated within six (6) months of subject transaction; or documented equity may be evidenced by the original sales price and the current unpaid principal balance ◦ Copy of current lease agreement ◦ Copy of security deposit and evidence of deposit to borrower's account |



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| | <ul style="list-style-type: none"> o Net rental income should be calculated using gross rent X 75% minus PITIA |
| Retirement Income (Pension, Annuity, 401(k), IRA Distributions) | <ul style="list-style-type: none"> • Existing distribution of assets from an IRA, 401(k) or similar retirement asset must be sufficient to continue for a minimum of three (3) years <ul style="list-style-type: none"> o Distribution must have been set up at least six (6) months prior to Note date if there is no prior history of receipt; or two (2) year history of receipt evidenced o Distributions cannot be set up or changed solely for loan qualification purposes. • Document regular and continued receipt of income as verified by any of the following: <ul style="list-style-type: none"> o Letters from the organizations providing the income o Copies of retirement award letters o Most recent IRS W-2 or 1099 forms o Proof of current receipt with two (2) months bank statements <p><i>If any retirement income will cease within the first three (3) years of the loan, the income may not be used.</i></p> |
| Social Security Income | <ul style="list-style-type: none"> • Social Security income must be verified by a Social Security Administration benefit verification letter • If benefits expire within the first three (3) years of the loan, the income may not be used • Benefits (children or surviving spouse) with a defined expiration date must have a remaining term of at least three (3) years |
| Alimony/Child Support/Separation Maintenance | <ul style="list-style-type: none"> • Considered with a divorce decree, court ordered separation agreement, or other legal agreement provided the income will continue for at least three (3) years • If the income is the borrower's primary income source and there is a defined expiration date (even if beyond three (3) years) the income may not be acceptable for qualifying purposes • Evidence of receipt of full, regular and timely payments for the most recent twelve (12) months |
| Borrowers Employed by Family | <ul style="list-style-type: none"> • YTD paystub • Two (2) years W-2s and • VVOE • Borrower's potential ownership in the business must be addressed |
| Asset Depletion | Not allowed |
| Trust income | <ul style="list-style-type: none"> • Income from trusts may be used if guaranteed and regular payments will continue for at least three (3) years • Regular receipt of trust income for the past twelve (12) months must be documented • Copy of trust agreement or trustee statement showing: <ul style="list-style-type: none"> o Total amount of borrower designated trust funds o Terms of payment o Duration of trust o Evidence the trust is irrevocable • If trust fund assets are being used for down payment or closing costs, the loan file must contain adequate documentation to indicate the withdrawal of the assets will not negatively affect income |



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| Disability Income – Long Term (Private Policy or Employer Sponsored) | <ul style="list-style-type: none"> • Copy of the policy or benefits statement must be provided to determine current eligibility for disability payments, amount of payments, frequency of payments, and if there is an established termination date • Termination date may not be within three (3) years of Note date; please note reaching a specific age may trigger a termination date depending on the policy |
| Restricted Stock and Stock Options | <ul style="list-style-type: none"> • May only be used as qualifying income if the income has been consistently received for two (2) years and is identified on the paystubs, W-2s as income and the vesting schedule indicates the income will continue for a minimum of two (2) years at a similar level as prior two (2) years • A two (2) year average of prior income received from RSUs or stock options should be used to calculate the income, with the continuance based on the vesting schedule using a stock price based on the lower of the current stock price or the 52-week average for the most recent twelve (12) months reporting at the time of application. The income used for qualifying must be supported by future vesting based on the stock price used for qualifying and vesting schedule. • Additional awards must be similar to the qualifying income and awarded on a consistent basis • There must be no indication the borrower will not continue to receive future awards consistent with historical awards received • Borrower must be currently employed by the employer issuing the RSUs/stock options for the RSUs/stock options to be considered in qualifying income • Stock must be a publicly traded stock • Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify • Incentive sign on income and future RSU's are limited to 50% of the total qualifying income; income calculation results may be reduced to meet the 50% restriction |
| Projected Income | <ul style="list-style-type: none"> • Not permitted • May be considered on an single loan variance basis if borrower has a non-revocable contract and employment starts within sixty (60) days of closing |
| Assets/Reserves | |
| Asset Requirements | <ul style="list-style-type: none"> • Beyond the minimum reserve requirements and to fully document the borrower's ability to meet their obligations, borrowers should disclose all liquid assets • Eligible assets must be held in a US account • Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs • Lender is responsible for verifying large deposits did not result in any new undisclosed debt • Asset verification by a Fannie Mae approved asset validation provider is allowed in lieu of two (2) months statements provided by the borrower • The asset verification must provide sixty (60) days of account activity and include all items normally indicated on bank statements • Virtual currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to the Fannie Mae Selling Guide for additional details |



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| Asset Type | % Eligible for Calculation of Funds | Additional Requirements |
|--|--|--|
| Checking/Savings/ Money Market/CDs | 100% | Two (2) months most recent statements |
| Publicly Traded Stocks/Bonds/Mutual Funds | 100% | Two (2) months most recent statements. Non-vested stock is ineligible. Margin account and/or pledged asset balances must be deducted |
| Retirement Accounts (401(k), IRAs, etc.) | 70% of the vested value after the reduction of any outstanding loans | <ul style="list-style-type: none"> • Most recent statement(s) covering a two (2) month period • Evidence of liquidation if using for down payment or closing costs • Evidence of access to funds required for employer- sponsored retirement accounts • Retirement accounts that do not allow for any type of withdrawal are ineligible for reserves. |
| Cash Value of Life Insurance/Annuities | 100% of value unless subject to penalties | Most recent statement(s) covering a two (2) month period |
| 1031 Exchange | <p>Allowed on second home purchases only.</p> <ul style="list-style-type: none"> • Reverse 1031 exchanges not allowed | <ul style="list-style-type: none"> • HUD-1/CD for both properties • Exchange agreement • Sales contract for exchange property • Verification of funds from the Exchange Intermediary |
| Business Funds | Allowed for down payment/closing costs and reserves with additional requirements met | <ul style="list-style-type: none"> • Cash flow analysis required to determine no negative impact to the ongoing operation of the business. • Business bank statements must not reflect any NSF's (non- sufficient funds) or overdrafts. • If borrower(s) ownership in the business is less than 100%, the following requirements must be met: <ul style="list-style-type: none"> o Borrower(s) must have majority ownership of 51% or greater o The other owners of the business must provide an access letter to the business funds o Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s) • Business funds for reserves or a combination of personal/business funds for reserves, then at least 50% of the reserve requirement must be personal, liquid and non-retirement for the subject property and any additional financed REO • Business funds must be reduced by 50% |



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| | | | prior to being used to meet reserve requirements |
| | Gift Funds | <ul style="list-style-type: none"> • Gift funds may be used once borrower has contributed 5% of their own funds • Gift funds not allowed to be used as reserves | <ul style="list-style-type: none"> • Donor must be a family member, future spouse or domestic partner • Executed gift letter with gift amount and source, donor's name, address, phone number and relationship • Seller must verify sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account • Acceptable documentation includes the following: <ul style="list-style-type: none"> o Copy of donor's check and borrower's deposit slip o Copy of donor's withdrawal slip and borrower's deposit slip o Copy of donor's check to the closing agent o A settlement statement/CD showing receipt of the donor's gift check |
| Reserves | Reserve Requirements (# of Months of PITIA) | | |
| | Occupancy | Loan Amount | # of Months |
| | Primary & Second Home | ≤\$1,000,000 | 6 |
| | | \$1,000,001-\$2,000,000 | 9 |
| > \$2,000,000 | | 12 | |
| Additional 1-4 Unit Financed REO | <ul style="list-style-type: none"> • Maximum number of financed properties – follow Fannie Mae Selling Guide requirements • All financed 1-4 unit residential properties require an additional six (6) months reserves for each property, unless the exclusions below apply: <ul style="list-style-type: none"> o 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage o Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation • If eligible to be excluded from the count of multiple financed properties, reserves are not required | | |
| | <ul style="list-style-type: none"> • Borrowed funds (secured or unsecured) are not permitted to meet reserve requirements • Cash-out not permitted to meet reserve requirements • Gift funds not permitted to meet reserve requirements | | |
| Interested Party Contributions | <ul style="list-style-type: none"> • Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction • The following restrictions for interested party contributions apply: <ul style="list-style-type: none"> o May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves | | |



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| | <ul style="list-style-type: none"> o Maximum interested party contribution is limited to: <ul style="list-style-type: none"> ▪ Primary & Second Home – 6% |
| Seller Concessions | <ul style="list-style-type: none"> • All seller concessions must be addressed in the sales contract, appraisal and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, Interested Party Contributions) or any amounts not being used for closing costs or prepaid expenses • If a seller concession is present, both the appraised value and the sales price must be reduced by the concession amount for the purposes of calculating the LTV/CLTV/HCLTV |
| Personal Property | <ul style="list-style-type: none"> • Any personal property transferred with a property sale must be deemed to have zero transfer value as indicated by the sales contract and appraisal • If any value is associated with the personal property, the sales price and the appraised value must be reduced by the personal property value for purposes of calculating the LTV/CLTV/HCLTV |
| Subordinate Financing | |
| Subordinate Financing | <ul style="list-style-type: none"> • Institutional financing only • Seller subordinate financing not allowed • Subordinate liens must be recorded and clearly subordinate to the first Mortgage lien • If there is or will be an outstanding balance at the time of closing, the monthly payment for the subordinate financing must be included in the calculation of the borrower's debt to income ratio • Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms • The following are acceptable subordinate financing types: <ul style="list-style-type: none"> o Mortgage terms with interest at market rate o Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization • Employer subordinate financing is allowed with the following requirements: <ul style="list-style-type: none"> o Employer must have an Employee Financing Assistance Program in place o Employer may require full repayment of the debt if the borrower's employment ceases before the maturity date o Financing may be structured in any of the following ways: <ul style="list-style-type: none"> ▪ Fully amortizing level monthly payments ▪ Deferred payments for some period before changing to fully amortizing payments ▪ Deferred payments over the entire term ▪ Forgiveness of debt over time ▪ Balloon payment of no less than five (5) years, or the borrower must have sufficient liquidity to pay off the subordinate lien • LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing • If subject transaction is paying off a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed • Shared equity finance agreements are an ineligible source of subordinate financing |
| Down Payment/Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • 1-4 Unit Owner Occupied Properties |



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| | <ul style="list-style-type: none"> • 1 Unit Second Homes • Condominiums – Attached – Warrantable <ul style="list-style-type: none"> ◦ Limited review allowed for attached units in established condominium projects: <ul style="list-style-type: none"> ▪ Eligible transactions as per Fannie Mae guidelines ◦ CPM or PERS approval allowed ◦ Full Review allowed. Warranty to Fannie Mae full review guidelines ◦ Projects with 2-4 units – no condominium review or condominium warranty is required. Fannie Mae basic requirements apply ◦ Condominium documents to support condominium eligibility review must be no older than 120 days from Note date • Condominiums – Detached (including site condominiums) <ul style="list-style-type: none"> ◦ No condominium review or condominium warranty is required. Fannie Mae basic requirements apply • Condominiums – Non-Warrantable (see Non-Warrantable Condominiums section below) • Modular homes • Planned Unit Developments (PUDs) • Properties with ≤40 Acres <ul style="list-style-type: none"> ◦ Properties >10 acres ≤40 acres must meet the following: <ul style="list-style-type: none"> ▪ Maximum land value 35% ▪ No income producing attributes ▪ Transaction must be 10% below maximum LTV/CLTV/HCLTV as allowed on Bayview Bank Statement for transactions over twenty (20) acres. For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 70% • Properties Subject to Existing Oil/Gas Leases must meet the following: <ul style="list-style-type: none"> ◦ Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease ◦ No active drilling; Appraiser to comment or current survey to show no active drilling ◦ No lease recorded after the home construction date; Re-recording of a lease after the home was constructed is permitted ◦ Must be connected to public water <p>NOTE: Properties that fall outside these parameters can be considered on a single loan variance basis</p> <p>Miscellaneous: Properties with leased solar panels must meet Fannie Mae requirements</p> <p>Acceptable Forms of Ownership:</p> <ul style="list-style-type: none"> • Fee Simple with title vesting as: <ul style="list-style-type: none"> ◦ Individual ◦ Joint Tenants ◦ Tenants in Common • Leaseholds must meet Fannie Mae requirements • Deed/Resale Restrictions must meet Fannie Mae requirements |
| <p>Non-Warrantable Condominiums</p> | <p>Only one (1) non-warrantable feature is allowed and LTV/CLTV must be 10% below product/program maximum up to a maximum of 70% LTV/CLTV</p> <p><i>For example, if borrower qualifies for a loan at 70% LTV based on transaction, FICO score, loan</i></p> |

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| | <p><i>amount and reserves, then the maximum allowed would be 60%</i></p> <ul style="list-style-type: none"> • Commercial Space <ul style="list-style-type: none"> ○ Includes space above and below grade ○ Must be compatible with the residential use of the project; for example, restaurants, small shops, business offices, small market/grocery store that complements the neighborhood ○ Maximum 50% commercial space allowed • Maximum Ownership by one (1) entity is 25% for projects with more than ten (10) units <ul style="list-style-type: none"> ○ Units owned by the developer, sponsor, or succeeding developer that are vacant and being actively marketed for sale are not included in the calculation ○ Units currently leased must be included in the calculation ○ For projects with ten (10) units or less, Fannie Mae guidelines apply for the number of units owned by one (1) entity and would not be considered non-warrantable • Presale <ul style="list-style-type: none"> ○ New projects or converted projects (as defined by Fannie Mae) must have at least 30% of the units sold or under contract to owner occupants or second home purchasers for the subject phase ○ Common areas/amenities must be complete for the subject phase • Budget – for projects with line item for replacement reserves of less than 10% <ul style="list-style-type: none"> ○ Less than 10% but greater than 7% replaced reserves allowed if current reserve balance exceeds 10% of operating expenses ○ Less than 7% replacement reserves allowed if current reserve balance exceeds 20% operating expenses ○ Project balance sheet must be provided and within 120 days of the Note date <p>The subject legal phase and any other prior legal phases in which units have been offered for sale are substantially complete (common elements complete and units complete subject to selection of buyer upgrades/preference items)</p> <ul style="list-style-type: none"> ○ Primary residence and second home only ○ All other Fannie Mae condo requirements met ○ Loan must be locked and property must be identified as a non-warrantable condominium with applicable pricing adjustments applied <p><i>Loans outside of these parameters with strong compensating factors may be considered on a single loan variance basis</i></p> |
| <p>Ineligible Property Types</p> | <ul style="list-style-type: none"> • 2-4 unit second home properties • Condotels/Condo Hotels • Manufactured Homes/Mobile Homes • Mixed-Use Properties • Model Home Leasebacks • Properties with condition rating of C5/C6 • Properties with construction rating of Q6 • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained |

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| | <ul style="list-style-type: none"> • Properties >40 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards • Cooperatives | | | | | | | | | | | | | | | |
|--------------------------------------|---|---|--------|---------------------------|------------|----|---|------------|--------|---|------------|--------------------|---|------------|--------------------------------|---|
| <p>Declining Markets</p> | <ul style="list-style-type: none"> • Specific LTV/CLTV/HCLTV reductions must be applied as detailed in the below table • See Appendices A, B, C & D for Category Eligibility grids <table border="1" data-bbox="430 537 1481 777"> <thead> <tr> <th>Category</th> <th>States</th> <th>LTV/CLTV/HCLTV Reductions</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>TX</td> <td>20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60%</td> </tr> <tr> <td>Category 2</td> <td>AZ, ID</td> <td>15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65%</td> </tr> <tr> <td>Category 3</td> <td>DC, NV, NC, SD, WA</td> <td>10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70%</td> </tr> <tr> <td>Category 4</td> <td>CA, CO, GA, KS, ND, OR, TN, UT</td> <td>5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75%</td> </tr> </tbody> </table> <p><i>As an example: If the product eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for a loan's specific characteristics and the subject property is in the state of Texas (Category 1), a 20% reduction must be applied yielding a 55% maximum LTVCLTV/HCLTV for that particular loan.</i></p> <p><i>Similarly, if a loan's subject property is in the state of North Carolina (Category 3), then a 10% reduction must be applied yielding a 65% maximum LTV/CLTV/HCLTV for that particular loan</i></p> | Category | States | LTV/CLTV/HCLTV Reductions | Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60% | Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65% | Category 3 | DC, NV, NC, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70% | Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75% |
| Category | States | LTV/CLTV/HCLTV Reductions | | | | | | | | | | | | | | |
| Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60% | | | | | | | | | | | | | | |
| Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65% | | | | | | | | | | | | | | |
| Category 3 | DC, NV, NC, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70% | | | | | | | | | | | | | | |
| Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75% | | | | | | | | | | | | | | |
| <p>Appraisal Requirements</p> | <ul style="list-style-type: none"> • Transferred appraisals are not allowed • Appraisals must be completed for the subject transaction. Use of a prior appraisal, regardless of the date of the prior appraisal, is not allowed • The subject property must be appraised within 90 days prior to the Note date • Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date • <u>Appraisal Review Requirements:</u> <ul style="list-style-type: none"> ○ Collateral Desktop Analysis (CDA) ordered from Clear Capital is required to support the value of the appraisal. The Seller is responsible for ordering the CDA <ul style="list-style-type: none"> ▪ If the CDA returns a value that is "Indeterminate" or if the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met: <ul style="list-style-type: none"> • A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of Three Reports is required. The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital • A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal <ul style="list-style-type: none"> ▪ If two (2) full appraisals are provided, a CDA is not required ○ Collateral Underwriter (CU) with a score of 2.5 or less is allowed in lieu of a CDA <ul style="list-style-type: none"> ▪ Maximum Loan amount \$1,500,000 • For properties purchased by the seller of the property within ninety (90) days of the fully executed purchase contract the following requirements apply: | | | | | | | | | | | | | | | |

Non-Delegated Correspondent Bank Statement

- o Second full appraisal is required
- o Property seller on the purchase contract is the owner of record
- o Increases in value should be documented with commentary from the appraiser and recent paired sales

The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed-in lieu

| Appraisal Requirements Based on Loan Amount: | |
|--|------------------------|
| First Lien Amount | Appraisal Requirements |
| Purchase Transactions | |
| ≤ \$2,000,000 | 1 Full Appraisal |
| > \$2,000,000 | 2 Full Appraisals |
| Refinance Transactions | |
| ≤ \$1,500,000 | 1 Full Appraisal |
| > \$1,500,000 | 2 Full Appraisals |

- When two (2) appraisals are required, the following applies:
 - o Appraisals must be completed by two (2) independent companies
 - o The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion
 - o Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled
 - o If the two (2) appraisals are done “subject to” and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon
- Higher Priced Mortgage Loans (HPML)
 - o If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt.
 - o If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 20%, then a second full appraisal is required. Bank owned properties are not exempt
 - o If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals

Construction to Permanent Financing

- The borrower must hold title to the lot which may have been previously acquired or purchased as part of the transaction
- LTV/CLTV/HCLTV is determined based on the length of time the borrower has owned the lot. The time frame is defined as the date the lot was purchased to the Note date of the subject transaction
 - o For lots owned twelve (12) months or more, the appraised value can be used to calculate the LTV/CLTV/HCLTV
 - o For lots owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the current appraised value of the property or the total acquisition costs (documented construction costs plus documented purchase price of lot)

Disaster Area Requirements

- Refer to the Disaster Guidelines in the Special Products Guide for requirements pertaining to properties impacted by a disaster in:
 - o FEMA Major Disaster Declarations with designated counties eligible for **Individual**

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| | |
|-------------------------------------|---|
| | <p>Assistance (IA);</p> <ul style="list-style-type: none"> o Areas where FEMA has not made a disaster declaration, but Community Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; o Areas where there is reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster |
| Escrow Holdbacks | Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase by Community Loan Servicing |
| Special Restrictions | |
| Multiple Financed Properties | <ul style="list-style-type: none"> • Maximum number of financed properties – follow Fannie Mae Selling Guide requirements • All financed 1-4 unit residential properties require an additional six (6) months reserves for each property, unless the exclusions below apply • 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage • Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation |
| Geographic Restrictions | <ul style="list-style-type: none"> • The following states are not eligible: NY • Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted |
| Properties Listed for Sale | <ul style="list-style-type: none"> • Properties currently listed for sale (at the time of application) are not eligible for refinance transactions • Properties listed for sale within six (6) months of the application date are acceptable if the following requirements are met: <ul style="list-style-type: none"> o Rate and Term refinance only o Primary and second homes only o Documentation provided to show cancellation of listing o Acceptable letter of explanation from the borrower detailing the rationale for cancelling the listing • Cash-out refinances are not eligible if the property was listed for sale within twelve (12) months of the application date |
| Escrow Waivers | <ul style="list-style-type: none"> • Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required • Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions • Tax and insurance escrows are required on all HPML loans. |
| Mortgage Insurance | Not required |



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| | |
|---|---|
| Loan Documentation Requirements | <ul style="list-style-type: none"> • Interest-only Note (if applicable) • Interest-only Rider (if applicable) • Pre-payment Penalty Rider (if applicable) • Borrower Authorization Form • All other forms required per the document checklist which is posted in the Reference Library of the Correspondent Portal |
| Maximum Financed Bayview Exposure | Borrower(s) are limited to a maximum of \$6,250,000 in aggregate with Bayview |
| Loans must be originated in accordance with the Community Loan Servicing Origination Guide unless otherwise stated with this product matrix. | |

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| Version Control | | | |
|-----------------|--|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| AS | Restricted Stock and Stock Options | 05.20.22 | Added Incentive sign on income and future RSU's are limited to 50% of total qualifying income. Income calculation results may be reduced to meet the 50% restriction |
| AS | Asset Requirements | 05.20.22 | Added Virtual Currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to Fannie Mae Selling Guide for additional details |
| AS | Subordinate Financing | 05.20.22 | Added Shared equity finance agreements are an ineligible source of subordinate financing |
| AS | Forbearance | 06.03.22 | Added: <u>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</u> |
| DH | Eligibility Grid | 11.04.22 | Added Declining Market footnote |
| DH | Declining Market | 11.04.22 | Added Declining Market section <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 5% below product maximum per product matrix eligibility grid <p><i>As an example: If the eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i></p> |
| DH | Appraisal Requirements | 11.04.22 | Removed <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged but less than 180 days aged from Note date <ul style="list-style-type: none"> The appraiser must inspect the exterior of the property and provide a photo Appraiser must review current market data to determine whether the property has declined in value since the date of the original appraisal. If the value has declined since the original appraisal, a new full appraisal is required The Appraisal Update (1004D) must be dated within 120 days of the Note date Added <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date The subject property must be appraised within 90 days prior to the Note date Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets |
| DH | Eligibility Grid | 11.18.22 | <ul style="list-style-type: none"> Re-named Footnote #6 to read See MSA LTV/CLTV/HCLTV Reduction Section Removed line for Primary Residence, Purchase or Rate/Term Refi up to 85% LTV, 700 FICO up to \$1.0M Reduced LTV to 80% for Primary Residence, Purchase or Rate/Term Refi up to \$1.5M Reduced LTV to 80% for Second Home, Purchase or Rate/Term Refi up to \$1.0M |
| DH | Interest Only | 11.18.22 | Removed <ul style="list-style-type: none"> Maximum 80% LTV |
| DH | Gift Funds | 11.18.22 | Removed <ul style="list-style-type: none"> Gift funds not allowed on LTVs >80% |
| DH | Interested Party Contributions | 11.18.22 | Removed <ul style="list-style-type: none"> Primary with LTVs > 80% - 3% |
| DH | Subordinate Financing | 11.18.22 | Removed <ul style="list-style-type: none"> Secondary financing is not allowed on LTVs >80% on Bayview Bank Statement loan program |
| DH | Declining Market | 11.18.22 | Removed Declining Market Section |
| DH | Appraisal Requirements | 11.18.22 | Removed <ul style="list-style-type: none"> Maximum LTV 80% requirement for when Collateral Underwriter (CU) with a score of 2.5 or less is allowed in lieu of a CDA Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets |
| DH | State/MSA LTV/CLTV/HCLTV Reduction Section | 11.18.22 | Added MSA LTV/CLTV/HCLTV Reduction Section <ul style="list-style-type: none"> In the states of GA, WA, KS, ND, OR, UT: Reduce LTV/CLTV/HCLTV by 5% from the maximum allowed per the eligibility grid up to a maximum of 75% In the states of TX, AZ, ID, NC, DC, NV, SD: Reduce LTV/CLTV/HCLTV by 10% from the maximum allowed per the eligibility grid up to a maximum of 70% A 10% LTV/CLTV/HCLTV reduction from the maximum allowed per the eligibility grid applies to the Metropolitan Statistical Areas identified in the below table. An MSA Lookup tool by zip code is available on the Lakeview Correspondent Portal <ul style="list-style-type: none"> If a property is in one of the states identified in the first two bullet points above AND is also in one of the MSAs in the table below then both LTV/CLTV/HCLTV reductions must be applied |



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| | | | <p>As an example:</p> <p>If the eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for the loan and the subject property is in the state of Texas and also in the Austin-Round Rock MSA then a <u>10% state reduction</u> and a <u>10% MSA reduction</u> must be applied for a 55% maximum LTV/CLTV/HCLTV for that specific loan</p> <p>(See State/MSA LTV/CLTV/HCLTV Reduction Section to view table)</p> | | | | | | | | | | | | | | | |
|------------|---|---|--|----------|--------|---------------------------|------------|----|---|------------|--------|---|------------|--------------------|---|------------|--------------------------------|--|
| DH | Escrow Requirements | 11.18.22 | <p>Removed</p> <ul style="list-style-type: none"> Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV | | | | | | | | | | | | | | | |
| DH | Declining Market | 11.21.22 | <p>Added Declining Market section</p> <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 5% below product maximum per product matrix eligibility grid <p>As an example: If the eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</p> | | | | | | | | | | | | | | | |
| DH | Appraisal Requirements | 11.21.22 | <p>Added</p> <p>Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets</p> | | | | | | | | | | | | | | | |
| DH | Eligibility Grids | 11.23.22 | <ul style="list-style-type: none"> Added LTV/CLTV/HCLTV Reduction Table Updated Declining Market section to reflect specific LTV/CLTV/HCLTV reductions by category | | | | | | | | | | | | | | | |
| DH | Declining Markets | 11.23.22 | <table border="1"> <thead> <tr> <th>Category</th> <th>States</th> <th>LTV/CLTV/HCLTV Reductions</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>TX</td> <td>20% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60%</td> </tr> <tr> <td>Category 2</td> <td>AZ, ID</td> <td>15% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65%</td> </tr> <tr> <td>Category 3</td> <td>NC, DC, NV, SD, WA</td> <td>10% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70%</td> </tr> <tr> <td>Category 4</td> <td>CA, CO, TN, GA, KS, ND, OR, UT</td> <td>5% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75%</td> </tr> </tbody> </table> | Category | States | LTV/CLTV/HCLTV Reductions | Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% | Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% | Category 3 | NC, DC, NV, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% | Category 4 | CA, CO, TN, GA, KS, ND, OR, UT | 5% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% |
| Category | States | LTV/CLTV/HCLTV Reductions | | | | | | | | | | | | | | | | |
| Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% | | | | | | | | | | | | | | | | |
| Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% | | | | | | | | | | | | | | | | |
| Category 3 | NC, DC, NV, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% | | | | | | | | | | | | | | | | |
| Category 4 | CA, CO, TN, GA, KS, ND, OR, UT | 5% LTV/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% | | | | | | | | | | | | | | | | |
| DH | Appraisal Requirements | 11.23.22 | <p>Removed</p> <ul style="list-style-type: none"> Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets | | | | | | | | | | | | | | | |
| DH | Reserve Requirements & Multiple Financed Properties | 11.23.22 | <p>Removed</p> <ul style="list-style-type: none"> The borrower(s) may own a total of four (4) financed, 1-4 unit residential properties including the subject property and regardless of the occupancy type of the subject property <p>Added</p> <ul style="list-style-type: none"> Maximum number of financed properties – follow Fannie Mae Selling Guide requirements | | | | | | | | | | | | | | | |
| DH | Appendix A | 11.23.22 | Added Appendix A – Category 1 | | | | | | | | | | | | | | | |
| DH | Appendix B | 11.23.22 | Added Appendix B – Category 2 | | | | | | | | | | | | | | | |
| DH | Appendix C | 11.23.22 | Added Appendix C – Category 3 | | | | | | | | | | | | | | | |
| DH | Appendix C | 11.23.22 | Added Appendix D – Category 4 | | | | | | | | | | | | | | | |



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Appendix A

CATEGORY 1 Texas

| CATEGORY 1 Texas | | | | |
|-------------------------------------|--------|--------------------------|---------------------------------------|--------------------------|
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 680 | 60% | \$1,000,000 |
| | | 640 | 55% | |
| | | 720 | 60% | |
| | | 680 | 55% | \$1,500,000 |
| | | 700 | 55% | |
| | | 680 | 50% | \$2,000,000 |
| | | 720 | 55% | |
| | | 700 | 45% | \$2,500,000 |
| | | 740 | 55% | |
| 720 | 50% | \$3,000,000 ¹ | | |
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-4 | 700 | 60% | \$1,000,000 |
| | | 680 | 55% | |
| | | 640 | 50% | |
| | | 720 | 60% | \$1,500,000 |
| | | 680 | 50% | |
| | | 640 | 45% | |
| | | 700 | 55% | \$2,000,000 |
| | | 680 | 45% | |
| | | 720 | 50% | \$2,500,000 |
| | | 700 | 40% | |
| | | 740 | 50% | \$3,000,000 ¹ |
| | | 720 | 45% | |
| | | Second Home | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-Unit | 700 | 60% | \$1,000,000 |
| | | 680 | 55% | \$1,500,000 |
| | | 700 | 55% | \$2,000,000 |
| Second Home | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |



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| | | | | |
|---------------------------------|--------|-----|-----|-------------|
| Cash-Out Refinance ² | 1-Unit | 680 | 45% | \$1,000,000 |
| | | 700 | 55% | \$1,500,000 |
| | | 720 | 45% | \$2,000,000 |

Appendix B

CATEGORY 2 Arizona and Idaho

| CATEGORY 2 AZ & ID | | | | |
|-------------------------------------|--------|-------------------|---------------------------------------|--------------------------|
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 680 | 65% | \$1,000,000 |
| | | 640 | 60% | |
| | | 720 | 65% | |
| | | 680 | 60% | \$1,500,000 |
| | | 700 | 60% | |
| | | 680 | 55% | \$2,000,000 |
| | | 720 | 60% | |
| | | 700 | 50% | |
| | | 740 | 60% | \$3,000,000 ¹ |
| | | 720 | 55% | |
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-4 | 700 | 65% | \$1,000,000 |
| | | 680 | 60% | |
| | | 640 | 55% | |
| | | 720 | 65% | \$1,500,000 |
| | | 680 | 55% | |
| | | 640 | 50% | |
| | | 700 | 60% | \$2,000,000 |
| | | 680 | 50% | |
| | | 720 | 55% | \$2,500,000 |
| | | 700 | 45% | |
| | | 740 | 55% | |
| | | 720 | 50% | \$3,000,000 ¹ |
| | | Second Home | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-Unit | 700 | 65% | \$1,000,000 |
| | | 680 | 60% | \$1,500,000 |
| | | 700 | 60% | \$2,000,000 |
| Second Home | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-Unit | 680 | 50% | \$1,000,000 |
| | | 700 | 60% | \$1,500,000 |
| | | 720 | 50% | \$2,000,000 |



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Appendix C

**CATEGORY 3
DC, NV, NC, SD, WA**

| CATEGORY 3 DC, NV, NC, SD, WA | | | | |
|-------------------------------------|--------|-------------------|---------------------------------------|--------------------------|
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 680 | 70% | \$1,000,000 |
| | | 640 | 65% | |
| | | 720 | 70% | |
| | | 680 | 65% | \$1,500,000 |
| | | 700 | 65% | |
| | | 680 | 60% | \$2,000,000 |
| | | 720 | 65% | |
| | | 700 | 55% | \$2,500,000 |
| | | 740 | 65% | |
| | | 720 | 60% | \$3,000,000 ¹ |
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-4 | 700 | 70% | \$1,000,000 |
| | | 680 | 65% | |
| | | 640 | 60% | |
| | | 720 | 70% | \$1,500,000 |
| | | 680 | 60% | |
| | | 640 | 55% | \$2,000,000 |
| | | 700 | 65% | |
| | | 680 | 55% | \$2,500,000 |
| | | 720 | 60% | |
| | | 700 | 50% | \$3,000,000 ¹ |
| | | 740 | 60% | |
| | | 720 | 55% | |
| | | Second Home | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-Unit | 700 | 70% | \$1,000,000 |
| | | 680 | 65% | \$1,500,000 |
| | | 700 | 65% | \$2,000,000 |
| Second Home | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-Unit | 680 | 55% | \$1,000,000 |
| | | 700 | 65% | \$1,500,000 |



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| | | | |
|--|-----|-----|-------------|
| | 720 | 55% | \$2,000,000 |
|--|-----|-----|-------------|

Appendix D

CATEGORY 4 CA, CO, GA, KS, ND, OR, TN, UT

| CATEGORY 4 CA, CO, GA, KS, ND, OR, TN, UT | | | | |
|--|--------|-------------------|---------------------------------------|--------------------------|
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 680 | 75% | \$1,000,000 |
| | | 640 | 70% | |
| | | 720 | 75% | |
| | | 680 | 70% | \$1,500,000 |
| | | 700 | 70% | |
| | | 680 | 65% | \$2,000,000 |
| | | 720 | 70% | |
| | | 700 | 60% | \$2,500,000 |
| | | 740 | 70% | |
| | | 720 | 65% | \$3,000,000 ¹ |
| Primary Residence | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-4 | 700 | 75% | \$1,000,000 |
| | | 680 | 70% | |
| | | 640 | 65% | |
| | | 720 | 75% | \$1,500,000 |
| | | 680 | 65% | |
| | | 640 | 60% | \$2,000,000 |
| | | 700 | 70% | |
| | | 680 | 60% | \$2,500,000 |
| | | 720 | 65% | |
| | | 700 | 55% | \$3,000,000 ¹ |
| | | 740 | 65% | |
| | | 720 | 60% | |
| | | Second Home | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-Unit | 700 | 75% | \$1,000,000 |
| | | 680 | 70% | \$1,500,000 |
| | | 700 | 70% | \$2,000,000 |
| Second Home | | | | |
| Transaction Type | Units | FICO ³ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance ² | 1-Unit | 680 | 60% | \$1,000,000 |
| | | 700 | 70% | \$1,500,000 |



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**Non-Delegated Correspondent
Bank Statement**

| | | | |
|--|-----|-----|-------------|
| | 720 | 60% | \$2,000,000 |
|--|-----|-----|-------------|



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**Non-Delegated Correspondent
Debt Service Coverage Ratio
(DSCR)**

**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

| Bayview Standard DSCR Eligibility | | | | | | | | |
|-----------------------------------|----------------------|----------------------------|------------|-----------|----------|----------------|-----------|----------|
| FICO & Loan Amount ³ | | Max LTV/LTC ^{1,2} | | | | | | |
| | | Units | DSCR ≥ 1.0 | | | DSCR 0.99-0.75 | | |
| FICO | Loan Amount | | Purchase | Rate/Term | Cash Out | Purchase | Rate/Term | Cash Out |
| 700+ | \$100k+ up to \$1.5M | 1 | 80 | 80 | 75 | 75 | 75 | 70 |
| | | 2-4 | 80 | 80 | 75 | 75 | 75 | 70 |
| | \$1.5M+ up to \$2M | 1 | 75 | 75 | 70 | 65 | 65 | 60 |
| | | 2-4 | 75 | 75 | 70 | 65 | 65 | 60 |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 70 | 70 | 65 | NA | NA | NA |
| 680-699 | \$100k+ up to \$1.5M | 1 | 80 | 75 | 70 | 75 | 70 | 65 |
| | | 2-4 | 80 | 75 | 70 | 75 | 70 | 65 |
| | 1.5M+ up to \$2M | 1 | 70 | 70 | 65 | 65 | 60 | 55 |
| | | 2-4 | 70 | 70 | 65 | 65 | 60 | 55 |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 65 | 65 | 60 | NA | NA | NA |
| 660-679 | \$100+ up to \$1.5M | 1 | 75 | 70 | 65 | 70 | 65 | 60 |
| | | 2-4 | 75 | 70 | 65 | 70 | 65 | 60 |
| | \$1.5M+ up to \$2M | 1 | 65 | 65 | 60 | 60 | 55 | 50 |
| | | 2-4 | 65 | 65 | 60 | 60 | 55 | 50 |
| 640-659 | \$100k+ up to \$1.5M | 1 | 70 | 65 | 60 | NA | NA | NA |
| | | 2-4 | 70 | 65 | 60 | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | NA | NA | NA | | | |
| 620-639 | \$100k+ up to \$1.5M | 1 | 65 | 60 | 50 | NA | NA | NA |
| | | 2-4 | 65 | 60 | 50 | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | NA | NA | NA | | | |

¹ See LTV/LTC Restriction section

² See Declining Markets section for LTV/LTC/CLTV/HCLTV reductions and Appendices B, C, D & E for Category Eligibility grids

³ See Loan Amount section

| Category | States | LTV/CLTV/HCLTV Reduction |
|------------|--------------------------------|---|
| Category 1 | TX | 20% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% |
| Category 2 | AZ, ID | 15% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% |
| Category 3 | DC, NV, NC, SD, WA | 10% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% |
| Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

| Loan Product | |
|--|---|
| Eligible Products / Terms | Standard/Single Property |
| | PPF340 DSCR Fixed Rate 30yr term |
| | PPF405¹ 5yr I/O with loan fully amortizing over remaining 25 yrs. |
| | PPF410 10yr I/O with loan fully amortizing over remaining 20 yrs. |
| | ¹ 7-year pre-payment penalty cannot be paired with this product |
| Loan Amounts | <ul style="list-style-type: none"> • Maximum Loan Amount: \$2,000,000 (Standard single family), \$2,500,000 (2-4 units) • Minimum Loan Amount: \$100,000 |
| LTV/LTC Calculation | <ul style="list-style-type: none"> • Calculation is: lesser of LTV or LTC <ul style="list-style-type: none"> ◦ LTC is calculated as: loan amount divided by the cost basis at loan origination date and only utilized if the subject property is a new acquisition or has been acquired in the past six months <ul style="list-style-type: none"> ▪ Cost Basis: Cost basis is inclusive of purchase price, verified Borrower/Guarantor paid hard and soft costs expended to date (rehabilitation/renovation expenses), and customary Borrower/Guarantor paid arms-length closing costs/ fees, including real estate broker commissions, title, escrow, other closing costs and the amount of taxes, HOA dues, fees, assessments, Assignment Fees, and liens paid by the Borrower/Guarantor or its affiliates in connection with and at the time of the acquisition. If closing costs are not documented or clearly verifiable at the time of closing, then up to 2% of the purchase price may be added to the purchase price for the assessment of Cost Basis. Mortgage broker fees, origination fees, points, etc. are excluded • LTV is calculated as: loan amount divided by the value of the mortgaged property. If property is owned less than six months, must use purchase price as value instead of the appraised value with the exception of below: <ul style="list-style-type: none"> ◦ Loan amount is less than or equal to the cost of the property plus all documented renovation costs. |
| LTV/LTC Restrictions | <ul style="list-style-type: none"> • Reduce LTV by 5% for: <ul style="list-style-type: none"> ◦ Vacant properties as defined in Occupancy section of this Product Matrix ◦ Refinance of a short term rental property or Cash-out of a short term rental property • Reduce LTV by 10% for non-warrantable condominiums with a maximum of 70% LTV/LTC • Maximum LTV/LTC of 70% for: <ul style="list-style-type: none"> ◦ Inexperienced investor |
| Loan Documentation Requirements | <p><u>Application must include the following:</u></p> <ul style="list-style-type: none"> • Loan amount and terms • Subject and primary residence property address, type of property and number of units • Entity name and address (if applicable) • Borrower/Guarantor(s) information including: social security number, HMDA information (natural Borrower or business entity as applicable, not required for Guarantors), date of birth, address and authorization to pull credit <p><u>Note must include:</u></p> <ul style="list-style-type: none"> • Collateral information • Loan terms, including prepayment penalty (if applicable) as shown in the section |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

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| | <p><u>Security Instrument must include:</u></p> <ul style="list-style-type: none"> • Collateral information, • Language that provides the holder of the security instrument with a valid and enforceable lien position <p><u>Additional Required Documentation</u></p> <ul style="list-style-type: none"> • Business Purpose/Non-owner Occupancy must be addressed in loan documentation • Lender to provide a clear OFAC check for all individuals with 25% or more ownership of the entity as confirmed by a current listing of ownership interests • Personal Guaranty (business entity) • Cash-Out explanation for natural person Borrowers (if not addressed on the Business Purpose Affidavit) • 1-4 Family Rider (residential package)/Assignment of Rents Rider (commercial package) • If utilizing the FNMA\FHLMC residential document set, the Business Loan Rider must also be completed [see C2022-06 for full details] • All other business entity forms noted in the Eligibility section below (if applicable) • All other forms required per the document checklist which is posted in the Reference Library of the Correspondent Portal • All Sellers must comply with all aspects of ECOA, including the Right to Receive a Copy of the Appraisal Report Disclosure |
| <p>Loan Purpose</p> | <p>All loans originated to Bayview DSCR product are secured by the business real estate or commercial property owned by the individual or business and its principals. All loans are for business purposes only, and are certified as such by the Borrower/Guarantor(s). Properties cannot be occupied by any of the Guarantors.</p> <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash-Out: Refinancing existing debt on the property in which the Borrower/Guarantor receives net proceeds (excluding third-party expenses reflected on the HUD or similar document) from the refinancing that exceed 2% of the loan amount. Financing of properties owned free and clear and acquired more than six (6) months prior to the loan origination date is also considered a Cash Out Refinance |
| <p>Rate/Term Refinance Transactions</p> | <ul style="list-style-type: none"> • The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items <ul style="list-style-type: none"> ◦ If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months ◦ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months ◦ A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history • Max cash back at closing is limited to 2% of the new loan amount <p><u>Continuity of Obligation</u></p> <ul style="list-style-type: none"> • When at least one (1) Borrower on the existing mortgage is also a Borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible: |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

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| | <ul style="list-style-type: none"> • The Borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the Borrower meets the following requirements: <ul style="list-style-type: none"> ◦ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or ◦ Is related to the Borrower on the mortgage being refinanced • The Borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction • The Borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership • The Borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> • Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer • The transferring entity and/or Borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> <p>If owned ≤ one year:</p> <ul style="list-style-type: none"> • <u>0-6 months</u> <ul style="list-style-type: none"> ◦ Use lower of cost basis or appraised value to calculate LTV, or ◦ If greater than 20% (based on original cost) of the rehabilitation work that was completed on the property as evidenced by an “as-is” appraisal, then the appraised value can be used to calculate the LTV, but the loan amount is limited to the cost basis plus the documented rehabilitation costs (100% LTC). |
| <p>Cash-Out Transactions</p> | <ul style="list-style-type: none"> • Cash-out loan proceeds may be used for business purposes only • Signed explanation of cash out required if Business Purpose Affidavit does not address reason for proceeds (required for natural Borrowers only) • Cash-out loan proceeds may be used for reserves if FICO > 700 <p><u>Maximum Cash Out (excluding delayed financing transactions)</u></p> <ul style="list-style-type: none"> • <u>Standard Loans:</u> • If owned ≤ one year: <ul style="list-style-type: none"> ◦ <u>0-6 Months</u> <ul style="list-style-type: none"> ▪ Use lower of cost basis or appraised value to calculate LTV, or ▪ If greater than 20% (based on original cost) of the rehabilitation work that was completed on the property as evidenced by an “as-is” appraisal, then the appraised value can be used to calculate the LTV, but the loan amount is limited to the cost basis plus the documented rehabilitation costs (100% LTC) ▪ Cash out proceeds cannot exceed \$500,000 standard ◦ <u>7-12 Months</u> <ul style="list-style-type: none"> ▪ Option 1 <ul style="list-style-type: none"> • Use lower of cost basis or appraised value for all properties • Cash out proceeds cannot exceed \$500,000 standard ▪ Option 2 <ul style="list-style-type: none"> • Use appraised value • LTV > 65%, cash out proceeds to Borrower cannot exceed \$250,000 standard • LTV < 65%, cash out proceeds to Borrower cannot exceed \$500,000 standard • If owned ≥ one year: <ul style="list-style-type: none"> ▪ \$500,000 |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

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| Delayed Financing | <ul style="list-style-type: none"> • Property was purchased within six (6) months of the loan application • HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property • Preliminary title reflects the Borrower/Guarantor as the owner and no liens • Prior transaction must have been arm's length • Will be treated as a rate and term refinance |
| Occupancy | <ul style="list-style-type: none"> • Properties cannot be occupied by any of the Borrower/Guarantors or their immediate family. • Investment properties for 1-4 units <ul style="list-style-type: none"> ◦ Occupied/Leased Property: A property that has at least the following number of Occupied/Leased Units: <ul style="list-style-type: none"> ▪ single-family property = one unit ▪ two-family property = two units ▪ three-family property = two units ▪ four-family property = three units ◦ Unoccupied/Unleased: A unit or property that is not categorized as an Occupied/Leased Unit or an Occupied/Leased Property, as applicable |
| Age of Documents | <p>All credit documents, including title commitment must be no older than ninety (90) days from the Note date with the exception of the credit and appraisal report(s) which must be no older than one hundred and twenty (120) days from the Note date</p> |
| Eligibility | |
| Eligibility | <ul style="list-style-type: none"> • At least one Borrower/ primary Guarantor must have owned a home/property for twelve (12) months or more in the last three (3) years. • Both experienced investors and inexperienced investors are permitted. <ul style="list-style-type: none"> ◦ <u>Experienced investors are defined as:</u> <ul style="list-style-type: none"> ▪ Owning 2 properties for more than 12 months, or ▪ Owning 1 investment property for 24 months, or ▪ Owning a commercial property for 12 months, or ▪ Ownership in commercial real estate or investment in a real estate investment trust for greater than the most current 12 months ▪ Have had ownership in three or more properties over the past 24 months ◦ <u>Inexperienced investors are defined as:</u> <ul style="list-style-type: none"> ▪ Owning one property (primary or investment) for a minimum of the most recent twelve (12) months loans must meet the additional criteria: <ul style="list-style-type: none"> • Minimum DSCR of 1.0 • Maximum LTV 70% • Minimum loan amount of \$150,000 and maximum loan of \$1,000,000 • Business entity Loans must have a Guarantor defined as a primary Guarantor who owns at least 25% of the borrowing entity. In the event that no Guarantor owns at least 25%, the primary Guarantor will be designated as the Guarantor with the highest ownership percentage of the borrowing entity. • Borrower/Guarantor(s) must be US Citizens or Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the <u>Residency and Eligibility Guide</u> • All Borrower/Guarantor(s) must have a valid Social Security Number <p><u>All business entities must:</u></p> <ul style="list-style-type: none"> • Be a legal entity domiciled in the United States, including LLCs, LPs, partnerships, and corporations • Be an entity with natural person members |



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**Non-Delegated Correspondent
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| | <ul style="list-style-type: none"> • Be a U.S. based Entity in Good Standing • Provide a full recourse guarantee by one or more individual(s) and the managing member, if applicable, which are the largest percentage owners and in aggregate own at least 51% of the borrowing entity or 50% if there are only 2 members of the borrowing entity, unless otherwise approved by Community Loan Servicing • The guarantor(s) on the loan application must be a managing member(s) with documented authority to sign on behalf of the entity which includes joint and several liability as to the debt obligation of the borrowing entity. <p><u>Business Entity Documentation Requirements:</u></p> <ul style="list-style-type: none"> • Certificate of formation, filed articles of incorporation, including any and all amendments, as applicable, and a current listing of all ownership interests • Lender to provide a clear OFAC check for all individuals with 25% or more ownership of the entity as confirmed by a current listing of ownership interests • The Operating Agreement for the LLC must be provided in order to confirm acceptability of the LLC • Current Certificate of good standing, dated within 12 months prior to Note date |
| <p>Ineligible Borrower/Guarantors</p> | <ul style="list-style-type: none"> • Life Estates • Trusts • Guardianships • Community Land Trust • Land Trusts • Borrower/Guarantors/business entities with any ownership in a business that is Federally illegal, regardless if the income is not being considered for qualifying • Foreign Nationals – defined as a citizen of another country that does not fall into one of the categories or meet the requirements as defined in the Residency and Eligibility Guide • 501(c)(3) organizations • Trusts or LLCs whose members include other LLCs, corporations, partnerships, or trusts • Trusts or LLCs where a Power of Attorney is used • Borrower/Guarantor(s) with Diplomatic Immunity status |
| <p>Non-Arm's Length</p> | <p>A non-arm's length transaction exists whenever there is a personal or business relationship with any party to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party.</p> <p>The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> • Family sales or transfers • Assignment of contracts • Property seller acting as their own real estate agent • Relative of the property seller acting as the seller's real estate agent • Borrower/Guarantor acting as their own real estate agent • Relative of the Borrower/Guarantor acting as the Borrower/Guarantor's real estate agent • Borrower/Guarantor is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file. • Originator is related to the Borrower/Guarantor • Borrower/Guarantor purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between Borrower/Guarantor and landlord) |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

| Credit | |
|-----------------------------------|--|
| Underwriting | <ul style="list-style-type: none"> • Manual underwrite is required • In some cases, single loan variances (SLV) to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Single loan variance must be granted by the purchaser • Items not addressed in this matrix should be referred to Community Loan Servicing • Simultaneous Submissions do not need to be underwritten simultaneously |
| Credit Requirements | <ul style="list-style-type: none"> • Tri-merged credit reports are required on all Borrower/Guarantor(s) dated within 120 days of loan origination <ul style="list-style-type: none"> ◦ The representative score for each Borrower/Guarantor is: <ul style="list-style-type: none"> ▪ The middle score when three scores are obtained, or ▪ The lower score when two scores are obtained ▪ If only one score is obtained, the Borrower/Guarantor is ineligible • The representative score for the loan is the lowest representative score of the Borrower(s) or Guarantor(s), as applicable • Minimum two (2) trade lines are acceptable if the Borrower/Guarantor has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the last twenty-four (24) months and one (1) additional open trade line • Each Borrower/Guarantor must meet the minimum trade line requirements • Authorized user accounts are not allowed as an acceptable trade line • Non-traditional credit is not allowed as an acceptable trade line • Credit reports with bureaus identified as “frozen” are required to be unfrozen and a current credit report with all bureaus unfrozen is required • In addition to compliance the OFAC and Exclusionary list policy as set forth in the Special Products Seller Guide, Section B707, lender must also complete a background check on Borrower/Guarantor and entity, if applicable • Background search must include litigation, judgment and lien searches and dated within 90 days of loan origination <ul style="list-style-type: none"> ◦ To the extent there is evidence of an adverse finding listed below such persons are not permitted <ul style="list-style-type: none"> ▪ Previous felony conviction ▪ Misdemeanor conviction involving fraud, embezzlement or other similar crimes or an adverse fraud screen result, all within the last 5 years ▪ Loans where a Google search or other information known to the originator reveals material litigation, pending misdemeanors or felonies, regulatory investigations/citations or other matters of similar relevance on any of the Guarantors, Borrower/Guarantors, or the property are ineligible unless otherwise approved by Community Loan Servicing ▪ Each Borrower/Guarantor, if applicable, with 10 or more judgements and/or liens in the last 36 months, or current liens in excess of \$250,000 are ineligible unless otherwise approved by Community Loan Servicing ▪ Lenders must also verify that all parties are not citizens of or reside in a country identified by Financial Action Task Force (FATF) as being a high-risk jurisdiction or a jurisdiction with strategic deficiencies |
| Mortgage Housing History | <p><u>Experienced Borrowers</u></p> <ul style="list-style-type: none"> • Provide a twelve (12) month mortgage history on the primary residence and the subject property, applicable to all Borrower/Guarantor/entity (s) on the loan |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

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|---|--|
| | <p><u>Inexperienced Borrowers</u></p> <ul style="list-style-type: none"> • Provide a twelve (12) month history on the primary residence and all other properties owned by the Borrower/Guarantor/entity(s), applicable to all Borrower/Guarantor/entity (s) on the loan • Maximum 1x30x12 between <u>all</u> disclosed mortgages, including those required to be verified as indicated above • The mortgage rating may be from the credit report, credit supplement or a third party verification service, unless the mortgage holder is a party to the transaction or relative of the Borrower/Guarantor, cancelled checks or bank statements to verify satisfactory mortgage history is required • Sellers must review the Borrower/Guarantor(s) credit report to determine status of all mortgage loans including verification that any mortgage is not subject to a loss mitigation program, repayment plan, loan modification or payment deferral plan unless related to COVID-19 forbearance and meets all additional requirements in forbearance section within this Product Matrix |
| <p>Significant Derogatory Credit</p> | <ul style="list-style-type: none"> • Bankruptcy, Chapter 7, 11, 13 - three (3) years since discharge/dismissal date • Foreclosure – three (3) years since completion date • Short Sale/Deed-in-Lieu - three (3) years since completion/sale date • Forbearance (refer to section below) • Mortgage accounts that were settled for less, negotiated or short payoffs – three (3) years since settlement date • Loan modification – three (3) years since modification date • Notice of Default – three (3) years <ul style="list-style-type: none"> ○ NOD's on short term bridge loans (<2 year term) with hard maturities may be acceptable assuming all deficiencies are cleared and documented. These loans are subject to Community Loan Servicing approval. • A satisfactory explanation letter from the Borrower/Guarantor(s) must be provided addressing any of the above derogatory credit events if the event occurred in the last four (4) years • Multiple derogatory credit events require a seven (7) year seasoning period <ul style="list-style-type: none"> ○ A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event ○ A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event • Medical collections are allowed to remain outstanding if the balance is less than \$10,000 in aggregate • Tax liens, judgments, charge-offs, and past-due accounts must be satisfied or brought current prior to or at closing • Cash-Out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts • Payment plans on prior year tax liens/liabilities are not allowed, must be paid in full |
| <p>Forbearance</p> | <ul style="list-style-type: none"> • Any forbearance resulting in subsequent loan modification/repayment plan is considered a significant derogatory credit event and subject to a three (3) year waiting period. • Any forbearance filed after 6/1/22 is considered a significant derogatory credit event and subject to a three (3) year waiting period. <p>Forbearance on Subject and Non-subject property(s) that do not fall into the above scenarios:</p> <ul style="list-style-type: none"> • Any loan(s) that is shown to be in <u>active</u> forbearance is considered ineligible. |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

| | |
|-----------------------------------|--|
| | <ul style="list-style-type: none"> Any loan that is shown to be in a past forbearance is only permitted if the plan has been exited and all reported payments have been made on time since the exit. Loan file must contain a letter of explanation from the Borrower/Guarantor detailing the reason for forbearance and that the hardship no longer exists. |
| Lawsuit/Pending Litigation | If the loan application, title commitment or credit documents indicate that the Borrower/Guarantor is party to a lawsuit, additional documentation must be obtained to determine no negative impact on the Borrower/Guarantor's ability to repay, assets or collateral |

Debt Service Coverage Ratio

| Debt Service Coverage Ratio (DSCR) | <p><u>Debt Service Coverage Ratio (DSCR):</u></p> <ul style="list-style-type: none"> The DSCR is calculated by taking the gross rents divided by the PITIA of the subject property Interest-Only loans must use the <u>30 year fully amortized PITIA payment</u> for DSCR calculation Short-term rentals require a DSCR ≥ 2.0 Use the Note Rate to calculate PITIA Use the real estate taxes listed on the title policy or a current real estate tax bill converted into a monthly payment Use the insurance premium that is listed on the approved insurance certificate (or other documentation) converted into a monthly payment Use the Association fees (if applicable) that is listed as the monthly amount on the appraisal or current homeowner association statement <p><u>Gross Rent Requirements:</u></p> <ul style="list-style-type: none"> Purchase: <ul style="list-style-type: none"> Obtain Appraisal Form 1007/1025 as applicable and use 100% of the gross market rent in DSCR calculation Refinance: <ul style="list-style-type: none"> Obtain both a current lease agreement and Appraisal Form 1007/1025 as applicable. An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires or per local statutes is still current is allowed. Gross rent used in the DSCR calculation must come from the lesser of the lease agreement or Appraisal Form 1007/1025 as applicable, except as noted below: <ul style="list-style-type: none"> When the lease agreement is higher than the gross market rent on the appraisal, the following requirements apply: <ul style="list-style-type: none"> The amount used for qualifying cannot exceed 10% over the market rent on the appraisal If the actual rent is greater than market rent, but is $\leq 10\%$ over the market rent, then the lease amount can be used for qualifying <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Example #1 – Actual Rent is 20% Above Market</th> <th colspan="2" style="text-align: left;">Example #2 – Actual Rent is 5% Above Market</th> </tr> </thead> <tbody> <tr> <td>Actual Rent per Lease Agreement</td> <td style="text-align: right;">\$1200</td> <td>Actual Rent per Lease Agreement</td> <td style="text-align: right;">\$1050</td> </tr> <tr> <td>Market Rent per Appraisal</td> <td style="text-align: right;">\$1000</td> <td>Market Rent per Appraisal</td> <td style="text-align: right;">\$1000</td> </tr> <tr> <td>Allowable Amount for Qualifying</td> <td style="text-align: right;">\$1100</td> <td>Allowable Amount for Qualifying</td> <td style="text-align: right;">\$1050</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <u>Short-Term Rentals:</u> Short-term rentals are properties in which the rental term is less than 12 months, relatively variable in duration (e.g. short weekend, two weeks, several months, etc.), and may not be subject to a traditional lease agreement. <ul style="list-style-type: none"> Short-term rentals are permitted. Proof of receipt for the most recent 12 months* is required. | Example #1 – Actual Rent is 20% Above Market | | Example #2 – Actual Rent is 5% Above Market | | Actual Rent per Lease Agreement | \$1200 | Actual Rent per Lease Agreement | \$1050 | Market Rent per Appraisal | \$1000 | Market Rent per Appraisal | \$1000 | Allowable Amount for Qualifying | \$1100 | Allowable Amount for Qualifying | \$1050 |
|--|--|--|--------|---|--|---------------------------------|--------|---------------------------------|--------|---------------------------|--------|---------------------------|--------|---------------------------------|--------|---------------------------------|--------|
| Example #1 – Actual Rent is 20% Above Market | | Example #2 – Actual Rent is 5% Above Market | | | | | | | | | | | | | | | |
| Actual Rent per Lease Agreement | \$1200 | Actual Rent per Lease Agreement | \$1050 | | | | | | | | | | | | | | |
| Market Rent per Appraisal | \$1000 | Market Rent per Appraisal | \$1000 | | | | | | | | | | | | | | |
| Allowable Amount for Qualifying | \$1100 | Allowable Amount for Qualifying | \$1050 | | | | | | | | | | | | | | |



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| | <ul style="list-style-type: none"> o Utilize documented 12 months* of payments to derive the gross monthly rental amount, not to exceed 100% of market rent schedule. If no rent is received, use zero for that month OR o Utilize documented 24 months of payments to derive the gross monthly rental amount, not to exceed 125% of market rent schedule. If no rent is received, use zero for that month o Property must be tenant ready with furniture, appliances, etc. o LTV is reduced by 5% <p>*Properties owned ≥ 6 months but < 12 months will be reviewed on an exception basis. Income calculation will be at Community Loan Servicing's discretion but not more than 80% of documented rent.</p> | | | | | | |
|---------------------------------------|---|---------------------------------------|-------------------------------------|-------------------------|---------------------------------------|------|---------------------------------------|
| DSCR Restrictions | <ul style="list-style-type: none"> • DSCR < 1.0 not permitted for: <ul style="list-style-type: none"> o 2-4 unit properties with FICO < 740 OR o Inexperienced investors • DSCR < 1.0 requires 12 months reserves • Short-term rentals require a DSCR ≥ 2.0 • Minimum DSCR of 1.25 if: <ul style="list-style-type: none"> o Loan amount < \$150,000 unless the transaction is a purchase with a minimum FICO of 700 | | | | | | |
| Lease Requirements | <p>Leases must:</p> <ul style="list-style-type: none"> • Be a third-party lease with no Borrower/Guarantors, owners of the Borrower/Guarantor or their immediate family members leasing or occupying the property (“Eligible Tenant”) <ul style="list-style-type: none"> o Immediate Family members is defined as those by lineal descendant, adoption or marriage, this includes spouses, siblings, children, parents, or grandparents • Be in the name of the Borrower/Guarantor or their verified property manager, as landlord • Be executed by both an Eligible Tenant and the Borrower/Guarantor(s) (as landlord(s)) • Have a unit rental rate, and terms consistent with rates and terms prevailing in the local market where the property is located • Be on a form that is customary to the area the property is located in and comply with all applicable legal requirements in all material respects (including all required disclosures) • Cover 100% of the square footage of the applicable residential unit • <u>Rent to own and/or contract for deeds are ineligible</u> | | | | | | |
| Assets/Reserves | | | | | | | |
| Asset Requirements | <ul style="list-style-type: none"> • Beyond the minimum reserve requirements and to fully document the Borrower/Guarantor’s ability to meet their obligations, Borrower/Guarantors should disclose all liquid assets • Eligible assets must be held in a US account • Two (2) most recent months account statements from either the Borrower/Guarantor/primary Guarantor or the borrowing entity, as applicable (including inter vivos revocable trust assets), must be provided. The asset verification must provide sixty (60) days of account activity and include all items normally indicated on bank statements • Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets <table border="1" data-bbox="435 1602 1539 1793"> <thead> <tr> <th data-bbox="435 1602 740 1705">Asset Type</th> <th data-bbox="740 1602 1052 1705">% Eligible for Calculation of Funds</th> <th data-bbox="1052 1602 1539 1705">Additional Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="435 1705 740 1793">Checking/Savings/ Money Market/CDs</td> <td data-bbox="740 1705 1052 1793">100%</td> <td data-bbox="1052 1705 1539 1793">Two (2) months most recent statements</td> </tr> </tbody> </table> | Asset Type | % Eligible for Calculation of Funds | Additional Requirements | Checking/Savings/ Money Market/CDs | 100% | Two (2) months most recent statements |
| Asset Type | % Eligible for Calculation of Funds | Additional Requirements | | | | | |
| Checking/Savings/ Money Market/CDs | 100% | Two (2) months most recent statements | | | | | |



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| | Publicly Traded Stocks/Bonds/Mutual Funds | 100% | Two (2) months most recent statements. Non-vested stock is ineligible. Margin account and/or pledged asset balances must be deducted |
| | Retirement Accounts (401(k), IRAs, etc.) | 70% of the vested value after the reduction of any outstanding loans | <ul style="list-style-type: none"> • Most recent statement(s) covering a two (2) month period • Evidence of liquidation if using for down payment or closing costs • Evidence of access to funds required for employer- sponsored retirement accounts • Retirement accounts that do not allow for any type of withdrawal are ineligible for reserves |
| | Cash Value of Life Insurance/Annuities | 100% of value unless subject to penalties | Most recent statement(s) covering a two (2) month period |
| | 1031 Exchange | Reverse 1031 exchanges not allowed | <ul style="list-style-type: none"> • HUD-1/CD for both properties • Exchange agreement • Sales contract for exchange property • Verification of funds from the Exchange Intermediary |
| | Business Funds | Allowed for down payment/closing costs and reserves with additional requirements met | <ul style="list-style-type: none"> • If business account used is not in the same name as the borrowing entity, then the following requirements must be met: <ul style="list-style-type: none"> ◦ Natural Borrower/Guarantor(s) must have ownership of 25% or greater of the entity holding the account ◦ Borrower/Guarantor must also be named on the account or provide proof of access to 100% of the funds from other members |
| | Gift Funds | Permitted after Borrower/Guarantor minimum 10% contribution | <ul style="list-style-type: none"> • Donor must be a family member, future spouse or domestic partner • Executed gift letter with gift amount and source, donor's name, address, phone number and relationship • Seller must verify sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account |



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| | | | <ul style="list-style-type: none"> • Acceptable documentation includes the following: <ul style="list-style-type: none"> ○ Copy of donor's check and borrower's deposit slip ○ Copy of donor's withdrawal slip and borrower's deposit slip ○ Copy of donor's check to the closing agent • A settlement statement/CD showing receipt of the donor's gift check | | | | | | | | | | | | | | | |
|---------------------------------------|--|---|---|-----------------------------|----------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gifts of Equity | Not Permitted | N/A | | | | | | | | | | | | | | | |
| | Virtual Currency | Not Permitted | N/A | | | | | | | | | | | | | | | |
| Reserves | <ul style="list-style-type: none"> • DSCR ≥ 1.0: 3 months PITIA for subject property • DSCR < 1.0: 12 months PITIA for subject property • Cash out may be utilized for reserves if FICO >700 • Funds utilized for down payment and closing costs cannot be included in reserve funds • Additional 6 months reserves are required for purchase of short term rental • Additional reserves are required for refinance transactions due to vacancy of units as noted in the table below: <table border="1"> <thead> <tr> <th># Units in Subject Property</th> <th># Vacant Units</th> <th>Additional 6 months PITIA Reserves Required</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>Y</td> </tr> <tr> <td>2</td> <td>1</td> <td>Y</td> </tr> <tr> <td>3</td> <td>2</td> <td>Y</td> </tr> <tr> <td>4</td> <td>3</td> <td>Y</td> </tr> </tbody> </table> | | | # Units in Subject Property | # Vacant Units | Additional 6 months PITIA Reserves Required | 1 | 1 | Y | 2 | 1 | Y | 3 | 2 | Y | 4 | 3 | Y |
| # Units in Subject Property | # Vacant Units | Additional 6 months PITIA Reserves Required | | | | | | | | | | | | | | | | |
| 1 | 1 | Y | | | | | | | | | | | | | | | | |
| 2 | 1 | Y | | | | | | | | | | | | | | | | |
| 3 | 2 | Y | | | | | | | | | | | | | | | | |
| 4 | 3 | Y | | | | | | | | | | | | | | | | |
| Interested Party Contributions | <ul style="list-style-type: none"> • Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction • The following restrictions for interested party contributions apply: <ul style="list-style-type: none"> ○ May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves ○ Maximum interested party contribution is limited to 3% of the purchase price | | | | | | | | | | | | | | | | | |
| Seller Concessions | <ul style="list-style-type: none"> • All seller concessions must be addressed in the sales contract, appraisal and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, Interested Party Contributions) or any amounts not being used for closing costs or prepaid expenses • If a seller concession is present, both the appraised value and the sales price must be reduced by the concession amount for the purposes of calculating the LTV/CLTV/HCLTV | | | | | | | | | | | | | | | | | |
| Personal Property | <ul style="list-style-type: none"> • Any personal property transferred with a property sale must be deemed to have zero transfer value as indicated by the sales contract and appraisal • If any value is associated with the personal property, the sales price and the appraised value must be reduced by the personal property value for purposes of calculating the LTV/LTC | | | | | | | | | | | | | | | | | |



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| Subordinate Financing | |
|---|---|
| Subordinate Financing | Not permitted |
| Down Payment/Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> 1-4 Unit residential investment properties leased as income producing properties to non-Borrower/Guarantor affiliated tenants Attached and Detached Planned Unit Developments (PUDs) Condominiums (refer to section below) Properties that are legal or legal-non-conforming use <p>Miscellaneous:</p> <ul style="list-style-type: none"> Leasehold must meet Fannie Mae requirements Properties with leased solar panels must meet Fannie Mae requirements All units/properties must have a functioning kitchen Properties must meet the following minimum square footage: <ul style="list-style-type: none"> 1 unit: 700 sqft Condominium: 500 sqft 2-4 unit: 400 sqft per unit <ul style="list-style-type: none"> 2-4 unit property with FICO \leq 740 requires DSCR \geq 1.0 |
| Acceptable Forms of Ownership | <ul style="list-style-type: none"> Fee Simple Deed/Resale Restrictions must meet Fannie Mae requirements |
| Ineligible Property Types | <ul style="list-style-type: none"> Assisted living facilities, nursing homes or any arrangement where the unit owner or tenant contracts for a commitment for resident or tenant care Community Land Trusts Property value $<$ \$100,000 Cooperatives Condotels or time-shares Lease with purchase option properties Manufactured/Modular/Mobile Homes Mixed-Use Properties Model Home Leasebacks Multifamily (5+ units) Rural Properties defined as properties classified as rural by the appraisal or with two of three comparable properties more than 5-miles from the subject property Properties with atypical physical features for the neighborhood Properties in areas where more than 10% of other properties within a 2-block radius are either clearly vacant, abandoned and/or boarded-up Properties located in Hawaii in lava zones 1 & 2 Properties located in areas where a valid security interest in the property cannot be obtained Properties not configured or used for residential purpose properties on Native American reservations or properties not easily accessible by roads that meet local standards Properties with known adverse environmental conditions (other than lead paint, radon or asbestos in each case which do not present a health hazard, do not require remediation and have been contained per EPA guidelines) Properties which are not in compliance with local zoning regulations Properties where the appraisal indicates any environmental concerns |



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| | <ul style="list-style-type: none"> • Properties with condition rating of C5/C6 or not lease ready • Properties with construction rating of Q6 • Properties with revolving credit facilities which permit the addition of additional collateral • Properties >2 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Single Room Occupancy (SROs) or former healthcare facilities • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards | | | | | | | | | | | | | | | |
|--|---|---|--------|---------------------------|------------|----|---|------------|--------|---|------------|--------------------|---|------------|--------------------------------|---|
| <p>Accessory Dwelling Unit (ADU) Requirements</p> | <p>An ADU is typically an additional living area independent of the primary dwelling that may have been added to, created within, or detached from a primary one-unit dwelling.</p> <ul style="list-style-type: none"> • Rental income from the ADU is not permitted • Only one ADU is permitted on the parcel of the primary one-unit dwelling and it must: <ul style="list-style-type: none"> ◦ Be subordinate in size to the primary dwelling ◦ Have the following separate features from the primary dwelling: <ul style="list-style-type: none"> • Means of ingress/egress, • Kitchen with cabinets, a countertop, a sink with running water and a stove • Sleeping area • Bathing area and bathroom facilities <p>Additionally, the appraiser must confirm that subject property is a one-unit property with an ADU and the appraisal must contain comparables with ADUs in the subject property's market area. The appraisal report must demonstrate that the improvements are acceptable for the market. An aged settled sale will qualify as a comparable, and an active listing or under contract sale will qualify as a supplemental exhibit to show marketability.</p> | | | | | | | | | | | | | | | |
| <p>Declining Markets</p> | <ul style="list-style-type: none"> • Specific LTV/CLTV/HCLTV reductions must be applied as detailed in the below table • See Appendices A, B, C & D for Category Eligibility grids <table border="1" data-bbox="446 1197 1502 1438"> <thead> <tr> <th>Category</th> <th>States</th> <th>LTV/CLTV/HCLTV Reductions</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>TX</td> <td>20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60%</td> </tr> <tr> <td>Category 2</td> <td>AZ, ID</td> <td>15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65%</td> </tr> <tr> <td>Category 3</td> <td>DC, NV, NC, SD, WA</td> <td>10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70%</td> </tr> <tr> <td>Category 4</td> <td>CA, CO, GA, KS, ND, OR, TN, UT</td> <td>5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75%</td> </tr> </tbody> </table> <p><i>As an example:</i> <i>If the product eligibility grid indicates a maximum of 75% LTV/CLTV/HCLTV for a loan's specific characteristics and the subject property is in the state of Texas (Category 1), a 20% reduction must be applied yielding a 55% maximum LTVCLTV/HCLTV for that particular loan.</i></p> <p><i>Similarly, if a loan's subject property is in the state of North Carolina (Category 3), then a 10% reduction must be applied yielding a 65% maximum LTV/CLTV/HCLTV for that particular loan</i></p> | Category | States | LTV/CLTV/HCLTV Reductions | Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60% | Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65% | Category 3 | DC, NV, NC, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70% | Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75% |
| Category | States | LTV/CLTV/HCLTV Reductions | | | | | | | | | | | | | | |
| Category 1 | TX | 20% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 60% | | | | | | | | | | | | | | |
| Category 2 | AZ, ID | 15% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 65% | | | | | | | | | | | | | | |
| Category 3 | DC, NV, NC, SD, WA | 10% LTV/CLTV/HCLTV reduction from the maximum, up to a maximum of 70% | | | | | | | | | | | | | | |
| Category 4 | CA, CO, GA, KS, ND, OR, TN, UT | 5% LTVCLTV/HCLTV reduction from the maximum, up to a maximum of 75% | | | | | | | | | | | | | | |
| <p>Geographic Area</p> | <ul style="list-style-type: none"> • The following states are not eligible: NY • Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted | | | | | | | | | | | | | | | |



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| Condo Project Requirements | <p>If the property is part of a condominium association, the originator must obtain a condominium questionnaire and insurance certificate from the condominium association to ensure that it meets the eligibility criteria below. Condominiums must either meet FNMA requirements (inclusive of limited reviews) or the following warrantable guidelines as applicable. If neither set of guidelines is met, refer to the non-warrantable guideline requirements below.</p> | |
|-----------------------------------|--|---|
| | Warrantable Condominiums | |
| | Criteria | Requirement |
| | HOA Delinquency | No more than 15% of tenants within an HOA may be delinquent more than 30 days |
| | Capital Reserves/ Special Assessments | <p>Must be the Greater of:</p> <ul style="list-style-type: none"> two years of planned capital reserves and any special assessments available for immediate use <p><u>OR</u></p> <ul style="list-style-type: none"> 10% of the budget as long as the budget includes allocations for line items pertinent to the is type of condo project and provides for the funding of replacement reserves for capital expenditures and deferred maintenance that is as least 10% of the total budget |
| | Conveyance | At least 90% of units have been sold to owners |
| | Renter Concentration | No more than 50% of total units may be renter occupied unless Borrower/Guarantor owns 50% or more of total units or controls the association |
| | Ownership Concentration | Units owned by a single entity (individual, investor group, partnership or corporation) represent no more than 25% of total units, or in projects with only 5 to 20 units – 2 units, other than the Borrower/Guarantor unless the Borrower/Guarantor is the largest single owner in the project |
| | Project Status | Project is 100% complete and not subject to additional phasing |
| | Insurance | The Condominium Association maintains a master insurance policy per FNMA guidelines |
| | Non-Incidental Business | Income other than condo association fees may not make up more than 20% of total association income unless approved by Community Loan Servicing and must be excluded from use in the reserve requirement |
| | Litigation | Association is not named as party to any material litigation, defined as litigation that would not be covered under current insurance policy or any reputational litigation as determined by Community Loan Servicing |
| | Conveyance | Control of HOA has been turned over to unit owners |
| | Commercial Component | No more than 35% of total square footage may be used for commercial purposes |
| | Listed Securities | No projects may be listed securities (projects with documents on file with the SEC) |
| | Ownership Interests | Units in the project must be held fee simple |
| | Use Restrictions | The project must not restrict owner occupancy or the ability of new owners to rent units entirely |
| | Significant Deferred Maintenance | Loans secured by units in condo and co-op projects with significant deferred maintenance or in projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe conditions are not eligible for purchase. These projects will remain ineligible until the required repairs have been made and documented. Acceptable documentation may include a satisfactory engineering or inspection report, certificate of occupancy, or other substantially similar documentation that shows the repairs have been completed in a manner that resolves the building's safety, soundness, structural integrity, or habitability concerns. |
| Special Assessments | <p>Any current or planned special assessment, even if paid in full for the subject unit, must be reviewed to determine acceptability.</p> <p>The lender must document the loan file with the following:</p> <ul style="list-style-type: none"> the reason for the special assessment; the total amount assessed and repayment terms; | |



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| | | <ul style="list-style-type: none"> documentation to support no negative impact to the financial stability, viability, condition, and marketability of the project; and Borrower qualification with any outstanding special assessment payment <p>The lender is expected to obtain the financial documents necessary to confirm the association has the ability to fund any repairs. If the special assessment is related to safety, soundness, structural integrity, or habitability, all related repairs must be fully completed or the project is not eligible. Additionally, If the lender or appraiser is unable to determine that there is no adverse impact, the project is ineligible.</p> |
| Non-Warrantable Condominiums | | |
| | Criteria | Requirement |
| | LTV/LTC | Must reduce LTV/LTC from eligibility table by 10% with a Max LTV of 70% permitted |
| | HOA Delinquency | No more than 15% of tenants within an HOA may be delinquent more than 30 days |
| | Capital Reserves Special Assessments* | <10% replacement, maintenance, and/or deductible |
| | Conveyance* | At least 30% of units have been sold to owners or under contract |
| | Renter Concentration* | No more than 55% of total units may be renter occupied |
| | Ownership Concentration* | Units owned by a single entity (individual, investor group, partnership or corporation) represent no more than 30% of total units, or in projects with only 5 to 20 units – 2 units, other than the Borrower/Guarantor unless the Borrower/Guarantor is the largest single owner in the project |
| | Significant Deferred Maintenance | Loans secured by units in condo and co-op projects with significant deferred maintenance or in projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe conditions are not eligible for purchase. These projects will remain ineligible until the required repairs have been made and documented. Acceptable documentation may include a satisfactory engineering or inspection report, certificate of occupancy, or other substantially similar documentation that shows the repairs have been completed in a manner that resolves the building's safety, soundness, structural integrity, or habitability concerns. |
| | Special Assessments | <p>Any current or planned special assessment, even if paid in full for the subject unit, must be reviewed to determine acceptability.</p> <p>The lender must document the loan file with the following:</p> <ul style="list-style-type: none"> the reason for the special assessment; the total amount assessed and repayment terms; documentation to support no negative impact to the financial stability, viability, condition, and marketability of the project; and Borrower qualification with any outstanding special assessment payment <p>The lender is expected to obtain the financial documents necessary to confirm the association has the ability to fund any repairs. If the special assessment is related to safety, soundness, structural integrity, or habitability, all related repairs must be fully completed or the project is not eligible. Additionally, If the lender or appraiser is unable to determine that there is no adverse impact, the project is ineligible.</p> |
| | Non-Incidental Business | Income other than condo association fees may not make up more than 20% of total association income unless approved by Community Loan Servicing and must be excluded from use in the reserve requirement |



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| | <p>Litigation*</p> | <p>Association is not named as party to any material litigation, defined as: Structural/Functional litigation against developer</p> <p>Non-material litigation (Slip and fall/single unit complaints/3rd party claims) is permitted with adequate reserves Lender must provide verification of lawsuit amount and proof of sufficient insurance coverage.</p> |
| | <p>Conveyance</p> | <p>Control of HOA has been turned over to unit owners</p> |
| | <p>Commercial Component</p> | <p>No more than 35% of total square footage may be used for commercial purposes</p> |
| | <p>Miscellaneous</p> | <p>Newly converted Non-full gut rehab are ineligible All units/properties must have a functioning kitchen</p> |
| <p>*Denotes a non-warrantable feature. No more than one non-warrantable feature may be present per property</p> | | |
| <p>Appraisal Requirements</p> | <p>A USPAP and FIRREA compliant interior appraisal from a state licensed appraiser who is independent of the originator and Borrower/Guarantor must be completed for the subject transaction. This appraisal must contain a customary independence certification by the appraiser. Re-use of a prior appraisal, regardless of the date of the appraisal, is not permitted.</p> <ul style="list-style-type: none"> • Restricted appraisals are not permitted • The subject property must be appraised within 90 days prior to the Note • Appraisal must ensure that any and all additions or conversions have been completed according to code or lender must provide a recent certificate of occupancy validating code requirements have been met • Appraisals must be ordered by the lender through a state licensed Appraisal Management Company (AMC) <ul style="list-style-type: none"> ◦ In no event, are appraisals ordered or selected by Borrower/Guarantors, mortgage brokers or other lenders acceptable ◦ A single appraiser cannot be used for more than 3 out of every 5 consecutive valuations in any specific county or for any one Borrower/Guarantor, managing member, or other related party <p>Valuation Criteria:</p> <ul style="list-style-type: none"> • The interior appraisals must be on the applicable form required by the Fannie Mae Guidelines for 1-4 family properties or a form approved by Community Loan Servicing. Currently those forms are FNMA 1004/FH 70 (1 Family), FNMA 1073/FH 465 (Individual Condo), or FNMA 1025/FH 72 (2-4 Family) • Market rent estimates must be based on an annual lease for residential purposes and must be on the applicable form required by the Fannie Mae Guidelines or a form approved by Community Loan Servicing. Currently those forms are FNMA 1007 (1 Family) or FNMA 1025 (2-4 Family). Short term or specialized use rental rates are not acceptable for use as market rent • Condominium or townhouse properties must be valued on a rental basis whenever less than 50% of the properties in the building or same development are owned by individual homeowners • There must be at least 3 comparables in the same zip code or within 1 mile of the subject property. One comparable must be within 1 mile of the subject property with limited net adjustments unless otherwise approved by Community Loan Servicing. • The originator must review the valuation to ensure that the value is well supported by the evidence in the appraisal or residential evaluation and by the comparable transactions. Lender must take care to ensure that the property is not being “flipped” as property flipping is not acceptable. | |



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| | |
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| | <ul style="list-style-type: none"> o The appraiser must inspect the exterior of the property and provide a photo o Appraiser must review current market data to determine whether the property has declined in value since the date of the original appraisal. If the value has declined since the original appraisal, a new full appraisal is required • A market rent comparable schedule (FNMA 1007 or 1025) must be provided • Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date • Properties with condition rating of C5/C6 or not lease ready, and/or properties with construction rating of Q6 are ineligible <p><u>Third-Party Review</u></p> <ul style="list-style-type: none"> • Collateral Desktop Analysis (CDA) ordered from Clear Capital or a Collateral Underwriter (CU) score of 2.5 or less is required to support the value of the appraisal. The Seller is responsible for ordering the CDA if needed. <ul style="list-style-type: none"> o If the CDA returns a value that is “Indeterminate” then one (1) of the following requirements must be met: <ul style="list-style-type: none"> ▪ A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of the three Reports is required. The Value Reconciliation will be used for the appraised value of the property. ▪ A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. o If the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, the lower value of the two must be used. • A third party rent estimate is required on refinance transactions from either RentRange or Summit Valuation Solutions for all Unoccupied/Unleased properties <ul style="list-style-type: none"> o If the variance between the market rent estimate included in the appraisal and the third party rent estimate is less than or equal to 10%, the market rent estimate in the appraisal will be used for loan qualification. In cases where there is a variance greater than 10%, the lower of the two values will be utilized. • Sellers must comply with all aspects of ECOA, including the Right to Receive a Copy of the Appraisal Report Disclosure <p><u>Appraisal Transfers</u></p> <ul style="list-style-type: none"> • Appraisal transfers are permitted. All appraisal transfers must meet the following requirements: <ul style="list-style-type: none"> o Appraisal must be in the name of the transferring lender o Transfer letter from transferring lender <ul style="list-style-type: none"> ▪ Must be on company letterhead ▪ Borrower name and address must be included ▪ Must be executed by an authorized member of the company. The printed name and signature of seller’s representative, title and date is required. Appraisal transfer letters signed by loan officers or loan processors will not be acceptable o Statement from the transferring lender that the appraisal was prepared in compliance with Appraisal Independence Requirements o Paid invoice o Proof that original appraisal report was provided to the borrower o Maximum 75% LTV/LTC o CDA is required. A CU score is not permitted to be used to meet appraisal review requirements |
|--|--|



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| Insurance | <ul style="list-style-type: none"> • Proof of Rent loss Insurance/Renters Policy covering the property rent is required. <ul style="list-style-type: none"> ◦ This is in addition to all other insurance requirements per the Special Products Selling Guide. | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--|----------------------------|----------|----------|----------|----------|----------|--|--|--|----------|----------|----------|----------|----------|----------|----------|------------------|-------|-------|-------|-------|-------|-------|-------|
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the <u>Special Products Seller Guide</u> for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ◦ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ◦ Areas where FEMA has not made a disaster declaration, but Community Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the <u>Disaster Declaration File</u> and the <u>FEMA Website</u> including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster | | | | | | | | | | | | | | | | | | | | | | | | |
| Escrows | <ul style="list-style-type: none"> • Escrows for the payment of 1/12 of the annual taxes and required insurances are required and are collected at closing <ul style="list-style-type: none"> ◦ Escrow amounts should be collected in an amount sufficient to allow for timely payment of the property expenses plus a 2-month cushion ◦ Refer to the Special Products Selling Guide • Escrows for flood insurance, if applicable is required • The collection of escrow deposits for insurance on condominiums is not required if coverage is provided by a blanket insurance policy which the homeowner’s association has purchased | | | | | | | | | | | | | | | | | | | | | | | | |
| Escrow Holdbacks | Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase | | | | | | | | | | | | | | | | | | | | | | | | |
| Assumability | Loans are not assumable | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-Payment Penalties | <ul style="list-style-type: none"> • Prepayment penalties are not allowed in New Mexico nor Alaska for any reason. • Prepayment penalties may be assessed as noted below for loans that prepay between the loan origination date and year five (5) in all states except: MI, MN, MS, NC, NJ, OH, PA, RI, TX and VA which must follow all state specific requirements as noted in the Appendix A. • The 7 year PPP option is not available in the following states: LA, MI, MN, MS, MO, OH (for 1-2 units), and RI • The 7 year PPP is not permitted to be paired with 5yr IO product. <table border="1" data-bbox="435 1514 1539 1770"> <thead> <tr> <th colspan="8">Prepayment Penalty by Year</th> </tr> <tr> <th></th> <th>Year 0-1</th> <th>Year 1-2</th> <th>Year 2-3</th> <th>Year 3-4</th> <th>Year 4-5</th> <th>Year 5-6</th> <th>Year 6-7</th> </tr> </thead> <tbody> <tr> <th>7-Year Option(s)</th> <td>5.00%</td> <td>5.00%</td> <td>4.00%</td> <td>4.00%</td> <td>3.00%</td> <td>2.00%</td> <td>2.00%</td> </tr> </tbody> </table> | Prepayment Penalty by Year | | | | | | | | | Year 0-1 | Year 1-2 | Year 2-3 | Year 3-4 | Year 4-5 | Year 5-6 | Year 6-7 | 7-Year Option(s) | 5.00% | 5.00% | 4.00% | 4.00% | 3.00% | 2.00% | 2.00% |
| Prepayment Penalty by Year | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Year 0-1 | Year 1-2 | Year 2-3 | Year 3-4 | Year 4-5 | Year 5-6 | Year 6-7 | | | | | | | | | | | | | | | | | | |
| 7-Year Option(s) | 5.00% | 5.00% | 4.00% | 4.00% | 3.00% | 2.00% | 2.00% | | | | | | | | | | | | | | | | | | |



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| | | | | | | | | |
|--|------------------|-------------------------------------|-------|-------|-------|-------|-------|-------|
| | 5-Year Option(s) | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 0.00% | 0.00% |
| | | 5.00% | 4.00% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% |
| | 4-Year Option(s) | 5.00% | 5.00% | 5.00% | 5.00% | 0.00% | 0.00% | 0.00% |
| | | 4.00% | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% |
| | 3-Year Option(s) | 5.00% | 5.00% | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | 3.00% | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | 1.00% | 1.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | 6 month's interest if pay down >20% | | | 0.00% | 0.00% | 0.00% | 0.00% |
| | 2-Year Option(s) | 5.00% | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | 2.00% | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | 1-Year Option(s) | 5.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | 1.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | No PPP | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Special Restrictions

| | |
|---|--|
| Maximum Financed Community Loan Servicing Exposure | Borrower/Guarantor(s)/entities are limited to a maximum \$6,250,000 in aggregate with Community Loan Servicing |
| Properties Listed for Sale | <ul style="list-style-type: none"> • Properties currently listed for sale (at the time of application) are not eligible for refinance transactions. <ul style="list-style-type: none"> ◦ If a property is discovered to be for sale prior to purchase, the loan will be deemed ineligible for purchase • Properties listed for sale within six (6) months of the application date are acceptable if the following requirements are met: <ul style="list-style-type: none"> ◦ Documentation provided to show cancellation of listing ◦ Acceptable letter of explanation from the Borrower/Guarantor detailing the rationale for cancelling the listing ◦ Must include a minimum pre-payment penalty of two or more years (if a pre-payment penalty is not permitted due to state statutes, transaction would be ineligible until greater than six months since the cancellation of the listing) |



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| Additional Requirements | |
|---|--|
| Bank Secrecy and USA Patriot Acts | The Bank Secrecy Act (BSA) requires financial institutions to assist U.S. government agencies to detect and prevent money laundering. Correspondents must have implemented anti-money laundering policies and procedures to comply with applicable federal law. As a part of this policy, correspondents must screen all Borrower/Guarantors and Guarantors against the list of specially designated nationals maintained by the U.S. Department of the Treasury and OFAC pursuant to the USA PATRIOT Act, amendments to the Bank Secrecy Act and its implementing regulation and investigate name matches as required by law. Community Loan Servicing does not acquire loans which are made to Borrower/Guarantors or Guarantors which are specially designated nationals. |
| Purchase approval | All loan purchases are contingent on Community Loan Servicing's satisfactory review of the loan, mutual execution of the purchase advice and the lender being in good standing at the time of loan purchase. Community Loan Servicing reserves the right to decline to purchase any loan for any reason |
| Assignment Fees | Third party/arms-length assignment fees are permitted. Loan to Cost excluding assignment fees cannot exceed 90% |
| Seasoning | Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to Community Loan Servicing for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Community Loan Servicing within 60 days of the note date. |
| Interest Rate Restrictions | Interest rates must comply with all state usury law requirements. |
| Seller shall deliver loans that were originated in accordance with the Special Products Seller Guide unless otherwise stated with this product matrix | |



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**Appendix A
State Specific Pre-payment Penalty Requirements**

| <u>State</u> | <u>PPP Permitted</u> | <u>Requirement</u> |
|----------------|----------------------|--|
| Alaska | No | No prepayment penalty shall be permitted |
| Louisiana | Yes with conditions | A mortgage lender may contract for and receive a prepayment penalty in an amount not to exceed: (a) Five percent of the unpaid principal balance if the loan is prepaid in full during the first year of its term. (b) Four percent of the unpaid principal balance if the loan is prepaid in full during the second year of its term. (c) Three percent of the unpaid principal balance if the loan is prepaid in full during the third year of its term. (d) Two percent of the unpaid principal balance if the loan is prepaid in full during the fourth year of its term. (e) One percent of the unpaid principal balance if the loan is prepaid in full during the fifth year of its term. |
| Michigan | Yes with conditions | Max 3YR at max 1% for SFR |
| Minnesota | Yes with conditions | Loan amount is less than Fannie/ Freddie conforming limits = 2% of UPB, or 60 days interest at the time of prepayment, whichever is less No prepayment penalty Restrictions for: Single Family Loan > \$647,200 2 Units Loan > \$828,700 3 Units Loan > \$1,001,650 4 Units Loan > \$1,244,850 |
| Mississippi | Yes with conditions | (i) Five percent (5%) of the unpaid principal balance if prepaid during the first year; (ii) Four percent (4%) of the unpaid principal balance if prepaid during the second year; (iii) Three percent (3%) of the unpaid principal balance if prepaid during the third year; (iv) Two percent (2%) of the unpaid principal balance if prepaid during the fourth year; (v) One percent (1%) of the unpaid principal balance if prepaid during the fifth year; and (vi) No penalty if prepaid more than five (5) years from date of the note creating the debt. |
| New Jersey | Yes with conditions | Permitted for business entity Borrowers. Pre-payment penalties cannot be charged to natural person Borrowers. |
| New Mexico | No | No prepayment penalty shall be permitted |
| North Carolina | Yes with conditions | Prepayment penalty may be charged only on loans greater than \$150,000 |
| Ohio | Yes with conditions | 1-2 unit: maximum 1% within 5 years of execution date of the mortgage only if loan amount >=\$93,119; No prepayment penalty permitted if loan amount < \$93,119 3-4 unit : prepayment penalty permitted without restriction |
| Pennsylvania | Yes with conditions | 1-2 unit: only if loan balance >\$278,204; No prepayment penalty permitted if balance <=\$278,204 3-4 unit: prepayment penalty allowed without restriction |
| Rhode Island | Yes with conditions | Prepayment penalty max 2% of balance |
| Texas | Yes with conditions | Property cannot be owner-occupied |
| Virginia | Yes with conditions | Max 1% if balance < \$75k |



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Appendix B

**CATEGORY 1
Texas**

| Category 1 Texas | | | | | | | | |
|---------------------------------|----------------------|----------------------------|----------|---------------|----------|----------------|---------------|----------|
| FICO & Loan Amount ² | | Max LTV/LTC ^{1,2} | | | | | | |
| | | DSCR ≥ 1.0 | | | | DSCR 0.99-0.75 | | |
| Credit Score | Loan Amount | Units | Purchase | Rate and Term | Cash Out | Purchase | Rate and Term | Cash Out |
| 700+ | \$100k up to \$1.5M | 1 | 60 | 60 | 55 | 55 | 55 | 50 |
| | | 2-4 | 60 | 60 | 55 | 55 | 55 | 50 |
| | \$1.5M+ up to \$2M | 1 | 55 | 55 | 50 | 45 | 45 | 40 |
| | | 2-4 | 55 | 55 | 50 | 45 | 45 | 40 |
| | \$2M+ up to \$2.5M | 1 | N/A | N/A | N/A | N/A | N/A | N/A |
| | | 2-4 | 50 | 50 | 45 | N/A | N/A | N/A |
| 680-699 | \$100k+ up to \$1.5M | 1 | 60 | 55 | 50 | 55 | 50 | 45 |
| | | 2-4 | 60 | 55 | 50 | 55 | 50 | 45 |
| | 1.5M+ up to \$2M | 1 | 50 | 50 | 45 | 45 | 40 | 35 |
| | | 2-4 | | | | | | |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 45 | 45 | 40 | NA | | |
| 660-679 | \$100k+ up to \$1.5M | 1 | 55 | 50 | 45 | 50 | 45 | 40 |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | 45 | 45 | 40 | 40 | 35 | 30 |
| | | 2-4 | | | | | | |
| 640-659 | \$100k+ up to \$1.5M | 1 | 50 | 45 | 40 | NA | NA | NA |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | | | | | | |
| 620-639 | \$100k+ up to \$1.5M | 1 | 45 | 40 | 30 | NA | NA | NA |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | | | | | | |



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Appendix C

**CATEGORY 2
Arizona and Idaho**

| Category 2 AZ & ID | | | | | | | | |
|---------------------------------|----------------------|----------------------------|----------|---------------|----------|----------------|---------------|----------|
| FICO & Loan Amount ³ | | Max LTV/LTC ^{1,2} | | | | | | |
| | | DSCR ≥ 1.0 | | | | DSCR 0.99-0.75 | | |
| Credit Score | Loan Amount | Units | Purchase | Rate and Term | Cash Out | Purchase | Rate and Term | Cash Out |
| 700+ | \$100k up to \$1.5M | 1 | 65 | 65 | 60 | 60 | 60 | 55 |
| | | 2-4 | 65 | 65 | 60 | 60 | 60 | 55 |
| | \$1.5M+ up to \$2M | 1 | 60 | 60 | 55 | 50 | 50 | 45 |
| | | 2-4 | 60 | 60 | 55 | 50 | 50 | 45 |
| | \$2M+ up to \$2.5M | 1 | N/A | N/A | N/A | N/A | N/A | N/A |
| | | 2-4 | 55 | 55 | 50 | N/A | N/A | N/A |
| 680-699 | \$100k+ up to \$1.5M | 1 | 65 | 60 | 55 | 60 | 55 | 50 |
| | | 2-4 | 65 | 60 | 55 | 60 | 55 | 50 |
| | 1.5M+ up to \$2M | 1 | 55 | 55 | 50 | 50 | 45 | 40 |
| | | 2-4 | | | | | | |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 50 | 50 | 45 | NA | | |
| 660-679 | \$100k+ up to \$1.5M | 1 | 60 | 55 | 50 | 55 | 50 | 45 |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | 50 | 50 | 45 | 45 | 40 | 35 |
| | | 2-4 | | | | | | |
| 640-659 | \$100k+ up to \$1.5M | 1 | 55 | 50 | 45 | NA | NA | NA |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | N/A | N/A | N/A | NA | NA | NA |
| | | 2-4 | | | | | | |
| 620-639 | \$100k+ up to \$1.5M | 1 | 50 | 45 | 35 | NA | NA | NA |
| | | 2-4 | | | | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | | | | | | |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

Appendix D

**CATEGORY 3
DC, NV, NC, SD, WA**

| Category 3 DC, NV, NC, SD, WA | | | | | | | | |
|----------------------------------|----------------------|----------------------------|----------|---------------|----------|----------------|---------------|----------|
| FICO & Loan Amount ² | | Max LTV/LTC ^{1,2} | | | | | | |
| | | DSCR ≥ 1.0 | | | | DSCR 0.99-0.75 | | |
| Credit Score | Loan Amount | Units | Purchase | Rate and Term | Cash Out | Purchase | Rate and Term | Cash Out |
| 700+ | \$100k up to \$1.5M | 1 | 70 | 70 | 65 | 65 | 65 | 60 |
| | | 2-4 | 70 | 70 | 65 | 65 | 65 | 60 |
| | \$1.5M+ up to \$2M | 1 | 65 | 65 | 60 | 55 | 55 | 50 |
| | | 2-4 | 65 | 65 | 60 | 55 | 55 | 50 |
| | \$2M+ up to \$2.5M | 1 | N/A | N/A | N/A | N/A | N/A | N/A |
| | | 2-4 | 60 | 60 | 55 | N/A | N/A | N/A |
| 680-699 | \$100k+ up to \$1.5M | 1 | 70 | 65 | 60 | 65 | 60 | 55 |
| | | 2-4 | 70 | 65 | 60 | 65 | 60 | 55 |
| | 1.5M+ up to \$2M | 1 | 60 | 60 | 55 | 55 | 50 | 45 |
| | | 2-4 | 60 | 60 | 55 | 55 | 50 | 45 |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 55 | 55 | 50 | N/A | N/A | N/A |
| 660-679 | \$100k+ up to \$1.5M | 1 | 65 | 60 | 55 | 60 | 55 | 50 |
| | | 2-4 | 65 | 60 | 55 | 60 | 55 | 50 |
| | \$1.5M+ up to \$2M | 1 | 55 | 55 | 50 | 50 | 45 | 40 |
| | | 2-4 | 55 | 55 | 50 | 50 | 45 | 40 |
| 640-659 | \$100k+ up to \$1.5M | 1 | 60 | 55 | 50 | NA | NA | NA |
| | | 2-4 | 60 | 55 | 50 | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | NA | NA | NA | | | |
| 620-639 | \$100k+ up to \$1.5M | 1 | 55 | 50 | 40 | NA | NA | NA |
| | | 2-4 | 55 | 50 | 40 | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | NA | NA | NA | | | |



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**Non-Delegated Correspondent
Bayview Debt Service Coverage Ratio (DSCR)**

Appendix E

**CATEGORY 4
CA, CO, GA, KS, ND, OR, TN, UT**

| Category 4 CA, CO, GA, KS, ND, OR, TN, UT | | | | | | | | |
|--|----------------------|----------------------------|----------|---------------|----------|----------------|---------------|----------|
| FICO & Loan Amount ² | | Max LTV/LTC ^{1,2} | | | | | | |
| | | DSCR ≥ 1.0 | | | | DSCR 0.99-0.75 | | |
| Credit Score | Loan Amount | Units | Purchase | Rate and Term | Cash Out | Purchase | Rate and Term | Cash Out |
| 700+ | \$100k up to \$1.5M | 1 | 75 | 75 | 70 | 70 | 70 | 65 |
| | | 2-4 | 75 | 75 | 70 | 70 | 70 | 65 |
| | \$1.5M+ up to \$2M | 1 | 70 | 70 | 65 | 60 | 60 | 55 |
| | | 2-4 | 70 | 70 | 65 | 60 | 60 | 55 |
| | \$2M+ up to \$2.5M | 1 | N/A | N/A | N/A | N/A | N/A | N/A |
| | | 2-4 | 65 | 65 | 60 | N/A | N/A | N/A |
| 680-699 | \$100k+ up to \$1.5M | 1 | 75 | 70 | 65 | 70 | 65 | 60 |
| | | 2-4 | 75 | 70 | 65 | 70 | 65 | 60 |
| | 1.5M+ up to \$2M | 1 | 65 | 65 | 60 | 60 | 55 | 50 |
| | | 2-4 | 65 | 65 | 60 | 60 | 55 | 50 |
| | \$2M+ up to \$2.5M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | 60 | 60 | 55 | N/A | NA | NA |
| 660-679 | \$100k+ up to \$1.5M | 1 | 70 | 65 | 60 | 65 | 60 | 55 |
| | | 2-4 | 70 | 65 | 60 | 65 | 60 | 55 |
| | \$1.5M+ up to \$2M | 1 | 60 | 60 | 55 | 55 | 50 | 45 |
| | | 2-4 | 60 | 60 | 55 | 55 | 50 | 45 |
| 640-659 | \$100k+ up to \$1.5M | 1 | 65 | 60 | 55 | NA | NA | NA |
| | | 2-4 | 65 | 60 | 55 | | | |
| | \$1.5M+ up to \$2M | 1 | N/A | N/A | N/A | NA | NA | NA |
| | | 2-4 | N/A | N/A | N/A | | | |
| 620-639 | \$100k+ up to \$1.5M | 1 | 60 | 55 | 45 | NA | NA | NA |
| | | 2-4 | 60 | 55 | 45 | | | |
| | \$1.5M+ up to \$2M | 1 | NA | NA | NA | NA | NA | NA |
| | | 2-4 | NA | NA | NA | | | |



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Non-Delegated Correspondent Bayview Debt Service Coverage Ratio (DSCR)

| Version Control | | | |
|-----------------|---------------------------------|----------|---|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| DM | Forbearance | 06.03.22 | <p>Removed COVID Forbearance guidance and changed to:</p> <ul style="list-style-type: none"> Any forbearance resulting in subsequent loan modification/repayment plan is considered a significant derogatory credit event and subject to a three (3) year waiting period. Any forbearance filed after 6/1/22 is considered a significant derogatory credit event and subject to a three (3) year waiting period. <p>Forbearance on Subject and Non-subject property(s) that do not fall into the above scenarios:</p> <ul style="list-style-type: none"> Any loan(s) that is shown to be in active forbearance is considered ineligible. Any loan that is shown to be in a past forbearance is only permitted if the plan has been exited and all reported payments have been made on time since the exit. Loan file must contain a letter of explanation from the Borrower/Guarantor detailing the reason for forbearance and that the hardship no longer exists. |
| DM | Appendix B | 06.03.22 | Updated PA and MNPPP amounts |
| DM | Appendix | 06.03.22 | Removed approved vendor list- incorporated required options into matrix in appropriate sections |
| DM | Assets | 06.03.22 | <p>Added</p> <ul style="list-style-type: none"> Virtual currency is not permitted <p>Added</p> <ul style="list-style-type: none"> Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets |
| DM | Rate and Term | 06.03.22 | <p>Added:</p> <ul style="list-style-type: none"> If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history |
| DM | Lease Requirements | 06.03.22 | <p>Added:</p> <p>Rent to own and/or contract for deeds are ineligible</p> |
| DM | Delayed Purchase | 06.03.22 | Will be treated as a rate and term refinance |
| DM | LTV LTC | 06.03.22 | LTV is calculated as: loan amount divided by the value of the mortgaged property. If property is owned less than six months, must use purchase price as value instead of the appraised value with the exception of below: Loan amount is less than or equal to the cost of the property plus all documented renovation costs. |
| DM | Loan Documentation Requirements | 06.03.22 | Clarified when the cash out explanation is required: Cash out explanation for natural person Borrowers (if not addressed on Business Purpose Affidavit) |
| DM | Assets | 07.01.22 | Added : gifts of equity not permitted |
| DM | Derogatory Credit | 07.01.22 | Added: • Multiple derogatory credit events require a 7 year seasoning period |
| DM | Appraisal | 07.01.22 | Clarified that third party rent estimates are only needed for refinance transactions on vacant properties |
| DM | Eligibility Grid | 07.01.22 | Expanded maximum loan amount to \$ 2.5M on 2-4 units with 680+ FICO |
| DM | Cash out | 07.01.22 | Added consistent language on value for 0-6 mo transactions: If greater than 20% (based on original cost) of the rehabilitation work was completed on the property as evidenced by an as is appraisal, then the appraised value can be used to calculate the LTV, but the loan amount is limited to the cost basis plus the documented rehabilitation costs (100 LTC). |
| DM | Rate and Term | 07.01.22 | Added: If greater than 20% (based on original cost) of the rehabilitation work was completed on the property as evidenced by an as is appraisal, then the appraised value can be used to calculate the LTV, but the loan amount is limited to the cost basis plus the documented rehabilitation costs (100 LTC). |
| DM | Prepayment Penalty | 07.15.22 | Added new options |
| DM | Rate/Term refinance | 07.15.22 | <ul style="list-style-type: none"> Added section to clarify: Continuity of Obligation When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible: <ul style="list-style-type: none"> The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or Is related to the borrower on the mortgage being refinanced The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction |



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Non-Delegated Correspondent Bayview Debt Service Coverage Ratio (DSCR)

| | | | |
|----|---------------------------------|----------|--|
| | | | <ul style="list-style-type: none"> The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> |
| DM | Eligible Property types | 07.15.22 | <ul style="list-style-type: none"> Added leaseholds |
| DM | Acceptable Forms of Ownership: | 07.15.22 | <ul style="list-style-type: none"> Added leaseholds |
| DM | Loan Documentation requirements | 07.15.22 | <ul style="list-style-type: none"> Added clarification/reminder to obtain HMDA |
| DM | Loan Documentation | 08.12.22 | <ul style="list-style-type: none"> Updated verbiage surrounding business purpose and non-owner occupancy |
| DM | Eligibility Grid | 08.12.22 | <ul style="list-style-type: none"> Removed 85% LTV options for 720+FICO |
| DM | Blanket Mortgages | 08.12.22 | <ul style="list-style-type: none"> Added: •Cannot use FNMA/FHLMC Notes and/or Security Agreements |
| DM | Appraisal | 08.12.22 | <ul style="list-style-type: none"> Added clarifying language in bold: A single appraiser cannot be used for more than 3 out of every 5 consecutive valuations in any specific county or for any one borrower/guarantor, managing member, or other related party with the exception of blanket/multi-property loan transactions which will also require a third party rent estimate for each property with the same appraiser |
| DM | Housing History | 08.12.22 | <ul style="list-style-type: none"> Added clarifying language: Credit supplement also acceptable |
| DM | Condo Project Requirements | 09.09.22 | <ul style="list-style-type: none"> Added clarifying language: Condominiums must either meet FNMA requirements (inclusive of limited reviews) or the following warrantable guidelines as applicable. If neither set of guidelines is met, refer to the non-warrantable guideline requirements below. |
| DM | Credit Requirements | 09.09.22 | <ul style="list-style-type: none"> Removed "criminal" search from background search requirements |
| DM | DSCR | 09.09.22 | <ul style="list-style-type: none"> Added clarification that io loans must use 30 year fully amortized payment in DSCR calculation Added clarification that a lease is considered current per local/state statutes or if month to month verbiage occurs |
| DM | Eligible Property | 09.09.22 | <ul style="list-style-type: none"> Added that all units/properties must have fully functioning kitchens |
| DM | Age of Documents | 09.09.22 | <ul style="list-style-type: none"> Added "appraisal" report as being acceptable per 120 days |
| DM | Prepay Penalty | 09.23.22 | <ul style="list-style-type: none"> Added the 7 year PPP option |
| DM | LTV/LTC restrictions | 10.07.22 | <ul style="list-style-type: none"> Removed: Interest-only loans must meet the following additional requirements: If DSCR < 1.0, maximum LTV of 75% and minimum FICO of 700 If DSCR ≥ 1.0, maximum LTV of 80% but a minimum FICO of 660 |
| DM | DSCR | 10.07.22 | <p>Removed: IO must meet the following additional requirements</p> <ul style="list-style-type: none"> If DSCR < 1.0, maximum LTV of 75% and minimum FICO of 700 If DSCR ≥ 1.0, maximum LTV per eligibility table but a minimum FICO of 660 |
| DM | Prepayment penalty | 10.07.22 | <p>Clarified: *** 7 year PPP not permitted to be paired with 5yr IO product***</p> |
| DM | DSCR Restrictions | 10.07.22 | <p>Minimum DSCR of 1.25 required on loan amounts less than \$150,000 Added: unless the transaction is a purchase loan with a minimum FICO of 700</p> |
| DM | Eligibility | 10.21.22 | <p>Replaced this language "The Guarantor(s) on the loan application must be the same as the managing member(s) and have documented authority to sign on behalf of the entity which includes joint and several liability as to the debt obligation of the borrowing entity" with this language to clarify." • The guarantor(s) on the loan application must be a managing member(s) with documented authority to sign on behalf of the entity which includes joint and several liability as to the debt obligation of the borrowing entity.</p> |
| DH | Eligibility Grid | 11.4.22 | <p>Added Declining Market footnote</p> |
| DH | Gift Funds | 11.4.22 | <p>Added Gift Fund Documentation Specificity</p> <ul style="list-style-type: none"> Donor must be a family member, future spouse or domestic partner Executed gift letter with gift amount and source, donor's name, address, phone number and relationship Seller must verify sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account Acceptable documentation includes the following: <ul style="list-style-type: none"> Copy of donor's check and borrower's deposit slip Copy of donor's withdrawal slip and borrower's deposit slip Copy of donor's check to the closing agent A settlement statement/CD showing receipt of the donor's gift check |
| DH | Declining Markets | 11.4.22 | <p>Added Declining Market section</p> <ul style="list-style-type: none"> LTV/LTC must be 5% below product maximum per product matrix eligibility grid for any loan where the appraisal indicates that the subject property is in a declining market |



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Non-Delegated Correspondent Bayview Debt Service Coverage Ratio (DSCR)

| | | | |
|----|------------------------------------|----------|---|
| | | | <p><i>As an example: If the eligibility grid indicates a maximum of 75% LTV/LTC for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/LTC should be reduced to 70%</i></p> |
| DH | Appraisal Requirements | 11.4.22 | <p>Removed</p> <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged but less than 180 days aged from the Note date <p>Added</p> <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date The subject property must be appraised within 90 days prior to the Note date Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets. See Declining Market section for additional requirements |
| DH | Eligibility Grids | 11.18.22 | Re-named Footnote #2 to read See State/MSA LTV/CLTV/HCLTV Reduction Section |
| DH | Debt Service Coverage Ratio (DSCR) | 11.18.22 | <p>Added</p> <ul style="list-style-type: none"> Short-term rentals require a DSCR \geq 2.0 |
| DH | DSCR Restrictions | 11.18.22 | <p>Added</p> <ul style="list-style-type: none"> Short-term rentals require a DSCR \geq 2.0 |
| DH | Declining Market | 11.18.22 | Removed Declining Market Section |
| DH | Appraisal Requirements | 11.18.22 | <p>Removed</p> <ul style="list-style-type: none"> Transferred appraisals are not permitted <p>Added</p> <ul style="list-style-type: none"> Appraisal transfers are permitted. All appraisal transfers must meet the following requirements: <ul style="list-style-type: none"> Appraisal must be in the name of the transferring lender Transfer letter from transferring lender <ul style="list-style-type: none"> Must be on company letterhead Borrower name and address must be included Must be executed by an authorized member of the company. The printed name and signature of seller's representative, title and date is required. Appraisal transfer letters signed by loan officers or loan processors will not be acceptable Statement from the transferring lender that the appraisal was prepared in compliance with Appraisal Independence Requirements Paid invoice Proof that original appraisal report was provided to the borrower Maximum 75% LTV/LTC CDA is required. A CU score is not permitted to be used to meet appraisal review requirements |
| DH | State/MSA LTV/CLTV/HCLTV Reduction | 11.18.22 | <p>Added MSA LTV/CLTV/HCLTV Reduction Section</p> <ul style="list-style-type: none"> <u>In the states of GA, WA, KS, ND, OR, UT:</u> Reduce LTV/CLTV/HCLTV by 5% from the maximum allowed per the eligibility grid up to a maximum of 75% <u>In the states of TX, AZ, ID, NC, DC, NV, SD:</u> Reduce LTV/CLTV/HCLTV by 10% from the maximum allowed per the eligibility grid up to a maximum of 70% A 10% LTV/CLTV/HCLTV reduction from the maximum allowed per the eligibility grid applies to the Metropolitan Statistical Areas identified in the below table. An MSA Lookup tool by zip code is available on the Lakeview Correspondent Portal <ul style="list-style-type: none"> If a property is in one of the states identified in the first two bullet points above AND is also in one of the MSAs in the table below then both LTV/CLTV/HCLTV reductions must be applied <p>(See State/MSA LTV/CLTV/HCLTV Reduction Section to view table)</p> |
| AS | DSCR – Gross Rents | 11.18.22 | <p>Clarified Refinance Requirements: Previously</p> <ul style="list-style-type: none"> Refinance: <ul style="list-style-type: none"> Obtain both a current lease agreement and Appraisal Form 1007/1025 as applicable. An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires or per local statutes is still current is allowed. Gross rent used in the DSCR calculation must come from the lesser of the lease agreement or Appraisal Form 1007/1025 as applicable, except as noted below: <ul style="list-style-type: none"> If the lease agreement is higher than the gross market rent on the appraisal, the actual rent from the lease agreement may be used up to 10% over the market rent on the appraisal. <p>New: When the lease agreement is higher than the gross market rent on the appraisal, the following requirements apply:</p> <ul style="list-style-type: none"> The amount used for qualifying cannot exceed 10% over the market rent on the appraisal. If the actual rent is greater than market rent, but is \leq 10% over the market rent, then the lease amount can be used for qualifying. |
| DH | Declining Markets | 11.21.22 | <p>Added Declining Market section</p> <ul style="list-style-type: none"> LTV/LTC must be 5% below product maximum per product matrix eligibility grid for any loan where the appraisal indicates that the subject property is in a declining market <p><i>As an example: If the eligibility grid indicates a maximum of 75% LTV/LTC for the subject</i></p> |



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| | | | <i>transaction and the appraisal indicates a declining market, then the maximum LTV/LTC should be reduced to 70%</i> | | | | | | | | | | | | | | | |
|------------|--------------------------------|---|---|----------|--------|-------------------------------|------------|----|---|------------|--------|---|------------|--------------------|---|------------|--------------------------------|--|
| DH | Appraisal Requirements | 11.21.22 | Added Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets. See Declining Market section for additional requirements | | | | | | | | | | | | | | | |
| DH | Eligibility Grids | 11.23.22 | Added LTV/LTC/CLTV/HCLTV Reduction Table | | | | | | | | | | | | | | | |
| DH | Declining Markets | 11.23.22 | <ul style="list-style-type: none"> Updated Declining Market section to reflect specific LTV/LTC/CLTV/HCLTV reductions by category <table border="1"> <thead> <tr> <th>Category</th> <th>States</th> <th>LTV/LTC/CLTV/HCLTV Reductions</th> </tr> </thead> <tbody> <tr> <td>Category 1</td> <td>TX</td> <td>20% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60%</td> </tr> <tr> <td>Category 2</td> <td>AZ, ID</td> <td>15% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65%</td> </tr> <tr> <td>Category 3</td> <td>NC, DC, NV, SD, WA</td> <td>10% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70%</td> </tr> <tr> <td>Category 4</td> <td>CA, CO, TN, GA, KS, ND, OR, UT</td> <td>5% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75%</td> </tr> </tbody> </table> | Category | States | LTV/LTC/CLTV/HCLTV Reductions | Category 1 | TX | 20% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% | Category 2 | AZ, ID | 15% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% | Category 3 | NC, DC, NV, SD, WA | 10% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% | Category 4 | CA, CO, TN, GA, KS, ND, OR, UT | 5% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% |
| Category | States | LTV/LTC/CLTV/HCLTV Reductions | | | | | | | | | | | | | | | | |
| Category 1 | TX | 20% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 60% | | | | | | | | | | | | | | | | |
| Category 2 | AZ, ID | 15% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 65% | | | | | | | | | | | | | | | | |
| Category 3 | NC, DC, NV, SD, WA | 10% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 70% | | | | | | | | | | | | | | | | |
| Category 4 | CA, CO, TN, GA, KS, ND, OR, UT | 5% LTV/LTC/CLTV/HCLTV reduction from the maximum above, up to a maximum of 75% | | | | | | | | | | | | | | | | |
| DH | Appraisal Requirements | 11.23.22 | Removed <ul style="list-style-type: none"> Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets | | | | | | | | | | | | | | | |
| DH | Appendix B | 11.23.22 | Added Appendix B – Category 1 | | | | | | | | | | | | | | | |
| DH | Appendix C | 11.23.22 | Added Appendix C – Category 2 | | | | | | | | | | | | | | | |
| DH | Appendix D | 11.23.22 | Added Appendix D – Category 3 | | | | | | | | | | | | | | | |
| DH | Appendix E | 11.23.22 | Added Appendix E – Category 4 | | | | | | | | | | | | | | | |



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**Non-Delegated Correspondent
Bayview Jumbo AUS**

Non-Delegated Correspondent Jumbo AUS

| Bayview Jumbo AUS Eligibility Matrix | | | | |
|---|-------|------------------|-------------------------------------|----------------------------------|
| Fixed Rate | | | | |
| Primary Residence Purchase, Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount ¹ |
| Purchase or Rate and Term Refinance | 1 | 740 | 89.99% ³ | \$1,500,000 |
| | | 720 | 85% ³ | \$1,500,000 |
| | | 700 ² | 80% | \$1,500,000 |
| | | 720 | 75% | \$2,000,000 |
| | | 720 | 70% | \$2,500,000 |
| | | 680 ² | 60% | \$1,000,000 |
| | 2-4 | 700 ² | 65% | \$1,000,000 |
| | | 720 | 60% | \$1,500,000 |
| Primary Residence Cash-Out Refinance | | | | |
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount |
| Cash-Out Refinance | 1 | 700 ² | 75% | \$1,000,000 |
| | | 720 | 70% | \$1,500,000 |
| | | 720 | 60% | \$2,000,000 |
| | | 720 | 50% | \$2,500,000 |
| | 2 | 700 ² | 60% | \$1,000,000 |
| Second Home Purchase, Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount |
| Purchase | 1 | 720 | 80% | \$1,000,000 |
| Purchase or Rate and Term Refinance | 1 | 720 | 75% | \$1,000,000 |
| | | | 70% | \$1,500,000 |
| | | | 65% | \$2,000,000 |
| | | | 50% | \$2,500,000 |



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| Second Home Cash-Out Refinance | | | | |
|---|-------|------|-------------------------------------|---------------------|
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount |
| Cash-Out Refinance | 1 | 740 | 60% | \$1,500,000 |
| | | | 50% | \$2,000,000 |
| Investment Purchase Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount |
| Purchase or Rate and Term Refinance | 1-4 | 740 | 70% | \$1,500,000 |
| Investment Cash-Out Refinance | | | | |
| Transaction Type | Units | FICO | Maximum LTV/CLTV/HCLTV ⁴ | Maximum Loan Amount |
| Cash-Out Refinance | 1-4 | 740 | 60% | \$1,500,000 |

¹ First-Time Homebuyer maximum loan amount is \$1,500,000.

² Self-Employment income: Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable

³ The following requirements apply for transactions with LTVs greater than 80%:

- MI not required
- Escrow/Impound accounts required for LTVs greater than 80% unless prohibited by applicable laws

⁴ See Declining Market Section for LTV/CLTV reductions

Bayview Jumbo AUS Notes:

- Minimum loan amounts are \$1 above the current FHFA Conforming loan limits. High balance loans are permitted
- Single loan variances may be granted on a case-by-case basis by Community Loan Servicing (at purchasing entity's sole determination) for loans with terms or characteristics that are outside of the Bayview Jumbo AUS Eligibility requirements. Approval of the single loan variance must be granted by purchasing entity prior to the delivery of the loan



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| Loan Product | |
|---|--|
| <p>Seller must ensure that each loan delivered to Community Loan Servicing in compliance with the Ability to Repay (ATR) and the Safe Harbor Qualified Mortgage (QM) rules established by the Consumer Financial Protection Bureau (“CFPB”) with an APR not to exceed more than 1.5% above the average price offer rate (“APOR”). Seller shall deliver loans that were originated in accordance with the Special Products Seller Guide unless otherwise stated with this product matrix. Refer to Appendix A for a summary of overlays. For topics not specifically addressed in this product matrix or the Special Products Seller Guide, refer to the Fannie Mae Single Family Selling Guide.</p> | |
| Eligible Products Terms | <ul style="list-style-type: none"> • PJF330 • Fixed Rate: 20, 25, 30 Year Terms |
| Ineligible Product Types | <ul style="list-style-type: none"> • Non-Standard to Standard Refinance Transactions (ATR Exempt) • Higher-Priced Mortgage Loans (HPML) • Higher-Priced Covered Transactions (HPCT QM-Rebuttable Presumption) • Balloons • Graduated Payments • Interest Only Products • Temporary Buydowns • Loans with Prepayment Penalties • Adjustable Rate Terms • Single Close Construction to Permanent Transactions |
| Loan Purpose | <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash-Out |
| Rate/Term Refinance Transactions | <ul style="list-style-type: none"> • The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items <ul style="list-style-type: none"> ◦ If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months ◦ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months ◦ A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history ◦ Max cash back at closing is limited to 1% of the new loan amount |
| Cash-Out Transactions | No maximum cash-out limit |
| Delayed Financing | <ul style="list-style-type: none"> • Follow Fannie Mae Single Family Selling Guide requirements • LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas. |



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| LTV/CLTV/HCLTV Calculation for Refinance Transactions | <ul style="list-style-type: none"> • If subject property is owned more than twelve (12) months, the LTV/CLTV/HCLTV is based on the current appraised value. The twelve (12) month time frame may be based on subject transaction Note date • If subject property is owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the original purchase price plus documented improvements made after the purchase of the property, or the appraised value. Documented improvements must be supported with receipts. The twelve (12) month time frame may be based on subject transaction Note date |
| Age of Documents | <ul style="list-style-type: none"> • Follow Fannie Mae Single Family Selling Guide Requirements • See Self-Employment section for restrictions |
| Higher Priced Mortgage Loans (HPML) Higher Priced Covered Transactions (HPCT) | <ul style="list-style-type: none"> • Loans that are Higher Priced Mortgage Loans (HPML) or Higher Priced Covered Transactions (HPCT) are not permitted. All Jumbo AUS loans must be Qualified Mortgages (QM) and within the QM Safe Harbor protection |
| Documentation | <p>If subject property has a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed</p> |
| Eligibility | |
| Texas 50(a)(6) | <ul style="list-style-type: none"> • Transactions in the state of Texas subject to 50(a)(6) are not permitted <ul style="list-style-type: none"> ◦ Current 50(a)(6) loans may not be refinanced into a non-home equity loan |
| Borrower Eligibility | <ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens with evidence of lawful residency <ul style="list-style-type: none"> ◦ Must be employed in the US for the past twenty-four (24) months • Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions: <ul style="list-style-type: none"> ◦ Primary Residence Only ◦ Maximum LTV/CLTV/HCLTV 75% ◦ Unexpired H1B, H2B, E1, L1, and G Series VISAs only; G Series VISAs must have no diplomatic immunity ◦ Borrower must have a current twenty-four (24) month employment history in the US • Documentation evidencing lawful residency must be met (see Special Products Seller Guide for requirements) • Illinois Land Trust • Inter Vivos Revocable Trust • All borrowers must have a valid Social Security Number • Non-Occupant Borrower – Follow Fannie Mae Selling Guide requirements with exception of non-occupant relationship who must be a related family member of the borrower(s) |
| Ineligible Borrowers | <ul style="list-style-type: none"> • Foreign Nationals • Borrowers with Diplomatic Immunity status • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, except for Illinois Land Trust |



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| | <ul style="list-style-type: none"> Borrowers with any ownership in a business that is Federally illegal, regardless if the income is not being considered for qualifying |
| First-Time Homebuyer | <ul style="list-style-type: none"> First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, First-Time Homebuyer requirements do not apply Verification of rental history is not required Maximum loan amount is \$1,500,000 Not allowed on investment property transactions See Reserve Section for additional requirements |
| Non-Arm's Length Transactions | <p>A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party. The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> Family sales or transfers Property seller acting as their own real estate agent Relative of the property seller acting as the seller's real estate agent Borrower acting as their own real estate agent Relative of the borrower acting as the borrower's real estate agent Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file Originator is related to the borrower Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord) <p>Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity. Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations</p> <p>Investment property transactions must be arm's length</p> <p>Other non-arm's length transactions may be acceptable on an single loan variance basis</p> |
| Continuity of Obligation | <p>When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:</p> <ul style="list-style-type: none"> The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or Is related to the borrower on the mortgage being refinanced The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer The transferring entity and/or borrower has had a consecutive ownership (on title) for at least |



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| | <p>the most recent six (6) months prior to the disbursement of the new loan</p> <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> |
| Credit | |
| Underwriting | <ul style="list-style-type: none"> • All loans must have Fannie Mae DU Findings included in the loan file <ul style="list-style-type: none"> ◦ The DU recommendation may be either Approve/Ineligible due to loan amount or maximum cash-out on a rate/term refinance transaction or Approve/Eligible for High Balance loan amounts only ◦ Lender is responsible for ensuring that all data and information provided in the final submission to DU matches the terms of the closed loan or is within the acceptable tolerances specified in the Fannie Mae Single Family Selling Guide ◦ The loan delivery data must match the closed loan and the final data submitted to DU • Manual underwrite is not permitted • Second Home transactions – prudent underwriting must be exercised to determine the reasonableness of considering the property a second home |
| Credit Requirements | <ul style="list-style-type: none"> • Non-traditional credit is not allowed • All borrowers must have a minimum of two (2) credit scores • Disputed tradelines: <ul style="list-style-type: none"> ◦ All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute ◦ Derogatory accounts must be considered in analyzing the borrower’s willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded • Frozen Credit: Follow Fannie Mae Single Family Selling Guide requirements except as noted below <ul style="list-style-type: none"> ◦ All borrowers must have a minimum of two (2) credit scores that are generated from the unfrozen bureaus • Rapid credit rescoring are permitted. A rapid rescore is a process that can quickly update a borrower’s credit score by submitting proof of positive account changes to the three major credit repositories since the last reporting deadline in order to reflect the current credit status |
| Housing History | <ul style="list-style-type: none"> • Mortgage history requirements: <ul style="list-style-type: none"> ◦ If the borrower(s) has a Mortgage in the most recent twenty-four (24) months, a mortgage rating must be obtained, reflecting 0x30 in the last twenty-four (24) months ◦ The mortgage rating may be on the credit report or a VOM ◦ Applicable to all borrowers on the loan ◦ Sellers must review the borrower(s) credit report to determine status of all mortgage loans including verification mortgage is not subject to a loss mitigation program, repayment plan, loan modification or payment deferral plan. In addition to reviewing the credit report, the Seller must also apply due diligence for each mortgage loan on which a borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine the loan payments are current as of the Note date of the subject transaction. Current means the borrower has made all payments due in the month prior to the Note date of the subject transaction and no later than the last business day of that month. Acceptable documentation includes one of the following: <ul style="list-style-type: none"> ▪ Loan payment history from the servicer or third party verification service ▪ Payoff statement for loans being refinanced ▪ Current mortgage statement from the borrower ▪ Verification of mortgage (VOM) |



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| | <ul style="list-style-type: none"> o If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required |
| <p>Significant Derogatory Credit</p> | <ul style="list-style-type: none"> • Bankruptcy, Chapter 7, 11, 13 - seven (7) years since discharge / dismissal date • Foreclosure - seven (7) years since completion date • Notice of Default - seven (7) years • Short Sale/Deed-in-Lieu - seven (7) years since completion / sale date • Forbearance resulting in subsequent loan modification - seven (7) years since exit from forbearance (see below Forbearance section for additional requirements) • Mortgage accounts that were settled for less, negotiated or short payoffs – seven (7) years since settlement date • Loan modifications: <ul style="list-style-type: none"> o Lender initiated modification will not be considered a derogatory credit event if the modification did not include debt forgiveness and was not due to hardship as evidenced by supporting documentation. No seasoning requirement would apply o If the modification was due to hardship or included debt forgiveness – seven (7) years since modification • Single loan variances for credit events will be considered on a case-by-case basis between four (4) and seven (7) years with extenuating circumstances subject to the following: <ul style="list-style-type: none"> o Extenuating circumstances are defined as non-recurring events that are beyond the borrower’s control resulting in a sudden significant and prolonged reduction in income or catastrophic increase in financial obligations <ul style="list-style-type: none"> ▪ Examples would include death or major illness of a spouse or child but would not include divorce or job loss o Documentation must be provided to support the claim of extenuating circumstances and confirm the nature of the event that led to the credit event and illustrate the borrower has no reasonable option other than to default on their obligations o If the defaulted debt was assigned to an ex-spouse and the default occurred after the borrower was relieved of the obligation, the event may be considered on a single loan variance basis • Multiple derogatory credit events not allowed, regardless if seasoned over seven (7) years <ul style="list-style-type: none"> o A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event o A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event • Tax liens, judgments, charge-offs, and past-due accounts must be satisfied or brought current prior to or at closing • Cash-Out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts • Payment plans on prior year tax liens/liabilities are not allowed, must be paid in full |
| <p>Forbearance</p> | <p><u>Determining Eligibility for New Loan</u></p> <p>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</p> <ul style="list-style-type: none"> • Any loans that are shown to be in active or previous forbearance but where the borrower continued to make regularly scheduled payments and has made at least one (1) regularly scheduled payment since forbearance inception date are eligible <ul style="list-style-type: none"> o All payments must have been made within the month due |



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| | <ul style="list-style-type: none"> o The forbearance plan must be terminated at or prior to closing and the loan file must contain documentation that the forbearance is no longer active (i.e. removal letter from servicer, etc.). • Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance <u>and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status</u> must meet the requirements below: <ul style="list-style-type: none"> o <u>Purchase & Rate/Term Refinance:</u> <ul style="list-style-type: none"> ▪ Three (3) consecutive months of required payments since completed forbearance plan ▪ All payments must have been made within the month due o <u>Cash-out Refinance:</u> <ul style="list-style-type: none"> ▪ Twelve (12) consecutive months of required payments since completed forbearance plan ▪ All payments must have been made within the month due • <u>Payment Deferral:</u> The refinance of a loan that has a payment deferral and where the amount of the deferred payments is included in the new loan is eligible as a rate/term transaction. Funds applied to pay off the prior loan, including the deferred portion, are not considered cash out • <u>Repayment Plan:</u> The full amount of the repayment plan monthly payment must be considered in meeting the required consecutive payment requirements (Purchase/Rate Term or Cash-out) detailed above • A mortgage subject to forbearance must utilize the mortgage payment history in accordance with the forbearance plan in determining late housing payments • Loan file must contain a letter of explanation from the borrower detailing the reason for forbearance and that the hardship no longer exists • Forbearance resulting in subsequent loan modification is considered a significant derogatory credit event and subject to a seven (7) year waiting period |
| DTI | <ul style="list-style-type: none"> • LTVs ≤ 80% - 45% • LTVs > 80% - 36% |
| Lawsuit/Pending Litigation | If the 1003, title commitment or credit documents indicate that the borrower is party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral |
| Liabilities | |
| Liabilities | <p><u>Tax liens and Payment Plans</u></p> <ul style="list-style-type: none"> • If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if the tax transcripts show an outstanding balance due: <ul style="list-style-type: none"> o A payment plan for the most recent tax year is allowed if the following requirements are met: <ul style="list-style-type: none"> ▪ Payment plan was setup at the time the taxes were due. Copy of the payment plan must be included in the loan file ▪ Payment is included in the DTI |



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| | <ul style="list-style-type: none"> ▪ Satisfactory pay history based on terms of payment plan is provided ▪ Payment plan is only allowed for taxes due for the most recent tax year, prior years not allowed. For example, borrower files their 2019 return or extension in April 2020, a payment plan would be allowed for taxes due for 2019 tax year. Payment plans for 2018 or prior years would not be allowed. ▪ Borrower does not have a prior history of tax liens <p>• Alimony payments – follow Fannie Mae Selling Guide requirements</p> |
| Employment/Income | |
| Employment/Income | <ul style="list-style-type: none"> • A two (2) year employment history is generally required • If the borrower(s) have less than a two (2) year employment and income history, the lender must provide a written analysis to justify the determination that the income used to qualify the borrower is stable. <p>Declining Income: When the borrower has declining income, the most recent twelve (12) months should be used or the most conservative income calculation if the declining period is shorter than 12 months. Income must be stabilized and not subject to further decline in order to be considered for qualifying purposes</p> <ul style="list-style-type: none"> • The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying |
| General Documentation Requirements | <ul style="list-style-type: none"> • Borrower(s) must have a minimum of two (2) years employment and income history • Tax transcripts for personal tax returns are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. Tax transcripts must be obtained directly from the IRS via a third party except as indicated below. <ul style="list-style-type: none"> ◦ In the instance where there is an indication of possible identity theft or fraud and the transcript request has been rejected by the IRS with a Code 10 indicating that "Due to limitations, the IRS is unable to process this request", online borrower obtained tax transcripts are permitted to validate income used for qualifying purposes. Evidence of the IRS transcript request rejection is required. Borrower obtained transcripts are not permitted due to IRS rejection because of missing, incomplete or altered information on the Form 4506-C (Codes 1-9). • Social Security Income: Secondary validation is required when the income is documented via either an Award Letter or a 1099. Acceptable validation can be in the form of tax transcripts/1099 transcripts or a bank statement showing evidence of the SSI deposit and dated within 30 days of the application date • A 4506-C form is required to be signed at closing by all borrowers for all transactions • Taxpayer consent form signed by all borrowers • Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than twenty (20) business days prior to the Note date. In addition, confirmation that the business is currently operating must be provided. Below are acceptable examples of documentation to confirm the business is currently operating: <ul style="list-style-type: none"> ◦ Evidence of current work (executed contracts or signed invoices) that indicate the business is operating on the day the lender verifies self-employment; ◦ Evidence of current business receipts within 10 days of the Note date (payment for services performed); ◦ Lender certification the business is open and operating (lender confirmed through a phone call or other means); or ◦ Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled • Aggregate secondary and separate sources of self-employment losses reporting on 1040 tax transcripts greater than 5% of borrower's total qualifying income must be deducted from |



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| | <p>qualifying income. Additional self-employment documentation is not required</p> <ul style="list-style-type: none"> o K-1 losses where borrower owns less than 25% must be deducted from qualifying income when the aggregate loss is greater than 5% of borrowers total qualifying income o Passive losses shown on K-1s, such as publicly traded companies or where ownership is under 5%, can be excluded from income on a case-by-case basis. Any passive K-1 losses excluded will not count toward the aggregate secondary and separate sources of self-employment losses and the 5% threshold for deducting the loss from income | | | | | | |
|---|--|-----------------------------|----------------------------------|--------------------|---|--|-------------------|
| <p>Unacceptable Sources of Income</p> | <ul style="list-style-type: none"> • Deferred compensation • Retained earnings • Education benefits • Trailing spouse income • Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying: <ul style="list-style-type: none"> o Foreign shell banks o Medical marijuana dispensaries if borrower has any ownership o Any income resulting from ownership in a business related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law | | | | | | |
| <p>Salaried, Bonus & Commission Income</p> | <ul style="list-style-type: none"> • Salaried Borrowers: <ul style="list-style-type: none"> o Income and Employment must be documented per the DU findings and all income sources and methods of income calculation must meet the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 and the requirements below o Secondary verification of the income documentation is required via W-2 transcripts or via Fannie Mae approved third party vendors (i.e., The Work Number) with separation of income types (base, bonus, OT, etc.). The number of years provided will be based on the DU findings <ul style="list-style-type: none"> ▪ Manual verification of employment, even if through a 3rd party are not permitted ▪ The IRS transcripts and the supporting income documentation must be consistent ▪ If 3rd party verification (i.e., The Work Number) is the source used to verify income, then W-2 transcripts are also required as the secondary verification of the income – see below table <table border="1" data-bbox="511 1310 1490 1451"> <thead> <tr> <th data-bbox="511 1310 979 1339">Income Documentation Source</th> <th data-bbox="982 1310 1490 1339">Allowable Secondary Verification</th> </tr> </thead> <tbody> <tr> <td data-bbox="511 1344 979 1394">Paystub and W-2(s)</td> <td data-bbox="982 1344 1490 1394">W-2 transcript(s) or Fannie approved 3rd party vendor (i.e., The Work Number)</td> </tr> <tr> <td data-bbox="511 1398 979 1451">Fannie approved 3rd party vendor (i.e., The Work Number)</td> <td data-bbox="982 1398 1490 1451">W-2 transcript(s)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Commission/Bonus Income: <ul style="list-style-type: none"> o Follow requirements above for salaried borrowers, and o Commission/Bonus income must be documented for the most recent 2 (two) years with a year-to-date paystub and W-2s | Income Documentation Source | Allowable Secondary Verification | Paystub and W-2(s) | W-2 transcript(s) or Fannie approved 3 rd party vendor (i.e., The Work Number) | Fannie approved 3 rd party vendor (i.e., The Work Number) | W-2 transcript(s) |
| Income Documentation Source | Allowable Secondary Verification | | | | | | |
| Paystub and W-2(s) | W-2 transcript(s) or Fannie approved 3 rd party vendor (i.e., The Work Number) | | | | | | |
| Fannie approved 3 rd party vendor (i.e., The Work Number) | W-2 transcript(s) | | | | | | |
| <p>Retirement Income (Pension, Annuity, 401(k), IRA Distributions)</p> | <ul style="list-style-type: none"> • Existing distribution of assets from an IRA, 401(k) or similar retirement asset must be sufficient to continue for a minimum of three (3) years • If any retirement income will cease within the first three (3) years of the loan, the income may not be used | | | | | | |

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| <p>Trust income</p> | <ul style="list-style-type: none"> • Income from trusts may be used if guaranteed and regular payments will continue for at least three (3) years • Regular receipt of trust income for the past twelve (12) months must be documented • Copy of trust agreement or trustee statement showing: <ul style="list-style-type: none"> o Total amount of borrower designated trust funds o Terms of payment o Duration of trust o Evidence the trust is irrevocable • If trust fund assets are being used for down payment or closing costs, the loan file must contain adequate documentation to indicate the withdrawal of the assets will not negatively affect income |
| <p>Restricted Stock and Stock Options</p> | <ul style="list-style-type: none"> • May only be used as qualifying income if the income has been consistently received for two (2) years and is identified on the paystubs, W-2s and tax returns as income and the vesting schedule indicates the income will continue for a minimum of two (2) years at a similar level as prior two (2) years • A two (2) year average of prior income received from RSUs or stock options should be used to calculate the income, with the continuance based on the vesting schedule using a stock price based on the lower of the current stock price or the 52-week average for the most recent twelve (12) months reporting at the time of application. The income used for qualifying must be supported by future vesting based on the stock price used for qualifying and vesting schedule. • Additional awards must be similar to the qualifying income and awarded on a consistent basis • There must be no indication the borrower will not continue to receive future awards consistent with historical awards received • Borrower must be currently employed by the employer issuing the RSUs/stock options for the RSUs/stock options to be considered in qualifying income • Stock must be a publicly traded stock • Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify • RSU income must be entered into DU as bonus income • Incentive sign on income and future RSU's are limited to 50% of the total qualifying income; income calculation results may be reduced to meet the 50% restriction |
| <p>Projected Income</p> | <p>Paystub (once borrower has started with new employer) must be provided prior to purchase of the loan by Community Loan Servicing</p> |
| <p>Asset Depletion</p> | <ul style="list-style-type: none"> • Maximum 80% LTV/CLTV/HCLTV • Primary residence 1-2 units only and Second Homes are eligible • Primary residence 3-4 units are not eligible • Investment properties are not eligible • Purchase, Rate/Term and Cash-Out transactions are eligible • Eligible assets must be held in a US account • There are no age restrictions for the use of Asset Depletion as a source of qualifying income • Qualifying Asset Income = Net Eligible Assets divided by 240 • Asset Depletion may not be combined with employment related income to qualify (i.e., salaried income, self-employment income, etc.) for any Borrower that is an account holder of the assets used for Asset Depletion. If there is employment related income from a Borrower that is not a joint account holder of the account used for Asset Depletion, then this income may be eligible to be used for qualifying purposes |



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- Pension, Social Security or other annuity type income streams may be used and combined with Asset Depletion income as long as the assets generating that income are not used in the Asset Depletion income calculations
- Assets used as income can only be sourced from one income stream. As an example, an asset cannot be used as both capital gains income and asset depletion income
- Net Eligible Assets
 - Minimum Net Eligible Assets: Borrowers must have at least \$1,000,000 of Net Eligible Assets
 - Net Eligible Assets equals Total Eligible Assets as defined in the below table (after any haircuts required for retirement assets per the Asset Requirements section of this product matrix) minus:
 - Funds required to be paid by borrower for closing (i.e., down payment, closing costs)
 - Gift and/or borrowed funds
 - Reserves
 - Any portion of assets pledged as collateral for a loan
 - Cash Out proceeds are not allowed to be used in the Asset Depletion calculation and are not an Eligible Asset
- Business funds not permitted to be included in net eligible asset amount
- Most recent two years of tax returns and corresponding tax transcripts are required
- Assets must meet the eligibility and documentation requirements outlined in the below table:

| Asset Type | Asset Eligibility Requirements | Documentation Requirements |
|--|---|---|
| Retirement Assets | <ul style="list-style-type: none"> • The retirement assets must be in a retirement account recognized by the Internal Revenue Service (IRS) (e.g., 401(k), IRA) • Borrower must be the sole owner • The asset must not currently be used as a source of income by the Borrower, i.e. retirement distributions • The Borrower's rights to the funds in the account must be fully vested | <ul style="list-style-type: none"> • Most recent retirement asset account statement • Documentation evidencing asset eligibility requirements are met • Most recent two years tax returns and corresponding tax transcripts |
| Lump-sum distribution funds not deposited to an eligible retirement asset | <ul style="list-style-type: none"> • If the lump-sum distribution funds have been deposited to an eligible retirement asset, follow the requirements for retirement assets described above, otherwise: <ul style="list-style-type: none"> ◦ Lump-sum distribution funds must be derived from a retirement account recognized by the IRS (e.g., 401(k), IRA) and must be deposited to a depository or non-retirement securities account ◦ A Borrower must have been the recipient of the lump-sum distribution funds ◦ Parties not obligated on the Mortgage may not have an ownership interest in the account that holds the funds from the lump-sum distribution ◦ The proceeds from the lump-sum distribution must be immediately accessible in their entirety ◦ The proceeds from the lump-sum distribution must not have been or currently be subject to a penalty or early distribution tax | <ul style="list-style-type: none"> • Employer distribution letter(s) and/or check-stub(s) evidencing receipt and type of lump-sum distribution funds; IRS 1099-R (if it has been received) • Satisfactorily documented evidence of the following: <ul style="list-style-type: none"> ◦ Funds verified in the non-retirement account and used for qualification must have been derived from eligible retirement assets ◦ Lump-sum distribution funds must not have been or currently be subject to a penalty or early distribution tax • Most recent two years tax returns and corresponding tax transcripts |
| Depository accounts and Securities | <ul style="list-style-type: none"> • The Borrower must solely own assets or, if asset is owned jointly, each asset owner must be a Borrower on the Mortgage and /or on the title to the subject property • As of the Note Date, the Borrower must have access to withdraw the funds in their entirety, less any portion pledged as collateral for a loan or otherwise encumbered, without being subject to a penalty • Account funds must be located in a United States- or State-regulated financial institution and verified in U.S. dollars | <ul style="list-style-type: none"> • Provide account statement(s) covering a two-month period • For securities only, if the Borrower does not receive a stock/security account statement <ul style="list-style-type: none"> ◦ Provide evidence the security is owned by the Borrower, and ◦ Verify value using stock prices from a financial publication or web site • Documentation evidencing asset eligibility requirements are met |



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| | | | <ul style="list-style-type: none"> • Sourcing deposits: <ul style="list-style-type: none"> o The Seller must document the source of funds for any deposit exceeding 10% of the Borrower's total eligible assets in depository accounts and securities, and verify the deposit does not include gifts or borrowed funds, or reduce the eligible assets used to qualify the Borrower by the amount of the deposit o When the source of funds can be clearly identified from the deposit information on the account statement (e.g., direct payroll deposits) or other documented income or asset source in the Mortgage file, the Seller is not required to obtain additional documentation • Most recent two years tax returns and corresponding tax transcripts | |
| | <p>Assets from the sale of the Borrower's business</p> | <ul style="list-style-type: none"> • The Borrower(s) must be the sole owner(s) of the proceeds from the sale of the business that were deposited to the depository or non-retirement securities account • Parties not obligated on the Mortgage may not have an ownership interest in the account that holds the proceeds from the sale of the Borrower's business • The proceeds from the sale of the business must be immediately accessible in their entirety • The sale of the business must not have resulted in the following: retention of business assets, existing secured or unsecured debt, ownership interest or seller-held notes to buyer of business | <ul style="list-style-type: none"> • Most recent three months' depository or securities account statements • Fully executed closing documents evidencing final sale of business to include sales price and net proceeds • Contract for sale of business • Most recent business tax return prior to sale of business • Satisfactorily documented evidence of the following: <ul style="list-style-type: none"> o Funds verified in the non-retirement account and used for qualification must have been derived from the sale of the Borrower's business • Most recent two years tax returns and corresponding tax transcripts | |
| <p>Self-Employment</p> | <p>Self-Employed borrowers are defined as having 25% or greater ownership</p> <ul style="list-style-type: none"> • Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable • In order to use self-employment income for qualifying purposes, the underwriter must consider the economic impacts on the business and the stability of income • Aggregate secondary and separate sources of self-employment losses reporting on 1040 tax transcripts greater than 5% of borrowers' total qualifying income must be deducted from qualifying income. Additional self-employment documentation is not required <ul style="list-style-type: none"> o K-1 losses where borrower owns less than 25% must be deducted from qualifying income when the aggregate loss is greater than 5% of borrowers total qualifying income o Passive losses shown on K-1s, such as publicly traded companies or where ownership is under 5%, can be excluded from income on a case-by-case basis. Any passive K-1 losses excluded will not count toward the aggregate secondary and separate sources of self-employment losses and the 5% threshold for deducting the loss from income <p><u>Documentation Requirements</u></p> <p>The requirements below apply for Self-Employed Borrowers with Self-Employment income used for qualifying:</p> | | | |

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| | <ul style="list-style-type: none"> • Follow the requirements per the DU findings and the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 except as detailed below: <ul style="list-style-type: none"> ◦ If DU returns a recommendation for one (1) year of tax returns, the most recent year's tax return must be provided. IRS extensions are not permitted <ul style="list-style-type: none"> ▪ If borrower has filed an extension, the most recent prior two (2) years tax returns are required • Year-to-date (YTD) profit and loss (P&L) statement (audited or unaudited) is required up to and including the most recent month preceding the loan application date. YTD profit and loss statement must not be more than 90 days aged prior to the Note date <ul style="list-style-type: none"> ◦ Unaudited P&L <ul style="list-style-type: none"> ▪ An unaudited year-to-date profit and loss statement <u>signed by the borrower</u> reporting business revenue, expenses, and net income OR ◦ Audited P&L <ul style="list-style-type: none"> ▪ An audited year-to-date profit and loss statement reporting business revenue, expenses, and net income ◦ If the borrower has filed an extension for the current tax year, the year-to-date profit and loss statement must be provided to cover the full year ◦ If the year-to-date business income is less than the historically calculated income derived from the tax returns, the borrower may qualify by reducing the historical income to no more than the current level of stable monthly income using details from the year-to-date profit and loss statement |
| Assets/Reserves | |
| <p>Asset Requirements</p> | <ul style="list-style-type: none"> • Beyond the minimum reserve requirements and to fully document the borrower's ability to meet their obligations, borrowers should disclose all liquid assets • Eligible assets must be held in a US account • Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs • Lender is responsible for verifying large deposits did not result in any new undisclosed debt • Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets • Follow the DU and the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 except as detailed below • A written VOD as a stand-alone document is not acceptable <ul style="list-style-type: none"> ◦ A <i>system generated automated</i> VOD may be used as a stand-alone documentation if provided by a verifiable institutional bank • Stocks, bonds, and mutual funds do not require documentation of liquidation or of the borrower's actual receipt of funds when used for down payment or closing costs • Gift Funds <ul style="list-style-type: none"> ◦ Gift funds may be used once borrower has contributed 5% of their own funds ◦ Not permitted for reserves ◦ LTVs greater than 80% - gift funds not permitted • Business Funds <ul style="list-style-type: none"> ◦ Not permitted for reserves ◦ Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. Business bank statements must be no older than the latest three months represented on the year-to-date profit and loss statement ◦ Business bank statements must not reflect any NSFs (non- sufficient funds) or overdrafts ◦ If borrower(s) ownership in the business is less than 100%, the following requirements must be met: |



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| | <ul style="list-style-type: none"> ▪ Borrower(s) must have majority ownership of 51% or greater ▪ The other owners of the business must provide an access letter to the business funds ▪ Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s) • Retirement Accounts <ul style="list-style-type: none"> ○ Eligibility Percentage to meet reserve requirements <ul style="list-style-type: none"> ▪ If borrower is $\geq 59 \frac{1}{2}$, then 70% of the vested value after the reduction of any outstanding loans ▪ If borrower is $< 59 \frac{1}{2}$, then 60% of the vested value after the reduction of any outstanding loans ○ Refer to Fannie Mae Selling Guide for liquidation of funds requirements • Stocks, bonds and mutual funds do not require documentation of liquidation or of the borrower's actual receipt of funds when used for down payment or closing costs • Virtual Currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to Fannie Mae Selling Guide for additional details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|--|-------------|--|-----------|-------------|-------------|-------------------|---|---|--|---|--------------------------------------|----|---|----|-----------------------------|----|-----------------------------|----|-------------|--------------------|----|-----------------------------|----|-----------------------------|----|-----------------------------|----|---------------------|--------------------|----|-----------------------------|----|----------------------|---|----|--------------------------------------|----|--|----|---|----|----------------------------------|---|--|--|--|----------------|--|--|
| Reserves | <table border="1"> <thead> <tr> <th colspan="3">Reserve Requirements (# of Months of PITIA)</th> </tr> <tr> <th>Occupancy</th> <th>Loan Amount</th> <th># of Months</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Primary Residence</td> <td>$\leq \\$1,000,000$ with LTV $\leq 80\%$</td> <td>6</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$ with LTV $\leq 80\%$</td> <td>9</td> </tr> <tr> <td>$\leq \\$1,000,000$ with LTV $> 80\%$</td> <td>12</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$ with LTV $> 80\%$</td> <td>15</td> </tr> <tr> <td>$\\$1,500,001 - \\$2,000,000$</td> <td>12</td> </tr> <tr> <td>$\\$2,000,001 - \\$2,500,000$</td> <td>24</td> </tr> <tr> <td rowspan="4">Second Home</td> <td>$\leq \\$1,000,000$</td> <td>12</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$</td> <td>18</td> </tr> <tr> <td>$\\$1,500,001 - \\$2,000,000$</td> <td>24</td> </tr> <tr> <td>$\\$2,000,001 - \\$2,500,000$</td> <td>36</td> </tr> <tr> <td rowspan="2">Investment Property</td> <td>$\leq \\$1,000,000$</td> <td>18</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$</td> <td>24</td> </tr> <tr> <td rowspan="4">First-Time Homebuyer</td> <td>$\leq \\$1,000,000$ with LTV $\leq 80\%$</td> <td>12</td> </tr> <tr> <td>$\leq \\$1,000,000$ with LTV $> 80\%$</td> <td>15</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$ with LTV $\leq 80\%$</td> <td>15</td> </tr> <tr> <td>$\\$1,000,001 - \\$1,500,000$ with LTV $> 80\%$</td> <td>18</td> </tr> <tr> <td rowspan="2">Additional 1-4 Unit Financed REO</td> <td colspan="2">Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO</td> </tr> <tr> <td colspan="2">If eligible to be excluded from the count of multiple financed properties, reserves are not required</td> </tr> <tr> <td>Borrowed funds</td> <td colspan="2">Borrowed funds (secured or unsecured) are not allowed for reserves</td> </tr> </tbody> </table> | Reserve Requirements (# of Months of PITIA) | | | Occupancy | Loan Amount | # of Months | Primary Residence | $\leq \$1,000,000$ with LTV $\leq 80\%$ | 6 | $\$1,000,001 - \$1,500,000$ with LTV $\leq 80\%$ | 9 | $\leq \$1,000,000$ with LTV $> 80\%$ | 12 | $\$1,000,001 - \$1,500,000$ with LTV $> 80\%$ | 15 | $\$1,500,001 - \$2,000,000$ | 12 | $\$2,000,001 - \$2,500,000$ | 24 | Second Home | $\leq \$1,000,000$ | 12 | $\$1,000,001 - \$1,500,000$ | 18 | $\$1,500,001 - \$2,000,000$ | 24 | $\$2,000,001 - \$2,500,000$ | 36 | Investment Property | $\leq \$1,000,000$ | 18 | $\$1,000,001 - \$1,500,000$ | 24 | First-Time Homebuyer | $\leq \$1,000,000$ with LTV $\leq 80\%$ | 12 | $\leq \$1,000,000$ with LTV $> 80\%$ | 15 | $\$1,000,001 - \$1,500,000$ with LTV $\leq 80\%$ | 15 | $\$1,000,001 - \$1,500,000$ with LTV $> 80\%$ | 18 | Additional 1-4 Unit Financed REO | Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO | | If eligible to be excluded from the count of multiple financed properties, reserves are not required | | Borrowed funds | Borrowed funds (secured or unsecured) are not allowed for reserves | |
| | Reserve Requirements (# of Months of PITIA) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Occupancy | Loan Amount | # of Months | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Primary Residence | $\leq \$1,000,000$ with LTV $\leq 80\%$ | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$1,000,001 - \$1,500,000$ with LTV $\leq 80\%$ | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\leq \$1,000,000$ with LTV $> 80\%$ | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$1,000,001 - \$1,500,000$ with LTV $> 80\%$ | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$1,500,001 - \$2,000,000$ | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$2,000,001 - \$2,500,000$ | 24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Second Home | $\leq \$1,000,000$ | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$1,000,001 - \$1,500,000$ | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$1,500,001 - \$2,000,000$ | 24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\$2,000,001 - \$2,500,000$ | 36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Investment Property | $\leq \$1,000,000$ | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $\$1,000,001 - \$1,500,000$ | | 24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| First-Time Homebuyer | $\leq \$1,000,000$ with LTV $\leq 80\%$ | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | $\leq \$1,000,000$ with LTV $> 80\%$ | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | $\$1,000,001 - \$1,500,000$ with LTV $\leq 80\%$ | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | $\$1,000,001 - \$1,500,000$ with LTV $> 80\%$ | 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Additional 1-4 Unit Financed REO | Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | If eligible to be excluded from the count of multiple financed properties, reserves are not required | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Borrowed funds | Borrowed funds (secured or unsecured) are not allowed for reserves | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subordinate Financing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subordinate Financing | <ul style="list-style-type: none"> • Allowed up to maximum CLTV per matrix • Secondary financing term must conform to Fannie Mae guidelines • If subject property has a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed • Shared equity finance agreements are an ineligible source of subordinate financing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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Non-Delegated Correspondent Jumbo AUS

| | |
|---|---|
| Down Payment/Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • 1-4 Unit Owner Occupied Properties • 1 Unit Second Homes • 1-4 Unit Investment Properties • Condominiums – Must be Fannie Mae warrantable and meet Fannie Mae guidelines and project standards <ul style="list-style-type: none"> ◦ Florida New Construction: Full Review or PERS permitted • Modular homes • Planned Unit Developments (PUDs) • Leaseholds • Properties with ≤40 Acres <ul style="list-style-type: none"> ◦ Properties >10 acres ≤40 acres must meet the following: <ul style="list-style-type: none"> ▪ Maximum land value 35% ▪ No income producing attributes ▪ Transaction must be 10% below maximum LTV/CLTV/HCLTV as allowed on Bayview Jumbo AUS for transactions over twenty (20) acres. For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 70% • Properties Subject to Existing Oil/Gas Leases must meet the following: <ul style="list-style-type: none"> ◦ Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease ◦ No active drilling; Appraiser to comment or current survey to show no active drilling ◦ No lease recorded after the home construction date; Re-recording of a lease after the home was constructed is permitted ◦ Must be connected to public water <p>NOTE: Properties that fall outside these parameters can be considered on a single loan variance basis</p> |
| Ineligible Property Types | <ul style="list-style-type: none"> • 2-4 unit second home properties • Condotels/Condo Hotels • Manufactured Homes/Mobile Homes • Mixed-Use Properties • Model Home Leasebacks • Non-Warrantable Condominiums • Properties with condition rating of C5/C6 • Properties with quality rating of Q6 • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained • Properties >40 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards • Cooperatives |

Non-Delegated Correspondent Jumbo AUS

| <p>Declining Markets</p> | <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum 75% LTV/CLTV/HCLTV <p><i>As an example:</i> <i>If the eligibility grid indicates a maximum of 89.99% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 75%</i> OR <i>If the eligibility grid indicates a maximum of 80% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i></p> | | | | | | | | | | | | | | | | |
|--|--|--|--|-------------------|------------------------|------------------------------|--|---------------|------------------|---------------|-------------------|-------------------------------|--|---------------|------------------|---------------|-------------------|
| <p>Appraisal Requirements</p> | <ul style="list-style-type: none"> Full appraisal is required regardless of the DU Findings <ul style="list-style-type: none"> Property inspection waivers are not permitted Transferred appraisals are not allowed The subject property must be appraised within 90 days prior to the Note date Collateral Underwriter (CU) with a score of 2.5 or less is allowed in lieu of a CDA <ul style="list-style-type: none"> Maximum LTV 80% Maximum Loan amount \$1,500,000 Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets. See Declining Market section for additional requirements Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date Collateral Desktop Analysis (CDA) ordered from Clear Capital is required to support the value of the appraisal. The Seller is responsible for ordering the CDA. See above for the allowance of CU score in lieu of CDA <ul style="list-style-type: none"> If the CDA returns a value that is “Indeterminate” or if the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met: <ul style="list-style-type: none"> A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of Three Reports is required. The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal If two (2) full appraisals are provided, a CDA is not required <table border="1" data-bbox="418 1486 1523 1776"> <thead> <tr> <th colspan="2">Appraisal Requirements Based on Loan Amount:</th> </tr> <tr> <th>First Lien Amount</th> <th>Appraisal Requirements</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">Purchase Transactions</td> </tr> <tr> <td>≤ \$2,000,000</td> <td>1 Full Appraisal</td> </tr> <tr> <td>> \$2,000,000</td> <td>2 Full Appraisals</td> </tr> <tr> <td colspan="2" style="text-align: center;">Refinance Transactions</td> </tr> <tr> <td>≤ \$1,500,000</td> <td>1 Full Appraisal</td> </tr> <tr> <td>> \$1,500,000</td> <td>2 Full Appraisals</td> </tr> </tbody> </table> <ul style="list-style-type: none"> When two (2) appraisals are required, the following applies: <ul style="list-style-type: none"> Appraisals must be completed by two (2) independent companies The LTV will be determined by the lower of the two (2) appraised values if the lower | Appraisal Requirements Based on Loan Amount: | | First Lien Amount | Appraisal Requirements | Purchase Transactions | | ≤ \$2,000,000 | 1 Full Appraisal | > \$2,000,000 | 2 Full Appraisals | Refinance Transactions | | ≤ \$1,500,000 | 1 Full Appraisal | > \$1,500,000 | 2 Full Appraisals |
| Appraisal Requirements Based on Loan Amount: | | | | | | | | | | | | | | | | | |
| First Lien Amount | Appraisal Requirements | | | | | | | | | | | | | | | | |
| Purchase Transactions | | | | | | | | | | | | | | | | | |
| ≤ \$2,000,000 | 1 Full Appraisal | | | | | | | | | | | | | | | | |
| > \$2,000,000 | 2 Full Appraisals | | | | | | | | | | | | | | | | |
| Refinance Transactions | | | | | | | | | | | | | | | | | |
| ≤ \$1,500,000 | 1 Full Appraisal | | | | | | | | | | | | | | | | |
| > \$1,500,000 | 2 Full Appraisals | | | | | | | | | | | | | | | | |



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| | |
|--|--|
| | <p>appraisal supports the value conclusion</p> <ul style="list-style-type: none"> o Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled o If the two (2) appraisals are done “subject to” and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon |
| Construction to Permanent Financing | <ul style="list-style-type: none"> • The borrower must hold title to the lot which may have been previously acquired or purchased as part of the transaction • LTV/CLTV/HCLTV is determined based on the length of time the borrower has owned the lot. The time frame is defined as the date the lot was purchased to the Note date of the subject transaction <ul style="list-style-type: none"> o For lots owned twelve (12) months or more, the appraised value can be used to calculate the LTV/CLTV/HCLTV o For lots owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the current appraised value of the property or the total acquisition costs (documented construction costs plus documented purchase price of lot) |
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Special Products Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> o FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); o Areas where FEMA has not made a disaster declaration, but Community Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; o Areas where there is reason to believe that a property might have been damaged in a disaster • Correspondent Lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster |
| Escrow Holdbacks | Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase |
| Special Restrictions | |
| Multiple Financed Properties | <ul style="list-style-type: none"> • Maximum number of financed properties – follow Fannie Mae Single Family Selling Guide Requirements • All financed 1-4 unit residential properties require an additional six (6) months reserves for each property, unless the exclusions below apply • 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage • Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation |
| Geographic Restrictions | <ul style="list-style-type: none"> • The following states are not eligible: MA, CT, NY, UT, HI, MO, NV • Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted |



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| Version Control | | | |
|-----------------|------------------------------------|----------|--|
| Author | Section | Date | Update |
| AS | ALL | 05.16.22 | <ul style="list-style-type: none"> Matrix created |
| AS | Restricted Stock and Stock Options | 05.20.22 | <p>Added</p> <ul style="list-style-type: none"> Incentive sign on income and future RSU's are limited to 50% of total qualifying income. Income calculation results may be reduced to meet the 50% restriction |
| AS | Asset Requirements | 05.20.22 | <p>Added</p> <ul style="list-style-type: none"> Virtual Currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to Fannie Mae Selling Guide for additional details |
| AS | Subordinate Financing | 05.20.22 | <p>Added</p> <ul style="list-style-type: none"> Shared equity finance agreements are an ineligible source of subordinate financing |
| AS | Forbearance | 06.03.22 | <p>Added</p> <p><u>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</u></p> |
| AS | Asset Requirements | 07.01.22 | <p>Removed</p> <ul style="list-style-type: none"> Retirement Accounts <p>In cases where the account holder is not of retirement age and funds are being used for down payment or closing costs, evidence of liquidation of retirement funds is required</p> |
| AS | Credit Requirements | 07.01.22 | <p>Added</p> <ul style="list-style-type: none"> Rapid credit rescoring are permitted. A rapid rescore is a process that can quickly update a borrower's credit score by submitting proof of positive account changes to the three major credit repositories since the last reporting deadline in order to reflect the current credit status. |
| AS | General Documentation Requirements | 07.01.22 | <p>Added</p> <ul style="list-style-type: none"> Social Security Income: Secondary validation is required when the income is documented via either an Award Letter or a 1099. Acceptable validation can be in the form of tax transcripts/1099 transcripts or a bank statement showing evidence of the SSI deposit and dated within 30 days of the application date. |
| DH | First-Time Homebuyer | 07.15.22 | <p>Added</p> <ul style="list-style-type: none"> First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, First-Time Homebuyer requirements do not apply Verification of rental history is not required |
| DH | Eligibility Grid | 11.04.22 | <p>Added Declining Market footnote</p> |
| DH | Declining Market | 11.04.22 | <p>Added Declining Market Section</p> <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum 75% LTV/CLTV/HCLTV <p><i>As an example:</i> <i>If the eligibility grid indicates a maximum of 89.99% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 75%</i> OR <i>If the eligibility grid indicates a maximum of 80% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i></p> |
| DH | Appraisal Requirements | 11.04.22 | <p>Removed</p> <p>Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged</p> <p>Added</p> <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date The subject property must be appraised within 90 days prior to the Note date Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets |



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Appendix A - Summary of Program Overlays to Fannie Mae Guidelines

Below is a summary of the Jumbo AUS program overlays to Fannie Mae guidelines. Please refer to the Jumbo AUS product matrix for complete details and requirements on the below topics as well as for LTV, FICO and loan amount requirements. This summary is intended for reference only. In the event of any conflict with this document, the product matrix and seller guide will govern.

- **Borrower Eligibility**
 - First Time Homebuyer:
 - Maximum loan amount \$1,500,000
 - Not permitted on investment properties
 - Permanent and Non-Permanent Resident Aliens must be employed in the U.S. for the past 24 months
 - Non-Permanent Resident Aliens
 - Maximum LTV/CLTV/HCLTV 75%
 - Primary residence only
 - Non-Occupant Co-Borrower must be a related family member of the borrower(s)
 - All borrowers must have a valid Social Security Number
- **Continuity of Obligation**
 - On a refinance transaction, there must be a continuity of obligation of the outstanding lien that will be paid through the refinance transaction. See Continuity of Obligation section for full requirements
- **Credit Requirements**
 - Non-traditional credit not permitted
 - All borrowers must have a minimum of two (2) credit scores
 - Manual underwrite is not permitted
- **Mortgage History:**
 - 0x30x24
 - The borrower(s) credit report must be reviewed to determine status of all mortgage loans including verification mortgage is not subject to a loss mitigation program, repayment plan, loan modification or payment deferral plan. **In addition to reviewing the credit report**, due diligence must also be applied for each mortgage loan on which a borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine the loan payments are current as of the Note date of the subject transaction. Current means the borrower has made all payments due in the month prior to the Note date of the subject transaction and no later than the last business day of that month. Acceptable documentation includes one of the following:
 - Loan payment history from the servicer or third party verification service
 - Payoff statement for loans being refinanced
 - Current mortgage statement from the borrower
 - Verification of mortgage (VOM)
 - If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required
- **Significant Derogatory Credit:** At least seven (7) years must have elapsed since bankruptcy discharge/dismissal, foreclosure, NOD, Short Sale/DIL or forbearance resulting in a subsequent loan modification. Multiple derogatory credit events not permitted



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- **Forbearance**

- Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status must meet the requirements below:

- Cash-out Refinance:

- Twelve (12) consecutive months of required payments since completed forbearance plan

- **DTI:**

- LTVs \leq 80% = Max 45%
- LTVs $>$ 80% = Max 36%

- **Employment/Income**

- General Requirements: Tax transcripts for personal tax returns are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. The number of years of transcripts required will be based on the DU findings
- Salaried Borrowers: Secondary verification of the income documentation is required via W-2 transcripts or 3rd party verification (i.e., The Work Number) with separation of income types (base, bonus, OT, etc.). The number of years provided will be based on the DU findings
 - Manual verification of employment, even if through a 3rd party are not permitted
 - Borrower pulled transcripts are not acceptable
 - The IRS transcripts and the supporting income documentation must be consistent
 - If 3rd party verification (i.e., The Work Number) is the source used to verify income, then W-2 transcripts are also required as the secondary verification of the income
- Commission/Bonus: Income must be documented for the most recent 2 (two) years with a year-to-date paystub and W-2s
- Projected Income: Paystub (once borrower has started with new employer) must be provided prior to closing
- Asset Depletion:
 - Maximum 80% LTV/CLTV/HCLTV
 - Primary residence 1-2 units and Second Homes are eligible
 - Primary residence 3-4 units are not eligible
 - Investment properties are not eligible
 - Eligible assets must be held in a US account
 - Purchase, Rate/Term and Cash-Out transactions are eligible
 - There are no age restrictions for the use of Asset Depletion as a source of qualifying income
 - Minimum Net Eligible assets of \$1,000,000 are required
 - Retirement Accounts: Eligibility percentage must be applied as defined in the Asset Requirements Section of this product matrix
 - Cash-Out from the transaction may not be used to meet minimum post-closing asset requirements
 - Qualifying Asset Income = Net Eligible Assets divided by 240
 - Asset Depletion may not be combined with employment related income to qualify (i.e., salaried income, self-employment income, etc.) for any Borrower that is an account holder of the assets used for Asset Depletion. If there is employment related income from a Borrower that is not a joint account holder of the account used for Asset Depletion, then this income can be used for qualifying purposes
 - Pension, Social Security or other annuity type income streams may be used and combined with Asset Depletion income as long as the assets generating that income are not used in the Asset Depletion income calculations



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- Assets used as income can only be sourced from one income stream. As an example, an asset cannot be used as both capital gains income and asset depletion income
- Net Eligible Assets equals Total Eligible Assets as defined in the below table (after any haircuts required for retirement assets per the Asset Requirements section of this product matrix) minus:
 - Funds required to be paid by borrower for closing (i.e., down payment, closing costs)
 - Gift and/or borrowed funds
 - Reserves
 - Any portion of assets pledged as collateral for a loan
- Business funds not permitted to be included in total asset amount
- Asset eligibility and documentation requirements as per table within Asset Depletion section of the product matrix
- Most recent tax returns and corresponding tax transcripts are required
- o Self-Employment:
 - Self-Employment income: Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable
 - If DU returns a recommendation for one (1) year of tax returns, the most recent year's tax return must be provided and IRS extensions are not permitted
 - If borrower has filed an extension, the most recent prior two (2) years tax returns are required
 - If the borrower has filed an extension for the current tax year, the YTD profit and loss statement must be provided to cover the full year
- **Assets**
 - o A written VOD as a stand-alone document is not acceptable
 - o Gift Funds
 - Gift funds may be used once borrower has contributed 5% of their own funds
 - Not permitted for reserves
 - LTVs greater than 80% - gift funds not permitted
 - o Business Funds
 - Not permitted for reserves
 - Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. Business bank statements must be no older than the latest three months represented on the year-to-date profit and loss statement
 - Business bank statements must not reflect any NSF's (non- sufficient funds) or overdrafts
 - If borrower(s) ownership in the business is less than 100%, the following requirements must be met:
 - Borrower(s) must have majority ownership of 51% or greater
 - The other owners of the business must provide an access letter to the business funds
 - Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s)
 - o Reserves – Refer to Reserve section of the product matrix for overlay reserve requirements
 - o Retirement Accounts
 - Eligibility Percentage to meet reserve requirements
 - If borrower is >59 ½, then 70% of the vested value after the reduction of any outstanding loans
 - If borrower is <59 ½, then 60% of the vested value after the reduction of any outstanding loans
- **Subordinate Financing**
 - o Secondary financing not permitted on LTVs > 80%
 - o Down payment and closing cost assistance subordinate financing is not permitted



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- **Maximum Acreage**
 - Maximum ≤ 40 acres
 - Properties >10 acres ≤40 acres must meet the following:
 - Maximum land value 35%
 - No income producing attributes
 - Transaction must be 10% below maximum LTV/CLTV/HCLTV as allowed on Jumbo AUS for transactions over twenty (20) acres. For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 70%
- **Ineligible Property Types**
 - Manufactured Homes/Mobile Homes
 - Mixed-Use Properties
 - Model Home Leasebacks
 - Properties with condition rating of C5/C6
 - Properties with quality rating of Q6
 - Unique properties
 - Co-ops
- **Declining Markets**
 - LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum 75% LTV/CLTV/HCLTV
- **Appraisal Requirements**
 - Transferred appraisals are not permitted
 - Collateral Desktop Analysis (CDA) ordered from Clear Capital or CU score ≤ 2.5 is required to support the value of the appraisal. CDA not required if two full appraisals provided.
 - Purchase > \$2M = 2 Full appraisals required
 - Refi >\$1.5 M = 2 Full appraisals required
 - **Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date**
 - **The subject property must be appraised within 90 days prior to the Note date**
 - **Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets**
- **Escrow Holdbacks** – Not permitted
- **Geographic Restrictions** –
 - The following states are not eligible: MA, CT, NY, UT, HI, MO, NV
 - Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted



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**Non-Delegated Correspondent
Bayview Jumbo Plus AUS**

Non-Delegated Correspondent Bayview Jumbo Plus AUS

| Bayview Jumbo Plus AUS Eligibility Matrix | | | | |
|---|-------|-------------------|---------------------------------------|----------------------------------|
| Fixed Rate | | | | |
| Primary Residence Purchase, Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount ³ |
| Purchase or Rate and Term Refinance | 1-2 | 700 | 89.99% ² | \$1,500,000 |
| | | 680 | 85% ² | \$1,500,000 |
| | | 661 | 80% | \$1,500,000 |
| | | 680 | 75% | \$2,000,000 |
| | 1-4 | 680 | 70% | \$2,000,000 |
| Primary Residence Cash-Out Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount ³ |
| Cash-Out Refinance | 1 | 680 | 80% | \$1,000,000 |
| | 1-2 | 680 | 75% | \$1,500,000 |
| | 1-4 | 661 | 60% | \$2,000,000 |
| Second Home Purchase, Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount ³ |
| Purchase or Rate and Term Refinance | 1 | 680 | 80% | \$1,500,000 |
| | | 661 | 70% | \$1,500,000 |
| | | 680 | 65% | \$2,000,000 |
| Second Home Cash-Out Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance | 1 | 680 | 70% | \$1,000,000 |
| | | | 65% | \$1,500,000 |
| Investment Purchase Rate and Term Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Purchase Rate or Term Refinance | 1-4 | 680 | 75% | \$1,500,000 |
| Investment Cash-Out Refinance | | | | |
| Transaction Type | Units | FICO ¹ | Maximum LTV/CLTV/HCLTV ^{4,5} | Maximum Loan Amount |
| Cash-Out Refinance | 1-4 | 680 | 60% | \$1,500,000 |

¹Self-Employment income: Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable

²The following requirements apply for transactions with LTVs greater than 80%:

- MI not required
- Escrow/Impound accounts required for LTVs greater than 80% unless prohibited by applicable laws

³First time homebuyer maximum loan amount is \$1,500,000

⁴Non-Warrantable Condominiums: LTV/CLTV must be 10% below product/program maximum up to a maximum of 70% LTV/CLTV

⁵ See Declining Market Section for LTV/CLTV reductions

Bayview Jumbo Plus AUS Notes:

- Minimum loan amounts down to \$300,000 are permitted; High Balance loans are permitted



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- Single loan variances may be granted on a case-by-case basis (at purchasing entity's sole determination) for loans with terms or characteristics that are outside of Bayview's Jumbo Plus AUS Eligibility requirements. Approval of the single loan variance must be granted by purchasing entity prior to the delivery of the loan

| Loan Product | |
|---|--|
| Seller must ensure that each loan delivered to Community Loan Servicing is in compliance with the Ability to Repay (ATR) and General Qualified Mortgage rules established by the Consumer Financial Protection Bureau ("CFPB"). Seller shall deliver loans that were originated in accordance with the Special Products Seller Guide unless otherwise stated with this product matrix. For topics not specifically addressed in this product matrix or the Special Products Seller Guide, refer to the Fannie Mae Single Family Selling Guide. Refer to Appendix A for a summary of overlays. | |
| Eligible Products Terms | <ul style="list-style-type: none"> PJF311 Fixed Rate: 20, 25, 30 Year Terms |
| Ineligible Product Types | <ul style="list-style-type: none"> High Cost Loans (Federal, State or Local) Non-Standard to Standard Refinance Transactions (ATR Exempt) Balloons Graduated Payments Interest Only Products Temporary Buydowns Loans with Prepayment Penalties Adjustable Rate Terms Single Close Construction to Permanent Transactions |
| Loan Purpose | <ul style="list-style-type: none"> Purchase Rate/Term Refinance Cash-Out |
| Minimum Loan Amount | Minimum loan amounts down to \$300,000 are permitted; High Balance loan amounts are permitted |
| Rate/Term Refinance Transactions | <ul style="list-style-type: none"> The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items <ul style="list-style-type: none"> If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history Max cash back at closing is limited to 1% of the new loan amount |
| Cash-Out Transactions | No maximum cash-out limit |
| Delayed Financing | <ul style="list-style-type: none"> Follow Fannie Mae Single Family Selling Guide requirements LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas. |



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| LTV/CLTV/HCLTV Calculation for Refinance Transactions | <ul style="list-style-type: none"> • If subject property is owned more than twelve (12) months, the LTV/CLTV/HCLTV is based on the current appraised value. The twelve (12) month time frame may be based on subject transaction Note date • If subject property is owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the original purchase price plus documented improvements made after the purchase of the property, or the appraised value. Documented improvements must be supported with receipts. The twelve (12) month time frame may be based on subject transaction Note date |
| Age of Documents | <ul style="list-style-type: none"> • Follow Fannie Mae Single Family Selling Guide Requirements • See Self-Employment section for restrictions |
| QM Designation | <ul style="list-style-type: none"> • QM designation must be provided in the loan file <ul style="list-style-type: none"> ◦ QM designation is QM Safe Harbor if the loan is not a Higher Priced Covered Transaction (HPCT) ◦ QM designation is QM Rebuttable Presumption if the loan is a Higher Priced Covered Transaction (HPCT) ◦ QM designation is Exempt for investment property transactions when the transaction is exclusively for business purposes. (Refer to §1026.3(a) and the Official Interpretation to §1026(a)) • Loan file must meet and document the eight (8) Ability to Repay (ATR) rules under the federal Truth-in-Lending Act, as implemented by Regulation Z |
| Higher Priced Mortgage Loans (HPML) | <ul style="list-style-type: none"> • Higher Priced Mortgage Loans (HPML) are allowed if the following requirements are met: <ul style="list-style-type: none"> ◦ Loan must have an escrow account for a minimum of 5 years ◦ 1002.14(a)(1) allowing the consumer to waive the requirement that the appraisal copy be provided three (3) business days before consummation, does not apply to Higher Priced Mortgage Loans subject to §1026.35(c). A Consumer of a Higher Priced Mortgage Loan subject to §1026.35(c) may not waive the timing requirement to receive a copy of the appraisal under §1026.35(c)(6)(i) • Appraisal Requirements <ul style="list-style-type: none"> ◦ If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt. ◦ If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20%, then a second full appraisal is required. Bank owned properties are not exempt ◦ If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals |
| Eligibility | |
| Texas 50(a)(6) | <ul style="list-style-type: none"> • Transactions in the state of Texas subject to 50(a)(6) are not permitted • Current 50(a)(6) loans may not be refinanced into a non-home equity loan |
| Borrower Eligibility | <ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens with evidence of lawful residency <ul style="list-style-type: none"> ◦ Must be employed in the US for the past twenty-four (24) months • Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions: <ul style="list-style-type: none"> ◦ Primary Residence Only |



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| | <ul style="list-style-type: none"> o Unexpired H1B, H2B, E1, L1, and G Series VISAs only; G Series VISAs must have no diplomatic immunity o Borrower must have a current twenty-four (24) month employment history in the US • Documentation evidencing lawful residency must be met (see Special Products Seller Guide for requirements) • Illinois Land Trust • Inter Vivos Revocable Trust • All borrowers must have a valid Social Security Number • Non-Occupant Borrower – Follow Fannie Mae Single Family Selling Guide requirements with exception of non-occupant relationship who must be a related family member of the borrower(s) |
| <p>Ineligible Borrowers</p> | <ul style="list-style-type: none"> • Foreign Nationals • Borrowers with Diplomatic Immunity status • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, except for Illinois Land Trust • Borrowers with any ownership in a business that is Federally illegal, regardless if the income is not being considered for qualifying |
| <p>First-Time Homebuyer</p> | <ul style="list-style-type: none"> • First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, First-Time Homebuyer requirements do not apply • Verification of rental history is not required • Maximum loan amount of \$1,500,000 • Not allowed on investment property transactions • See Reserve Section for additional requirements |
| <p>Non-Arm's Length Transactions</p> | <p>A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party. The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> • Family sales or transfers • Property seller acting as their own real estate agent • Relative of the property seller acting as the seller's real estate agent • Borrower acting as their own real estate agent • Relative of the borrower acting as the borrower's real estate agent • Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file • Originator is related to the borrower • Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord) <p>Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity. Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations</p> <p>Investment property transactions must be arm's length</p> <p>Other non-arm's length transactions may be acceptable on an single loan variance basis</p> |

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| <p>Continuity of Obligation</p> | <p>When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:</p> <ul style="list-style-type: none"> • The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> ◦ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or ◦ Is related to the borrower on the mortgage being refinanced • The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction • The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership • The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> ◦ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer ◦ The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> | | | | |
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| <p>Credit</p> | | | | | |
| <p>Underwriting</p> | <ul style="list-style-type: none"> • All loans must have Fannie Mae DU Findings included in the loan file <ul style="list-style-type: none"> ◦ The DU recommendation may be in accordance with the below table: <table border="1" data-bbox="418 1077 1536 1350" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #92d050;"> <th style="text-align: center;">Approve/Ineligible Reasons</th> <th style="text-align: center;">Approve/Eligible Reasons</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Loan amount • Maximum Cash-Out on a R/T refinance transaction – see Rate/Term Refinance section of product matrix • 2 unit primary residence purchase or rate/term refinance transaction >85% LTV </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Loan amount down to \$300,000 • High Balance loan amount </td> </tr> </tbody> </table> <ul style="list-style-type: none"> ◦ Lender is responsible for ensuring that all data and information provided in the final submission to DU matches the terms of the closed loan or is within the acceptable tolerances specified in the Fannie Mae Single Family Selling Guide • Manual underwrite is not permitted • Second Home Transactions – prudent underwriting must be exercised to determine the reasonableness of considering the property a second home | Approve/Ineligible Reasons | Approve/Eligible Reasons | <ul style="list-style-type: none"> • Loan amount • Maximum Cash-Out on a R/T refinance transaction – see Rate/Term Refinance section of product matrix • 2 unit primary residence purchase or rate/term refinance transaction >85% LTV | <ul style="list-style-type: none"> • Loan amount down to \$300,000 • High Balance loan amount |
| Approve/Ineligible Reasons | Approve/Eligible Reasons | | | | |
| <ul style="list-style-type: none"> • Loan amount • Maximum Cash-Out on a R/T refinance transaction – see Rate/Term Refinance section of product matrix • 2 unit primary residence purchase or rate/term refinance transaction >85% LTV | <ul style="list-style-type: none"> • Loan amount down to \$300,000 • High Balance loan amount | | | | |
| <p>Credit Requirements</p> | <ul style="list-style-type: none"> • Non-traditional credit is not allowed • All borrowers must have a minimum of two (2) credit scores • <u>Disputed tradelines:</u> <ul style="list-style-type: none"> ◦ All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute ◦ Derogatory accounts must be considered in analyzing the borrower's willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded | | | | |

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| | <ul style="list-style-type: none"> • <u>Frozen Credit</u>: Follow Fannie Mae Single Family Selling Guide requirements except as noted below <ul style="list-style-type: none"> ◦ All borrowers must have a minimum of two (2) credit scores <u>that are generated from the unfrozen bureaus</u> • Rapid credit rescoring are permitted. A rapid rescore is a process that can quickly update a borrower’s credit score by submitting proof of positive account changes to the three major credit repositories since the last reporting deadline in order to reflect the current credit status |
| <p>Housing History</p> | <ul style="list-style-type: none"> • Mortgage history requirements: <ul style="list-style-type: none"> ◦ If the borrower(s) has a Mortgage in the most recent twenty-four (24) months, a mortgage rating must be obtained ◦ The mortgage rating may be on the credit report or a VOM ◦ Applicable to all borrowers on the loan ◦ No more than 1x30 in the last twelve (12) months or 2x30 in the last twenty-four (24) months ◦ Mortgage lates must not be within the most recent three (3) months of the subject transaction ◦ 0x60 and 0x90 required in the most recent twenty-four (24) months ◦ A satisfactory explanation letter from the borrower(s) must be provided for any mortgage lates within the most recent twenty-four (24) months ◦ Sellers must review the borrower(s) credit report to determine status of all mortgage loans including verification mortgage is not subject to a loss mitigation program, repayment plan, loan modification or payment deferral plan. In addition to reviewing the credit report, the Seller must also apply due diligence for each mortgage loan on which a borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine the loan payments are current as of the Note date of the subject transaction. Current means the borrower has made all payments due in the month prior to the Note date of the subject transaction and no later than the last business day of that month. Acceptable documentation includes one of the following: <ul style="list-style-type: none"> ▪ Loan payment history from the servicer or third party verification service ▪ Payoff statement for loans being refinanced ▪ Current mortgage statement from the borrower ▪ Verification of mortgage (VOM) ◦ If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required |
| <p>Significant Derogatory Credit</p> | <ul style="list-style-type: none"> • Follow Fannie Mae Single Family Selling Guide requirements (See below Single Loan Variance requirement for credit events between two (2) and four (4) years) • Forbearance resulting in subsequent loan modification - four (4) years since exit from forbearance (See below Forbearance section for additional requirements) • Mortgage accounts that were settled for less, negotiated or short payoffs – four (4) years since settlement date • Loan modifications: <ul style="list-style-type: none"> ◦ Lender initiated modification will not be considered a derogatory credit event if the modification did not include debt forgiveness and was not due to hardship as evidenced by supporting documentation. No seasoning requirement would apply ◦ If the modification was due to hardship or included debt forgiveness – four (4) years since modification • Single loan variances for credit events will be considered on a case-by-case basis between two (2) and four (4) years with extenuating circumstances subject to the following: <ul style="list-style-type: none"> ◦ Must be approved by Bayview |

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| | <ul style="list-style-type: none"> o Extenuating circumstances are defined as non-recurring events that are beyond the borrower’s control resulting in a sudden significant and prolonged reduction in income or catastrophic increase in financial obligations <ul style="list-style-type: none"> ▪ Examples would include death or major illness of a spouse or child but would not include divorce or job loss o Documentation must be provided to support the claim of extenuating circumstances and confirm the nature of the event that led to the credit event and illustrate the borrower has no reasonable option other than to default on their obligations o If the defaulted debt was assigned to an ex-spouse and the default occurred after the borrower was relieved of the obligation, the event may be considered on a single loan variance basis • Multiple derogatory credit events not allowed, regardless if seasoned over four (4) years <ul style="list-style-type: none"> o A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event o A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event • Tax liens, judgments, charge-offs, and past-due accounts must be satisfied or brought current prior to or at closing • Cash-Out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts • Payment plans on <u>prior year</u> tax liens/liabilities are not allowed, must be paid in full. See Liabilities Section for additional guidance regarding payment plan for current tax year |
| <p>Forbearance</p> | <p><u>Determining Eligibility for New Loan</u></p> <p>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</p> <ul style="list-style-type: none"> • Any loans that are shown to be in active or previous forbearance but where the borrower continued to make regularly scheduled payments and has made at least one (1) regularly scheduled payment since forbearance inception date are eligible <ul style="list-style-type: none"> o All payments must have been made within the month due o The forbearance plan must be terminated at or prior to closing and the loan file must contain documentation that the forbearance is no longer active (i.e. removal letter from servicer, etc.). • Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status must meet the requirements below: <ul style="list-style-type: none"> o <u>Purchase & Rate/Term Refinance:</u> <ul style="list-style-type: none"> ▪ Three (3) consecutive months of required payments since completed forbearance plan ▪ All payments must have been made within the month due o <u>Cash-out Refinance:</u> <ul style="list-style-type: none"> ▪ Twelve (12) consecutive months of required payments since completed forbearance plan |

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| | <ul style="list-style-type: none"> ▪ All payments must have been made within the month due • <u>Payment Deferral</u>: The refinance of a loan that has a payment deferral and where the amount of the deferred payments is included in the new loan is eligible as a rate/term transaction. Funds applied to pay off the prior loan, including the deferred portion, are not considered cash out • <u>Repayment Plan</u>: The full amount of the repayment plan monthly payment must be considered in meeting the required consecutive payment requirements (Purchase/Rate Term or Cash-out) detailed above • A mortgage subject to forbearance must utilize the mortgage payment history in accordance with the forbearance plan in determining late housing payments • Loan file must contain a letter of explanation from the borrower detailing the reason for forbearance and that the hardship no longer exists • Forbearance resulting in subsequent loan modification is considered a significant derogatory credit event and subject to a four (4) year waiting period |
| DTI | <ul style="list-style-type: none"> • Up to 49.99% • DTI > 45% require the following: <ul style="list-style-type: none"> ○ Maximum 80% LTV, and ○ Minimum 700 FICO, and ○ Minimum six (6) months reserves |
| Lawsuit/Pending Litigation | If the Uniform Residential Loan Application, title commitment or credit documents indicate that the borrower is party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral |
| Liabilities | |
| Liabilities | <ul style="list-style-type: none"> • <u>Tax liens and Payment Plans</u> <ul style="list-style-type: none"> ○ If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if the tax transcripts show an outstanding balance due: <ul style="list-style-type: none"> ▪ A payment plan for the most recent tax year is allowed if the following requirements are met: <ul style="list-style-type: none"> • Payment plan was setup at the time the taxes were due. Copy of the payment plan must be included in the loan file • Payment is included in the DTI • Satisfactory pay history based on terms of payment plan is provided • Payment plan is only allowed for taxes due for the <u>most recent</u> tax year, prior years not allowed. For example, borrower files their 2019 return or extension in April 2020 A payment plan would be allowed for taxes due for 2019 tax year. Payment plans for 2018 or prior years would not be allowed • Borrower does not have a prior history of tax liens • Alimony Payments – follow Fannie Mae Single Family Selling Guide requirements |
| Employment/Income | |
| Employment/Income | <ul style="list-style-type: none"> • A two-year employment history is generally required • If the borrower(s) have less than a two-year employment and income history, the lender must provide a written analysis to justify the determination that the income used to qualify the borrower is stable. <p>Declining Income: When the borrower has declining income, the most recent twelve (12) months should be used or the most conservative income calculation if the declining period is shorter than 12 months. Income must be stabilized and not subject to further decline in order</p> |



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| | <ul style="list-style-type: none"> to be considered for qualifying purposes The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying |
| <p>General Documentation Requirements</p> | <ul style="list-style-type: none"> Borrower(s) must have a minimum of two (2) years employment and income history Tax transcripts obtained for personal tax returns are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. Tax transcripts must be obtained directly from the IRS via a third party except as indicated below <ul style="list-style-type: none"> In the instance where there is an indication of possible identity theft or fraud and the transcript request has been rejected by the IRS with a Code 10 indicating that "Due to limitations, the IRS is unable to process this request", online borrower obtained tax transcripts are permitted to validate income used for qualifying purposes. Evidence of the IRS transcript request rejection is required. Borrower obtained transcripts are not permitted due to IRS rejection because of missing, incomplete or altered information on the Form 4506-C (Codes 1-9) A 4506-C form is required to be signed at closing by all borrowers for all transactions Taxpayer consent form signed by all borrowers Social Security Income: Secondary validation is required when the income is documented via either an Award Letter or a 1099. Acceptable validation can be in the form of tax transcripts/1099 transcripts or a bank statement showing evidence of the SSI deposit and dated within 30 days of the application date Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than twenty (20) business days prior to the Note date. In addition, confirmation that the business is currently operating must be provided. Below are acceptable examples of documentation to confirm the business is currently operating: <ul style="list-style-type: none"> Evidence of current work (executed contracts or signed invoices) that indicate the business is operating on the day the lender verifies self-employment; Evidence of current business receipts within 10 days of the Note date (payment for services performed); Lender certification the business is open and operating (lender confirmed through a phone call or other means); or Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled Aggregate secondary and separate sources of self-employment losses reporting on 1040 tax transcripts greater than 5% of borrower's total qualifying income must be deducted from qualifying income. Additional self-employment documentation is not required <ul style="list-style-type: none"> K-1 losses where borrower owns less than 25% must be deducted from qualifying income when the aggregate loss is greater than 5% of borrowers total qualifying income Passive losses shown on K-1s, such as publicly traded companies or where ownership is under 5%, can be excluded from income on a case-by-case basis. Any passive K-1 losses excluded will not count toward the aggregate secondary and separate sources of self-employment losses and the 5% threshold for deducting the loss from income |
| <p>Unacceptable Sources of Income</p> | <ul style="list-style-type: none"> Deferred compensation Retained earnings Education benefits Trailing spouse income Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income |


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| | <p>from these sources are not allowed for qualifying:</p> <ul style="list-style-type: none"> o Foreign shell banks o Medical marijuana dispensaries if borrower has any ownership o Any income resulting from ownership in a business related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law | | | | | | |
|---|---|-----------------------------|----------------------------------|--------------------|---|--|-------------------|
| <p>Salaried, Bonus & Commission Income</p> | <ul style="list-style-type: none"> • Salaried Borrowers: <ul style="list-style-type: none"> o Income and Employment must be documented per the DU findings and all income sources and methods of income calculation must meet the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 and the requirements below o Secondary verification of the income documentation is required via W-2 transcripts or via Fannie Mae approved third party vendors (i.e., The Work Number) with separation of income types (base, bonus, OT, etc.). The number of years provided will be based on the DU findings <ul style="list-style-type: none"> ▪ Manual verification of employment, even if through a 3rd party are not permitted ▪ The IRS transcripts and the supporting income documentation must be consistent ▪ If 3rd party (i.e., The Work Number) is the source used to verify income, then W-2 transcripts are also required as the secondary verification of the income – see below table <table border="1" data-bbox="511 884 1479 1079"> <thead> <tr> <th style="background-color: #92d050;">Income Documentation Source</th> <th style="background-color: #92d050;">Allowable Secondary Verification</th> </tr> </thead> <tbody> <tr> <td>Paystub and W-2(s)</td> <td>W-2 transcript(s) or Fannie approved 3rd party vendor (i.e., The Work Number)</td> </tr> <tr> <td>Fannie approved 3rd party vendor (i.e., The Work Number)</td> <td>W-2 transcript(s)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Commission/Bonus Income: <ul style="list-style-type: none"> o Follow requirements above for salaried borrowers, and o Commission/Bonus income must be documented for the most recent 2 (two) years with a year-to-date paystub and W-2s | Income Documentation Source | Allowable Secondary Verification | Paystub and W-2(s) | W-2 transcript(s) or Fannie approved 3 rd party vendor (i.e., The Work Number) | Fannie approved 3 rd party vendor (i.e., The Work Number) | W-2 transcript(s) |
| Income Documentation Source | Allowable Secondary Verification | | | | | | |
| Paystub and W-2(s) | W-2 transcript(s) or Fannie approved 3 rd party vendor (i.e., The Work Number) | | | | | | |
| Fannie approved 3 rd party vendor (i.e., The Work Number) | W-2 transcript(s) | | | | | | |
| <p>Retirement Income (Pension, Annuity, 401(k), IRA Distributions)</p> | <ul style="list-style-type: none"> • Existing distribution of assets from an IRA, 401(k) or similar retirement asset must be sufficient to continue for a minimum of three (3) years • If any retirement income will cease within the first three (3) years of the loan, the income may not be used | | | | | | |
| <p>Trust income</p> | <ul style="list-style-type: none"> • Income from trusts may be used if guaranteed and regular payments will continue for at least three (3) years • Regular receipt of trust income for the past twelve (12) months must be documented • Copy of trust agreement or trustee statement showing: <ul style="list-style-type: none"> o Total amount of borrower designated trust funds o Terms of payment o Duration of trust o Evidence the trust is irrevocable • If trust fund assets are being used for down payment or closing costs, the loan file must contain adequate documentation to indicate the withdrawal of the assets will not negatively affect income | | | | | | |

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| <p>Restricted Stock and Stock Options</p> | <ul style="list-style-type: none"> • May only be used as qualifying income if the income has been consistently received for two (2) years and is identified on the paystubs, W-2s and tax returns as income and the vesting schedule indicates the income will continue for a minimum of two (2) years at a similar level as prior two (2) years • A two (2) year average of prior income received from RSUs or stock options should be used to calculate the income, with the continuance based on the vesting schedule using a stock price based on the lower of the current stock price or the 52-week average for the most recent twelve (12) months reporting at the time of application. The income used for qualifying must be supported by future vesting based on the stock price used for qualifying and vesting schedule. • Additional awards must be similar to the qualifying income and awarded on a consistent basis • There must be no indication the borrower will not continue to receive future awards consistent with historical awards received • Borrower must be currently employed by the employer issuing the RSUs/stock options for the RSUs/stock options to be considered in qualifying income • Stock must be a publicly traded stock • Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify • Incentive sign on income and future RSU's are limited to 50% of total qualifying income. Income calculation results may be reduced to meet the 50% restriction • RSU income must be entered into DU as bonus income |
| <p>Projected Income</p> | <p>Paystub (once borrower has started with new employer) must be provided prior to purchase of the loan by Community Loan Servicing</p> |
| <p>Asset Depletion</p> | <ul style="list-style-type: none"> • Maximum 80% LTV/CLTV/HCLTV • Primary residence 1-2 units only and Second Homes are eligible • Primary residence 3-4 units are not eligible • Investment properties are not eligible • Purchase, Rate/Term and Cash-Out transactions are eligible • Eligible assets must be held in a US account • There are no age restrictions for the use of Asset Depletion as a source of qualifying income • Qualifying Asset Income = Net Eligible Assets divided by 240 • Asset Depletion may not be combined with employment related income to qualify (i.e., salaried income, self-employment income, etc.) for any Borrower that is an account holder of the assets used for Asset Depletion. If there is employment related income from a Borrower that is not a joint account holder of the account used for Asset Depletion, then this income may be eligible to be used for qualifying purposes • Pension, Social Security or other annuity type income streams may be used and combined with Asset Depletion income as long as the assets generating that income are not used in the Asset Depletion income calculations • Income from assets may not be double counted. For example, income derived from assets generating capital gains, interest income or note income from assets may not also be included in those assets in the Asset Depletion income calculation • Net Eligible Assets <ul style="list-style-type: none"> ◦ Minimum Net Eligible Assets: Borrowers must have at least \$1,000,000 of Net Eligible Assets ◦ Net Eligible Assets equals Total Eligible Assets as defined in the below table (after any haircuts required for retirement assets per the Asset Requirements section of this product matrix) minus: |

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|  | <p>About Us ©2022 Community Loan Servicing, NMLS #2469. This information is for lending institutions only, and not intended for use by individual consumers or borrowers. CLS programs are offered to qualified residential lending institutions and are not applicable to the general public or individual consumers. Equal Housing Lender.</p> | <p>Contact Us (855) 253-8439 www.lakeviewcorrespondent.com</p> |
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Non-Delegated Correspondent Bayview Jumbo Plus AUS

- Funds required to be paid by borrower for closing (i.e., down payment, closing costs)
- Gift and/or borrowed funds
- Reserves
- Any portion of assets pledged as collateral for a loan
- Cash Out proceeds are not allowed to be used in the Asset Depletion calculation and are not an Eligible Asset
- Business funds not permitted to be included in total asset amount
- Most recent two years of tax returns and corresponding tax transcripts are required
- Assets must meet the eligibility and documentation requirements outlined in the below table:

| Asset Type | Asset Eligibility Requirements | Documentation Requirements |
|--|---|--|
| Retirement Assets | <ul style="list-style-type: none"> • The retirement assets must be in a retirement account recognized by the Internal Revenue Service (IRS) (e.g., 401(k), IRA) • Borrower must be the sole owner • The asset must not currently be used as a source of income by the Borrower • As of the Note Date, the Borrower must have access to withdraw the funds in their entirety, less any portion pledged as collateral for a loan or otherwise encumbered, without being subject to a penalty or an additional early distribution tax • The Borrower's rights to the funds in the account must be fully vested | <ul style="list-style-type: none"> • Most recent retirement asset account statement • Documentation evidencing asset eligibility requirements are met • Most recent two years tax returns and corresponding tax transcripts |
| Lump-sum distribution funds not deposited to an eligible retirement asset | <ul style="list-style-type: none"> • If the lump-sum distribution funds have been deposited to an eligible retirement asset, follow the requirements for retirement assets described above, otherwise: <ul style="list-style-type: none"> ○ Lump-sum distribution funds must be derived from a retirement account recognized by the IRS (e.g., 401(k), IRA) and must be deposited to a depository or non-retirement securities account ○ A Borrower must have been the recipient of the lump-sum distribution funds ○ Parties not obligated on the Mortgage may not have an ownership interest in the account that holds the funds from the lump-sum distribution ○ The proceeds from the lump-sum distribution must be immediately accessible in their entirety ○ The proceeds from the lump-sum distribution must not have been or currently be subject to a penalty or early distribution tax | <ul style="list-style-type: none"> • Employer distribution letter(s) and/or check-stub(s) evidencing receipt and type of lump-sum distribution funds; IRS 1099-R (if it has been received) • Satisfactorily documented evidence of the following: <ul style="list-style-type: none"> ○ Funds verified in the non-retirement account and used for qualification must have been derived from eligible retirement assets ○ Lump-sum distribution funds must not have been or currently be subject to a penalty or early distribution tax • Most recent two years tax returns and corresponding tax transcripts |
| Depository accounts and Securities | <ul style="list-style-type: none"> • The Borrower must solely own assets or, if asset is owned jointly, each asset owner must be a Borrower on the Mortgage and /or on the title to the subject property • As of the Note Date, the Borrower must have access to withdraw the funds in their entirety, less any portion pledged as collateral for a loan or otherwise encumbered, without being subject to a penalty • Account funds must be located in a United States- or State-regulated financial institution and verified in U.S. dollars | <ul style="list-style-type: none"> • Provide account statement(s) covering a two-month period • For securities only, if the Borrower does not receive a stock/security account statement <ul style="list-style-type: none"> ○ Provide evidence the security is owned by the Borrower, and ○ Verify value using stock prices from a financial publication or web site • Documentation evidencing asset eligibility requirements are met • Sourcing deposits: <ul style="list-style-type: none"> ○ The Seller must document the source of funds for any deposit exceeding 10% of the Borrower's total eligible assets in depository accounts and securities, and verify the deposit does not include gifts or borrowed funds, or reduce the eligible assets used to |



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| | | | <p>qualify the Borrower by the amount of the deposit</p> <ul style="list-style-type: none"> o When the source of funds can be clearly identified from the deposit information on the account statement (e.g., direct payroll deposits) or other documented income or asset source in the Mortgage file, the Seller is not required to obtain additional documentation <ul style="list-style-type: none"> • Most recent two years tax returns and corresponding tax transcripts | |
| | <p>Assets from the sale of the Borrower's business</p> | <ul style="list-style-type: none"> • The Borrower(s) must be the sole owner(s) of the proceeds from the sale of the business that were deposited to the depository or non-retirement securities account • Parties not obligated on the Mortgage may not have an ownership interest in the account that holds the proceeds from the sale of the Borrower's business • The proceeds from the sale of the business must be immediately accessible in their entirety • The sale of the business must not have resulted in the following: retention of business assets, existing secured or unsecured debt, ownership interest or seller-held notes to buyer of business | <ul style="list-style-type: none"> • Most recent three months' depository or securities account statements • Fully executed closing documents evidencing final sale of business to include sales price and net proceeds • Contract for sale of business • Most recent business tax return prior to sale of business • Satisfactorily documented evidence of the following: <ul style="list-style-type: none"> o Funds verified in the non-retirement account and used for qualification must have been derived from the sale of the Borrower's business • Most recent two years tax returns and corresponding tax transcripts | |

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| <p>Self-Employment</p> | <p>Self-Employed borrowers are defined as having 25% or greater ownership</p> <ul style="list-style-type: none"> • Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable • In order to use self-employment income for qualifying purposes, the underwriter must consider the economic impacts to the business and determine the stability of income • Aggregate secondary and separate sources of self-employment losses reporting on 1040 tax transcripts greater than 5% of borrower's total qualifying income must be deducted from qualifying income. Additional self-employment documentation is not required <ul style="list-style-type: none"> ▪ K-1 losses where borrower owns less than 25% must be deducted from qualifying income when the aggregate loss is greater than 5% of borrowers total qualifying income ▪ Passive losses shown on K-1s, such as publicly traded companies or where ownership is under 5%, can be excluded from income on a case-by-case basis. Any passive K-1 losses excluded will not count toward the aggregate secondary and separate sources of self-employment losses and the 5% threshold for deducting the loss from income <p><u>Documentation Requirements</u></p> <p>The requirements below apply for Self-Employed Borrowers with Self-Employment income used for qualifying:</p> <ul style="list-style-type: none"> • Follow the requirements per the DU findings and the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 except as detailed below: <ul style="list-style-type: none"> o If DU returns a recommendation for one (1) year of tax returns, the most recent year's tax return must be provided. IRS extensions are not permitted |
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| | <ul style="list-style-type: none"> ▪ If borrower has filed an extension, the most recent prior two (2) years tax returns are required • YTD profit and loss statement (audited or unaudited) is required up to and including the most recent month preceding the loan application date and must not be more than 90 days aged prior to the Note date <ul style="list-style-type: none"> ○ Unaudited P&L <ul style="list-style-type: none"> ▪ An unaudited year-to-date profit and loss statement <u>signed by the borrower</u> reporting business revenue, expenses, and net income; OR ○ Audited P&L <ul style="list-style-type: none"> ▪ An audited year-to-date profit and loss statement reporting business revenue, expenses, and net income ○ If the borrower has filed an extension for the current tax year, the year-to-date profit and loss statement must be provided to cover the full year <p>If the year-to-date business income is less than the historically calculated income derived from the tax returns, the borrower may qualify by reducing the historical income to no more than the current level of stable monthly income using details from the year-to-date profit and loss statement</p> |
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Assets/Reserves

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| <p>Asset Requirements</p> | <ul style="list-style-type: none"> • Beyond the minimum reserve requirements and to fully document the borrower’s ability to meet their obligations, borrowers should disclose all liquid assets • Eligible assets must be held in a US account • Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs • Lender is responsible for verifying large deposits did not result in any new undisclosed debt • Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets • Follow the DU and the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 except as detailed below • A written VOD as a stand-alone document is not acceptable <ul style="list-style-type: none"> ○ A system generated automated VOD may be used as a stand-alone documentation if provided by a verifiable institutional bank • Stocks, bonds and mutual funds do not require documentation of liquidation or of the borrower’s actual receipt of funds when used for down payment or closing costs • Gift Funds <ul style="list-style-type: none"> ○ Gift funds may be used once borrower has contributed 5% of their own funds ○ Not permitted for reserves ○ LTVs greater than 80% - gift funds not permitted • Business Funds <ul style="list-style-type: none"> ○ Not permitted for reserves ○ Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. Business bank statements must be no older than the latest three months represented on the year-to-date profit and loss statement ○ Business bank statements must not reflect any NSF’s (non- sufficient funds) or overdrafts ○ If borrower(s) ownership in the business is less than 100%, the following requirements must be met: <ul style="list-style-type: none"> ▪ Borrower(s) must have majority ownership of 51% or greater ▪ The other owners of the business must provide an access letter to the business funds |
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| | <ul style="list-style-type: none"> ▪ Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s) • Retirement Accounts <ul style="list-style-type: none"> ○ Eligibility Percentage to meet reserve requirements <ul style="list-style-type: none"> ▪ If borrower is $\geq 59 \frac{1}{2}$, then 70% of the vested value after the reduction of any outstanding loans ▪ If borrower is $< 59 \frac{1}{2}$, then 60% of the vested value after the reduction of any outstanding loans ○ Refer to Fannie Mae Single Family Selling Guide for liquidation of funds requirements • Virtual Currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to Fannie Mae Selling Guide for additional details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-------------|--|-----------|-------------|-------------|--------------------------|--|---|-------------------------------------|---|-------------------------------------|---|-------------------------|---|-------------------------|---|--------------------|--------------------|---|-------------------------|----|-------------------------|----|----------------------------|--------------------|---|---------------------------|----|-----------------------------|--------------------|---|---------------------------|---|---------------------|--|--|---|---|--|-----------------------|--|--|
| <p>Reserves</p> | <table border="1"> <thead> <tr> <th colspan="3" style="background-color: #92d050;">Reserve Requirements (# of Months of PITIA)</th> </tr> <tr> <th style="background-color: #92d050;">Occupancy</th> <th style="background-color: #92d050;">Loan Amount</th> <th style="background-color: #92d050;"># of Months</th> </tr> </thead> <tbody> <tr> <td rowspan="5" style="text-align: center;">Primary Residence</td> <td>$\leq \\$1,000,000$ and FICO ≥ 700 and LTV $\leq 80\%$</td> <td style="text-align: center;">3</td> </tr> <tr> <td>$\leq \\$1,000,000$ and FICO < 700</td> <td style="text-align: center;">6</td> </tr> <tr> <td>$\leq \\$1,000,000$ and LTV $> 80\%$</td> <td style="text-align: center;">6</td> </tr> <tr> <td>\$1,000,001-\$1,500,000</td> <td style="text-align: center;">6</td> </tr> <tr> <td>\$1,500,001-\$2,000,000</td> <td style="text-align: center;">9</td> </tr> <tr> <td rowspan="3" style="text-align: center;">Second Home</td> <td>$\leq \\$1,000,000$</td> <td style="text-align: center;">6</td> </tr> <tr> <td>\$1,000,001-\$1,500,000</td> <td style="text-align: center;">12</td> </tr> <tr> <td>\$1,500,001-\$2,000,000</td> <td style="text-align: center;">15</td> </tr> <tr> <td rowspan="2" style="text-align: center;">Investment Property</td> <td>$\leq \\$1,000,000$</td> <td style="text-align: center;">6</td> </tr> <tr> <td>\$1,000,001 - \$1,500,000</td> <td style="text-align: center;">12</td> </tr> <tr> <td rowspan="2" style="text-align: center;">First-Time Homebuyer</td> <td>$\leq \\$1,000,000$</td> <td style="text-align: center;">6</td> </tr> <tr> <td>\$1,000,001 - \$1,500,000</td> <td style="text-align: center;">9</td> </tr> <tr> <td style="text-align: center;">DTI > 45%</td> <td colspan="2">Minimum six (6) months reserves required</td> </tr> <tr> <td style="text-align: center;">Additional 1-4 Unit Financed REO</td> <td colspan="2">Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO If eligible to be excluded from the count of multiple financed properties, reserves are not required</td> </tr> <tr> <td style="text-align: center;">Borrowed Funds</td> <td colspan="2">Borrowed funds (secured or unsecured) are not allowed for reserves</td> </tr> </tbody> </table> | Reserve Requirements (# of Months of PITIA) | | | Occupancy | Loan Amount | # of Months | Primary Residence | $\leq \$1,000,000$ and FICO ≥ 700 and LTV $\leq 80\%$ | 3 | $\leq \$1,000,000$ and FICO < 700 | 6 | $\leq \$1,000,000$ and LTV $> 80\%$ | 6 | \$1,000,001-\$1,500,000 | 6 | \$1,500,001-\$2,000,000 | 9 | Second Home | $\leq \$1,000,000$ | 6 | \$1,000,001-\$1,500,000 | 12 | \$1,500,001-\$2,000,000 | 15 | Investment Property | $\leq \$1,000,000$ | 6 | \$1,000,001 - \$1,500,000 | 12 | First-Time Homebuyer | $\leq \$1,000,000$ | 6 | \$1,000,001 - \$1,500,000 | 9 | DTI > 45% | Minimum six (6) months reserves required | | Additional 1-4 Unit Financed REO | Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO If eligible to be excluded from the count of multiple financed properties, reserves are not required | | Borrowed Funds | Borrowed funds (secured or unsecured) are not allowed for reserves | |
| | Reserve Requirements (# of Months of PITIA) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Occupancy | Loan Amount | # of Months | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Primary Residence | $\leq \$1,000,000$ and FICO ≥ 700 and LTV $\leq 80\%$ | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\leq \$1,000,000$ and FICO < 700 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | $\leq \$1,000,000$ and LTV $> 80\%$ | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$1,000,001-\$1,500,000 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$1,500,001-\$2,000,000 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Second Home | $\leq \$1,000,000$ | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$1,000,001-\$1,500,000 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$1,500,001-\$2,000,000 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Investment Property | $\leq \$1,000,000$ | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$1,000,001 - \$1,500,000 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| First-Time Homebuyer | $\leq \$1,000,000$ | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | \$1,000,001 - \$1,500,000 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DTI > 45% | Minimum six (6) months reserves required | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Additional 1-4 Unit Financed REO | Additional six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO If eligible to be excluded from the count of multiple financed properties, reserves are not required | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Borrowed Funds | Borrowed funds (secured or unsecured) are not allowed for reserves | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subordinate Financing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Subordinate Financing</p> | <ul style="list-style-type: none"> • Allowed up to maximum CLTV per matrix. Secondary financing term must conform to Fannie Mae Single Family Selling Guide requirements • If subject property has a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed • Shared equity finance agreements are an ineligible source of subordinate financing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Down Payment/Closing Cost Assistance</p> | <p>Down payment and closing cost assistance subordinate financing is not permitted</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Property/Appraisal | |
|-------------------------------------|--|
| Eligible Property Types | <ul style="list-style-type: none"> • 1-4 Unit Owner Occupied Properties • 1 Unit Second Homes • 1-4 Unit Investment Properties • Condominiums – Must be Fannie Mae warrantable and meet Fannie Mae Single Family Selling Guide requirements and project standards <ul style="list-style-type: none"> ◦ Florida New Construction – full review or PERS permitted • Condominiums – Non-Warrantable (see Non-Warrantable Condominiums section below) <ul style="list-style-type: none"> ◦ Must meet Fannie Mae Single Family Selling Guide requirements and project standards • Modular homes • Planned Unit Developments (PUDs) • Leaseholds • Properties with ≤40 Acres <ul style="list-style-type: none"> ◦ Properties >10 acres ≤40 acres must meet the following: <ul style="list-style-type: none"> ▪ Maximum land value 35% ▪ No income producing attributes ▪ Transaction must be 5% below maximum LTV/CLTV/HCLTV as allowed on Bayview Jumbo Plus AUS for transactions over twenty (20) acres. For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 75% • Properties Subject to Existing Oil/Gas Leases must meet the following: <ul style="list-style-type: none"> ◦ Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease ◦ No active drilling; Appraiser to comment or current survey to show no active drilling ◦ No lease recorded after the home construction date; Re-recording of a lease after the home was constructed is permitted ◦ Must be connected to public water <p>NOTE: Properties that fall outside these parameters can be considered on a single loan variance basis</p> |
| Non-Warrantable Condominiums | <p>Only one (1) non-warrantable feature is allowed and LTV/CLTV must be 10% below product/program maximum up to a maximum of 70% LTV/CLTV. For example, if borrower qualifies for a loan at 70% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 60%</p> <ul style="list-style-type: none"> • Commercial Space <ul style="list-style-type: none"> ◦ Includes space above and below grade ◦ Must be compatible with the residential use of the project; for example, restaurants, small shops, business offices, small market/grocery store that complements the neighborhood ◦ Maximum 50% commercial space allowed • Maximum Ownership by one (1) entity is 25% for projects with more than ten (10) units <ul style="list-style-type: none"> ◦ Units owned by the developer, sponsor, or succeeding developer that are vacant and being actively marketed for sale are not included in the calculation ◦ Units currently leased must be included in the calculation ◦ For projects with ten (10) units or less, Fannie Mae guidelines apply for the number of units owned by one (1) entity and would not be considered non-warrantable • Presale <ul style="list-style-type: none"> ◦ New projects or converted projects (as defined by Fannie Mae Single Family Selling Guide) must have at least 30% of the units sold or under contract to owner occupants or second |



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| | <p>home purchasers for the subject phase</p> <ul style="list-style-type: none"> o Common areas/amenities must be complete for the subject phase <ul style="list-style-type: none"> • Budget – for projects with line item for replacement reserves of less than 10% <ul style="list-style-type: none"> o Less than 10% but greater than 7% replaced reserves allowed if current reserve balance exceeds 10% of operating expenses o Less than 7% replacement reserves allowed if current reserve balance exceeds 20% operating expenses o Project balance sheet must be provided and within 120 days of the Note date <p>The subject legal phase and any other prior legal phases in which units have been offered for sale are substantially complete (common elements complete and units complete subject to selection of buyer upgrades/preference items)</p> <ul style="list-style-type: none"> o Primary residence and second home only o All other Fannie Mae Single Family Selling Guide condo requirements met o Loan must be locked as a non-warrantable condominium with applicable pricing adjustments applied <p>Loans outside of these parameters with strong compensating factors may be considered on a single loan variance basis</p> <p>Condotel Projects – LTV/CLTV must be 10% below product/program maximum up to a maximum of 70% LTV/CLTV. For example, if borrower qualifies for a loan at 70% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 60%</p> <ul style="list-style-type: none"> • Rental income may not be used for qualifying • If subject unit appears on Schedule E of the borrower’s tax returns, there must be a minimum of thirty (30) days the unit is used for personal use • No fractional ownership allowed in the project • Subject unit must not be subject to a mandatory rental pool; it must be for the borrower’s exclusive use and enjoyment • Project must have no more than 50% investor concentration • Commercial space is limited to 50% <ul style="list-style-type: none"> o Commercial space does not need to include square footage from parking garage • Minimum square footage of 500 square feet and unit must have a fully functioning kitchen • Housekeeping, front desk, card key access and daily rentals allowed • Property must be in a resort area or metropolitan area with a project associated with luxury high-end hotel brands • Primary residence and second home only • Appraisal must include similar Condotel comps <p>All other Fannie Mae condominium requirements met</p> <p>Loan must be locked as a Condotel with applicable pricing applied</p> |
| <p>Ineligible Property Types</p> | <ul style="list-style-type: none"> • 2-4 unit second home properties • Manufactured Homes/Mobile Homes • Mixed-Use Properties • Model Home Leasebacks • Properties with condition rating of C5/C6 • Properties with quality rating of Q6 |

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| | <ul style="list-style-type: none"> • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained • Properties >40 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards • Cooperatives |
| <p>Declining Markets</p> | <ul style="list-style-type: none"> • LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum 75% LTV/CLTV/HCLTV <p><i>As an example:</i></p> <p><i>If the eligibility grid indicates a maximum of 89.99% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 75%</i></p> <p>OR</p> <ul style="list-style-type: none"> • <i>If the eligibility grid indicates a maximum of 80% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</i> |
| <p>Appraisal Requirements</p> | <ul style="list-style-type: none"> • Full appraisal is required regardless of the DU Findings <ul style="list-style-type: none"> ◦ Property inspection waivers are not permitted • Transferred appraisals are not allowed • The subject property must be appraised within 90 days prior to the Note date • Collateral Underwriter (CU) with a score of 2.5 or less is allowed in lieu of a CDA <ul style="list-style-type: none"> ◦ Maximum LTV 80% ◦ Maximum Loan amount \$1,500,000 ◦ Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets. See Declining Market section for additional requirements • Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from the Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date • Collateral Desktop Analysis (CDA) ordered from Clear Capital is required to support the value of the appraisal. The Seller is responsible for ordering the CDA. See above for the allowance of CU score in lieu of CDA <ul style="list-style-type: none"> ◦ If the CDA returns a value that is “Indeterminate” or if the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met: <ul style="list-style-type: none"> • A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of Three Reports is required. The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital • A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal ◦ If two (2) full appraisals are provided, a CDA is not required |

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| Appraisal Requirements Based on Loan Amount: | |
|--|------------------------|
| First Lien Amount | Appraisal Requirements |
| Purchase Transactions | |
| ≤ \$2,000,000 | 1 Full Appraisal |
| > \$2,000,000 | 2 Full Appraisals |
| Refinance Transactions | |
| ≤ \$1,500,000 | 1 Full Appraisal |
| > \$1,500,000 | 2 Full Appraisals |

- When two (2) appraisals are required, the following applies:
 - Appraisals must be completed by two (2) independent companies
 - The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion
 - Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled
 - If the two (2) appraisals are done “subject to” and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon
- If the date of the appraisal report is more than 120 days from the date of the Mortgage Note, the original appraiser must provide an update to the appraisal based on his or her exterior inspection of the Mortgaged Property and knowledge of current market conditions and in accordance with Fannie Mae Single Family Selling Guide age of document requirements
- Higher Priced Mortgage Loans (HPML)
 - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt.
 - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 20%, then a second full appraisal is required. Bank owned properties are not exempt
 - If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals

**Construction to
Permanent Financing**

- The borrower must hold title to the lot which may have been previously acquired or purchased as part of the transaction
- LTV/CLTV/HCLTV is determined based on the length of time the borrower has owned the lot. The time frame is defined as the date the lot was purchased to the Note date of the subject transaction
 - For lots owned twelve (12) months or more, the appraised value can be used to calculate the LTV/CLTV/HCLTV
 - For lots owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the current appraised value of the property or the total acquisition costs (documented construction costs plus documented purchase price of lot)



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| <p>Disaster Area Requirements</p> | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Special Products Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ◦ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ◦ Areas where FEMA has not made a disaster declaration, but Bayview or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster |
| <p>Escrow Holdbacks</p> | <p>Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase</p> |
| <p>Special Restrictions</p> | |
| <p>Multiple Financed Properties</p> | <ul style="list-style-type: none"> • Maximum number of financed properties – follow Fannie Mae Single Family Selling Guide requirements • All financed 1-4 unit residential properties require an additional six (6) months reserves for each property, unless the exclusions below apply • 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage • Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation |
| <p>Geographic Restrictions</p> | <ul style="list-style-type: none"> • The following states are not eligible: NY • Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted |

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| Version Control | | | |
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| Author | Section | Date | Update |
| AS | ALL | 05.16.22 | <ul style="list-style-type: none"> Matrix created |
| AS | Restricted Stock and Stock Options | 05.20.22 | Added <ul style="list-style-type: none"> Incentive sign on income and future RSU's are limited to 50% of total qualifying income. Income calculation results may be reduced to meet the 50% restriction |
| AS | Asset Requirements | 05.20.22 | Added <ul style="list-style-type: none"> Virtual Currency is an ineligible asset type. Virtual currency must be exchanged into U.S. dollars to be acceptable for use as down payment, closing costs or reserves. Refer to Fannie Mae Selling Guide for additional details |
| AS | Subordinate Financing | 05.20.22 | Added <ul style="list-style-type: none"> Shared equity finance agreements are an ineligible source of subordinate financing |
| AS | Forbearance | 06.03.22 | Added: <u>For borrowers who have entered into forbearance on any loan (including but not limited to the subject mortgage) between 01.01.2020 and 06.01.2022, the below listed criteria is to be used to determine eligibility. All other loans must follow the forbearance waiting period as required in the Significant Derogatory Credit section above.</u> |
| AS | Asset Requirements | 07.01.22 | Removed <ul style="list-style-type: none"> Retirement Accounts <ul style="list-style-type: none"> In cases where the account holder is not of retirement age and funds are being used for down payment or closing costs, evidence of liquidation of retirement funds is required |
| AS | Credit Requirements | 07.01.22 | Added <ul style="list-style-type: none"> Rapid credit rescoring are permitted. A rapid rescore is a process that can quickly update a borrower's credit score by submitting proof of positive account changes to the three major credit repositories since the last reporting deadline in order to reflect the current credit status. |
| AS | General Documentation Requirements | 07.01.22 | Added <ul style="list-style-type: none"> Social Security Income: Secondary validation is required when the income is documented via either an Award Letter or a 1099. Acceptable validation can be in the form of tax transcripts/1099 transcripts or a bank statement showing evidence of the SSI deposit and dated within 30 days of the application date. |
| DH | First-Time Homebuyer | 07.15.22 | Added <ul style="list-style-type: none"> First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, First-Time Homebuyer requirements do not apply Verification of rental history is not required |
| DH | Eligibility Grid | 11.04.22 | Added Declining Market footnote |
| DH | Declining Market | 11.04.22 | Added Declining Market Section <ul style="list-style-type: none"> LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum of 75% LTV/CLTV/HCLTV <p><i>As an example:</i> If the eligibility grid indicates a maximum of 89.99% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 75% OR If the eligibility grid indicates a maximum of 80% LTV/CLTV/HCLTV for the subject transaction and the appraisal indicates a declining market, then the maximum LTV/CLTV/HCLTV should be reduced to 70%</p> |
| DH | Appraisal Requirements | 11.04.22 | Removed Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged Added <ul style="list-style-type: none"> Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date The subject property must be appraised within 90 days prior to the Note date Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets |



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Appendix A - Summary of Program Overlays to Fannie Mae Guidelines

Below is a summary of the Bayview Jumbo Plus AUS program overlays to Fannie Mae guidelines. Please refer to the Jumbo Plus AUS product matrix for complete details and requirements on the below topics as well as for LTV, FICO and loan amount requirements. This summary is intended for reference only. In the event of any conflict with this document, the product matrix and Special Products Seller Guide will govern.

- **Ineligible Product Types**
 - High Cost Loans (Federal, State or Local)
 - Non-Standard to Standard Refinance Transactions (ATR Exempt)
 - Balloons
 - Graduated Payments
 - Interest Only Products
 - Temporary Buydowns
 - Loans with Prepayment Penalties
 - Adjustable Rate Terms
 - Single Close Construction to Permanent Transactions
- **Borrower Eligibility**
 - First Time Homebuyer:
 - Maximum loan amount of \$1,500,000
 - Not permitted on investment properties
 - Permanent and Non-Permanent Resident Aliens must be employed in the U.S. for the past 24 months
 - Non-Permanent Resident Aliens
 - Primary residence only
 - Non-Occupant Co-Borrower must be a related family member of the borrower(s)
 - All borrowers must have a valid Social Security Number
- **LTV/CLTV/HCLTV Calculation for Refinance Transactions**
 - If subject property is owned more than twelve (12) months, the LTV/CLTV/HCLTV is based on the current appraised value. The twelve (12) month time frame may be based on subject transaction Note date
 - If subject property is owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the original purchase price plus documented improvements made after the purchase of the property, or the appraised value. Documented improvements must be supported with receipts. The twelve (12) month time frame may be based on subject transaction Note date
- **Continuity of Obligation**
 - On a refinance transaction, there must be a continuity of obligation of the outstanding lien that will be paid through the refinance transaction. See Continuity of Obligation section for full requirements
- **Credit Requirements**
 - Non-traditional credit not permitted
 - All borrowers must have a minimum of two (2) credit scores
 - Manual underwrite is not permitted



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- **Mortgage History:**
 - No more than 1x30 in the last twelve (12) months or 2x30 in the last twenty-four (24) months
 - Mortgage lates must not be within the most recent three (3) months of the subject transaction
 - 0x60 and 0x90 required in the most recent twenty-four (24) months
 - A satisfactory explanation letter from the borrower(s) must be provided for any mortgage lates within the most recent twenty-four (24) months

- **Significant Derogatory Credit:** Single loan variances for credit events will be considered on a case-by-case basis between two (2) and four (4) years with extenuating circumstances and must be approved by Bayview

- **Forbearance**
 - Any loans (including but not limited to the subject mortgage) where a mortgage reflects reduced or missed payments under a forbearance and borrower has accepted a payment deferral, initiated a repayment plan or has reinstated the mortgage to return to a current status must meet the requirements below:
 - Cash-out Refinance:
 - Twelve (12) consecutive months of required payments since completed forbearance plan

- **DTI:**
 - Up to 49.99%
 - DTI > 45% requires the following:
 - Maximum 80% LTV, and
 - Minimum 700 FICO, and
 - Minimum six (6) months reserves

- **Employment/Income**
 - General Requirements: Tax transcripts for personal tax returns are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. The number of years of transcripts required will be based on the DU findings
 - Salaried Borrowers: Secondary verification of the income documentation is required via W-2 transcripts or via Fannie Mae approved third party vendors (i.e., The Work Number) with separation of income types (base, bonus, OT, etc.). The number of years provided will be based on the DU findings
 - Manual verification of employment, even if through a 3rd party are not permitted
 - Tax transcripts must be obtained directly from the IRS via a third party except as indicated below:
 - In the instance where there is an indication of possible identity theft or fraud and the transcript request has been rejected by the IRS with a Code 10 indicating that "Due to limitations, the IRS is unable to process this request", online borrower obtained tax transcripts are permitted to validate income used for qualifying purposes. Evidence of the IRS transcript request rejection is required. Borrower obtained transcripts are not permitted due to IRS rejection because of missing, incomplete or altered information on the Form 4506-C (Codes 1-9)
 - The IRS transcripts and the supporting income documentation must be consistent
 - If Fannie Mae approved third party vendor (i.e., The Work Number) is the source used to verify income, then W-2 transcripts are also required as the secondary verification of the income
 - Commission/Bonus: Income must be documented for the most recent 2 (two) years with a year-to-date paystub and W-2s
 - Projected Income: Paystub (once borrower has started with new employer) must be provided prior to purchase of the loan by Community Loan Servicing
 - Asset Depletion:
 - Maximum 80% LTV/CLTV/HCLTV



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- Primary residence 1-2 units only and Second Homes are eligible
- Primary residence 3-4 units are not eligible
- Investment properties are not eligible
- Purchase, Rate/Term and Cash-Out transactions are eligible
- Eligible assets must be held in a US account
- There are no age restrictions for the use of Asset Depletion as a source of qualifying income
- Qualifying Asset Income = Net Eligible Assets divided by 240
- Asset Depletion may not be combined with employment related income to qualify (i.e., salaried income, self-employment income, etc.) for any Borrower that is an account holder of the assets used for Asset Depletion. If there is employment related income from a Borrower that is not a joint account holder of the account used for Asset Depletion, then this income may be eligible to be used for qualifying purposes
- Pension, Social Security or other annuity type income streams may be used and combined with Asset Depletion income as long as the assets generating that income are not used in the Asset Depletion income calculations
- Income from assets may not be double counted. For example, income derived from assets generating capital gains, interest income or note income from assets may not also be included in those assets in the Asset Depletion income calculation
- Net Eligible Assets
 - Minimum Net Eligible Assets: Borrowers must have at least \$1,000,000 of Net Eligible Assets
 - Net Eligible Assets equals Total Eligible Assets as defined in the below table (after any haircuts required for retirement assets per the Asset Requirements section of this product matrix) minus:
 - Funds required to be paid by borrower for closing (i.e., down payment, closing costs)
 - Gift and/or borrowed funds
 - Reserves
 - Any portion of assets pledged as collateral for a loan
 - Cash Out proceeds are not allowed to be used in the Asset Depletion calculation and are not an Eligible Asset
- Business funds not permitted to be included in total asset amount
- Most recent two years of tax returns and corresponding tax transcripts are required
- Trust Income
 - Income from trusts may be used if guaranteed and regular payments will continue for at least three (3) years
 - Regular receipt of trust income for the past twelve (12) months must be documented
 - Copy of trust agreement or trustee statement showing:
 - Total amount of borrower designated trust funds
 - Terms of payment
 - Duration of trust
 - Evidence the trust is irrevocable
 - If trust fund assets are being used for down payment or closing costs, the loan file must contain adequate documentation to indicate the withdrawal of the assets will not negatively affect income
- Projected Income
 - Paystub (once borrower has started with new employer) must be provided prior to purchase of the loan by Bayview
- Self-Employment:
 - Self-Employment income: Minimum 720 FICO when any Self-Employment income is required for qualifying purposes. If the Self-Employment income is not needed for qualifying purposes, then the 720 FICO minimum is not applicable
 - If DU returns a recommendation for one (1) year of tax returns, the most recent year's tax return must be provided and IRS extensions are not permitted
 - If borrower has filed an extension, the most recent prior two (2) years tax returns are required



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- If the borrower has filed an extension for the current tax year, the YTD profit and loss statement must be provided to cover the full year
- Aggregate secondary and separate sources of self-employment losses reporting on 1040 tax transcripts greater than 5% of borrowers total qualifying income must be deducted from qualifying income. Additional self-employment documentation is not required
 - K-1 losses where borrower owns less than 25% must be deducted from qualifying income when the aggregate loss is greater than 5% of borrowers total qualifying income
 - Passive losses shown on K-1s, such as publicly traded companies or where ownership is under 5%, can be excluded from income on a case-by-case basis. Any passive K-1 losses excluded will not count toward the aggregate secondary and separate sources of self-employment losses and the 5% threshold for deducting the loss from income
- YTD profit and loss statement (audited or unaudited) is required up to and including the most recent month preceding the loan application date and must not be more than 90 days aged prior to the Note date
 - Unaudited P&L
 - An unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and net income; **OR**
 - Audited P&L
 - An audited year-to-date profit and loss statement reporting business revenue, expenses, and net income
 - If the borrower has filed an extension for the current tax year, the year-to-date profit and loss statement must be provided to cover the full year
- If the year-to-date business income is less than the historically calculated income derived from the tax returns, the borrower may qualify by reducing the historical income to no more than the current level of stable monthly income using details from the year-to-date profit and loss statement
- **Assets**
 - A written VOD as a stand-alone document is not acceptable
 - Gift Funds
 - Gift funds may be used once borrower has contributed 5% of their own funds
 - Not permitted for reserves
 - LTVs greater than 80% - gift funds not permitted
 - Business Funds
 - Not permitted for reserves
 - Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. Business bank statements must be no older than the latest three months represented on the year-to-date profit and loss statement
 - Business bank statements must not reflect any NSF's (non- sufficient funds) or overdrafts
 - If borrower(s) ownership in the business is less than 100%, the following requirements must be met:
 - Borrower(s) must have majority ownership of 51% or greater
 - The other owners of the business must provide an access letter to the business funds
 - Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s)
 - Reserves – Refer to Reserve section of the product matrix for overlay reserve requirements
 - Retirement Accounts
 - Eligibility Percentage to meet reserve requirements
 - If borrower is $\geq 59 \frac{1}{2}$, then 70% of the vested value after the reduction of any outstanding loans
 - If borrower is $< 59 \frac{1}{2}$, then 60% of the vested value after the reduction of any outstanding loans
- **Subordinate Financing**
 - Down payment and closing cost assistance subordinate financing is not permitted



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- **Maximum Acreage**
 - Maximum ≤ 40 acres
 - Properties >10 acres ≤40 acres must meet the following:
 - Maximum land value 35%
 - No income producing attributes
 - Transaction must be 5% below maximum LTV/CLTV/HCLTV as allowed on Bayview Jumbo Plus AUS for transactions over twenty (20) acres. For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 75%
- **Ineligible Property Types**
 - Manufactured Homes/Mobile Homes
 - Mixed-Use Properties
 - Model Home Leasebacks
 - Properties with condition rating of C5/C6
 - Properties with quality rating of Q6
 - Unique properties
 - Cooperatives
- **Declining Markets**
 - LTV/CLTV/HCLTV must be 10% below product maximum per product matrix eligibility grid up to a maximum 75% LTV/CLTV/HCLTV
- **Appraisal Requirements**
 - Transferred appraisals are not permitted
 - Collateral Desktop Analysis (CDA) ordered from Clear Capital or CU score ≤ 2.5 is required to support the value of the appraisal.
 - Purchase > \$2M = 2 Full appraisals required
 - Refi >\$1.5 M = 2 Full appraisals required
 - Appraisal Update (Form 1004D) is not permitted for appraisals that are over 90 days aged from Note date. A new full appraisal is required for loans where the appraisal effective date is greater than 90 days from the Note date
 - The subject property must be appraised within 90 days prior to the Note date
 - Properties identified by appraiser as being in a declining market are not eligible to use the CU to meet appraisal review requirement. A CDA is required for properties in declining markets
- **Escrow Holdbacks** – Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase
- **Geographic Restrictions** –
 - The following states are not eligible: NY
 - Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted



About Us

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NON-DELEGATED FANNIE MAE CONFORMING & HIGH BALANCE PRODUCT MATRIX

This product matrix serves as a summary of the Fannie Mae Conforming and High Balance loan program in addition to Lakeview Loan Servicing overlays. Refer to the Fannie Mae Selling Guide for any information not specified in this product matrix.

Seller shall deliver loans that were originated in accordance with the Fannie Mae Single Family Selling Guide unless otherwise noted in this product matrix.



About Us

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Red indicates a change from previous matrix.
 Overlays to Fannie Mae guidelines are underlined and in italics

In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Conventional Programs

| | |
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| <p>Income and Employment Verification</p> | <ul style="list-style-type: none"> Effective with all loans closed on or after June 22, 2020, Lakeview will require, when self-employment is used to qualify, verification that the borrower’s business is open and operating must be confirmed within twenty (20) business days prior to the note date Self-employment income must be assessed and verified in accordance with Fannie Mae and Freddie Mac temporary COVID-19 guidance <p>** Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details</p> |
| <p>Continuity of Income</p> | <p>Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing</p> |
| <p>Forbearance</p> | <ul style="list-style-type: none"> Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| <p>Remote Online Notarization (RON)</p> | <p><u><i>Lakeview will not accept the use of remote online notarizations at this time</i></u></p> |

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| FANNIE MAE CONFORMING AND HIGH BALANCE | | | | | |
|--|---|------------------------|--------------------|------------------------|--------------------|
| Fixed Rate | | | | | |
| Occupancy | Purchase and Limited Cash-Out Refinance | | Cash-Out Refinance | | Credit Score |
| | Number of Units | Maximum LTV/CLTV/HCLTV | Number of Units | Maximum LTV/CLTV/HCLTV | |
| Owner Occupied | 1-unit | 97% ^{1, 2} | 1-unit | 80% | <i>Minimum 620</i> |
| | 2 units | 85% | 2-4 Units | 75% | |
| | 3-4 Units | 75% | | | |
| Second Home | 1-Unit | 90% | 1-unit | 75% | |
| Investment | 1-unit - Purchase | 85% | 1-unit | 75% | |
| | 2-4 units - Purchase | 75% | | | |
| | 1-4 Units - LCOR | 75% | 2-4 Units | 70% | |

¹Greater than 95% LTV/CLTV/HCLTV limited to conforming, fixed rate loan amounts only. Refer to 97% Eligibility Requirements Section for additional restrictions

²LCOR – maximum of 95% LTV if current loan being refinanced is not owned by Fannie Mae

| Loan Product | |
|--|--|
| Eligible Products/Terms | Conforming Loan Limits |
| | CBF150 Conforming 15YR Fixed (>\$150k) |
| | CBF151 Conforming 15YR Fixed (≤\$85k) |
| | CBF152 Conforming 15YR Fixed (>\$85k and ≤\$110k) |
| | CBF153 Conforming 15YR Fixed (>\$110k and ≤\$150k) |
| | CBF200 Conforming 20YR Fixed |
| | CBF300 Conforming 30YR Fixed (>\$150k) |
| | High Balance Loan Limits |
| CBF301 Conforming 30YR Fixed (≤\$85k) | |
| CBF302 Conforming 30YR Fixed (>\$85k and ≤\$110k) | |
| CBF303 Conforming 30YR Fixed (>\$110k and ≤\$150k) | |
| CBF309 Conforming 30YR Fixed | |
| Ineligible Products Types | <ul style="list-style-type: none"> • <u>HomeStyle Renovation / Energy Mortgages</u> • <u>Construction to Perm / One-Time Close Mortgages</u> • <u>Temporary Buydowns</u> • <u>Interest-Only Loan Programs</u> • <u>RefiNow</u> |
| Purpose | <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash-Out <ul style="list-style-type: none"> ◦ <u>FNMA Student Loan Cash-Out Refinances are not eligible for LLPA Relief</u> • <u>Transactions in the state of Texas subject to 50(a)(6) are not permitted</u> <ul style="list-style-type: none"> ◦ <u>Current 50(a)(6) loans may not be refinanced into a non-home equity loan</u> |


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**Non-Delegated
Fannie Mae Conforming & High Balance**



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| <p>Occupancy</p> | <ul style="list-style-type: none"> • Primary Residence 1-4 Units <ul style="list-style-type: none"> ◦ <u>Borrower(s) are limited to one primary residence transaction within the past 12 months</u> • Second Home 1 Unit only <ul style="list-style-type: none"> ◦ Permitted with no seasonal limitations on accessibility (must be suitable for year round use). Please refer to the Fannie Mae Selling Guide for a complete list of requirements. • Investment 1-4 Units |
| <p>95.01% - 97% LTV/CLTV/HCLTV Requirements</p> | <p>For First-Time Home Buyers and Limited Cash-Out Refinance</p> <ul style="list-style-type: none"> • DU findings for 1 Unit Primary Residence only (including Condos and PUDs) • Fixed Rate, 30YR term only • High Balance loans not permitted • Non-Occupant co-borrower not permitted • Reserves (if required by DU) may be gifted <p><u>Purchase Option for First-Time Home Buyers</u></p> <ul style="list-style-type: none"> • At least one borrower must be a first time homebuyer <ul style="list-style-type: none"> ◦ First time homebuyer definition – At least one borrower must not have owned any residential property in the last three years. In addition, an individual who is a displaced homemaker or single parent also will be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period. See Fannie Mae Selling Guide for additional information. • Standard MI coverage required (35%) • Homebuyer education class must be completed, by at least one borrower, when all borrowers are first time homebuyers • Post purchase delinquency counseling not required <p><u>Limited Cash-Out Transactions</u></p> <ul style="list-style-type: none"> • Existing loan being refinanced must be owned (or securitized) by Fannie Mae. Documentation may come from the lender’s servicing system, the current servicer (if the lender is not the servicer, or from the Fannie Mae Loan Lookup Tool or any other source as confirmed by the lender. • Lender must inform DU that Fannie Mae owns the existing mortgage by indicating “Fannie Mae” in the Owner of Existing Mortgage field on the online loan application. In the Desktop Originator© (DO©/DU) Interface, this field is located on the Additional Data screen in the Full 1003. Because this indication will be used by DU to determine eligibility of the loan for delivery to Fannie Mae when the LTV, CLTV, or HCLTV exceeds 95%, the lender will be required to document the loan being refinanced is currently owned by Fannie Mae • All other standard limited cash-out refinance policies apply |
| <p>Temporary Buydowns</p> | <p><u>Not permitted</u></p> |
| <p>Eligibility</p> | |
| <p>Borrower Eligibility</p> | <ul style="list-style-type: none"> • Acceptable Residency Statuses: <ul style="list-style-type: none"> ◦ U.S. Citizen(s) ◦ Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide |

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| | <ul style="list-style-type: none"> o <u>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u> o Inter Vivos Revocable Trusts permitted in accordance with Fannie Mae guidelines. File to contain clear evidence of compliance. o Loans to Limited Liability Corporations (LLCs) are not permitted o <u>Life Estates are not permitted</u> |
| Co-borrower/Co-signer | Permitted in accordance with Fannie Mae Selling Guide |
| Homebuyer Education | Greater than 95% LTV/CLTV/HCLTV: At least one borrower must complete homebuyer education when all borrowers are first-time homebuyers – refer to Fannie Mae Selling Guide |
| Non-Arm's Length Transactions | <ul style="list-style-type: none"> • <u>Acceptable for primary residences only. Relationship must be fully disclosed at the time of submission</u> • <u>Second home and investment properties are not permitted</u> • Fannie Mae will not purchase mortgage loans on newly constructed homes secured by a 2nd Home or Investment Property if the borrower has a relationship or business affiliation with the builder, developer, or seller of the property. |
| Credit | |
| AUS | <ul style="list-style-type: none"> • Desktop Underwriter with Approve/Eligible findings required • <u>Manual underwriting not permitted</u> • Credit is evaluated by DU |
| Credit Score | <u>Minimum 620</u> |
| Non-Traditional Credit | <u>Non-traditional credit is not acceptable</u> |
| Significant Derogatory Credit | Refer to Fannie Mae Selling Guide |
| DTI | <ul style="list-style-type: none"> • Evaluated and determined by DU • When the subject transaction is a second home or investment property or includes a non-occupant co-borrower, the DTI ratio must include the borrowers' principal residence housing expense (PITIA). If the borrower and/or the non-occupant co-borrower are renting, then all primary residence rental payments must be included in the housing expense portion of the DTI ratio. • The following is acceptable documentation to verify the borrowers' primary housing rental payment: <ul style="list-style-type: none"> o Six months <u>most recent</u> canceled checks or equivalent payment source*; o Six months <u>most recent</u> bank statements reflecting a clear and consistent payment to an organization or individual*; o Direct verification of rent from a management company <u>and two months most recent cancelled checks dated prior to application</u>; o Direct verification of rent from a landlord <u>and twelve months most recent cancelled checks dated prior to application</u>; or o A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) <u>dated prior to application</u> and supporting the rental payment amount. |

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| | <p>* See liabilities section of this product matrix for private party VOR payment history requirements. If rental or mortgage history documentation suggests a payment delinquency, additional documentation may be required to establish a satisfactory payment history in accordance with Fannie Mae Agency requirements.</p> |
| Liabilities | <ul style="list-style-type: none"> • <u>Private party VOM/VOR as a stand-alone document is not permitted, 12 months cancelled checks are required to document the payment history</u> • <u>Any credit inquiries within the previous 120-day period must contain a written explanation from the borrower to attest that the inquiry did not result in any additional debt not reported on the credit report.</u> |

Employment/Income

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| Employment/ Income Verification | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of the Desktop Underwriter (DU) findings and the Fannie Mae Selling Guide • For salaried employees, the verbal verification of employment (VVOE) must be completed within 10 business days prior to the Note date <ul style="list-style-type: none"> ◦ Fannie Mae approved third-party suppliers and distributors that generate employment and income verification “automated” reports are permitted for the purpose of verifying income and/or employment <ul style="list-style-type: none"> ▪ Because third-party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor’s database was no more than 35 days old as of the Note date ◦ <u>Request for Verification of Employment, Form 1005 (VOE) or a VOE/VOI completed manually/ researched through a third party is not permitted as stand-alone document</u> • For self-employed borrowers, the verbal verification of employment must be completed within 120 days prior to the note date • All sources of qualifying income must be legal in accordance with all applicable Federal, State and Local laws, rules and regulations, without conflict (i.e. marijuana related income of any source is not permitted) • <u>A 4506-C is required to be signed at time of application and at closing for all transactions</u> • <u>For future income, paystubs are required prior to closing</u> • <u>Mortgage Credit Certificates are not permitted</u> • Transcript Requirements: <ul style="list-style-type: none"> ◦ <u>W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and /or 1099 fixed income sources</u> ◦ <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> ▪ <u>When tax returns are used to qualify a borrower. The number of years provided must be based on the DU findings. Income verified via tax returns includes but is not limited to the examples listed below:</u> <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend/Interest, Capital Gains, Alimony, etc.)</u> ▪ <u>Employment by family members</u> ▪ <u>Handwritten paystubs/W2s</u> ▪ <u>When amended tax returns have been filed, tax transcripts are required and must support the amended income</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/income types):</u> |
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| | <ul style="list-style-type: none"> o <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted</u> o <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended returns must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of the borrower's overall income profile. The following documentation will be required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reason for re-filing</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> |
| <p>Variable Income</p> | <p><u>For variable income types, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline in variable income between the prior year(s) and/or YTD earnings that exceeds 10%, the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized.</u></p> |
| <p>Rental Income</p> | <ul style="list-style-type: none"> • Refer to Fannie Mae Selling Guide with the following restriction: <ul style="list-style-type: none"> o <u>When purchasing or refinancing a 2-4 unit primary residence or a 1-4 unit investment property, the borrower must currently own a primary residence in order to use rental income from the subject property for qualifying purposes</u> • <u>Delayed financing will be permitted only when the borrower meets the primary housing history requirements listed below:</u> <ul style="list-style-type: none"> o <u>Borrower(s) will need to represent primary ownership through mortgage history or property records/tax and HOI payments; or</u> o <u>Borrower(s) must demonstrate that they have handled a primary housing payment. This can be documented through 12 months cancelled checks or VOR from a property management company.</u> • Departure property converted to a rental property: <ul style="list-style-type: none"> o Must follow multiple financed property reserve guidelines (if financed) o 75% of gross rents from a signed lease agreement can be utilized as income |
| Assets/Reserves | |
| <p>Asset/Reserve Requirements</p> | <ul style="list-style-type: none"> • Asset documentation must comply with the requirements of DU findings and the Fannie Mae Selling Guide • Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets. • Large deposits must be evaluated on purchase transactions only and must be documented to be from an acceptable source <ul style="list-style-type: none"> o Defined as any single deposit that exceeds 50% of the total monthly qualifying income o When a single deposit consists of both verified and unverified portions, only the unverified portion is used in determining whether the deposit exceeds the 50% requirement |


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| | <ul style="list-style-type: none"> • <u><i>A written VOD as a stand-alone document is not acceptable</i></u> <ul style="list-style-type: none"> ◦ A system generated automated VOD may be used as a stand-alone documentation if provided by a verifiable institutional bank |
| Ineligible Asset Type | <ul style="list-style-type: none"> • Cash on hand • <u><i>Custodial accounts for minors</i></u> • <u><i>Pooled funds</i></u> • <u><i>Trade Equity</i></u> • <u><i>Cryptocurrency (i.e. bitcoin)</i></u> • Sweat Equity |
| Gifts | Refer to Fannie Mae Selling Guide |
| IPC – Interested Party Contributions | Refer to Fannie Mae Selling Guide |
| Down Payment Assistance | <ul style="list-style-type: none"> • <u><i>Down payment and closing cost assistance subordinate financing is not permitted</i></u> • Employer assistance is acceptable in accordance with the Fannie Mae Selling Guide |
| Borrower Contribution | Refer to Fannie Mae Selling Guide |
| Subordinate Financing | |
| New Subordinate Financing | Refer to Fannie Mae Selling Guide |
| Existing Subordinate Financing | Refer to Fannie Mae Selling Guide |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Unit (see FNMA Selling Guide, Sections B2-3-04 and B4-1.3-05 for specific requirements) • 2-4 Unit Detached • PUDs • Condominiums (must be Fannie Mae eligible) • Rural Properties (in accordance with Agency Guidelines, properties must be residential in nature) • Leaseholds (<u><i>cannot be secured by Indian/Tribal lands</i></u>) • Properties with eligible PACE obligations originated prior to July 6, 2010. Refer to the FNMA Selling Guide <ul style="list-style-type: none"> ◦ <u><i>Limited Cash-Out Refinance – not permitted due to manual UW</i></u> |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u><i>Manufactured homes</i></u> • Mobile Homes • <u><i>Cooperatives</i></u> • Condotels • Hotel Condominiums • Timeshares • <u><i>Geodesic Domes</i></u> • Working Farms and Ranches • Unimproved Land |

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| | <ul style="list-style-type: none"> Land trusts in those states where the beneficiary is an individual <u>Group Homes</u> <u>Community Land Trusts</u> Properties with PACE obligations originated on or after July 6, 2010 Properties encumbered with a private transfer fee are not permitted <ul style="list-style-type: none"> Review title for private transfer fee covenant. Loan is not eligible for purchase if property is subject to a private transfer fee. |
| Appraisal Requirements | <ul style="list-style-type: none"> Determined by DU Finding: <ul style="list-style-type: none"> Property Inspection Waiver (PIW) is permitted. Must comply with Fannie Mae Guidelines <u>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted</u> Re-certification of value, in accordance with Fannie Mae guidelines, is acceptable If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the Property State, but are missing and/or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing. <ul style="list-style-type: none"> For appraisals completed “subject to”, the completed work must be recertified by the appraiser with a final inspection or 1004D. For appraisals completed “as is”, a final inspection by the appraiser or an independent third party confirming completion of these items is required. <u>When the property is located on a community or privately owned and maintained street and a legally enforceable, recorded use and maintenance agreement is not in place, the loan may be considered by exception basis only. The following states do not require an exception as they currently define the responsibilities of property owners for maintenance and repair: CA, CO, CT, MN, MO, NM, OR, PA, RI, CT, and WA</u> <u>Lakeview will require successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</u> Seller to assign Lakeview as an aggregator in UCDP |
| Appraisal Reuse | The re-use of an appraisal is permitted in accordance with the Fannie Mae Selling Guide |
| Appraisal Transfers | Appraisal transfers are permitted in accordance with the Fannie Mae Selling Guide |
| Condos/PUDS | <ul style="list-style-type: none"> Must follow Fannie Mae published Condominium Eligibility Guidelines. See https://www.fanniemae.com/singlefamily/project-eligibility for more information Limited Review allowed in accordance with Fannie Mae Guidelines Limited Review for attached Condominium Units in Established Condominium Projects <u>PERS approval is not permitted</u> If the master policy for a condominium does not provide adequate coverage, an HO-6 policy with adequate coverage deemed by the insurer is required Follow the Conventional Condo Matrix for documentation requirements based on review type. |
| Disaster Policy | <ul style="list-style-type: none"> Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has |

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| | <p>determined that there may be an increased risk of loss due to a disaster;</p> <ul style="list-style-type: none"> o Areas where the Seller has reason to believe that a property might have been damaged in a disaster <p>• Lakeview representatives are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster.</p> |
| Escrow Holdbacks | <ul style="list-style-type: none"> • Follow Fannie Mae guidelines regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation. • Refer to the internal Escrow Holdback Process for a complete list of requirements and procedures <ul style="list-style-type: none"> o Repairs must be weather related and/or minor cosmetic only o Repairs must be completed within <u>120</u> days of the note date for existing construction and 180 days for new construction o Cost of repairs may not exceed <u>the lesser of</u> 10% of the appraised value or <u>\$5000</u> o 120% of the estimated repair amount or 100% of invoice amount will be held in an escrow account by the title company/closing agent o Escrow Holdback Agreement is required prior to docs but may be signed at closing • It is Seller's responsibility to forward final completion documents to Lakeview per Fannie Mae Guidelines |
| Deed Restricted Properties | Refer to Fannie Mae Selling Guide |
| Recently Listed Properties | <u><i>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</i></u> |
| Primary conversion | Refer to Fannie Mae Selling Guide <u><i>When rental income is being used to qualify, a fully executed lease agreement must be provided along with a copy of the security deposit from the tenant and the borrower's bank statement showing deposited. Property must not be listed for sale. Additionally, when the lease was executed through a non-arm's length transaction, documentation of 6 months history of receipt is required.</i></u> |
| Re-Negotiated Purchase Agreements | <ul style="list-style-type: none"> • <u><i>Purchase agreements renegotiated after the completion of the appraisal that increases the sales price are only acceptable under the following circumstances:</i></u> <ul style="list-style-type: none"> o <u><i>The sales price adjustment is due to price overruns that impact the tangible value of the property on new construction. An updated appraisal must be obtained to verify the value of the modifications</i></u> • <u><i>A renegotiation of only seller paid closing costs and/or prepaids occurs where seller paid closing costs/prepaids are common and customary for the market and supported by comparables</i></u> |
| Solar Panels/Power Purchase Agreement | Refer to FNMA Selling Guide sections B2-3-04, Special Property Eligibility Considerations and B4-1.3-05, Improvements Section of the Appraisal Report for complete list of requirements |

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| Geographic Restrictions | <ul style="list-style-type: none"> • <u>The following states are not eligible: New York</u> • <u>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted</u> |
| Special Restrictions | |
| High Cost | <u>Lakeview will not purchase High Cost Loans</u> |
| HPML | Refer to Fannie Mae Selling Guide |
| Multiple Financed Properties | <ul style="list-style-type: none"> • The loan must comply with Fannie Mae's limitations on the maximum number of financed properties, including ownership interest in financed properties. • Fannie Mae has imposed LTV/CLTV, minimum credit score, transaction type, reserves and other miscellaneous requirements that may not be assessed by DU. Refer to the Fannie Mae Selling Guide. • <u>Maximum exposure of two (2) Lakeview financed loans to any one borrower in a Condo or PUD development</u> |
| POA | <ul style="list-style-type: none"> • The use of a POA is not permitted on Cash-Out transactions • Please adhere to the Power of Attorney Lakeview Loan Servicing Seller Guide for all transactions including a POA • <u>Subject property must be the borrower's primary residence</u> • <u>Not permitted for borrowers on vacation or short term business trips</u> • <u>Attorney-in-fact cannot have any type of financial interest in the transaction or be involved in the transaction in any capacity including but not limited to the loan originator, affiliate of loan originator, affiliate of lender, employee of title insurance company, employee of title company, closing agent / attorney, broker or realtor</u> |
| Insurance | |
| Mortgage Insurance | <ul style="list-style-type: none"> • Standard Coverage Required • Fannie Mae approved MI providers only • Eligible MI subject to Fannie Mae guidelines <ul style="list-style-type: none"> ○ Split Premium MI ○ Financed MI ○ Lender paid single premium ○ Borrower paid single premium • <u>Reduced MI: Not permitted</u> |
| Title Insurance | <u>An attorney's title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans.</u> |
| Other Considerations | |
| Age of Documentation | <ul style="list-style-type: none"> • All credit documents must be dated within 120 days of the note date • Preliminary Title Policies must be no more than 180 days old on the date the note is signed |

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| <p>Principal Curtailment</p> | <ul style="list-style-type: none"> If the borrower receives more cash back than is permitted for a Limited Cash-Out <ul style="list-style-type: none"> Refinance, the lender can apply a curtailment to reduce the amount of cash back to the borrower to bring the loan into compliance with the maximum cash back requirement. Must be applied prior to delivery If, at the time of closing, curtailment must be clearly documented on the Closing Disclosure If, after closing, but before delivery, the servicing file must be documented with the reason and source information For principal curtailment and cash back allowances on purchase transactions, see Fannie Mae Selling Guide <p>The maximum amount of the curtailment cannot exceed the lesser of \$2,500 or 2% of the original loan amount for the subject loan</p> | | | | | | | | | | |
|---|--|---------------------------|--|-------------------|-------------------------------------|---|------------------------------------|----------------------|----------------------|----------------------|--|
| <p>Assignment of Mortgage</p> | <p>All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller with 7 calendar days of purchase date. Refer to Seller Guide for transfer requirements.</p> | | | | | | | | | | |
| <p>Seasoning Requirements</p> | <p>Refer to Lakeview Loan Servicing Seller Guide</p> | | | | | | | | | | |
| <p>Escrow Waivers</p> | <ul style="list-style-type: none"> <u>Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV.</u> <u>Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required.</u> <u>Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions.</u> Tax and insurance escrows are required on all HPML loans. <table border="1" data-bbox="418 1182 1526 1360"> <thead> <tr> <th colspan="2">Escrow Waiver Eligibility</th> </tr> <tr> <th>Primary Residence</th> <th>Second Home Investment Properties</th> </tr> </thead> <tbody> <tr> <td>All States, excluding CA and NM ≤ 80% LTV</td> <td>All States, excluding CA ≤ 80% LTV</td> </tr> <tr> <td>California < 90% LTV</td> <td>California < 90% LTV</td> </tr> <tr> <td>New Mexico < 80% LTV</td> <td></td> </tr> </tbody> </table> | Escrow Waiver Eligibility | | Primary Residence | Second Home Investment Properties | All States, excluding CA and NM ≤ 80% LTV | All States, excluding CA ≤ 80% LTV | California < 90% LTV | California < 90% LTV | New Mexico < 80% LTV | |
| Escrow Waiver Eligibility | | | | | | | | | | | |
| Primary Residence | Second Home Investment Properties | | | | | | | | | | |
| All States, excluding CA and NM ≤ 80% LTV | All States, excluding CA ≤ 80% LTV | | | | | | | | | | |
| California < 90% LTV | California < 90% LTV | | | | | | | | | | |
| New Mexico < 80% LTV | | | | | | | | | | | |

Seller shall deliver loans that were originated in accordance with the Fannie Mae Single Family Selling Guide, unless otherwise noted in this product matrix.

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Version Control

| Author | Section | Date | Update |
|---------------|----------------|-------------|----------------|
| AS | All | 05.16.22 | Matrix Created |



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NON-DELEGATED FANNIE MAE HOME READY PRODUCT MATRIX

This product matrix serves as a summary of the Fannie Mae Home Ready program in addition to Lakeview Loan Servicing overlays. Refer to the Fannie Mae Selling Guide for any information not specified in this product matrix.

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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Conventional Programs

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| <p>Income and Employment Verification</p> | <ul style="list-style-type: none"> • Effective with all loans closed on or after June 22, 2020, Lakeview will require, when self-employment is used to qualify, verification that the borrower’s business is open and operating must be confirmed within twenty (20) business days prior to the note date • Self-employment income must be assessed and verified in accordance with Fannie Mae and Freddie Mac temporary COVID-19 guidance <p>** Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details</p> |
| <p>Continuity of Income</p> | <p>Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing</p> |
| <p>Forbearance</p> | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| <p>Remote Online Notarization (RON)</p> | <p><u><i>Lakeview will not accept the use of remote online notarizations at this time</i></u></p> |



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| FANNIE MAE HOME READY | | | |
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| Fixed Rate | | | |
| Owner Occupied | Purchase and Limited Cash-Out Refinance | | |
| | Number of Units | Maximum LTV/CLTV ² /HCLTV | Credit Score |
| | 1 Unit | 97% ^{1,2} | <i>Minimum 620</i> |
| | 2 Units | 85% | <i>Minimum 620</i> |
| | 3-4 Units | 75% | <i>Minimum 620</i> |
| <p>¹Greater than 95% LTV/CLTV/HCLTV – the below restrictions apply. Refer to 95.01%-97% LTV/CLTV/HCLTV Requirements Section for additional details.</p> <ul style="list-style-type: none"> • High Balance loan amounts not permitted • Non-Occupant co-borrower not permitted <p>²LCOR – maximum of 95% LTV if current loan being refinanced is not owned by Fannie Mae</p> | | | |

| Loan Product | |
|---|--|
| Eligible Products/Terms | <ul style="list-style-type: none"> • FNF550 – Conforming • FNF559 – High Balance • 30YR Fixed Term Only |
| Ineligible Product Types | <ul style="list-style-type: none"> • <i>HomeStyle</i> • <i>HomeStyle Renovation</i> |
| Maximum Loan Amount | Current Conforming Loan Limits: https://www.fanniemae.com/singlefamily/loan-limits |
| Loan Purpose | <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • <i>Transactions in the state of Texas subject to 50(a) (6) are not permitted</i> • <i>Current 50(a) (6) loans may not be refinanced into a non-home equity loan</i> |
| Income Limits | <ul style="list-style-type: none"> • Borrower Income limits <ul style="list-style-type: none"> ◦ <i>Lender must attempt to verify all income listed on the Uniform Residential Loan Application or disclosed throughout the loan process. Any discrepancies, including underreported income, must be corrected and re-submitted to DU. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower.</i> ◦ Refer to Fannie Mae Selling Guide for program income limits. Income eligibility and AMI locator resources can be found on FNMA's HomeReady web page at HomeReady Income Eligibility |
| Occupancy | Primary Residence: 1- 4 Units |
| 95.01% - 97% LTV/CLTV/HCLTV Requirements | <ul style="list-style-type: none"> • High Balance loan amounts not permitted • Non-occupant co-borrower not permitted • See Homebuyer Education section for additional requirements |

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| | <ul style="list-style-type: none"> • <u>Limited Cash-Out Transactions</u> <ul style="list-style-type: none"> o Existing loan being refinanced must be owned (or securitized) by Fannie Mae. Documentation may come from the lender’s servicing system, the current servicer (if the lender is not the servicer, or from the Fannie Mae Loan Lookup Tool or any other source as confirmed by the lender. <p>NOTE: Lender must inform DU that Fannie Mae owns the existing mortgage via the Owner of Existing Mortgage field in the online loan application before submitting the loan to DU. In the Desktop Originator® (DO®)/DU User Interface, this field is located on the Additional Data screen in the Full 1003. Because this indication will be used by DU to determine eligibility of the loan for delivery to Fannie Mae when the LTV, CLTV, or HCLTV exceed 95%; the lender will be required to document the loan being refinanced is currently owned by Fannie Mae.</p> |
| Down Payment Assistance | <u>Not permitted</u> |
| Temporary Buydowns | <u>Not permitted</u> |
| Eligibility | |
| Borrower Eligibility | <ul style="list-style-type: none"> • Acceptable Residency Statuses: <ul style="list-style-type: none"> o U.S. Citizen(s) o Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide o <u>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u> • Inter Vivos Revocable Trusts permitted in accordance with Fannie Mae guidelines. File to contain clear evidence of compliance. • Non-Occupant Borrowers (See LTV restrictions in eligibility grid) • <u>Life Estates are not permitted</u> |
| Homebuyer Education | Purchase Transactions: At least one borrower must complete homebuyer education on purchase transactions when all occupying borrowers are first-time homebuyers, regardless of the LTV ratio. |
| Ownership of Other Residential Properties | Permitted in accordance with the Fannie Mae Selling Guide |
| Non-Arm’s Length Transactions | Permitted per the Fannie Mae Selling Guide |
| Credit | |
| AUS | Desktop Underwriter with “Approve/Eligible” findings required |
| Credit Score | <u>Minimum 620</u> |
| Non-Traditional Credit | <u>Non-traditional credit is not permitted</u> |
| Credit Report Requirements | Must be dated within 120 days of the Note date |



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| <p>Significant Derogatory Credit</p> | <p>Refer to Fannie Mae Selling Guide</p> |
| <p>DTI</p> | <ul style="list-style-type: none"> • Evaluated and determined by DU • When the subject transaction is a second home or investment property or includes a non-occupant co-borrower, the DTI ratio must include the borrowers’ principal residence housing expense (PITIA). If the borrower and/or the non-occupant co-borrower are renting, then all primary residence rental payments must be included in the housing expense portion of the DTI ratio. • The following is acceptable documentation to verify the borrowers’ primary housing rental payment: <ul style="list-style-type: none"> ○ Six months <u>most recent</u> canceled checks or equivalent payment source*; ○ Six months <u>most recent</u> bank statements reflecting a clear and consistent payment to an organization or individual*; ○ Direct verification of rent from a management company <u>and two months most recent cancelled checks dated prior to application</u>; ○ Direct verification of rent from a landlord <u>and twelve months most recent cancelled checks dated prior to application</u>; or ○ A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) <u>dated prior to application</u> and supporting the rental payment amount. • * See credit section of this product matrix for private party VOR payment history requirements. If rental or mortgage history documentation suggests a payment delinquency, additional documentation may be required to establish a satisfactory payment history in accordance with Fannie Mae Agency requirements. |
| <p>Employment/Income</p> | |
| <p>Employment Verification</p> | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of the DU findings, Fannie Mae HomeReady Program and the Fannie Mae Selling Guide. <ul style="list-style-type: none"> ○ Fannie Mae approved third party suppliers and distributors that generate employment and income verification report are permitted for the purpose of verifying income and/or employment • For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the note date. <ul style="list-style-type: none"> ○ Fannie Mae approved third party suppliers and distributors that generate employment and income verification “automated” reports are permitted for the purpose of verifying income and/or employment <ul style="list-style-type: none"> ▪ Because third party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor’s database was no more than 35 days old as of the Note date ○ <u>Request for Verification of Employment, Form 1005 (VOE) or a VOE/VOI completed manually/ researched through a third party is not permitted as stand-alone document</u> • For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date |



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| <p>Income Verification</p> | <ul style="list-style-type: none"> • Income documentation must comply with the requirements of DU Findings, Fannie Mae HomeReady Program guidelines and the Fannie Mae Selling Guide • All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict (i.e. marijuana related income of any source is not permitted) • <u>Transcript Requirements:</u> <ul style="list-style-type: none"> o <u>W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</u> o <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> ▪ <u>When tax returns are used to qualify a borrower. The number of years provided must be based on the DU findings. Income verified via tax returns includes but is not limited to the examples listed below:</u> <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</u> ▪ <u>Employment by Family Members</u> ▪ <u>Handwritten pay stubs/W-2s</u> ▪ <u>Amended tax returns have been filed</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following must be adhered to (all employment/ income types):</u> <ul style="list-style-type: none"> o <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted.</u> o <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of borrower's overall income profile. In addition, the following documentation is required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation for the borrower detailing the reason for re-filing;</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> • <u>A 4506-C is required to be signed by all borrowers at time of application and at closing for all transactions</u> • <u>For future income, paystubs are required prior to closing</u> • <u>Mortgage Credit Certificates are not permitted</u> |
| <p>Rental Income</p> | <ul style="list-style-type: none"> • Refer to Fannie Mae Selling Guide with the following restriction: <ul style="list-style-type: none"> o <u>When purchasing or refinancing a 2-4 unit primary residence, the borrower must currently own a primary residence in order to use rental income from the subject property for qualifying purposes</u> |
| <p>Variable Income</p> | <p><u>For variable income types, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third-party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline in variable income between the prior year(s) and/or YTD earnings that exceeds 10%,</u></p> |



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| | <i>the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized.</i> |
| Conversion of Primary Residence | <ul style="list-style-type: none"> Refer to Fannie Mae Selling Guide <i>When rental income is being used to qualify, a fully executed lease agreement must be provided along with a copy of the security deposit from the tenant and the borrower's bank statement showing deposited. Property must not be listed for sale. Additionally, when the lease was executed through a non-arm's length transaction, documentation of 6 months history of receipt is required.</i> |
| Assets/Reserves | |
| Asset Documentation | <ul style="list-style-type: none"> Asset documentation must comply with the requirements of DU findings, Fannie Mae Home Ready Program guidelines and the Fannie Mae Selling Guide Fannie Mae approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets Large deposits must be evaluated on purchase transactions only and must be documented to be from an acceptable source <ul style="list-style-type: none"> Defined as a single deposit that exceeds 50% of the total monthly qualifying income When a single deposit consists of both verified and unverified portions, only the unverified portion is used in determining whether the deposit exceeds the 50% requirement <i>A written VOD as a stand-alone document is not acceptable</i> A system generated automated VOD may be used as stand-alone documentation if provided by a verifiable institutional bank |
| Ineligible Asset Types | <ul style="list-style-type: none"> <i>Cash on hand</i> <i>Custodial accounts for minors</i> <i>Pooled funds</i> <i>Trade equity</i> <i>Sweat equity</i> <i>Cryptocurrency (i.e. bitcoin)</i> |
| Borrower Contribution | Refer to Fannie Mae Selling Guide |
| Financing Concessions | Refer to Fannie Mae Selling Guide |
| Subordinate Financing | |
| Subordinate Financing | <ul style="list-style-type: none"> <i>Down payment and closing cost assistance subordinate financing is not permitted</i> Other subordinate financing permitted in accordance with Fannie Mae Selling Guide |
| Existing Subordinate Financing | <ul style="list-style-type: none"> Other subordinate financing permitted in accordance with Fannie Mae Selling Guide |



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| Property/Appraisal | |
|-----------------------------------|--|
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Unit (see FNMA Selling Guide, Sections B2-3-04 and B4-1.3-05 for specific requirements) <ul style="list-style-type: none"> ◦ <u><i>In instances where the accessory unit is a manufactured home, the property is eligible only if no value is given to the manufactured home accessory unit by the appraiser.</i></u> • 2-4 Unit Detached • PUDs • Condominiums (must be Fannie Mae eligible) • Rural Properties (in accordance with Agency Guidelines, properties must be residential in nature) • Leaseholds (<u><i>cannot be secured by Indian / Tribal Lands</i></u>) |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u><i>Manufactured homes</i></u> • Mobile Homes • <u><i>Cooperatives</i></u> • Condotels • Hotel Condominiums • Timeshares • <u><i>Geodesic Domes</i></u> • Working Farms and Ranches • Unimproved Land • Land trusts in those states where the beneficiary is an individual • <u><i>Group Homes</i></u> • <u><i>Community Land Trusts</i></u> • Properties encumbered with a private transfer fee are not permitted <ul style="list-style-type: none"> ◦ Review title for private transfer fee covenant. Loan is not eligible for purchase if property is subject to a private transfer fee |
| Recently Listed Properties | <ul style="list-style-type: none"> • <u><i>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</i></u> |
| Appraisal Requirements | <ul style="list-style-type: none"> • Determined by DU Finding • Property Inspection Waiver (PIW) is permitted. Must comply with Fannie Mae Guidelines • <u><i>Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted</i></u> • <u><i>Lakeview will require successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</i></u> • Re-certification of value, in accordance with Fannie Mae guidelines, is acceptable. • If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the property State, but are missing and/or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing. <ul style="list-style-type: none"> ◦ For appraisals completed “subject to”, the completed work must be recertified by the |



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| | <p>appraiser with a final inspection or 1004D.</p> <ul style="list-style-type: none"> o For appraisals completed “as is”, a final inspection by the appraiser or an independent third party confirming completion of these items is required. • <i><u>When the property is located on a community or privately-owned and maintained street and a legally enforceable, recorded use and maintenance agreement is not in place, the loan may be considered by exception basis only. The following states do not require an exception as they currently define the responsibilities of property owners for maintenance and repair: CA, CO, CT, MN, MO, NM, OR, PA, RI, VT, and WA.</u></i> • Seller to assign Lakeview as an aggregator in UCDP |
| <p>Appraisal Transfers</p> | <p>Appraisal transfers are permitted in accordance with the Fannie Mae Selling Guide</p> |
| <p>Appraisal Re-Use</p> | <p>The re-use of an appraisal is permitted in accordance with the Fannie Mae Selling Guide</p> |
| <p>Condos/PUDS</p> | <ul style="list-style-type: none"> • Must follow Fannie Mae published Condominium Eligibility Guidelines. Fannie Mae Condo and Planned Unit Development Eligibility for more information • Limited Review allowed in accordance with Fannie Mae Condo and Planned Unit Development Eligibility • Limited review for attached Condominium units in Established Condominium Projects. • <i><u>PERS Approval is not permitted</u></i> • If the master policy for a condominium does not provide adequate coverage, an HO-6 policy with adequate coverage deemed by the insurer is required • Follow the Conventional Condo Matrix for documentation requirements based on review type. |
| <p>Disaster Area Requirements</p> | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> o FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); o Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; o Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |
| <p>Escrow Holdbacks</p> | <ul style="list-style-type: none"> • Refer to the Escrow Holdback Process for a complete list of requirements and procedures <ul style="list-style-type: none"> o Repairs must be weather related and/or minor cosmetic only o Repairs must be completed within <u>120 days</u> of the note date for existing construction and 180 days for new construction o Cost of repairs may not exceed <i><u>the lesser of</u></i> 10% of the appraised value <i><u>or \$5000</u></i> o 120% of the estimated repair amount or 100% of invoice amount will be held in an escrow account by the title company/closing agent o Escrow Holdback Agreement is required prior to docs but may be signed at closing |



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| Ownership Type | Refer to Fannie Mae Selling Guide |
| Conversion of Primary Residence | Refer to Fannie Mae Selling Guide |
| Geographic Restrictions | <ul style="list-style-type: none"> • <i>The following states are not permitted: New York</i> • <i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</i> |
| Renegotiated Purchase Agreement | <ul style="list-style-type: none"> • Lakeview will not accept renegotiated purchase agreements that increase the sales price after the original appraisal has been completed. If the appraised value is higher than the contracted sales price provided by the appraiser and the new purchase agreement and or addendum used to modify the sales price is dated after the appraisal is received and the only change to the purchase agreement is an increase to the sales price. • If the purchase agreement is renegotiated subsequent to the completion of the appraisal, the LTV will be based on the lower of the original purchase price of the appraised value unless: <ul style="list-style-type: none"> ○ Renegotiation of only seller paid closing costs and/or prepaids when the seller paid closing costs and/or prepaids are common and customary of the market and supported by the comparables; OR, ○ An amended purchase agreement for new construction property is obtained due to improvements that have been made that impact tangible value of the property. In the event of such changes, an updated appraisal must be obtained to verify the value of the modification/changes |
| Solar Panels Power Purchase Agreements | <ul style="list-style-type: none"> • Refer to FNMA Selling Guide sections B2-3-04, Special Property Eligibility Considerations and B4-1.3-05, Improvements Section of the Appraisal Report for complete list of requirements |
| Special Restrictions | |
| High Cost | <i>Lakeview will not purchase High Cost Loans</i> |
| HPML | Refer to the Fannie Mae Selling Guide |
| Multiple Financed Properties | <ul style="list-style-type: none"> • The loan must comply with Fannie Mae's limitations on the maximum number of financed properties, including ownership interest in financed properties <ul style="list-style-type: none"> ○ Fannie Mae has imposed LTV/CLTV, minimum credit score, transaction type, reserves and other miscellaneous requirements that may not be assessed by DU. Refer to the Fannie Mae Selling Guide. • <i>Maximum exposure of 2 Lakeview financed loans to any one borrower in a Condo or PUD project</i> |



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| <p>Power of Attorney</p> | <ul style="list-style-type: none"> • Generally, a Power of Attorney may be used for closing in the following scenarios: <ul style="list-style-type: none"> ○ Incapacitated Borrower – the borrower is incapacitated and therefore unable to sign documents due to some disability, legal/mental incapability, or he/she lacks the physical ability; <ul style="list-style-type: none"> ▪ Incapacitated borrowers must occupy the property as their primary residence; the underwriter must validate occupancy and review for any Red Flags within the loan file; ▪ Red Flag’s Example: verify the signer of the POA is not acting as a straw buyer or purchasing an investment property utilizing the incapacitated borrower’s credit. ○ Military Personnel – the borrower is currently deployed or stationed overseas in the military and is unable to sign documents or attend closing; ○ Hardship Circumstance – the borrower is unable to attend closing because he/she is out of the state or country for an extended period of time, bedridden, in the hospital with a serious illness, or the borrower is incarcerated. • A POA will not be permitted for borrowers that are on vacation or short term business trips. • Acceptable Types of Power of Attorney <ul style="list-style-type: none"> ○ Specific or Limited – this type of POA contains language that is specific or limited to the mortgage transaction providing authority over the real estate collateral or subject property; therefore, the POA must specify the legal description, property address, and transaction type within the body of the document. It must be recorded at closing or prior to closing; ○ General Durable – A POA that provides for general powers, but also contains durability language is permitted. Traditionally, a POA becomes ineffective upon the disability of the principal. For mortgage financing transactions, the POA must remain valid even if the borrower becomes incapacitated or disabled prior to closing, therefore the POA must contain durability language. In order for the POA to be acceptable it must contain the following durability type of language ‘This POA shall not terminate on the disability of the principal’ or ‘This POA is not affected by the subsequent disability of incapacity of the borrower’; and ○ General Military – this type of POA is generally used in situations where a borrower or his/her spouse may be deployed or is on active duty and executed on a form provided by a branch of the military or armed forces. • All other POA requirements per the Fannie Mae Selling Guide must be followed. • <u>The use of a POA is not permitted on Cash-Out Transactions</u> • <u>Subject property must be the borrower’s primary residence</u> • <u>Not permitted for borrowers on vacation or short term business trips</u> • <u>Attorney-in-fact cannot have any type of financial interest in the transaction or be involved in the transaction in any capacity including but not limited to the loan originator, affiliate of loan originator, affiliate of lender, employee of title insurance company, employee of title company, closing agent / attorney, broker or realtor</u> |
| Insurance | |
| <p>Mortgage Insurance</p> | <ul style="list-style-type: none"> • FNMA Approved MI Providers Only • MI Coverage <ul style="list-style-type: none"> ○ 25% MI coverage for LTVs 90.01-97% ○ Standard MI coverage for LTVs of 90% or less • Split Premium MI is eligible subject to Fannie Mae guidelines • Financed MI is eligible subject to Fannie Mae guidelines |



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| | <ul style="list-style-type: none"> • Lender Paid Single Premium and Borrower Paid Single Premium MI is eligible subject to Fannie Mae Guidelines • <u>Reduced MI not permitted</u> |
| Title Insurance | <ul style="list-style-type: none"> • <u>An attorney's title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans.</u> |
| Escrow Waivers | <ul style="list-style-type: none"> • <u>Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV</u> • <u>Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required</u> • <u>Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions.</u> • Tax and insurance escrow are required on all HPML loans |
| Other Considerations | |
| Age of Documentation | <ul style="list-style-type: none"> • All credit documents must be dated within 120 days of the note date • Preliminary Title Policies must be no more than 180 days old on the date the note is signed |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller with 7 calendar days of purchase date. Refer to Seller Guide for transfer requirements. |
| Seasoning Requirements | Refer to Lakeview Loan Servicing Seller Guide |
| Delivery Data | <ul style="list-style-type: none"> • Special feature code 900 must be delivered for all HomeReady mortgage loans • In addition, one or more of the following special feature codes may also be required: <ul style="list-style-type: none"> o 118 - loans with Community Seconds o 184 - loans where at least one borrower completed housing counseling o 281 - loans with financed mortgage insurance • All other applicable special feature codes in accordance with Fannie Mae requirements. |
| Seller shall deliver loans that were originated in accordance with the Fannie Mae Single Family Selling Guide, unless otherwise noted in this product matrix. | |



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| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |



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NON-DELEGATED FHA MORTGAGE PROGRAM PRODUCT MATRIX

This product matrix serves as a summary of the FHA Mortgage program in addition to Lakeview Loan Servicing overlays. Refer to the HUD Handbook 4000.1 for any information not specified in this product matrix.

Seller shall deliver loans that were originated in accordance with the Single Family Housing Policy handbook 4000.1 unless otherwise noted in this product matrix.



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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Government Programs

| | |
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| Continuity of Income | Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing. |
| Forbearance | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing. • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details on flexibilities |
| Remote Online Notarization (RON) | <i><u>Lakeview will not accept the use of remote online notarizations at this time.</u></i> |



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| FHA Mortgage Program | | | | | |
|----------------------|----------------------------------|-----------------------|---------------------|--------------------|------------------|
| Fixed Rate | | | | | |
| Purchase | | No Cash-Out Refinance | | Cash-Out Refinance | |
| Minimum FICO | LTV/CLTV | Minimum FICO | LTV/CLTV | Minimum FICO | LTV/CLTV |
| <u>620</u> | 96.5%/ <u>96.5%</u> ¹ | <u>620</u> | 97.75% ² | <u>620</u> | 80% ³ |

¹ For purchase transactions, the maximum LTV is 96.5% of the Adjusted Value. The Adjusted Value is the lesser of:


- purchase price less any inducements to purchase; or
- the property value

² For Rate/Term Maximum LTV:

- 97.75% if owner-occupied for previous 12 months or owner-occupied since acquisition if acquired within the last 12 months, at case number assignment date
- 85% if Borrower has occupied the subject Property as their Principal Residence for fewer than 12 months prior to the case number assignment date; or if owned less than 12 months, has not occupied the Property for that entire period of ownership

³ For case numbers assigned on or after 9/1/2019


| Loan Product | |
|----------------------------------|--|
| Eligible Products/Terms | <ul style="list-style-type: none"> • GNF150 FHA 15YR Fixed • GNF155 FHA 15YR Fixed High Balance • GNF300 FHA 30YR Fixed • GNF305 FHA 30YR Fixed High Balance • Energy Efficient Mortgages (EEM) |
| Ineligible Products Types | <ul style="list-style-type: none"> • Any FHA programs/ mortgage types identified in the FHA Handbook that are not specifically allowed in the Eligible Mortgage Types above. • <u>203K loans</u> • <u>203(h) loans</u> • <u>Energy Efficient Mortgages</u> • <u>Good Neighbor New Door (GNND)</u> • <u>HUD \$100 Down with Repair Escrows</u> • <u>HUD Section 184 Indian Housing Loans</u> • <u>HUD Section 248 Mortgages on Indian Land</u> • <u>HUD Section 247 Hawaiian Home Lands</u> • <u>Construction to Permanent</u> • <u>Building on your own land</u> • <u>Weatherization</u> • <u>Solar and Wind Technologies</u> |

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| Maximum Loan Amount | FHA Mortgage limits for all areas: https://entp.hud.gov/idapp/html/hicostlook.cfm |
| Purpose | <ul style="list-style-type: none"> • Purchase • No Cash-Out • Rate and Term <ul style="list-style-type: none"> ◦ Proceeds can be used to pay off an FHA or non-FHA first mortgage regardless of age ◦ Proceeds can be used to pay off any junior liens related to the purchase of the subject property, or that are seasoned at least 12 months ◦ Proceeds can be used to pay off any unpaid principal balance of any unpaid PACE obligation of the subject property ◦ Pay related closing costs and prepaid items ◦ Disburse cash to borrower in an amount not to exceed \$500 • Cash-out Refinance • Transactions in the state of Texas subject to 50(a)(6) are not permitted • <u><i>Current 50(a)(6) loans may not be refinanced into a non-home equity loan</i></u> |
| Occupancy | <ul style="list-style-type: none"> • <u><i>Owner occupied primary residences only</i></u> <ul style="list-style-type: none"> ◦ <u><i>Borrower(s) are limited to one primary residence transaction within the past 12 months.</i></u> |
| Proof of Occupancy (Refinances) | <p>Refer to HUD Handbook 4000.1</p> <ul style="list-style-type: none"> • Obtain employment documentation (i.e. paystub) that includes the subject property address; or • Utility bill (electric, water, natural gas, heating oil or landline phone) to evidence that the borrower has occupied the subject property as their principal residence. |
| Rate/Term Maximum LTV | <ul style="list-style-type: none"> • 97.75% if owner-occupied for previous 12 months or owner-occupied since acquisition if acquired within the last 12 months, at case number assignment date • 85% if Borrower has occupied the subject Property as their Principal Residence for fewer than 12 months prior to the case number assignment date; or if owned less than 12 months, has not occupied the Property for that entire period of ownership |
| Seasoning Requirements | <ul style="list-style-type: none"> • No Cash-out Refinance Loans: <ul style="list-style-type: none"> ◦ Where a Mortgage has been modified, the Borrower must have made at least six payments under the modification agreement to be eligible for a No-Cash Out Refinance. • Cash-out Refinance Transactions: On the note date of the refinance loan, the following criteria must apply (GNMA Requirement): <ul style="list-style-type: none"> ◦ the borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and ◦ the first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan. <p>On the date of the FHA case number assignment, the following criteria must apply:</p> |

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| | <ul style="list-style-type: none"> o The property securing the cash-out refinance must have been owned and occupied by at least one borrower as their Primary Residence for the 12 months prior to the case number assignment (see Handbook for inheritance exception). • For ALL Refinance Transactions: <ul style="list-style-type: none"> o For properties acquired by the Borrower within 12 months of the case number assignment date, the adjusted value is the lesser of: <ul style="list-style-type: none"> ▪ The Borrower's purchase price plus any documented improvements made subsequent to the purchase; or ▪ The property value |
| Temporary Buydowns | <i>Not Permitted</i> |
| Eligibility | |
| Borrower Eligibility | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • Acceptable Residency statuses: <ul style="list-style-type: none"> o US Citizen(s) o Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Residency and Eligibility Guide o <i>For DACA status recipients, if the EAD expires within one year but there's a prior history of residency status renewals, the borrower is eligible. If there is no history of renewals, the borrower is ineligible.</i> • <i>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</i> • <i>POAs are not allowed on cash-out transactions</i> • <i>Life Estates are not permitted</i> |
| Identity of Interest | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • <i>Relationship must be fully disclosed at the time of submission</i> • The maximum LTV percentage for Identity-of-Interest transactions on Principal Residences is restricted to 85%. See 4000.1 II.A.2.b.ii (A) for exceptions. • The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of contract execution is restricted to 85%. • An Identity-of-Interest Transaction is a sale between parties with an existing Business Relationship or between Family Members. • Business Relationship refers to an association between individuals or companies entered into for commercial purposes. • Family Member is defined as follows, regardless of actual or perceived sexual orientation, gender identity, or legal marital status: <ul style="list-style-type: none"> o child, parent, or grandparent; o a child is defined as a son, stepson, daughter, or stepdaughter; o a parent or grandparent includes a step-parent/grandparent or foster parent/grandparent; o spouse or domestic partner; |



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| | <ul style="list-style-type: none"> o legally adopted son or daughter, including a child who is placed with the Borrower by an authorized agency for legal adoption; o foster child; o brother, stepbrother; sister, stepsister; o uncle; aunt; or o son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the Borrower |
| Excluded Parties – LDP/ GSA Searches | <ul style="list-style-type: none"> • FHA loans require confirmation that companies or individuals involved in the origination or underwriting of a mortgage transaction are not on the Freddie Mac Exclusionary List, General Services Administration’s (GSA’s) Excluded Party List or the HUD Limited Denial Participation (LDP). Regardless of the reason for the party being excluded, any party to the transaction included on either list will result in the loan being ineligible. • All name variations found throughout the loan file must be run when performing the searches. The search must be run on the following parties in the transaction: <ul style="list-style-type: none"> o Borrowers o Title Company o Closing Attorney/ Settlement Agent/ Escrow Company o Appraiser o Originating Broker (MLO) o Originating Broker Company o Broker Processor o Third Party Processor o Listing Agent & Listing Company o Selling Agent & Selling Company o Seller o Builder |
| CAIVRS | Required for all borrowers on the transaction |
| Application Information | Full application is required to be completed with Borrower’s full legal name |
| Social Security Number | Evidence of social security number is required (SS card, printed recent W2/1099, transcripts) |
| FHA Case Numbers | <ul style="list-style-type: none"> • FHA case numbers are auto-cancelled after 6 months. Loan must close prior to cancellation. • Mortgagee must obtain a refinance authorization number from FHA connection (FHAC) for all FHA to FHA refinances. |

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| Credit | |
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| AUS | <ul style="list-style-type: none"> • All loans must be submitted through FHA TOTAL Scorecard and receive an ‘Approved Eligible’ finding • Follow FHA HB 4000.1 requirements if using positive rental payment history to achieve valid score with TOTAL scorecard • <i><u>Manual underwriting is permitted in cases where the loan received an ‘Approve/Eligible’ OR “Approve” finding but requires a downgrade due to additional information not considered in the AUS decision that affects the overall insurability or eligibility of the loan. Subject to the following requirements:</u></i> <ul style="list-style-type: none"> o <u>Min 640 FICO</u> o <u>Max 43% DTI</u> • <i><u>Loans not meeting the additional payment history requirements based on ML2020-30 are ineligible to Lakeview and may not be manually downgraded.</u></i> <p>Accept risk classifications that require manual downgrade are as follows:</p> <ul style="list-style-type: none"> o the mortgage file contains information or documentation that cannot be entered into or evaluated by TOTAL Mortgage Scorecard; o additional information, not considered in the Automated Underwriting System (AUS) recommendation affects the overall insurability of the Mortgage; o the Borrower has \$1,000 or more collectively in Disputed Derogatory Credit Accounts; o the date of the Borrower’s bankruptcy discharge as reflected on bankruptcy documents is within two years from the date of case number assignment; o the case number assignment date is within three years of the date of the transfer of title through a Pre-Foreclosure Sale (Short Sale); o the case number assignment date is within three years of the date of the transfer of title through a foreclosure sale; o the case number assignment date is within three years of the date of the transfer of title through a Deed-in-Lieu (DIL) of foreclosure; o the Mortgage Payment history, for any Mortgage trade line reported on the credit report used to score the application, requires a downgrade as defined in Handbook 4000.1 II.A.4.b.iii (K) - Housing Obligations/Mortgage Payment History; o the Borrower has undisclosed mortgage debt that requires a downgrade; or o business income shows a greater than 20 percent decline over the analysis period |
| Credit | <ul style="list-style-type: none"> • Evaluated by TOTAL Scorecard <ul style="list-style-type: none"> o For any mortgage not reported on the credit report refer to the HUD Handbook 4000.1 o <i><u>Private Party Verification of Mortgage(VOM) or Private Party Verification of Rent(VOR), as a stand-alone document, is not permitted; 12 months of cancelled checks are required to document an acceptable payment history.</u></i> • If the Borrower resides in a community property state or the Property being insured is located in a community property state, a credit report for a non-borrowing spouse must be obtained and the debts of the non-borrowing spouse must be included in the Borrower’s qualifying ratios, except for obligations specifically excluded by state law. The community property states are AZ, CA, ID, LA, NV, NM, TX, WA, WI • A disputed resolved account that the customer disagrees with on credit report is still considered a disputed account. |



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| Non-Traditional Credit | <i>Use of non-traditional credit is not permitted</i> |
| Significant Derogatory Credit | <ul style="list-style-type: none"> Refer to HUD Handbook 4000.1 2 years elapsed since completion or discharge of Chapter 7 or Chapter 13 Bankruptcy, to case number assignment date 3 years elapsed since completion of Foreclosure, Deed in Lieu or Short Sale, to case number assignment date |
| Employment/Income | |
| Employment Verification | <ul style="list-style-type: none"> Employment documentation must comply with the HUD Handbook 4000.1 Verbal Verification of Employment: <ul style="list-style-type: none"> For salaried employees, the verbal or electronic re-verification of employment must be completed within 10 calendar days prior to the note date. <i>For a self-employed Borrower, a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date must document the loan file</i> For electronic re-verifications, the verification must evidence that the information in the third party vendor's database was no more than 30 days old as of the note date. Self Employed: <ul style="list-style-type: none"> Loans utilizing a COVID-19 related economic event (as defined by ML 2022-09) for self-employment income will be second level reviewed. The Mortgagee must obtain complete individual federal income tax returns for the most recent two years, including all schedules. The Mortgagee must obtain the Borrower's business tax returns for the most recent two years unless the following criteria are met: <ul style="list-style-type: none"> individual federal income tax returns show increasing Self-Employment Income over the past two years; funds to close are not coming from business accounts; and the Mortgage to be insured is not a cash-out refinance A year-to-date P&L will be required for all self-employed income if more than a calendar quarter has elapsed since date of most recent tax return was filed. (Except Schedule C income). Manually downgraded loans; a business credit report is required for Corporations and S-Corporations. <i>Secondary education enrollment can only be used in verifying employment history if the education is job specific and the employment is full-time and salaried. Must have a 12 month history of employment.</i> |
| Income Verification | <ul style="list-style-type: none"> Income documentation must comply with the HUD Handbook 4000.1 All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict (i.e. marijuana related income of any source is not permitted). Transcript Requirements: <ul style="list-style-type: none"> <i>W2/1099 or tax transcripts are not required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</i> <i>Tax transcripts are required in the following circumstances:</i> <ul style="list-style-type: none"> <i>When tax returns are used to qualify a borrower, the number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below.</i> |



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| | <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</u> ▪ <u>Employment by Family Members</u> ▪ <u>Handwritten pay stubs/W-2s</u> ▪ <u>Amended tax returns have been filed</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/ income types):</u> <ul style="list-style-type: none"> ○ <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted.</u> ○ <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of borrower’s overall income profile. The following documentation will be required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reason for re-filing;</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> • <u>A 4506-C is required to be signed by all borrowers at time of application and at closing for all transactions</u> • <u>For future income, paystubs are required prior to closing</u> • <u>Mortgage Credit Certificates are not permitted</u> |
| Assets/Reserves | |
| Ineligible Asset Type | <ul style="list-style-type: none"> • <u>Cash on Hand</u> • <u>Custodial Accounts for minors</u> • 1031 Exchanges • <u>Pooled Funds</u> • <u>Sweat Equity</u> • <u>Trade Equity</u> • <u>Cryptocurrency (i.e. bitcoin)</u> |
| Asset Verification | <ul style="list-style-type: none"> • Asset documentation must comply with the HUD Handbook 4000.1 • Evaluated by TOTAL Scorecard • Large Deposits: <ul style="list-style-type: none"> • For recently opened accounts and recent individual deposits of more than 1 percent of the Adjusted Value, the Mortgagee must obtain documentation of the deposits. The Mortgagee must also verify that no debts were incurred to obtain part, or all, of the Minimum Required Investment. |
| Reserves | Evaluated and determined by TOTAL Scorecard |




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| <p>Earnest Money Deposit</p> | <ul style="list-style-type: none"> • Verify and document the deposit amount and source of funds if the amount of the earnest money deposit exceeds 1 percent of the sales price or is excessive based on the Borrower’s history of accumulating savings, by obtaining: <ul style="list-style-type: none"> ○ a copy of the Borrower’s canceled check; ○ certification from the deposit-holder acknowledging receipt of funds; or ○ a Verification of Deposit (VOD) or bank statement showing that the average balance was sufficient to cover the amount of the earnest money deposit at the time of the deposit (subject to guidelines above); or ○ direct electronic verification by a TPV vendor, subject to the following requirements: <ul style="list-style-type: none"> ▪ the Borrower has authorized the Mortgagee to verify assets; ▪ the date of the completed verification conforms with FHA requirements in Maximum Age of Mortgage Documents; and ▪ the information shows that the average balance was sufficient to cover the amount of the earnest money deposit at the time of the deposit. |
| <p>Gifts</p> | <ul style="list-style-type: none"> • Refer to the HUD Handbook 4000.1 • <i><u>If the donor bank statement includes large deposits and/or does not cover a 30 day period then the signed gift letter must contain verbiage (or a separate certification is required to be signed by the donor) confirming the funds for this transaction were not provided by a party to the transaction including the seller, real estate agent, broker, builder, loan officer, or any other entity associated with the transaction. Additionally, any large deposit on the donor’s statement must be sourced. Large deposit for the purposes of gifts is defined as exceeding 50% of the amount of the gift.</u></i> • Cash on hand is not an acceptable source of donor gift funds. Gift funds must be verified in a financial institution account owned by the donor. • No VODs or blacked-out information are acceptable in documenting the transfer of gifts. |
| <p>IPC – Interested Party Contributions</p> | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • Interested Parties may contribute up to 6 percent of the sales price toward the Borrower’s origination fees, other closing costs including any items POC, prepaid items and discount points. The 6 percent limit also includes: <ul style="list-style-type: none"> ○ payments of mortgage interest for fixed rate Mortgages; ○ Mortgage Payment protection insurance; and ○ payment of the UFMIP |
| <p>Down Payment and Closing Cost Assistance</p> | <p><i><u>Down payment and closing cost assistance subordinate financing is not permitted</u></i></p> |
| <p>Borrower Contribution</p> | <p>Refer to HUD Handbook 4000.1</p> |

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| Property/Appraisal | |
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| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Dwelling Unit (see HUD Handbook 4000.1 for specific requirements) • 2-4 Unit Detached/Attached • PUDs • Low and High-Rise Condominiums – must be FHA Approved • Rural Properties – property must be residential in nature • Leaseholds • Mixed use • A minimum of 51% of the entire building square footage must be residential use |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u>Manufactured Homes (built on a permanent chassis and attached to permanent foundations)</u> • Mobile Homes • Community Land Trusts • <u>Cooperatives</u> • Condotels • Hotel Condominiums • Timeshares • Working Farms and Ranches • Unimproved Land • Boarding houses/Tourist houses/ Sorority or Fraternity Houses • Bed and breakfast establishments • Commercial enterprises • <u>Group Homes</u> • <u>Geodesic Domes</u> • Properties encumbered by PACE (i.e. HERO) obligations (effective with case numbers assigned on or after 01/06/18) |
| Appraisal Requirements | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • Appraisers must be on FHA Connection with State Certification designation of Certified General or Certified Residential <ul style="list-style-type: none"> • Appraiser must comply with the FHA Appraisal Independence Policy • If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the property State, but are missing and/or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing <ul style="list-style-type: none"> • For appraisals completed “subject to”, the completed work must be recertified by the appraiser with a final inspection or 1004D • For appraisals completed “as is”, a final inspection by the appraiser or an independent third party confirming completion of these items is required • <u>Initial appraisal validity period will remain at 120 days</u> • <u>Appraisal update validity period will remain at 240 days</u> |
| Appraisal Transfers | Appraisal transfers must be executed in accordance with HUD Handbook 4000.1 |

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| Appraisal Re-Use | The re-use of an appraisal under another case number is not permitted |
| Recently Listed Properties | <u><i>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</i></u> |
| Condos/PUDs | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • Condominiums must be HUD approved and not expired at time of case number assignment: https://entp.hud.gov/idapp/html/condlook.cfm • DELRAP is not permitted • <u><i>Single-Unit Approval process is not permitted</i></u> |
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ◦ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ◦ Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |
| Escrow Holdbacks | Escrow holdbacks are allowed in accordance with HUD Handbook 4000.1 |
| Leased Solar Panels/ Power Purchase Agreement | <ul style="list-style-type: none"> • A Property that contains leased equipment, or operates with a leased energy system or Power Purchase Agreement (PPA), may be eligible for FHA-insured financing but only when such agreements are free of restrictions that prevent the Borrower from freely transferring the Property. • Such agreements are acceptable, provided they do not cause a conveyance (ownership transfer) of the insured Property by the Borrower to: <ul style="list-style-type: none"> ◦ be void, or voidable by a third party; ◦ be the basis of contractual liability of the Borrower (including rights of first refusal, pre-emptive rights or options related to a Borrower's efforts to convey); ◦ terminate or be subject to termination all or part of the interest held by the Borrower; ◦ be subject to the consent of a third party; ◦ be subject to limits on the amount of sales proceeds a Borrower can retain (e.g., due to a lien, "due on sale" clause, etc.); ◦ be grounds for accelerating the insured Mortgage; or ◦ be grounds for increasing the interest rate of the insured Mortgage |



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| | <ul style="list-style-type: none"> Any restrictions resulting from provisions of the lease or PPA do not conflict with FHA regulations unless they include provisions encumbering the Real Property or restricting the transfer of the Real Property. Legal restrictions on conveyance of Real Property (i.e., the house) that could require the consent of a third party (e.g., energy provider, system owner, etc.), include but are not limited to, credit approval of a new purchaser before the seller can convey the Real Property, unless such provisions may be terminated at the option of, and with no cost to, the owner. If an agreement for an energy system lease or PPA could cause restriction upon transfer of the house, the Property is subject to impermissible legal restrictions and is generally ineligible for FHA insurance. Solar Lease or Power Purchase Payments are not included as a debt in the borrower's qualifying ratios. |
| Deed Restricted Properties | Refer to HUD Handbook 4000.1 |
| Property Flipping | <ul style="list-style-type: none"> A Property that is being resold 90 Days or fewer following the seller's date of acquisition is not eligible for an FHA-insured Mortgage. A Property that is being resold between 91 Days and 180 Days After Acquisition: <ul style="list-style-type: none"> A second appraisal by another Appraiser must be obtained if: <ul style="list-style-type: none"> the resale date of a Property is between 91 and 180 Days following the acquisition of the Property by the seller; and the resale price is 100% or more over the price paid by the seller to acquire the Property <p>(For example, if a property is resold for \$80,000 within 6 months of the seller's acquisition of that property for \$40,000, a second appraisal by another Appraiser must be obtained supporting the \$80,000 sales price.)</p> <ul style="list-style-type: none"> If the second appraisal supports a value of the Property that is more than 5% lower than the value of the first appraisal, the lower value must be used as the Property Value in determining the Adjusted Value. The cost of the second appraisal may not be charged to the Borrower |
| Geographic Restrictions | <ul style="list-style-type: none"> <i>The following states are not eligible: New York</i> <i><u>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are ineligible.</u></i> |
| Special Restrictions | |
| High Cost Loans | <i><u>Lakeview will not purchase High Cost Loans</u></i> |
| Higher Priced Mortgage Loans (HPML) | Refer to HUD Handbook 4000.1 |

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| Limitations on Financed Properties | <u>Maximum exposure of 2 Lakeview financed loans to any one borrower in a Condo or PUD development</u> |
| Re-negotiated Purchase Agreements | <ul style="list-style-type: none"> <u>Purchase agreements renegotiated after the completion of the appraisal that increase the sales price are only acceptable under the following circumstances:</u> <ul style="list-style-type: none"> <u>The sales price adjustment is due to price overruns that impact the tangible value of the property on new construction. An updated appraisal must be obtained to verify the value of the modifications.</u> <u>A renegotiation of only seller paid closing costs and/or prepaid occurs where seller paid closing cost/prepays are common and customary for the market and supported by comparables.</u> |
| Insurance | |
| Mortgage Insurance | Refer to the Monthly MIP Calculation |
| Other Considerations | |
| Age of Documents | <ul style="list-style-type: none"> All credit documents must be dated within 120 days of the disbursement date; including credit reports as well as employment, income and asset documents Preliminary Title Policies must be no more than 180 days old on the date that the note is signed |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements. |
| Title/Vesting | <ul style="list-style-type: none"> The Mortgagee must obtain evidence of prior ownership when a Property was sold within 12 months of the case number assignment date. The Mortgagee must review the evidence of prior ownership to determine any undisclosed Identity-of-Interest transactions. <p><u>Eligible Vesting Types:</u></p> <ul style="list-style-type: none"> Land Trust Leasehold Living Trusts, refer to HUD Handbook 4000.1 <p><u>Ineligible Vesting Types:</u></p> <ul style="list-style-type: none"> Properties vested in an LLC are not permitted |
| Escrow Waivers | Escrow accounts for property taxes, homeowner's insurance and flood insurance (if applicable) are required on all loans |
| Power of Attorney | <ul style="list-style-type: none"> Please visit the Lakeview Seller Guide for all transactions including a POA. <u>Not permitted for borrowers on vacation or short term business trips</u> <u>Not permitted on Cash-out transactions</u> <u>The initial loan application must be signed by all borrowers.</u> |
| Seller shall deliver loans that were originated in accordance with the HUD Handbook 4000.1 unless otherwise stated in this product matrix. | |



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| Version Control | | | |
|-----------------|------------------------------------|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| MM | Seasoning Requirements | 07.29.22 | Per Info Letter 22-68 – Handbook 4000.1 Quarterly Updates Updated: “The borrower” to read “at least one” borrower in the following: o On the date of the FHA case number assignment, the following criteria must apply: The property securing the cash-out refinance must have been owned and occupied by at least one borrower as their Primary Residence for the 12 months prior to the case number assignment (see Handbook for inheritance exception) |
| AS | Appraisal Requirements | 07.29.22 | Per Mortgagee Letter <u>2022-11</u> Revised Appraisal Validity Periods Added: • <u>Initial appraisal validity period will remain at 120 days</u> • <u>Appraisal update validity period will remain at 240 days</u> |
| MM | Employment Verification | 08.12.22 | Added: o Loans utilizing a COVID-19 related economic event (as defined by ML 2022-09) for self-employment will be second level reviewed. |
| AS | AUS | 09.23.22 | Clarified that AUS can be “Approve” as well: <u>All loans must be submitted through FHA TOTAL Scorecard and receive an “Approve/Eligible” OR “Accept” finding</u> |
| MM | AUS | 10.21.22 | ADDED: Follow FHA HB 4000.1 requirements if using positive rental payment history to achieve valid score with TOTAL scorecard (ML 2022-17) |
| MM | Employment/ Income Verification | 10.21.22 | UPDATED VERBIAGE: <u>For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date</u> TO READ: <u>For a self-employed Borrower, a verification of the current existence of the Borrower’s business no more than 120 calendar days prior to the Note Date must document the loan file</u> |
| MM | Ineligible Property Types | 10.21.22 | ADDED: Community Land Trusts |



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NON-DELEGATED FHA STREAMLINE REFINANCE PRODUCT MATRIX

This product matrix serves as a summary of the FHA Streamline Refinance program in addition to Lakeview Loan Servicing overlays. Refer to the HUD Handbook 4000.1 for any information not specified in this product matrix.

Seller shall deliver loans that were originated in accordance with the Single Family Housing Policy handbook 4000.1 unless otherwise noted in this product matrix.



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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Government Programs

| | |
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| Continuity of Income | Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing. |
| Forbearance | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing. • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details on flexibilities |
| Remote Online Notarization (RON) | <u>Lakeview will not accept the use of remote online notarizations at this time.</u> |



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| FHA Mortgage Program | | |
|---|---|----------------|
| Credit Qualifying and Non Credit Qualifying | | |
| Term | Credit Score | Occupancy |
| Non-Cash Out Refinance | <i>Minimum 620</i> <i>(Credit and Non-Credit Qualifying)</i> | Owner-Occupied |

| Loan Product | |
|----------------------------------|--|
| Eligible Products/Terms | <ul style="list-style-type: none"> GNF310 FHA 30YR Streamlined Refi (Post May 2009) GNF311 FHA 30YR Streamlined Refi (Pre May 2009) GNF305 FHA 30 YR High Balance |
| Ineligible Products Types | <ul style="list-style-type: none"> <u>203k Loans</u> Any FHA programs/mortgage types identified in the HUD Handbook 4000.1 that are not specifically allowed in the Eligible Mortgage Types above. |
| Maximum Loan Amount | FHA Mortgage limits for all areas: https://entp.hud.gov/idapp/html/hicostlook.cfm |
| Maximum Terms | <ul style="list-style-type: none"> The streamline refinance mortgage term is the lesser of: <ul style="list-style-type: none"> 30 years, or The remaining term of the mortgage plus 12 years |
| Loan Purpose | <ul style="list-style-type: none"> Credit qualifying streamline refinance Non-credit qualifying streamline refinance Transactions in the state of Texas subject to 50(a)(6) are not permitted <ul style="list-style-type: none"> <u>Current 50(a)(6) loans may not be refinanced into a non-home equity loan</u> Payoff can only include the current FHA loan All other liens must be subordinated with a valid subordination agreement <ul style="list-style-type: none"> Outstanding PACE liens (i.e. HERO) may not be included in the loan amount OR subordinated (See PACE Obligations) Streamline of 203(k) permitted, previous Lender must have closed out 203(k). |
| Loan Amount Calculation | <ul style="list-style-type: none"> For owner-occupied Principal Residences, the maximum Base Loan Amount for Streamline Refinances is: <ul style="list-style-type: none"> the lesser of: <ul style="list-style-type: none"> the outstanding principal balance of the existing Mortgage as of the month prior to mortgage Disbursement; plus: <ul style="list-style-type: none"> interest due on the existing Mortgage*; late charges; escrow shortages; and MIP due on existing Mortgage; or the original principal balance of the existing Mortgage (including financed UFMIP); |

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**Non Delegated
FHA Streamline Refinance Mortgage Program**



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| | <ul style="list-style-type: none"> o less any refund of UFMIP * may not include delinquent interest, <u>suspended mortgage payments as a result of payment forbearance</u> or fax fees/FedEx fee *UFMIP must be entirely financed into the mortgage or paid entirely in cash. Partial payments are not permitted. • ***County Limits can be exceeded |
| Seasoning Requirements | <ul style="list-style-type: none"> • On the note date of the refinance loan, the following criteria must apply: <ul style="list-style-type: none"> o the borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and o the first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan • On the date of the FHA case number assignment, the following criteria must apply: <ul style="list-style-type: none"> o the Borrower must have made at least six payments on the FHA-insured Mortgage that is being refinanced (where the FHA insured Mortgage has been modified, the Borrower must have made at least six payments under the Modification Agreement); o at least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; o at least 210 Days must have passed from the <u>Funding Date</u> of the Mortgage that is being refinanced; and o if the Borrower assumed the Mortgage that is being refinanced, they must have made six payments since the time of assumption • Where a loan was under a Forbearance Plan and payments have not been made, such missed payments are not counted towards such minimum. |
| Occupancy | <u>Owner Occupied Primary Residences Only</u> |
| Proof of Occupancy | <ul style="list-style-type: none"> • Primary Residence <ul style="list-style-type: none"> o Obtain employment documentation (i.e. paystub) that includes the subject property address; or o Utility bill (electric, water, natural gas, heating oil or landline phone) to evidence that the borrower has occupied the subject property as their principal residence o <u>Direct electronic verification of employment by a Third Party Verification (TPV) vendor verifying the Borrower's address is the same as that of the subject Property is not permitted</u> |
| Temporary Buydowns | <u>Not Permitted</u> |
| Eligibility | |
| Borrower Eligibility | <ul style="list-style-type: none"> • Refer to HUD Handbook 4000.1 • Acceptable Residency Statuses: <ul style="list-style-type: none"> o US Citizen(s) o Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens |

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| | <p>as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide.</p> <ul style="list-style-type: none"> o <u>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u> o <u>For DACA status recipients, if the EAD expires within one year but there's a prior history of residency status renewals, the borrower is eligible. If there is no history of renewals, the borrower is ineligible.</u> • <u>POAs are not allowed on cash-out transactions</u> <ul style="list-style-type: none"> o <u>Life Estates are not permitted</u> |
| Identity of Interest | Refer to HUD Handbook 4000.1 |
| Excluded Parties – LDP/GSA Searches | <ul style="list-style-type: none"> • FHA loans require confirmation that companies or individuals involved in the origination or underwriting of a mortgage transaction are not on the Freddie Mac Exclusionary List, General Services Administration's (GSA's) Excluded Party List or the HUD Limited Denial Participation (LDP). Regardless of the reason for the party being excluded, any party to the transaction included on either list will result in the loan being ineligible. • All name variations found throughout the loan file must be run when performing the searches. The search must be run on the following parties in the transaction: <ul style="list-style-type: none"> o Borrowers o Title Company o Closing Attorney/ Settlement Agent/ Escrow Company |
| CAIVRS | Not required |
| FHA Case Numbers | FHA case numbers are auto-cancelled after 6 months. Loan must close prior to cancellation. |
| Social Security Number | Evidence of social security number is required (SS card, printed recent W2/1099, transcripts) |
| Application Information | <ul style="list-style-type: none"> • Credit Qualifying: <ul style="list-style-type: none"> o Full application is required to be completed with Borrower's legal name • Non-Credit Qualifying: <ul style="list-style-type: none"> o Must contain all subject property information o Sections 1c – Gross Monthly Income (<u>Employer information is required</u>), 1e, 2a, 2b, 2c, 2d, 3b, 3c, and 4c of the URLA are not required provided all other required information is completed o If Section 5: Declarations (G) through (M) are completed on the application, it is not required to be reviewed or considered o Section 5: Declarations A & F must be completed o Borrower information to be completed with Borrower's legal name and contact information <ul style="list-style-type: none"> ▪ <u>Employer information required</u> ▪ Income information is not required <p>If cash is needed to close application must note asset information</p> |

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| Credit | |
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| Underwriting Method | <ul style="list-style-type: none"> • Loan must be reviewed by an approved DE Underwriter, individual DE CHUMS number used for Approval/Denial • Use of AUS is not permitted, all loans must be manually underwritten • All Streamline mortgages must meet the Net Tangible Benefit guidelines <ul style="list-style-type: none"> ◦ If there is a reduction in term, the combined P&I and MIP may not increase more than \$50 • A Non-Credit qualifying streamline loan must be Credit qualified when: <ul style="list-style-type: none"> ◦ The deletion of a borrower will trigger a due on sale clause ◦ following the assumption that it; <ul style="list-style-type: none"> ▪ Occurred less than 6 months ago, and ▪ Does not contain restrictions (i.e. due on sale) limiting assumption only to creditworthy borrower • For Credit Qualifying Loans: Loans that are identified as an indemnification case by FHA Connection are ineligible |
| Non-Traditional Credit | <u><i>Use of non-traditional credit is not permitted</i></u> |
| Mortgage History | <ul style="list-style-type: none"> • Credit Qualifying: <ul style="list-style-type: none"> ◦ Verification the loan is current at time of closing ◦ Prior to case number assignment, 0x30 in past 6 months for all mortgages (subject and/or other REO properties) and no more than one 30-day late for the previous 6 months (last 7-12 months) for all mortgages (subject and/or other REO properties). All payments secured against the subject property must have been made within the month due. ◦ For any mortgage not reported on the credit report refer to the HUD Handbook 4000.1 • Non-Credit Qualifying: <ul style="list-style-type: none"> ◦ Verification the loan is current at time of closing ◦ Prior to case number assignment, 0x30 in past 6 months and no more than one 30-day late in the previous 6 months (last 7-12 months) for all mortgages on the subject property. All payments must have been made within the month due. ◦ For any subordinate mortgage lien attached to the property, an acceptable 12-month Verification of Mortgage payment history directly from the servicer or credit report is required • <u><i>Private Party VOM/VOR as a stand-alone document is not permitted, 12 months cancelled checks are required to document the payment history</i></u> |
| Significant Derogatory Credit | <ul style="list-style-type: none"> • Credit Qualifying: <ul style="list-style-type: none"> ◦ Refer to HUD Handbook 4000.1 ◦ 2 years elapsed since completion or discharge of Chapter 7 or Chapter 13 Bankruptcy, to case number assignment date ◦ 3 years elapsed since completion of Foreclosure, Deed in Lieu or Short Sale, to case number assignment date • Non-Credit Qualifying: <ul style="list-style-type: none"> ◦ The waiting period and re-establishment of credit requirements for significant derogatory credit are not required ◦ Loans in an active BK are eligible for financing if payment history requirements are met |



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| <p>Non-Borrowing Spouse Debt in Community Property States (For Credit Qualifying Loans Only)</p> | <ul style="list-style-type: none"> • Non-Borrowing Spouse Debt refers to debts owed by a spouse that are not owed by, or in the name of the Borrower • <u><i>If the Borrower resides in a community property state or the Property being insured is located in a community property state, debts of the non-borrowing spouse must be included in the Borrower's qualifying ratios, except for obligations specifically excluded by state law</i></u> • The non-borrowing spouse's credit history is not considered a reason to deny a mortgage application • Required Documentation: <ul style="list-style-type: none"> ○ Verify and document the debt of the non-borrowing spouse ○ The Underwriter must make a note in the file referencing the specific state law that justifies the exclusion of any debt from consideration ○ Obtain a credit report for the non-borrowing spouse in order to determine the debts that must be counted in the DTI ratio • Non-Borrowing Spouse's Derogatory Credit – Refer to HUD Handbook 4000.1 • The Community Property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin. | | | | | | | | | | | | | | | |
|---|--|--|---------------------------|---------------------------------|----------------------|-------|----------------------------------|----------------------|-------|--|----------------------|-------|--|----------------------|-------|--|
| <p>Qualifying Ratios (For Credit Qualifying Loans Only)</p> <p>*Borrower is to be qualified at the note rate for an FHA fixed streamline.</p> | <table border="1"> <thead> <tr> <th>Credit Score</th> <th>Max Qualifying Ratios (%)</th> <th>Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td><u>620 and above</u></td> <td>31/43</td> <td>No compensating factors required</td> </tr> <tr> <td><u>620 and above</u></td> <td>37/47</td> <td>One of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements </td> </tr> <tr> <td><u>620 and above</u></td> <td>40/40</td> <td>Borrower with established credit and open credit lines carries no discretionary debt. Monthly housing payment is only open installment account and revolving credit is paid off monthly.</td> </tr> <tr> <td><u>620 and above</u></td> <td>40/50</td> <td>Two of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements ○ Verified and documented additional income that is not considered effective income. Overtime and bonus income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has received this income for at least one year but less than two years, and it will likely continue. Part-time and seasonal income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has worked the part-time or seasonal job uninterrupted for at least one year but less than two years, and plans to continue. </td> </tr> </tbody> </table> | Credit Score | Max Qualifying Ratios (%) | Acceptable Compensating Factors | <u>620 and above</u> | 31/43 | No compensating factors required | <u>620 and above</u> | 37/47 | One of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements | <u>620 and above</u> | 40/40 | Borrower with established credit and open credit lines carries no discretionary debt. Monthly housing payment is only open installment account and revolving credit is paid off monthly. | <u>620 and above</u> | 40/50 | Two of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements ○ Verified and documented additional income that is not considered effective income. Overtime and bonus income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has received this income for at least one year but less than two years, and it will likely continue. Part-time and seasonal income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has worked the part-time or seasonal job uninterrupted for at least one year but less than two years, and plans to continue. |
| Credit Score | Max Qualifying Ratios (%) | Acceptable Compensating Factors | | | | | | | | | | | | | | |
| <u>620 and above</u> | 31/43 | No compensating factors required | | | | | | | | | | | | | | |
| <u>620 and above</u> | 37/47 | One of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements | | | | | | | | | | | | | | |
| <u>620 and above</u> | 40/40 | Borrower with established credit and open credit lines carries no discretionary debt. Monthly housing payment is only open installment account and revolving credit is paid off monthly. | | | | | | | | | | | | | | |
| <u>620 and above</u> | 40/50 | Two of the following: <ul style="list-style-type: none"> ○ Verified and documented liquid cash reserves equal to at least three total monthly mortgage payments (1–2 units) or six total monthly mortgage payments (3–4 units). ○ New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less; and verified and documented twelve month housing payment history (1X30 only). ○ Sufficient Residual Income as calculated per VA requirements ○ Verified and documented additional income that is not considered effective income. Overtime and bonus income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has received this income for at least one year but less than two years, and it will likely continue. Part-time and seasonal income can be cited as a compensating factor if the mortgagee verifies and documents that the borrower has worked the part-time or seasonal job uninterrupted for at least one year but less than two years, and plans to continue. | | | | | | | | | | | | | | |

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| Employment/Income | |
|--|---|
| Employment Verification | <ul style="list-style-type: none"> • For Non-Credit Qualifying Loans: <ul style="list-style-type: none"> ○ <u>For salaried employees the verbal verification of employment must be completed within 10 calendar days prior to the note date</u> ○ <u>For self-employed borrowers the verification of evidence of the existence of the business to be completed within 120 days prior to the note date</u> • For Credit Qualifying Loans: <ul style="list-style-type: none"> ○ Employment documentation must comply with the HUD Handbook 4000.1 ○ Verbal Verification of Employment: <ul style="list-style-type: none"> ▪ For salaried employees, the verbal or electronic re-verification of employment must be completed within 10 calendar days prior to the note date ▪ <u>For a self-employed Borrower, a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date must document the loan file</u> ▪ For electronic re-verifications, the verification must evidence that the information in the third party vendor's database was no more than 30 days old as of the note date ○ Self Employed: <ul style="list-style-type: none"> ▪ Loans utilizing a COVID-19 related economic event (as defined by ML 2022-09) for self-employment income will be second level reviewed. ▪ The Mortgagee must obtain complete individual federal income tax returns for the most recent two years, including all schedules ▪ The Mortgagee must obtain the Borrower's business tax returns for the most recent two years unless the following criteria are met: <ul style="list-style-type: none"> • individual federal income tax returns show increasing Self-Employment Income over the past two years; • funds to close are not coming from business accounts; and • the Mortgage to be insured is not a cash-out refinance ▪ A year-to-date P&L will be required for all self-employed income if more than a calendar quarter has elapsed since date of most recent tax return was filed. (Except Schedule C income) ▪ Manually downgraded loans; a business credit report is required for Corporations and S-Corporations ▪ <u>Secondary education enrollment can only be used in verifying employment history if the education is job specific and the employment is full-time and salaried. Must have a 12 month history of employment</u> |
| Income Verification – Credit Qualifying | <ul style="list-style-type: none"> • Income documentation must comply with the HUD Handbook 4000.1 • All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict (i.e. marijuana related income of any source is not permitted) • Transcript Requirements: <ul style="list-style-type: none"> ○ <u>W2/1099 or tax transcripts are not required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources</u> ○ <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> ▪ <u>When tax returns are used to qualify a borrower, the number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below.</u> <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</u> |



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| | <ul style="list-style-type: none"> ▪ <u>Employment by Family Members</u> ▪ <u>Handwritten pay stubs/W-2s</u> ▪ <u>Amended tax returns have been filed</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/ income types):</u> <ul style="list-style-type: none"> ○ <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted</u> ○ <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of borrower's overall income profile. The following documentation will be required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reason for re-filing;</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> • <u>A 4506-C is required to be signed by all borrowers at time of application and at closing for all transactions</u> • <u>For future income, paystubs are required prior to closing</u> • <u>Mortgage Credit Certificates are not permitted</u> |
| Assets/Reserves | |
| <p>Assets</p> | <ul style="list-style-type: none"> • One month bank statement reflecting a beginning & ending balance required. If bank statement does not provide the beginning and ending balances, two months consecutive statements are required. • At the time of closing, verify Borrower's TOTAL funds to close if the funds needed to close exceed the total Mortgage Payment of the new Mortgage. (Example-if funds to close \$1,000 and the new total Mortgage Payment is \$800, verification of ALL \$1,000 is required) <p>The Borrower's total Mortgage Payment includes:</p> <ul style="list-style-type: none"> ▪ Principal and Interest (P&I); ▪ real estate taxes; ▪ hazard insurance; ▪ flood insurance as applicable; ▪ Mortgage Insurance Premium; ▪ HOA or condominium association fees or expenses; ▪ Ground Rent; ▪ special assessments; ▪ payments for any acceptable secondary financing; and ▪ any other escrow payments <ul style="list-style-type: none"> • Business Funds may be used towards closing costs when the borrower is 100% owner of the business <ul style="list-style-type: none"> ○ A CPA or accountant to confirm the following on letterhead: |

**Non Delegated
FHA Streamline Refinance Mortgage Program**



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| | <ul style="list-style-type: none"> ▪ Evidence that the borrower has full use of the funds and no repayment is required ▪ A cash flow analysis on the business and, ▪ CPA letter explaining use of business funds does not negatively affect the business <ul style="list-style-type: none"> • <u>A written VOD as a stand-alone document is not acceptable. Full asset statements are required.</u> <ul style="list-style-type: none"> ○ A system generated automated VOD may be used as stand-alone documentation if provided by a verifiable institutional bank |
| Ineligible Asset Type | <ul style="list-style-type: none"> • <u>Cash on Hand</u> • <u>Custodial Accounts for minors</u> • <u>Pooled Funds</u> • <u>Cryptocurrency (i.e. bitcoin)</u> |
| Reserves Requirements (For Credit Qualifying Loans Only) | <ul style="list-style-type: none"> • 1 and 2 Unit Properties. Reserves must equal or exceed one total monthly mortgage payment. • 3 and 4 Unit Properties. Reserves must equal or exceed three total monthly mortgage payments. |
| Subordinate Financing | |
| Subordinate Financing | <ul style="list-style-type: none"> • If subordinate financing remains in place <ul style="list-style-type: none"> ○ No maximum CLTV ○ CLTV is based on the original appraised value of the property ○ CLTV is calculated by taking the original FHA base loan amount (the original FHA principal balance excluding financed UFMIP), adding all other financed liens still outstanding, and dividing by the appraised value ○ The Second Mortgage Note is not required • ***The lender must use the maximum accessible credit limit of the existing subordinate lien to calculate the CLTV ratio |
| Down Payment & Closing Costs Assistance Subordinate Financing | <u>Not permitted</u> |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Dwelling Unit • 2-4 Unit Detached/Attached • Mixed Use • PUDs • Low and High-Rise Condominiums – must be FHA Approved • Rural Properties – property must be residential in nature • Leaseholds • Land Trust |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u>Manufactured Homes</u> • Mobile Homes • Community Land Trusts • <u>Cooperatives</u> |



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| | <ul style="list-style-type: none"> • Condotels • Hotel Condominiums • Timeshares • Working Farms and Ranches • Unimproved Land • <u>Group Homes</u> • <u>Geodesic Domes</u> • Properties encumbered by PACE (i.e. HERO) obligations (effective with case numbers assigned on or after 01/06/18) |
| Appraisal Requirements | <ul style="list-style-type: none"> • Not required • Address to be used must be legal address confirmed by a tax bill |
| Condos/PUDs | Refer to HUD Handbook 4000.1 |
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ◦ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ◦ Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster |
| Leased Solar Panels Power Purchase Agreements | <ul style="list-style-type: none"> • A Property that contains leased equipment, or operates with a leased energy system or Power Purchase Agreement (PPA), may be eligible for FHA-insured financing but only when such agreements are free of restrictions that prevent the Borrower from freely transferring the Property • Such agreements are acceptable, provided they do not cause a conveyance (ownership transfer) of the insured Property by the Borrower to: <ul style="list-style-type: none"> ◦ be void, or voidable by a third party; ◦ be the basis of contractual liability of the Borrower (including rights of first refusal, pre-emptive rights or options related to a Borrower's efforts to convey); ◦ terminate or be subject to termination all or part of the interest held by the Borrower; ◦ be subject to the consent of a third party; ◦ be subject to limits on the amount of sales proceeds a Borrower can retain (e.g., due to a lien, "due on sale" clause, etc.); ◦ be grounds for accelerating the insured Mortgage; or ◦ be grounds for increasing the interest rate of the insured Mortgage • Any restrictions resulting from provisions of the lease or PPA do not conflict with FHA regulations unless they include provisions encumbering the Real Property or restricting the transfer of the Real Property • Legal restrictions on conveyance of Real Property (i.e., the house) that could require the consent of a third party (e.g., energy provider, system owner, etc.), include but |



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**Non Delegated
FHA Streamline Refinance Mortgage Program**



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| | <p>are not limited to, credit approval of a new purchaser before the seller can convey the Real Property, unless such provisions may be terminated at the option of, and with no cost to, the owner</p> <ul style="list-style-type: none"> • If an agreement for an energy system lease or PPA could cause restriction upon transfer of the house, the Property is subject to impermissible legal restrictions and is generally ineligible for FHA insurance <p>Solar Lease or Power Purchase Payments are not included as a debt in the borrower's qualifying ratios</p> |
| Escrow Holdbacks | Refer to HUD Handbook 4000.1 |
| Deed Restricted Properties | Refer to HUD Handbook 4000.1 |
| Geographic Restrictions | <ul style="list-style-type: none"> • <u><i>The following states are not eligible: New York</i></u> • <u><i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</i></u> |
| Special Restrictions | |
| High Cost Loans | <u><i>Lakeview will not purchase High Cost Loans</i></u> |
| Higher Priced Mortgage Loans (HPML) | Not permitted |
| <u>Adding and Removing Borrowers (For Non-Credit Qualifying Loans Only)</u> | <ul style="list-style-type: none"> • A borrower maybe added to a loan with no a credit review • A Borrower on the Mortgage to be paid may be removed from title and new Mortgage in cases of divorce, legal separation or death when: <ul style="list-style-type: none"> o the divorce decree or legal separation agreement awarded the Property and responsibility for payment to the remaining Borrower, if applicable; and o the remaining Borrower can demonstrate that they have solely made the Mortgage Payments for a minimum of six months prior to case number assignment. |
| Special Restrictions | <ul style="list-style-type: none"> • If approval of a condominium project has been withdrawn, FHA will insure only streamline refinances without appraisals for that condominium project • An eligible investor that has a financial interest in more than seven rental units, as described in 24 CFR 203.42, may only refinance without appraisals • No-cost refinances, in which the lender charges a premium interest rate to defray the borrower's closing costs and/or prepaid items, are permitted • A transaction for the purpose of reducing the mortgage term must be underwritten and closed as a rate and term (no cash-out) refinance transaction |
| Insurance | |
| Mortgage Insurance | Refer to FHA's MIP Calculation |



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| Other Considerations | |
|--|--|
| Age of Documents | <ul style="list-style-type: none"> All credit documents must be dated within 120 days of the disbursement date; including credit reports as well as employment, income and asset documents Preliminary Title Policies must be no more than 180 days old on the date that the note is signed |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements. |
| Title Vesting | <ul style="list-style-type: none"> The Mortgagee must obtain evidence of prior ownership when a Property was sold within 12 months of the case number assignment date. The Mortgagee must review the evidence of prior ownership to determine any undisclosed Identity-of-Interest transactions. <p><u>Eligible Vesting Types:</u></p> <ul style="list-style-type: none"> Land Trust Leasehold Living trusts permitted when property is owner occupied. Refer to HUD Handbook 4000.1 <p><u>Ineligible Vesting Types:</u></p> <ul style="list-style-type: none"> <i><u>Properties vested in an LLC are not permitted</u></i> |
| Power of Attorney | <ul style="list-style-type: none"> <i><u>Please adhere to the Power Of Attorney requirements within the Lakeview Seller Guide for transactions using a POA</u></i> <i><u>Not permitted for borrowers on vacation or short term business trips</u></i> <i><u>The initial loan application must be signed by all borrowers</u></i> |
| Escrow Waivers | Escrow accounts for property taxes, homeowner's insurance and flood insurance (if applicable) are required on all loans |
| Net Tangible Benefit for FHA case numbers assigned prior to 1/24/2022 | <p>The Underwriter must determine that there is a net tangible benefit to the borrower as a result of the streamline refinance transaction.</p> <p>Net tangible benefit is defined as:</p> <ul style="list-style-type: none"> A reduced Combined Rate, A reduced Term, and/or A change from an ARM to a fixed rate Mortgage that results in a financial benefit to the Borrower <p>Reduction in Term</p> <p>The net tangible benefit test is met if:</p> <ul style="list-style-type: none"> The remaining amortization period of the existing Mortgage is reduced; (Ex: Original loan term 30 years, term remaining 24 years, NTB is met if new term is less than 24 years at the time of closing) |



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- o The combined principal, interest and MIP payment of the new Mortgage does not exceed the combined principal, interest and MIP of the refinanced Mortgage by more than \$50, and
- o Meets below grid For Refinances with a Term Reduction

Combined rate refers to the interest rate on the mortgage plus the Mortgage Insurance Premium (MIP) rate. The lender must determine that there is a net tangible benefit to the borrower outlined as follows:

For Refinances without a Term Reduction:

| From | To | | |
|---|---|---|---|
| | Fixed Rate New Combined Rate | One-Year ARM New Combined Rate | Hybrid ARM New Combined Rate |
| Fixed Rate | At least 0.5 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. |
| Any ARM With Less Than 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. |
| Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. |

For Refinances with a Term Reduction:

| From | To | | |
|---|---|-----------------------------------|---------------------------------|
| | Fixed Rate New Combined Rate | One-Year ARM New Combined Rate | Hybrid ARM New Combined Rate |
| Fixed Rate | Below the prior Combined Rate. | N/A | N/A |
| Any ARM With Less Than 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | N/A | N/A |
| Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | N/A | N/A |



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| <p>Net Tangible Benefit for FHA case numbers assigned on or after 1/24/2022</p> | <p>The Underwriter must determine that there is a net tangible benefit to the borrower as a result of the streamline refinance transaction.</p> <p>Net tangible benefit is defined as:</p> <ul style="list-style-type: none"> o A reduced Combined Rate, o A reduced Term, and/or o A change from an ARM to a fixed rate Mortgage that results in a financial benefit to the Borrower <p>Reduction in Term greater than three (3) years</p> <p>The net tangible benefit test is met if:</p> <ul style="list-style-type: none"> o The remaining amortization period of the existing Mortgage is reduced; (Ex: Original loan term 30 years, term remaining 24 years, NTB is met if new term is less than 21 years at the time of closing) o The combined principal, interest and MIP payment of the new Mortgage does not exceed the combined principal, interest and MIP of the refinanced Mortgage by more than \$50, and o Meets below grid <u>For Refinances with a Term Reduction greater than three (3) years.</u> <p><u>Combined rate refers to the interest rate on the mortgage plus the Mortgage Insurance Premium (MIP) rate. The lender must determine that there is a net tangible benefit to the borrower outlined as follows:</u></p> <p><u>For Refinances without a Term Reduction or with a term reduction less than three (3) years:</u></p> <table border="1" data-bbox="492 1182 1511 1633"> <thead> <tr> <th rowspan="2">From</th> <th colspan="3">To</th> </tr> <tr> <th>Fixed Rate New Combined Rate</th> <th>One-Year ARM New Combined Rate</th> <th>Hybrid ARM New Combined Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate</td> <td>At least 0.5 percentage points below the prior Combined Rate.</td> <td>At least 2 percentage points below the prior Combined Rate.</td> <td>At least 2 percentage points below the prior Combined Rate.</td> </tr> <tr> <td>Any ARM With Less Than 15 Months to Next Payment Change Date</td> <td>No more than 2 percentage points above the prior Combined Rate.</td> <td>At least 1 percentage point below the prior Combined Rate.</td> <td>At least 1 percentage point below the prior Combined Rate.</td> </tr> <tr> <td>Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date</td> <td>No more than 2 percentage points above the prior Combined Rate.</td> <td>At least 2 percentage points below the prior Combined Rate.</td> <td>At least 1 percentage point below the prior Combined Rate.</td> </tr> </tbody> </table> <p><u>For Refinances with a Term Reduction of three (3) years or more:</u></p> <table border="1" data-bbox="492 1759 1511 1839"> <thead> <tr> <th rowspan="2">From</th> <th colspan="3">To</th> </tr> <tr> <th>Fixed Rate</th> <th>One-Year ARM</th> <th>Hybrid ARM</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | From | To | | | Fixed Rate New Combined Rate | One-Year ARM New Combined Rate | Hybrid ARM New Combined Rate | Fixed Rate | At least 0.5 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | Any ARM With Less Than 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | From | To | | | Fixed Rate | One-Year ARM | Hybrid ARM | | | | |
|--|--|---|---|--|--|---------------------------------|-----------------------------------|---------------------------------|------------|---|---|---|--|---|--|--|---|---|---|--|------|----|--|--|------------|--------------|------------|--|--|--|--|
| | From | | To | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Rate New Combined Rate | | One-Year ARM New Combined Rate | Hybrid ARM New Combined Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Rate | At least 0.5 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Any ARM With Less Than 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | At least 2 percentage points below the prior Combined Rate. | At least 1 percentage point below the prior Combined Rate. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| From | To | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Fixed Rate | One-Year ARM | Hybrid ARM | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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**Non Delegated
FHA Streamline Refinance Mortgage Program**



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| | | New Combined Rate | New Combined Rate | New Combined Rate |
|---|--|---|--------------------------|--------------------------|
| | Fixed Rate | Below the prior Combined Rate. | N/A | N/A |
| | Any ARM With Less Than 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | N/A | N/A |
| | Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date | No more than 2 percentage points above the prior Combined Rate. | N/A | N/A |
| Principal Curtailments | <ul style="list-style-type: none"> Borrower cannot get more than \$500 cash back <ul style="list-style-type: none"> If subject property is located in TX no cash back is allowed Cash back is not affected by refund of escrow When borrower is getting more than \$500 cash back a principal curtailment may be used to reduce the principal balance | | | |
| Recently Listed Properties | <p><u><i>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</i></u></p> | | | |
| Limitations on Financed Properties | <p><u><i>Maximum exposure of two (2) Lakeview financed loans to any one borrower in a Condo or PUD development</i></u></p> | | | |
| Required Documentation | <ul style="list-style-type: none"> Original signed application must be received for underwriting reflecting borrower's legal name Borrower(s) and interviewer complete the initial URLA and initial form HUD 92900-A, HUD Addendum to Uniform Residential Loan Application FHA case # assignment/Netting information Current Payoff showing loan is current Initial Loan Estimate Important Notice to Homebuyer Notice to Homeowners Informed Choice Disclosure ECOA Borrower's Authorization Form Copy of valid government-issued photo identification for each borrower All other required disclosures To verify the type, term and borrowers on the loan being paid off, the following documentation will be acceptable: Copy of the prior Note | | | |

| | |
|---|--|
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**Non Delegated
FHA Streamline Refinance Mortgage Program**



Red indicates a change from a previous matrix.

Overlays to FHA product guidelines are underlined and in italics

| FHA Mortgage Insurance Premium | | | | | |
|---|--|---------------------|--------------|------------------|-----------------|
| FHA Mortgage Insurance Premium (MIP) *Applies to all mortgages used to refinance a previous mortgage endorsed on or after June 1, 2009 **Applies to FHA loan applications with case numbers assigned on or after January 26, 2015. | Mortgage Term of More Than 15 Years | | | | |
| | Base Loan Amount | LTV | UFMIP | MIP (bps) | Duration |
| | Less than or equal to \$625,500 | ≤90.00% | 1.75% | 80 | 11 years |
| | | >90.00% but ≤95.00% | 1.75% | 80 | Mortgage term |
| | | >95.00% | 1.75% | 85 | Mortgage term |
| | Greater than \$625,500 | ≤90.00% | 1.75% | 100 | 11 years |
| | | >90.00% but ≤95.00% | 1.75% | 100 | Mortgage term |
| | | >95.00% | 1.75% | 105 | Mortgage term |
| | Mortgage Term of Less Than or Equal to 15 Years | | | | |
| | Base Loan Amount | LTV | UFMIP | MIP (bps) | Duration |
| Less than or equal to \$625,500 | ≤90.00% | 1.75% | 45 | 11 years | |
| | >90.00% | 1.75% | 70 | Mortgage term | |
| | ≤78.00% | 1.75% | 45 | 11 years | |
| Greater than \$625,500 | >78.00% but ≤90.00% | 1.75% | 70 | 11 years | |
| | >90.00% | 1.75% | 95 | Mortgage term | |
| For Simple Refinances Only ***Applies to the refinance of a previous mortgage endorsed on or before May 31, 2009 | All Mortgage Terms | | | | |
| | Base Loan Amount | LTV | UFMIP | MIP (bps) | Duration |
| | All | ≤90.00% | .01% | 55 | 11 years |
| | | >90.00% | .01% | | Mortgage term |
| Seller shall deliver loans that were originated in accordance with the HUD Handbook 4000.1 unless otherwise stated in this product matrix. | | | | | |

| | | |
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| Version Control | | | |
|-----------------|--|----------|---|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| MM | Proof of Occupancy (Refinances) | 07.29.22 | Per Info Letter 22-68 – Handbook 4000.1 Quarterly Updates ADDED: o <u>Direct electronic verification of employment by a Third Party Verification (TPV) vendor verifying the Borrower's address is the same as that of the subject Property is not permitted</u> |
| MM | Employment Verification (For Credit Qualifying Loans Only) | 08.12.22 | ADDED: o Loans utilizing a COVID-19 related economic event (as defined by ML 2022-09) for self-employment will be second level reviewed. |
| MM | Asset Verification | 08.12.22 | Maintenance-REMOVED: • Case numbers assigned prior to September 20, 2021: At the time of closing, verify Borrower's funds to close, in excess of the total Mortgage Payment of the new Mortgage. (Example-if funds to close \$1,000 and the new total Mortgage Payment is \$800, verification of \$200 is required) |
| MM | Employment/ Income Verification | 10.21.22 | UPDATED VERBIAGE: <u>For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date</u> TO READ: <u>For a self-employed Borrower, a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date must document the loan file</u> |
| MM | Ineligible Property Types | 10.21.22 | ADDED: Community Land Trusts |



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NON-DELEGATED FREDDIE MAC CONFORMING & SUPER CONFORMING PRODUCT MATRIX

This product matrix serves as a summary of the Freddie Mac Conforming and Super Conforming loan program in addition to Lakeview Loan Servicing overlays. Refer to the Freddie Mac Seller/Service Guide for any information not specified in this product matrix.

Seller shall deliver loans that were originated in accordance with the Freddie Mac Seller/Service Guide unless otherwise noted in this product matrix.



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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Conventional Programs

| | |
|--|---|
| <p>Income and Employment Verification</p> | <ul style="list-style-type: none"> • Effective with all loans closed on or after June 22, 2020, Lakeview will require, when self-employment is used to qualify, verification that the borrower’s business is open and operating must be confirmed within twenty (20) business days prior to the note date • Self-employment income must be assessed and verified in accordance with Fannie Mae and Freddie Mac temporary COVID-19 guidance <p>** Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details</p> |
| <p>Continuity of Income</p> | <p>Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing</p> |
| <p>Forbearance</p> | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| <p>Remote Online Notarization (RON)</p> | <p><u><i>Lakeview will not accept the use of remote online notarizations at this time</i></u></p> |



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| Freddie Mac Conforming and Super Conforming | | | | |
|---|----------------------------------|------------------------|--------------------|------------------------|
| Fixed Rate | | | | |
| Occupancy | Purchase and Rate/Term Refinance | | Cash-Out Refinance | |
| | Number of Units | Maximum LTV/CLTV/HCLTV | Number of Units | Maximum LTV/CLTV/HCLTV |
| Owner Occupied | 1 Unit | 97% ¹ | 1 Unit | 80% |
| | 2 Units | 85% | 2 Units | 75% |
| | 3-4 Units | 80% | 3-4 Units | 75% |
| Second Home | 1 Unit | 90% | 1 Unit | 75% |
| Investment Property | 1 Unit | 85% | 1 Unit | 75% |
| | 2-4 Units | 75% | 2-4 Units | 70% |

¹Greater than 95% LTV/CLTV limited to Conforming, Fixed Rate loan amounts only. Refer to 97% LTV Eligibility Section for additional restrictions.

| Loan Product | | | | | | | | | | | | | | | | | | | |
|------------------------------|--|--|--|--|---------------------------------------|---------------------------------------|---|---|--|--|--|------------------------------|--|--|--|------------------------------|--|------------------------------|------------------------------|
| Eligible Products/Terms | <table border="1"> <thead> <tr> <th colspan="2">Conforming Loan Limits</th> </tr> </thead> <tbody> <tr> <td>CBF150 Conforming 15YR Fixed (>\$150k)</td> <td>CBF301 Conforming 30YR Fixed (≤\$85k)</td> </tr> <tr> <td>CBF151 Conforming 15YR Fixed (≤\$85k)</td> <td>CBF302 Conforming 30YR Fixed (>\$85k and ≤\$110k)</td> </tr> <tr> <td>CBF152 Conforming 15YR Fixed (>\$85k and ≤\$110k)</td> <td>CBF303 Conforming 30YR Fixed (>\$110k and ≤\$150k)</td> </tr> <tr> <td>CBF153 Conforming 15YR Fixed (>\$110k and ≤\$150k)</td> <td></td> </tr> <tr> <td>CBF200 Conforming 20YR Fixed</td> <td></td> </tr> <tr> <td>CBF300 Conforming 30YR Fixed (>\$150k)</td> <td></td> </tr> <tr> <th colspan="2">Super Conforming Loan Limits</th> </tr> <tr> <td>HBF159 Conforming 15YR Fixed</td> <td>HBF309 Conforming 30YR Fixed</td> </tr> </tbody> </table> | Conforming Loan Limits | | CBF150 Conforming 15YR Fixed (>\$150k) | CBF301 Conforming 30YR Fixed (≤\$85k) | CBF151 Conforming 15YR Fixed (≤\$85k) | CBF302 Conforming 30YR Fixed (>\$85k and ≤\$110k) | CBF152 Conforming 15YR Fixed (>\$85k and ≤\$110k) | CBF303 Conforming 30YR Fixed (>\$110k and ≤\$150k) | CBF153 Conforming 15YR Fixed (>\$110k and ≤\$150k) | | CBF200 Conforming 20YR Fixed | | CBF300 Conforming 30YR Fixed (>\$150k) | | Super Conforming Loan Limits | | HBF159 Conforming 15YR Fixed | HBF309 Conforming 30YR Fixed |
| | Conforming Loan Limits | | | | | | | | | | | | | | | | | | |
| | CBF150 Conforming 15YR Fixed (>\$150k) | CBF301 Conforming 30YR Fixed (≤\$85k) | | | | | | | | | | | | | | | | | |
| | CBF151 Conforming 15YR Fixed (≤\$85k) | CBF302 Conforming 30YR Fixed (>\$85k and ≤\$110k) | | | | | | | | | | | | | | | | | |
| | CBF152 Conforming 15YR Fixed (>\$85k and ≤\$110k) | CBF303 Conforming 30YR Fixed (>\$110k and ≤\$150k) | | | | | | | | | | | | | | | | | |
| | CBF153 Conforming 15YR Fixed (>\$110k and ≤\$150k) | | | | | | | | | | | | | | | | | | |
| | CBF200 Conforming 20YR Fixed | | | | | | | | | | | | | | | | | | |
| | CBF300 Conforming 30YR Fixed (>\$150k) | | | | | | | | | | | | | | | | | | |
| Super Conforming Loan Limits | | | | | | | | | | | | | | | | | | | |
| HBF159 Conforming 15YR Fixed | HBF309 Conforming 30YR Fixed | | | | | | | | | | | | | | | | | | |
| Ineligible Product Types | <ul style="list-style-type: none"> • <u>Construction Conversion Single Close Transactions</u> • <u>Renovation Mortgages/Energy Mortgages</u> • <u>Temporary Buydowns</u> • <u>Interest Only Loan Programs</u> • <u>Refi Possible</u> | | | | | | | | | | | | | | | | | | |
| Purpose | <ul style="list-style-type: none"> • Purchase • Rate/Term Refinance <ul style="list-style-type: none"> ◦ <u>Cash proceeds disbursed to the borrower not to exceed 2% of the new refinance Mortgage, or \$2,000, whichever is less</u> • Cash-Out Refinance | | | | | | | | | | | | | | | | | | |



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|---|---|
| | <ul style="list-style-type: none"> ○ <u>FHLMC Special Purpose Cash Out refinances are not eligible for LLPA relief</u> • Refer to continuity of obligation section in the Freddie Mac Seller Guide • <u>Transactions in the state of Texas subject to 50(a)(6) are not permitted</u> <ul style="list-style-type: none"> ○ <u>Current 50(a)(6) loans may not be refinanced into non-home equity loans</u> |
| Occupancy | <ul style="list-style-type: none"> • Primary Residence 1-4 Units <ul style="list-style-type: none"> ○ <u>Borrower(s) are limited to one primary residence transaction within the past 12 months</u> • Second Home 1 Unit Only • Investment Property 1-4 Units |
| 95.01% - 97% LTV/CLTV/HCLTV Requirements | <p>For Purchase and Rate/Term Refinances of Freddie Mac Loans</p> <ul style="list-style-type: none"> • Loan Product Advisor (LPA) underwriting required with a risk class of Accept • 1 Unit Principal Residence (including Condos and PUD's) • Fixed Rate Mortgage with maximum term of 30 years • Super Conforming mortgages are not permitted • Loan must have standard MI coverage • LTV/CLTV/HCLTV Ratios <ul style="list-style-type: none"> ○ LTV 95.01% to 97% ○ CLTV – 95.01% to 97% ○ HCLTV – 95.01% to 97% <p><u>Purchase Transactions</u></p> <ul style="list-style-type: none"> • First Time Home Buyers (FTHB) requirement – at least one borrower must be a FTHB. A FTHB is defined as an individual that has not owned any residential property in the past 3 years. In addition, the FTHB can be a displaced homemaker or single parent if there is no previous ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period. See FHLMC Seller Guide for further information. • Pre-purchase home-buyer education and counseling required when all borrowers are first time homebuyers • Post-purchase delinquency counseling not required <p><u>Refinance Option (Rate/Term) for an Existing Freddie Mac loan</u></p> <ul style="list-style-type: none"> • The lender must document that the existing loan being refinanced is owned (or securitized) by Freddie Mac. Documentation may come from the lender's servicing system, the current servicer (if the lender is not the servicer), from the Freddie Mac Loan Lookup Tool or any other source as confirmed by the lender. • All other standard purchase and rate/term refinance policies apply <p>NOTE: Lenders must enter the valid value of FRE for ULDD Data Point <i>Related Loan Investor Type</i> and, if available, should also provide the associated Freddie Mac loan number of the mortgage being refinanced for ULDD Data Point <i>Related Investor Loan Identifier</i>.</p> |
| Temporary Buydowns | <u>Not Permitted</u> |



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| Eligibility | |
|-------------------------------|--|
| Borrower Eligibility | <ul style="list-style-type: none"> Acceptable Residency Statuses: <ul style="list-style-type: none"> US Citizen(s) Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide. <u>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u> Living Trust Agreements: Permitted, must meet all current Freddie Mac Guidelines and contain clear evidence of compliance Loans to Limited Liability Corporations (LLC) not permitted <u>Life Estates are not permitted</u> |
| Co-Borrower/Co-Signer | Permitted in accordance with Freddie Mac Seller Guide |
| Homebuyer Education | Not required for LTV/CLTV/HCLTV ≤ 95%; see 95.01% - 97% LTV/CLTV/HCLTV section |
| Non-Arm's Length Transactions | <p>Freddie Mac will not purchase mortgage loans on newly constructed homes secured by a 2nd Home or Investment property if the borrower has a relationship or business affiliation with the builder, developer, or seller of the property.</p> <ul style="list-style-type: none"> <u>Non-arm's length transactions are acceptable for primary residences only. Relationship must be fully disclosed at the time of submission.</u> <u>Second home and investment properties are not permitted.</u> |
| Credit | |
| AUS | <ul style="list-style-type: none"> LPA [Loan Product Advisor] with "Accept" findings required <u>Manual underwriting is not permitted</u> |
| Credit | <ul style="list-style-type: none"> Evaluated by AUS <u>Private Party VOM/VOR as a stand-alone document is not permitted. 12 months cancelled checks are required to document the payment history</u> <u>Any credit inquiries within the previous 120-day period must contain a written explanation from the borrower to attest that the inquiry did not result in any additional debt not reported on the credit report.</u> |
| FICO Requirements | <ul style="list-style-type: none"> <u>Minimum 620 FICO score</u> Credit is evaluated by LPA |
| Non-Traditional Credit | <u>Use of non-traditional credit is not permitted</u> |
| Significant Derogatory Credit | Refer to the Freddie Mac Seller Guide |



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| <p>Ratios</p> | <ul style="list-style-type: none"> • Evaluated and determined by AUS • When the subject transaction is a second home or investment property or includes a non-occupant co-borrower, the DTI ratio must include the borrowers' principal residence housing expense (PITIA). If the borrower and/or the non-occupant co-borrower are renting, then all primary residence rental payments must be included in the housing expense portion of the DTI ratio. • The following is acceptable documentation to verify the borrowers' primary housing rental payment: <ul style="list-style-type: none"> ○ Six months <u>most recent</u> canceled checks or equivalent payment source*; ○ Six months <u>most recent</u> bank statements reflecting a clear and consistent payment to an organization or individual*; ○ Direct verification of rent from a management company <u>and two months most recent cancelled checks dated prior to application</u>; ○ Direct verification of rent from a landlord <u>and twelve months most recent cancelled checks dated prior to application</u>; or ○ A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) <u>dated prior to application</u> and supporting the rental payment amount. <p>* See credit section of this product matrix for private party VOR payment history requirements. If rental or mortgage history documentation suggests a payment delinquency, additional documentation may be required to establish a satisfactory payment history in accordance with Freddie Mac requirements.</p> |
| <p>Liabilities</p> | <ul style="list-style-type: none"> • Student Loan Debt <ul style="list-style-type: none"> ○ In forgiveness, cancelation, discharge or employment-contingent repayment programs. Payment may be excluded with documentation indicating the following: <ul style="list-style-type: none"> ▪ Student loan has ≤ ten monthly payments remaining until the full balance is forgiven, canceled, discharged or, in the case of an employment-contingent program, paid, or ▪ Student loan is in forbearance, and the full balance will be forgiven, canceled, discharged or, in the case of an employment-contingent program, paid at the end of the deferment or forbearance period; AND, ▪ The borrower is eligible or approved for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable. • Contingent Liabilities: A contingent liability may be excluded from the qualifying DTI with the following documentation: <ul style="list-style-type: none"> ○ Installment, revolving or monthly lease payments: <ul style="list-style-type: none"> ▪ Evidence that a party other than the borrower has been making timely payments for the most recent twelve months (regardless of whether the other party is obligated on the debt); ▪ The party making the payments is not an interested party to the transaction. • Mortgage Debt: <ul style="list-style-type: none"> ○ Evidence that a party other than the borrower has been making timely payments for the most recent twelve months; and |


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|---------------------------------------|--|
| | <ul style="list-style-type: none"> o The party making the payments is obligated on the Note for the mortgage liability; and o The borrower is not on title for the mortgaged property; and o The party making the payments is not an interested party to the transaction. <p><u>For the subject property and all other real estate owned, flood insurance and special assessments with more than 10 monthly payments remaining must be included in the DTI</u></p> |
| Employment/Income | |
| <p>Employment Verification</p> | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of Loan Product Advisor Findings and the Freddie Mac Seller Guide • For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the note date <ul style="list-style-type: none"> o Third party suppliers and distributors that generate employment and income verification “automated” reports are permitted for the purpose of verifying income and/or employment. <ul style="list-style-type: none"> ▪ Because third party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor’s database was no more than 35 days old as of the Note date. o <u><i>Request for Verification of Employment, Form 1005 (VOE) or a VOE/VOI completed manually/ researched through a third party is not permitted as stand-alone document</i></u> • For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date |
| <p>Income Verification</p> | <ul style="list-style-type: none"> • All sources of qualifying income must be legal in accordance with all applicable Federal, State, and Local laws, rules and regulations, without conflict • A 4506-C or 4506-T form is required <u><i>to be signed at application and at closing</i></u> for all transactions; however, all loans delivered to Lakeview on or after 2/18/2021 will require the 4506-C form <u><i>to be signed at application and at closing</i></u> • <u><i>Transcript Requirements:</i></u> <ul style="list-style-type: none"> o <u><i>W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</i></u> o <u><i>Tax transcripts are required in the following circumstances:</i></u> <ul style="list-style-type: none"> ▪ <u><i>When tax returns are used to qualify a borrower. The number of years provided must be based on the DU findings. Income verified via tax returns includes but is not limited to the examples listed below.</i></u> <ul style="list-style-type: none"> • <u><i>Self-employment income</i></u> • <u><i>Rental Income</i></u> • <u><i>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</i></u> ▪ <u><i>Employment by Family Members</i></u> ▪ <u><i>Handwritten pay stubs/W-2s</i></u> ▪ <u><i>Amended tax returns have been filed</i></u> <ul style="list-style-type: none"> • <u><i>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/ income types):</i></u> <ul style="list-style-type: none"> o <u><i>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted.</i></u> o <u><i>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for</i></u> |


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| | |
|---|---|
| | <p><u>consistency to determine whether the use of the amended return is warranted and is supportive of borrower's overall income profile. The following documentation will be required:</u></p> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reason for re-filing;</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> <ul style="list-style-type: none"> • Assets, as a basis of qualification, are acceptable in accordance with the Freddie Mac Selling Guide. A two (2) year history of ownership of the asset is required. • <u>For future income, paystubs are required prior to closing.</u> • <u>Mortgage Credit Certificates are not permitted</u> • The Borrower must own a Primary Residence to use rental income to qualify when purchasing a new rental property. Satisfactory documentation must be provided as evidence of ownership, i.e. mortgage history or property records/tax and HOI payments, and; • Whether purchasing a new rental property or converting a Primary Residence to a rental property, if the Borrower does not have a minimum of one-year investment property management experience, then: <ul style="list-style-type: none"> ○ The rental income can only offset the principal, interest, taxes and insurance (PITI) and when applicable, mortgage insurance premiums, leasehold payments, homeowners association dues (excluding unit utility charges) and payments on secondary financing (full monthly payment) of the new rental property; and ○ Rental income exceeding the full monthly payment cannot be added to the Borrower's gross monthly income to qualify. • For rental income from a subject property refinance transaction or non-subject property that was either purchased in the current calendar year; or placed in service as a rental property in the current calendar year: <ul style="list-style-type: none"> ○ Lease must be used to determine the net rental income; and <ul style="list-style-type: none"> ▪ Form 72 or 1000 supporting the income reflected on the lease; or ▪ Documentation (e.g., bank statements evidencing deposit or electronic transfer of rental payments, canceled rent checks) supporting two months of receipt of rental income ○ Purchase date or conversion date, as applicable, must be documented |
| <p>Fluctuating Employment Earnings (Variable Income)</p> | <p>For fluctuating employment earnings, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third-party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline between the prior year(s) and/or YTD earnings that exceeds 10%, the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized. See the Freddie Mac Seller Guide</p> |
| <p>Rental Income</p> | <p>Refer to the Freddie Mac Seller Guide</p> |

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| Assets/Reserves | |
|---|---|
| Asset Documentation | <ul style="list-style-type: none"> • Must comply with the requirements of the LPA Findings and the Freddie Mac Seller Guide • <u>All assets greater than \$0 required for closing must be documented.</u> • <u>A written VOD as a stand-alone document is not acceptable</u> <ul style="list-style-type: none"> ◦ A system generated automated VOD may be used as stand-alone documentation if provided by a verifiable institutional bank |
| Ineligible Asset Types | <ul style="list-style-type: none"> • Cash on hand • <u>Custodial accounts for minors</u> • <u>Pooled funds</u> • <u>Trade equity</u> • <u>Sweat equity</u> • <u>Cryptocurrency (i.e. bitcoin)</u> |
| Reserves | <ul style="list-style-type: none"> • Reserves must be based on the full monthly payment for the property. The monthly payment amount is the sum of the following monthly charges: <ul style="list-style-type: none"> ◦ Principal and Interest payments on the mortgage ◦ Property hazard insurance premiums ◦ Real estate taxes ◦ When applicable: <ul style="list-style-type: none"> ▪ Mortgage Insurance Premiums ▪ Leasehold Payments ▪ Homeowner’s Association dues (excluding unit utility charges) ▪ Payments on secondary financing |
| Financing Concessions | Refer to the Freddie Mac Seller Guide |
| Gifts | Refer to the Freddie Mac Seller Guide |
| IPC – Interested Party Contributions | Refer to the Freddie Mac Seller Guide |
| Down Payment Assistance | <ul style="list-style-type: none"> • <u>Down payment and closing cost assistance subordinate financing is not permitted</u> • Employer assistance is acceptable in accordance with Freddie Mac Seller Guidelines |
| Borrower Contribution | Refer to the Freddie Mac Seller Guide |
| Subordinate Financing | |
| New Subordinate Financing | <ul style="list-style-type: none"> • Refer to the Freddie Mac Seller Guide • <u>Down payment and closing cost assistance subordinate financing is not permitted</u> |
| Existing Subordinate Financing | Refer to the Freddie Mac Seller Guide |



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| Property/Appraisal | |
|---|--|
| <p>Eligible Property Types</p> | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Unit (see FHLMC Selling Guide section 5601.12 for specific requirements) <ul style="list-style-type: none"> ◦ <u><i>In instances where the accessory unit is a manufactured home, the property is eligible only if no value is given to the manufactured home accessory unit by the appraiser.</i></u> • 2-4 Unit Detached • PUDs • Condominiums – must be Freddie Mac eligible • Rural Properties – in accordance with Agency Guidelines, properties must be residential in nature • Leaseholds – must be Freddie Mac eligible <u><i>and cannot be secured by Indian/Tribal lands</i></u> • Properties with eligible PACE obligations originated prior to July 6, 2010. Refer to the Freddie Mac Seller Guide |
| <p>Ineligible Property Types</p> | <ul style="list-style-type: none"> • <u><i>Manufactured Homes</i></u> • Mobile Homes • <u><i>Cooperatives</i></u> • Condotels • Hotel Condominiums • Timeshares • <u><i>Geodesic Domes</i></u> • Working Farms and Ranches • Unimproved Land • <u><i>Leaseholds secured by Indian/Tribal land</i></u> • <u><i>Community Land Trusts</i></u> • <u><i>Group Homes</i></u> • Properties with PACE obligations originated on or after July 6, 2010 • Properties encumbered with a private transfer fee are not permitted <ul style="list-style-type: none"> ◦ Review title for private transfer fee covenant. Loan is not eligible for purchase if property is subject to a private transfer fee. |
| <p>Appraisal Requirements</p> | <ul style="list-style-type: none"> • Follow LPA findings for Property Valuation • Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6: not permitted • If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the Property State, but are missing and/ or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing. <ul style="list-style-type: none"> ◦ For appraisals completed “subject to”, the completed work must be recertified by the appraiser with a final inspection or 1004D. ◦ For appraisals completed “as is”, a final inspection by the appraiser or an independent third party confirming completion of these items is required. • <u><i>Lakeview will require successful UCPD Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable</i></u> • Seller to assign Lakeview as an aggregator in UCDP |



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|---|---|
| Appraisal Transfers | Appraisal transfers are permitted in accordance with the Freddie Mac Seller Guide |
| Appraisal Re-Use | The re-use of an appraisal is permitted in accordance with the Freddie Mac Seller Guide |
| Condos/PUDs | <ul style="list-style-type: none"> Refer to Freddie Mac Seller Guide Must follow Freddie Mac published Condominium Eligibility Guidelines Streamlined Condo review allowed in accordance with Freddie Mac Guidelines If the master policy for a condominium does not provide adequate coverage, an HO-6 policy with adequate coverage deemed by the insurer is required |
| Disaster Area Requirements | <ul style="list-style-type: none"> Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> FEMA Major Disaster Declarations with designated counties eligible for individual assistance (IA); Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; Areas where the Seller has reason to believe that a property might have been damaged in a disaster Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |
| Escrow Holdbacks | <ul style="list-style-type: none"> Refer to the Freddie Mac Seller Guide regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation It is the Seller's responsibility to forward final completion documents to Lakeview per Freddie Mac Seller Guide |
| Deed Restricted Properties | Refer to the Freddie Mac Seller Guide |
| Primary Residence Conversion | Refer to the Freddie Mac Seller Guide |
| Solar Panels Power Purchase Agreements | Refer to the Freddie Mac Seller Guide |
| Geographic Restrictions | <ul style="list-style-type: none"> <i>The following states are not eligible: New York</i> <i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</i> |
| Special Restrictions | |
| High Cost Loans | <u><i>Lakeview will not purchase High Cost Loans.</i></u> |



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|--|---|
| Higher Priced Mortgage Loans (HPML) | Refer to the Freddie Mac Seller Guide |
| Multiple Financed Properties | <ul style="list-style-type: none"> The loan must comply with Freddie Mac's limitations on the maximum number of financed properties on which the borrower is obligated <u>Maximum exposure of 2 Lakeview financed loans to any one borrower in a Condo or PUD development</u> |
| Re-Negotiated Purchase Agreements | <ul style="list-style-type: none"> <u>Purchase agreements renegotiated after the completion of the appraisal that increase the sales price are only acceptable under the following circumstances:</u> <ul style="list-style-type: none"> <u>The sales price adjustment is due to price overruns that impact the tangible value of the property on new construction. An updated appraisal must be obtained to verify the value of the modifications.</u> <u>A renegotiation of only seller paid closing costs and/or prepaid occurs where seller paid closing cost/prepays are common and customary for the market and supported by comparables.</u> |
| Insurance | |
| Mortgage Insurance | <ul style="list-style-type: none"> FHLMC approved MI providers only Standard Coverage required Split Premium MI is eligible subject to Freddie Mac Seller Guide Financed MI is eligible subject to Freddie Mac Seller Guide Lender paid single premium and borrower paid single premium MI is eligible subject to Freddie Mac Seller Guide <u>Reduced MI: not permitted</u> |
| Title Insurance | <ul style="list-style-type: none"> <u>An attorney's title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans.</u> |
| Other Considerations | |
| Age of Documents | <ul style="list-style-type: none"> All credit documents must be dated within 120 days of the note date Preliminary Title Policies must be no more than 180 days old on the date that the note is signed |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements. |



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| <p>Power of Attorney</p> | <ul style="list-style-type: none"> • Please adhere to the Lakeview Loan Servicing Seller Guide for the requirements for transactions using a POA. • <u>Not permitted on Cash-out Refinances</u> • <u>Subject property must be the borrower's primary residence</u> • <u>Not permitted for borrowers on vacation or short term business trips</u> • <u>An employee of the title insurer or settlement agent acting as the attorney-in-fact is not permitted.</u> | | | | | | | | | | |
|--|--|---------------------------|--|-------------------|-------------------------|---|------------------------------------|----------------------|----------------------|----------------------|--|
| <p>Principal Curtailments</p> | <ul style="list-style-type: none"> • In the event there are remaining proceeds; <ul style="list-style-type: none"> ○ Mortgage amount may be reduced, or ○ The excess must be applied as Principal curtailment. Being clearly reflected on settlement statement. • Borrower to get no funds at closing • For principal curtailment and cash back allowances on purchase transactions, see Freddie Mac Seller Guide | | | | | | | | | | |
| <p>Seasoning Requirements</p> | <ul style="list-style-type: none"> • Refer to Lakeview Loan Servicing Seller Guide • Any refinance Mortgage being paid off must have a Note Date no less than thirty days prior to the Note Date of the "no cash-out" refinance Mortgage, as documented in the Mortgage file (e.g., on the credit report or the title commitment). | | | | | | | | | | |
| <p>Escrow Waivers</p> | <ul style="list-style-type: none"> • <u>Tax and insurance escrows are required on all loans greater than 80% LTV with the exception of California, where State Law prescribes escrows are not required on loans less than 90% LTV</u> • <u>Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association, or other group, no escrow is required</u> • <u>Escrow waivers for property taxes and homeowner's insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Freddie Mac Seller Guide and all state specific restrictions.</u> • Tax and insurance escrows are required on all HPML loans <table border="1" data-bbox="397 1381 1318 1591"> <thead> <tr> <th colspan="2">Escrow Waiver Eligibility</th> </tr> <tr> <th>Primary Residence</th> <th>Second Home/ Investment</th> </tr> </thead> <tbody> <tr> <td>All states, excluding CA and NM ≤ 80% LTV</td> <td>All states, excluding CA ≤ 80% LTV</td> </tr> <tr> <td>California < 90% LTV</td> <td>California < 90% LTV</td> </tr> <tr> <td>New Mexico < 80% LTV</td> <td></td> </tr> </tbody> </table> | Escrow Waiver Eligibility | | Primary Residence | Second Home/ Investment | All states, excluding CA and NM ≤ 80% LTV | All states, excluding CA ≤ 80% LTV | California < 90% LTV | California < 90% LTV | New Mexico < 80% LTV | |
| Escrow Waiver Eligibility | | | | | | | | | | | |
| Primary Residence | Second Home/ Investment | | | | | | | | | | |
| All states, excluding CA and NM ≤ 80% LTV | All states, excluding CA ≤ 80% LTV | | | | | | | | | | |
| California < 90% LTV | California < 90% LTV | | | | | | | | | | |
| New Mexico < 80% LTV | | | | | | | | | | | |
| <p>Seller shall deliver loans that were originated in accordance with the Freddie Mac Single Family Seller Guide, unless otherwise stated in this product matrix.</p> | | | | | | | | | | | |

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| Version Control | | | |
|-----------------|-------------------------|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| AS | Employment Verification | 08.26.22 | Removed per FNMA SEL-2022-07 <u><i>An email in lieu of a 10 days verbal pre-closing verification (PCV) is not permitted</i></u> |



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NON-DELEGATED FREDDIE MAC HOME POSSIBLE PRODUCT MATRIX

This product matrix serves as a summary of the Freddie Mac Home Possible program in addition to Lakeview Loan Servicing overlays. Refer to the Freddie Mac Seller/Servicer Guide for any information not specified in this product matrix.

Seller shall deliver loans that were originated in accordance with the Freddie Mac Seller/Servicer Guide unless otherwise noted in this product matrix.



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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future notice.

Interim Guidance in Response to COVID-19 for Conventional Programs

| | |
|--|---|
| <p>Income and Employment Verification</p> | <ul style="list-style-type: none"> • Effective with all loans closed on or after June 22, 2020, Lakeview will require, when self-employment is used to qualify, verification that the borrower’s business is open and operating must be confirmed within twenty (20) business days prior to the note date • Self-employment income must be assessed and verified in accordance with Fannie Mae and Freddie Mac temporary COVID-19 guidance <p>** Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details</p> |
| <p>Continuity of Income</p> | <p>Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing</p> |
| <p>Forbearance</p> | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| <p>Remote Online Notarization (RON)</p> | <p><i><u>Lakeview will not accept the use of remote online notarizations at this time</u></i></p> |



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| Freddie Mac Home Possible | | | | |
|--|-----------------|-----------------------------------|---|--------------|
| Fixed Rate | | | | |
| Purchase and Limited Cash-Out Refinance | | | | |
| Occupancy | Number of Units | Conforming Maximum LTV/CLTV/HCLTV | Super Conforming Maximum LTV/CLTV/HCLTV | Minimum FICO |
| Owner Occupied | 1 Unit | 97%/ <u>97%</u> /97% ¹ | 95% | 620 |
| | 2 Units | 95%/95%/95% | 85% | |
| | 3-4 Units | 95%/95%/95% | 80% | |
| ¹ Non-Occupant borrower – permitted on a 1-unit property up to a maximum 95% LTV/CLTV/HCLTV | | | | |

| Loan Product | |
|---------------------------|---|
| Eligible Products/Terms | <ul style="list-style-type: none"> FHF550 – Conforming FHF559 – Super Conforming 30YR Fixed Rate Only |
| Ineligible Products Types | <ul style="list-style-type: none"> RHS Leveraged Seconds <u>Construction to Perm/One-Time Close Mortgages</u> <u>Renovation Mortgages/Energy Mortgages</u> <u>Temporary Buydowns</u> <u>Interest Only Loan Programs</u> |
| Purpose | <ul style="list-style-type: none"> Purchase <ul style="list-style-type: none"> <u>Borrower(s) are limited to one primary residence transaction within the past 12 months.</u> Rate/Term Refinance <ul style="list-style-type: none"> <u>Cash proceeds disbursed to the borrower not to exceed 2% of the new refinance Mortgage, or \$2,000 whichever is less</u> <u>Transactions in the state of Texas subject to 50(a) (6) are not permitted.</u> <ul style="list-style-type: none"> <u>Current 50(a) (6) loans may not be refinanced into a non-home equity loan</u> |
| Occupancy | Primary Residence 1-4 Units |
| Temporary Buydowns | <u>Not Permitted</u> |
| Eligibility | |
| Borrower Eligibility | <ul style="list-style-type: none"> Acceptable Residency Statuses: <ul style="list-style-type: none"> US Citizen(s) Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide. |



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| | <ul style="list-style-type: none"> o <u>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</u> • Non-Occupant Borrowers – permitted on 1-unit properties when the LTV/TLTV/HTLTV ratio is less than or equal to 95% • Inter Vivos Revocable Trust: Permitted, must meet all current Freddie Mac Guidelines and contain clear evidence of compliance • <u>Life Estates are not permitted</u> |
| Non-Occupant Borrower | <ul style="list-style-type: none"> • 1-unit property only • Maximum 95% LTV/CLTV/HCLTV |
| Homebuyer Education | Purchase transactions: if all borrowers are first time homebuyers, then at least one borrower on the loan must complete the homeownership education or housing counseling requirements described in the Freddie Mac Seller Guide |
| Landlord Education | Purchase transactions: At least one borrower on the loan must complete Landlord Education for any loan secured by a 2-4 unit property. A complete list of acceptable landlord education programs can be found in the Freddie Mac Seller Guide |
| Ownership of Other Residential Properties | Permitted in accordance with the Freddie Mac Seller Guide |
| Non-Arm’s Length Transactions | Permitted per the Freddie Mac Seller Guide |
| Credit | |
| AUS | <ul style="list-style-type: none"> • LPA [Loan Product Advisor] with “Accept” findings required • <u>Manual underwriting is not permitted</u> |
| Credit Requirements | <ul style="list-style-type: none"> • Minimum 620 FICO score • Credit is evaluated by LPA • Credit report must be dated within 120 days of the Note date • <u>Any credit inquiries within the previous 120-day period must contain a written explanation from the borrower to attest that the inquiry did not result in any additional debt not reported on the credit report</u> • <u>Private Party VOM/ VOR, as a standalone document are not permitted. 12 months cancelled check are required to document the payment history</u> |
| Non-Traditional Credit | <u>Use of non-traditional credit is not permitted</u> |
| Liabilities | <ul style="list-style-type: none"> • Student Loan Debt <ul style="list-style-type: none"> o In forgiveness, cancelation, discharge or employment- contingent repayment programs. Payment may be excluded with documentation indicating the following: <ul style="list-style-type: none"> ▪ Student loan has ≤ ten monthly payments remaining until the full balance is forgiven, canceled, discharged or, in the case of an employment-contingent program, paid, or ▪ Student loan is in forbearance, and the full balance will be forgiven, canceled, discharged or, in the case of an employment-contingent program, paid at the end of the deferment or forbearance period, and |



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| | <ul style="list-style-type: none"> ▪ The borrower is eligible or approved for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable. • Contingent Liabilities: A contingent liability may be excluded from the qualifying DTI with the following documentation: <ul style="list-style-type: none"> ○ Installment, revolving or monthly lease payments: <ul style="list-style-type: none"> ▪ Evidence that a party other than the borrower has been making timely payments for the most recent twelve months (regardless of whether the other party is obligated on the debt); ▪ The party making the payments is not an interested party to the transaction. ○ Mortgage Debt: <ul style="list-style-type: none"> ▪ Evidence that a party other than the borrower has been making timely payments for the most recent twelve months; and ▪ The party making the payments is obligated on the Note for the mortgage liability; and ▪ The borrower is not on title for the mortgaged property; and ▪ The party making the payments is not an interested party to the transaction. • For the subject property and all other real estate owned, flood insurance and special assessments with more than 10 monthly payments remaining must be included in the DTI |
| <p>Significant Derogatory Credit</p> | <p>Refer to the Freddie Mac Seller Guide</p> |
| <p>DTI</p> | <ul style="list-style-type: none"> • Evaluated by LPA • When the subject transaction is a second home or investment property or includes a non-occupant co-borrower, the DTI ratio must include the borrowers' principal residence housing expense (PITIA). If the borrower and/or the non-occupant co-borrower are renting, then all primary residence rental payments must be included in the housing expense portion of the DTI ratio. • The following is acceptable documentation to verify the borrowers' primary housing rental payment: <ul style="list-style-type: none"> ○ Six months <u>most recent</u> canceled checks or equivalent payment source*; ○ Six months <u>most recent</u> bank statements reflecting a clear and consistent payment to an organization or individual*; ○ Direct verification of rent from a management company <u>and two months most recent cancelled checks dated prior to application</u>; ○ Direct verification of rent from a landlord <u>and twelve months most recent cancelled checks dated prior to application</u>; or ○ A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) <u>dated prior to application</u> and supporting the rental payment amount. <p>* See credit section of this product matrix for private party VOR payment history requirements. If rental or mortgage history documentation suggests a payment delinquency,</p> |



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| | <p>additional documentation may be required to establish a satisfactory payment history in accordance with Freddie Mac requirements.</p> |
| Employment/Income | |
| Income Limits | <ul style="list-style-type: none"> • <u>Lender must attempt to verify all income listed on the Uniform Residential Loan Application. Any discrepancies, including underreported income, must be corrected and submitted to LPA. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower.</u> • <u>Income eligibility will be determined by the Loan Product Advisor findings</u> <ul style="list-style-type: none"> ◦ As an additional resource, the FHLMC online income eligibility tool can be found at Home Possible Income & Property Eligibility |
| Employment/ Income Verification | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of Loan Product Advisor Findings, Freddie Mac Home Possible Program and the Freddie Mac Seller Guide <ul style="list-style-type: none"> ◦ Third party suppliers and distributors that generate employment and income verification reports are permitted for the purpose of verifying income and/or employment ◦ If the verification is completed using employment and/or income information from an electronic database is no more than 35 days' old ◦ <u>Request for Verification of Employment, Form 1005 (VOE) or a VOE/NOI completed manually/researched through a third party is not permitted as a stand-alone document</u> • For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the note date • For self-employed borrowers, the verbal verification of employment must be completed within 120 calendar days prior to the note date • All sources of qualifying income must be legal in accordance with all applicable Federal, State, and Local laws, rules and regulations, without conflict • A 4506-C or 4506-T form is required <u>to be signed at closing</u> for all transactions; however, all loans delivered to Lakeview on or after 2/18/2021 will require the 4506-C form <u>to be signed at closing</u> • <u>Transcript Requirements:</u> <ul style="list-style-type: none"> ◦ <u>W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</u> ◦ <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> ▪ <u>When tax returns are used to qualify a borrower. The number of years provided must be based on the DU findings. Income verified via tax returns includes but is not limited to the examples listed below.</u> <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</u> ▪ <u>Employment by Family Members</u> ▪ <u>Handwritten pay stubs/W-2s</u> ▪ <u>Amended tax returns have been filed</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following must be adhered to (all employment/ income types):</u> <ul style="list-style-type: none"> ◦ <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted.</u> |



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| | <ul style="list-style-type: none"> o <i>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of borrower's overall income profile. In addition, the following documentation is required:</i> <ul style="list-style-type: none"> ▪ <i>A letter of explanation for the borrower detailing the reason for re-filing;</i> ▪ <i>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</i> ▪ <i>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented).</i> • <u><i>A 4506-C is required to be signed by all borrowers at time of application and at closing for all transactions.</i></u> • <u><i>For future income, paystubs are required prior to closing.</i></u> <ul style="list-style-type: none"> ▪ <u><i>Mortgage Credit Certificates are not permitted.</i></u> |
| Fluctuating Employment Earnings (Variable Income) | <p>For fluctuating employment earnings, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third-party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline between the prior year(s) and/or YTD earnings that exceeds 10%, the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized. See the Freddie Mac Seller Guide for additional information.</p> |
| Conversion of a Primary Residence | <ul style="list-style-type: none"> • Refer to the Freddie Mac Seller Guide. • <u><i>When rental income is being used to qualify, a fully executed lease agreement must be provided along with a copy of the security deposit from the tenant and the borrower's bank statement showing deposited. Property must not be listed for sale. Additionally, when the lease was executed through a non-arm's length transaction, documentation of 6 months history of receipt is required.</i></u> See Freddie Mac Seller Guide for additional rental income requirements. |
| Rental Income | Refer to the Freddie Mac Seller Guide |
| Assets/Reserves | |
| Asset Documentation | <ul style="list-style-type: none"> • Asset documentation must comply with the requirements of LPA Findings, Freddie Mac Home Possible Program guidelines and the Freddie Mac Seller Guide • <u><i>All assets greater than \$0 required for closing must be documented.</i></u> • Third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets. • Large deposits must be evaluated on purchase transactions only and must be documented to be from an acceptable source. <ul style="list-style-type: none"> o Defined as a single deposit that exceeds 50% of the total monthly qualifying income. |



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| | <ul style="list-style-type: none"> o When a single deposit consists of both verified and unverified portions, only the unverified portion is used in determining whether the deposit exceeds the 50% requirement. • <u><i>A written VOD as a stand-alone document is not acceptable</i></u> <ul style="list-style-type: none"> o A system generated automated VOD may be used as stand-alone documentation if provided by a verifiable institutional bank |
| Ineligible Asset Types | <ul style="list-style-type: none"> • <u><i>Cash on hand</i></u> • <u><i>Custodial accounts for minors</i></u> • <u><i>Pooled funds</i></u> • <u><i>Trade equity</i></u> • <u><i>Sweat equity</i></u> • <u><i>Cryptocurrency (i.e. bitcoin)</i></u> |
| Borrower Contribution | Refer to the Freddie Mac Seller Guide |
| Reserves | <ul style="list-style-type: none"> • Reserves must be based on the full monthly payment for the property. The monthly payment amount is the sum of the following monthly charges: <ul style="list-style-type: none"> o Principal and Interest payments on the mortgage o Property hazard insurance premiums o Real estate taxes o When applicable: <ul style="list-style-type: none"> ▪ Mortgage Insurance Premiums ▪ Leasehold Payments ▪ Homeowner’s Association dues (excluding unit utility charges) ▪ Payments on secondary financing |
| Gifts | Refer to the Freddie Mac Seller Guide |
| IPC – Interested Party Contributions | Refer to the Freddie Mac Seller Guide |
| Down Payment Assistance | <ul style="list-style-type: none"> • <u><i>Down payment and closing cost assistance subordinate financing is not permitted</i></u> • Employer assistance is acceptable in accordance with Freddie Mac Seller Guidelines |
| Subordinate Financing | |
| New Subordinate Financing | <ul style="list-style-type: none"> • Refer to the Freddie Mac Seller Guide • <u><i>Down payment and closing cost assistance subordinate financing is not permitted</i></u> |
| Existing Subordinate Financing | Refer to the Freddie Mac Seller Guide |



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| Property/Appraisal | |
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| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • Single Family with Accessory Unit (see FHLMC Selling Guide section 5601.12 for specific requirements) <ul style="list-style-type: none"> ◦ <u><i>In instances where the accessory unit is a manufactured home, the property is eligible only if no value is given to the manufactured home accessory unit by the appraiser.</i></u> • 2-4 Unit Detached • PUDs • Condominiums – must be Freddie Mac eligible • Rural Properties – in accordance with Agency Guidelines, properties must be residential in nature • Leaseholds – must be Freddie Mac eligible (cannot be secured by Indian/Tribal lands) • Illinois Land Trust |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u><i>Manufactured Homes</i></u> • Mobile Homes • <u><i>Cooperatives</i></u> • Condotels • Hotel Condominiums • Timeshares • <u><i>Geodesic Domes</i></u> • Working Farms and Ranches • Unimproved Land • <u><i>Community Land Trusts</i></u> • <u><i>Group Homes</i></u> • <u><i>Leaseholds secured by Indian/Tribal land</i></u> • Properties encumbered with a private transfer fee are not permitted <ul style="list-style-type: none"> ◦ Review title for private transfer fee covenant. Loan is not eligible for purchase if property is subject to a private transfer fee |
| Recently Listed Properties | <ul style="list-style-type: none"> • <u><i>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</i></u> |
| Appraisal Requirements | <ul style="list-style-type: none"> • Follow LPA findings for Property Valuation <ul style="list-style-type: none"> ◦ Appraisal waiver permitted in accordance with final LPA feedback certificate • Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6: not permitted • <u><i>Lakeview will require successful UCPD Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</i></u> • If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the Property State, but are missing and/or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing. |



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| | <ul style="list-style-type: none"> o For appraisals completed “subject to”, the completed work must be recertified by the appraiser with a final inspection or 1004D. o For appraisals completed “as is”, a final inspection by the appraiser or an independent third party confirming completion of these items is required. • Seller to assign Lakeview as an aggregator in UCDP |
| Appraisal Transfers | Appraisal transfers are permitted in accordance with the Freddie Mac Seller Guide |
| Appraisal Re-Use | The re-use of an appraisal is permitted in according with the Freddie Mac Seller Guide |
| Condos/PUDs | <ul style="list-style-type: none"> • Must follow Freddie Mac published Condominium Eligibility Guidelines • Streamlined Condo review allowed in accordance with Freddie Mac Guidelines |
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> o FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); o Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; o Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |
| Escrow Holdbacks | <ul style="list-style-type: none"> • Refer to the Freddie Mac Seller Guide regarding reason, type of improvements, time to complete, quality, disbursements, and post-closing documentation • It is the Seller’s responsibility to forward final completion documents to Lakeview per Freddie Mac Seller Guide |
| Deed Restricted Properties | Refer to the Freddie Mac Seller Guide |
| Primary Residence Conversion | Refer to the Freddie Mac Seller Guide |
| Renegotiated Purchase Contracts | <ul style="list-style-type: none"> • Lakeview will not accept renegotiated purchase agreements that increase the sales price after the original appraisal has been completed. If the appraised value is higher than the contracted sales price provided by the appraiser and the new purchase agreement and or addendum used to modify the sales price is dated after the appraisal is received and the only change to the purchase agreement is an increase to the sales price. • If the purchase agreement is renegotiated subsequent to the completion of the appraisal, the LTV will be based on the lower of the original purchase price of the appraised value unless: <ul style="list-style-type: none"> o Renegotiation of only seller paid closing costs and/or prepaids when the seller paid closing costs and/or prepaids are common and customary of the market and supported by the comparables; OR |



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| | <ul style="list-style-type: none"> o An amended purchase agreement for new construction property is obtained due to improvements that have been made that impact tangible value of the property. In the event of such changes, an updated appraisal must be obtained to verify the value of the modification/changes. |
| Geographic Restrictions | <ul style="list-style-type: none"> • <u><i>The following states are not permitted: New York</i></u> • <u><i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</i></u> |
| Solar Panels/Power Purchase Agreement | Refer to Freddie Mac Seller Guide |
| Special Restrictions | |
| High Cost Loans | <u><i>Lakeview will not purchase High Cost Loans.</i></u> |
| Higher Priced Mortgage Loans (HPML) | Refer to the Freddie Mac Seller Guide |
| Multiple Financed Properties | <ul style="list-style-type: none"> • Refer to the Freddie Mac Seller Guide • <u><i>Maximum exposure of 2 Lakeview financed loans to any one borrower in a Condo or PUD project</i></u> |
| Power of Attorney | <ul style="list-style-type: none"> • Generally, a Power of Attorney may be used for closing in the following scenarios: <ul style="list-style-type: none"> o Incapacitated Borrower – the borrower is incapacitated and therefore unable to sign documents due to some disability, legal/mental incapability, or he/she lacks the physical ability; <ul style="list-style-type: none"> ▪ Incapacitated borrowers must occupy the property as their primary residence; the underwriter must validate occupancy and review for any Red Flags within the loan file; ▪ Red Flag’s Example: verify the signer of the POA is not acting as a straw buyer or purchasing an investment property utilizing the incapacitated borrower’s credit. o Military Personnel – the borrower is currently deployed or stationed overseas in the military and is unable to sign documents or attend closing; o Hardship Circumstance – the borrower is unable to attend closing because he/she is out of the state or country for an extended period of time, bedridden, in the hospital with a serious illness, or the borrower is incarcerated. • A POA will not be permitted for borrowers that are on vacation or short term business trips. • Acceptable Types of Power of Attorney <ul style="list-style-type: none"> o Specific or Limited – this type of POA contains language that is specific or limited to the mortgage transaction providing authority over the real estate collateral or subject property; therefore the POA must specify the legal description, property address, and transaction type within the body of the document. It must be recorded at closing or prior to closing; o General Durable – A POA that provides for general powers, but also contains durability language is permitted. Traditionally, a POA becomes ineffective upon the disability of the principal. For mortgage financing transactions, the POA must remain valid even if the borrower becomes incapacitated or disabled prior to closing, therefore the POA must contain durability language. In order for the POA to be acceptable it must contain |



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| | <p>the following durability type of language ‘This POA shall not terminate on the disability of the principal’ or ‘This POA is not affected by the subsequent disability of incapacity of the borrower’; and</p> <ul style="list-style-type: none"> o General Military – this type of POA is generally used in situations where a borrower or his/her spouse may be deployed or is on active duty and executed on a form provided by a branch of the military or armed forces. <ul style="list-style-type: none"> • <u>Not permitted on Cash-out Refinances</u> • <u>Subject property must be the borrower’s primary residence</u> • <u>Not permitted for borrowers on vacation or short term business trips</u> • <u>An employee of the title insurer or settlement agent acting as the attorney-in-fact is not permitted</u> • All other POA requirements per the Freddie Mac Seller Guide must be followed. |
| Insurance | |
| Mortgage Insurance | <ul style="list-style-type: none"> • MI Coverage <ul style="list-style-type: none"> o 25% MI coverage for LTVs 90.01 – 97% o Standard MI coverage for LTVs of 90% or less • Split Premium MI is eligible subject to Freddie Mac Seller Guide • Financed MI is eligible subject to Freddie Mac Seller Guide • Lender paid single premium and borrower paid single premium MI is eligible subject to Freddie Mac Seller Guide • <u>Custom MI not permitted</u> |
| Title Insurance | <ul style="list-style-type: none"> • <u>An attorney’s title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans.</u> |
| Other Considerations | |
| Age of Documents | <ul style="list-style-type: none"> • All credit documents must be dated within 120 days of the note date • Preliminary Title Policies must be no more than 180 days old on the date that the note is signed |
| Assignment of Mortgage | <p>All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements.</p> |
| Seasoning Requirements | <ul style="list-style-type: none"> • Refer to Lakeview Loan Servicing Seller Guide • Any refinance Mortgage being paid off must have a Note Date no less than thirty days prior to the Note Date of the “no cash-out” refinance Mortgage, as documented in the Mortgage file (e.g., on the credit report or the title commitment). |
| Escrow Waivers | <ul style="list-style-type: none"> • <u>Tax and insurance escrows are required on all loans greater than 80% LTV with the exception of California, where State Law prescribes escrows are not required on loans less than 90% LTV</u> • <u>Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner’s association, or other group, no escrow is required</u> |



About Us

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Red indicates a change from a previous matrix.

Overlays to Freddie Mac Guidelines are underlined and in italics

| | |
|--|--|
| | <ul style="list-style-type: none"> • <u><i>Escrow waivers for property taxes and homeowner's insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Freddie Mac Seller Guide and all state specific restrictions.</i></u> • Tax and insurance escrows are required on all HPML loans |
| Delivery Data | <ul style="list-style-type: none"> • The ULDD Data Point 238 and 404 must be delivered for all Home Possible Mortgage loans • In addition, one or more of the following ULDD Data Points may also be required: <ul style="list-style-type: none"> o 368 – Loans with Affordable Seconds o 576 & 577 – Borrower counseling type (HUD, MI Company, etc.) o 578 & 579 – Borrower counseling format (Classroom, Home Study, etc.) • All other applicable special feature codes in accordance with Freddie Mac requirements. |
| <p>Seller shall deliver loans that were originated in accordance with the Freddie Mac Single Family Seller Guide, unless otherwise stated in this product matrix.</p> | |



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| Version Control | | | |
|-----------------|------------------------------------|----------|---|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| AS | Employment/ Income Verification | 08.26.22 | Removed per FNMA SEL-2022-07 • <i>An email in lieu of a 10 days verbal pre-closing verification (PCV) is not permitted</i> |



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Non-Delegated

Correspondent Program Overlays

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Non-Delegated: Correspondent Program Overlays



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|--|--|------|-----------|-------|---------------|
| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| Temporary Buydowns | Not Permitted | x | x | x | x |
| Borrower Eligibility | <ul style="list-style-type: none"> Loans closing in the name of a trust must meet one of the residency statuses defined in the Residency and Eligibility Guide Loans must meet the requirements of the Residency and Eligibility Guide | x | x | x | x |
| | Life Estates are not permitted | x | x | x | x |
| Non-Arm's Length Transactions | <ul style="list-style-type: none"> Non-arm's length transactions are acceptable for primary residences only. Relationship must be fully disclosed at the time of submission. Second home and investment properties are not permitted | x | | x | |
| AUS and Underwriting | Desktop Underwriter (DU) with 'Approve/Eligible' finding is required | x | x | | |
| | Loan Prospect Advisor (LPA) with LPA 'Accept' recommendation is required | | | x | x |
| | Manual underwriting is not permitted | x | x | x | x |
| Minimum Credit Score | Minimum 620 | x | x | x | x |
| Purpose | <ul style="list-style-type: none"> Purchase <ul style="list-style-type: none"> <u>Borrower(s) are limited to one primary residence transaction within the past 12 months.</u> Rate/Term Refinance <ul style="list-style-type: none"> <u>Cash proceeds disbursed to the borrower not to exceed 2% of the new refinance Mortgage, or \$2,000 whichever is less</u> | | | x | x |
| | <ul style="list-style-type: none"> Purchase <ul style="list-style-type: none"> <u>Borrower(s) are limited to one primary residence transaction within the past 12 months.</u> Cash-Out <ul style="list-style-type: none"> <u>FNMA Student Loan Cash-Out Refinances are not eligible for LLPA Relief</u> | x | | | |
| | <ul style="list-style-type: none"> <u>Transactions in the state of Texas subject to 50(a) (6) are not permitted.</u> <u>Current 50(a) (6) loans may not be refinanced into a non-home equity loan</u> | x | x | x | x |



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| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| Credit Requirements | <ul style="list-style-type: none"> Any credit inquiries within the previous 120-day period must contain a written explanation from the borrower to attest that the inquiry did not result in any additional debt not reported on the credit report Private Party VOM / VOR, as a standalone document are not permitted. 12 months cancelled check are required to document the payment history | x | | | x |
| Non-Traditional Credit | Use of non-traditional credit is not acceptable | x | x | x | x |
| Liabilities | Follow Freddie Mac requirements defined in future revision of Seller Guide dated 01/02/2020 as announced in Freddie Mac Bulletin 2019-20 | | | x | x |
| DTI | <ul style="list-style-type: none"> The following is acceptable documentation to verify the borrowers' primary housing rental payment: <ul style="list-style-type: none"> Six months <u>most recent</u> canceled checks or equivalent payment source*; Six months <u>most recent</u> bank statements reflecting a clear and consistent payment to an organization or individual*; Direct verification of rent from a management company <u>and two months most recent cancelled checks dated prior to application</u>; Direct verification of rent from a landlord <u>and twelve months most recent cancelled checks dated prior to application</u>; or A copy of a current, fully executed lease agreement and two months most recent canceled checks (or equivalent payment source) <u>dated prior to application</u> and supporting the rental payment amount. For the subject property and all other real estate owned, flood insurance and special assessments with more than 10 monthly payments remaining must be included in the DTI | x | x | x | x |



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| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
|--------------------------------|---|------|-----------|-------|---------------|
| Employment/Income Verification | <p>Transcript Requirements:</p> <ul style="list-style-type: none"> • Tax transcripts are required in the following circumstances: <ul style="list-style-type: none"> ○ When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below: <ul style="list-style-type: none"> ▪ Self-employment income ▪ Rental Income ▪ Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.) ○ When a written VOE form 1005 is used as standalone income verification ○ Employment by family members ○ When amended tax returns have been filed, tax transcripts are required and must support the amended income | x | x | x | x |
| | <ul style="list-style-type: none"> • <u>Request for Verification of Employment, Form 1005 (VOE) or a VOE/NOI completed manually/researched through a third party is not permitted as a stand-alone document</u> • A 4506-C or 4506-T form is required <u>to be signed at closing</u> for all transactions; however, all loans delivered to Lakeview on or after 2/18/2021 will require the 4506-C form <u>to be signed at closing</u> • <u>For future income, paystubs are required prior to closing.</u> • <u>Mortgage Credit Certificates are not permitted.</u> | x | x | x | x |
| | <p>A 4506-C form is required to be signed at closing for all transactions</p> | x | x | x | x |
| Variable Income | <p>For variable income types, if there is an increase between the prior year(s) and YTD earnings that exceeds 10%, additional analysis is required and additional documentation from employer or third-party (i.e. evidence of promotion) may be necessary to determine income stability in order to use the higher amount when calculating the qualifying income. For any decline in variable income between the prior year(s) and/or YTD earnings that exceeds 10%, the underwriter must conduct further analysis and additional documentation may be necessary to determine whether the income is currently stable. This analysis must include the reason for the declining trend, and support that the current income has stabilized.</p> | x | x | | |



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| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| Rental Income | When purchasing or refinancing a 2-4 unit primary residence or a 1-4 unit investment property, the borrower must currently own a primary residence in order to use rental income from the subject property for qualifying purposes | x | x | | |
| | <ul style="list-style-type: none"> • <u>Delayed financing will be permitted only when the borrower meets the primary housing history requirements listed below:</u> <ul style="list-style-type: none"> o <u>Borrower(s) will need to represent primary ownership through mortgage history or property records/tax and HOI payments; or</u> o <u>Borrower(s) must demonstrate that they have handled a primary housing payment. This can be documented through 12 months cancelled checks or VOR from a property management company.</u> | x | | | |
| Income Limits | Lender must attempt to verify all income listed on the Uniform Residential Loan Application. Any discrepancies, including underreported income, must be corrected and submitted to the AUS. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower. | | x | | x |
| | Income eligibility will be determined by the Loan Product Advisor findings | | | | x |
| Conversion of a Primary Residence | When rental income is being used to qualify, a fully executed lease agreement must be provided along with a copy of the security deposit from the tenant and the borrower's bank statement showing deposited. Property must not be listed for sale. Additionally, when the lease was executed through a non-arm's length transaction, documentation of 6 months history of receipt is required. See Freddie Mac Seller Guide for additional rental income requirements. | | x | | x |
| Asset Documentation | <ul style="list-style-type: none"> • All assets greater than \$0 required for closing must be documented. • A written VOD as a stand-alone document is not acceptable | x | x | x | x |
| Ineligible Asset Types | <ul style="list-style-type: none"> • <u>Cash on hand</u> • <u>Custodial accounts for minors</u> • <u>Pooled funds</u> • <u>Trade equity</u> • <u>Sweat equity</u> • <u>Cryptocurrency (i.e. bitcoin)</u> | x | x | x | x |



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|--|--|------|-----------|-------|---------------|
| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| Ineligible Products | HomeStyle Renovation Mortgages/Energy Mortgages Construction to Perm Mortgages; Single Close Transactions; One-Time Close Mortgages Temporary Buydowns Interest Only Loan Program RefiNow Refi Possible | x | x | x | x |
| Ineligible Properties | Manufactured Homes Co-ops Group Homes Geodesic Domes Leaseholds secured by Indian/Tribal land Community Land Trusts | x | x | x | x |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family with Accessory Unit (see FHLMC Selling Guide section 5601.12 for specific requirements) <ul style="list-style-type: none"> o In instances where the accessory unit is a manufactured home, the property is eligible only if no value is given to the manufactured home accessory unit by the appraiser. | | x | x | x |
| Recently Listed Properties | <ul style="list-style-type: none"> • Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported. | | x | | x |
| Appraisals | Lakeview will require successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac. Lakeview will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable. | x | x | x | x |
| | Loans in disaster impacted areas - see Bayview Lakeview Loan Servicing Disaster Guide for re-inspection requirements | x | x | x | x |
| | Appraisal Condition Rating of a C5/C6 or a Quality Rating of Q6 is not permitted | x | x | | |



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|--|--|------|-----------|-------|---------------|
| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| | <u>When the property is located on a community or privately-owned and maintained street and a legally enforceable, recorded use and maintenance agreement is not in place, the loan may be considered by exception basis only. The following states do not require an exception as they currently define the responsibilities of property owners for maintenance and repair: CA, CO, CT, MN, MO, NM, OR, PA, RI, VT, and WA.</u> | x | x | | |
| Re-Negotiated Purchase Agreements | <ul style="list-style-type: none"> Purchase agreements renegotiated after the completion of the appraisal that increase the sales price are only acceptable under the following circumstances: <ul style="list-style-type: none"> The sales price adjustment is due to price overruns that impact the tangible value of the property on new construction. An updated appraisal must be obtained to verify the value of the modifications. A renegotiation of only seller paid closing costs and/or prepaid occurs where seller paid closing cost/prepays are common and customary for the market and supported by comparables. | | | x | |
| Condominiums/PUDs | PERS Approval is not permitted | x | x | | |
| Title Insurance | <ul style="list-style-type: none"> <u>An attorney's title opinion letter in lieu of title insurance is not permitted. Title insurance is a requirement for all loans</u> | x | x | x | x |
| Geographic Restriction | <ul style="list-style-type: none"> <u>The following states are not permitted: New York</u> <u>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</u> | x | x | x | x |
| High Cost Loans | Lakeview will not purchase High Cost Loans | x | x | x | x |
| Multiple Financed Properties | <u>Maximum exposure of 2 Lakeview financed loans to any one borrower in a Condo or PUD project</u> | x | x | x | x |



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| Topic | Conventional Loan Policy Overview | FNMA | HomeReady | FMHLC | Home Possible |
| Down Payment & Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted | x | x | x | x |
| Seasoning Requirements | Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to Lakeview for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Lakeview within 60 days of the note date. | x | x | x | x |
| Mortgage Insurance | Reduced MI is not permitted | x | x | x | |
| | Custom MI not permitted | | | | x |
| Power of Attorney | <ul style="list-style-type: none"> • <u>Not permitted on Cash-out Refinances</u> • <u>Subject property must be the borrower's primary residence</u> • <u>Not permitted for borrowers on vacation or short term business trips</u> • <u>An employee of the title insurer or settlement agent acting as the attorney-in-fact is not permitted</u> | x | x | x | x |
| Escrow Waivers | <ul style="list-style-type: none"> • Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV • Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required • Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions | x | x | x | x |



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| Topic | Government Loan Policy Overview | FHA | FHA Streamline | VA | VA IRRRL |
|--------------------------------|--|-----|----------------|----|----------|
| Max Loan Amount | Maximum loan amount is \$1,500,000 | | | x | x |
| Loan Amount Calculation | Reimbursements for energy efficient improvements are not permitted. | | | | x |
| | May not include delinquent interest, <u>suspended mortgage payments as a result of payment forbearance</u> or fax fees/FedEx fee | | x | | |
| Occupancy | Owner Occupied Primary Residences only Borrower(s) are limited to one primary residence transaction within the past 12 months | x | x | x | x |
| | <u>Direct electronic verification of employment by a Third Party Verification (TPV) vendor verifying the Borrower's address is the same as that of the subject Property is not permitted</u> | | x | | |
| Application Information | Employer information is required on the URLA | | x | | |
| Cash Out | 96.5% CLTV | x | | | |
| | 90% LTV | | | x | |
| Eligible Products/Terms | Fixed Rate Only Terms Greater Than 15 up to 30 Years Safe Harbor Only Non-Credit Qualifying Only | | | | x |
| Temporary Buydowns | Not permitted | x | x | x | x |
| Ineligible Products | FHA 203K 203H Energy Efficient Mortgages Good Neighbor Next Door (GNND) HUD \$100 Down with Repair Escrows Section 184 Indian Home Loan Guarantee, Section 248 Insured Mortgages on Indian Land Section 247 Hawaiian Home Lands Program Construction to Permanent Building on your own land Weatherization Solar and Wind Technologies | x | x | | |



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| Topic | Government Loan Policy Overview | FHA | FHA Streamline | VA | VA IRRRL |
|-----------------------------|--|-----|----------------|----|----------|
| | Construction/Permanent Home Loans Energy Efficient Mortgages Loans for Alternation and Repair/Supplemental Loans Graduated Payment Mortgages (GPMs)/Growing Equity Mortgages (GEMs) Loans to Native American Veterans on Trust Lands | | | x | |
| | Credit Qualifying VA IRRRLs Terms less than or equal to 15 years ARMs | | | | x |
| Purpose | Current 50(a)(6) loans may not be refinanced into a non-home equity loan | x | x | | |
| Borrower Eligibility | For DACA status recipients, if the EAD expires within one year but there's a prior history of residency status renewals, the borrower is eligible. If there is no history of renewals, the borrower is ineligible. | x | x | x | x |
| | Loans closing in the name of a trust must meet one of the residency statuses defined in the Bayview and Lakeview Borrower Residency and Eligibility Guide | x | x | x | x |
| | Life Estates are not permitted | x | x | x | x |
| | Employees, Principals or Owners or Lakeview Third Party Originators are not eligible | x | x | x | x |
| Identity of Interest | Relationship must be fully disclosed at the time of submission | | x | | |



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| Topic | Government Loan Policy Overview | FHA | FHA Streamline | VA | VA IRRRL |
|----------------------|---|-----|----------------|----|----------|
| CAVIRS | <ul style="list-style-type: none"> • For all applicants and co-obligors (veteran or non-veteran), perform a CAIVRS inquiry. An applicant cannot be considered a satisfactory credit risk if he or she is presently delinquent or in default on any debt to the Federal Government until the delinquent account has been brought current or satisfactory arrangements have been made between the applicant and the Federal agency. <ul style="list-style-type: none"> o A judgment lien must be paid in full or satisfied o For any payment plan set up for a Federal debt or tax lien that has not been paid in full (whether or not directly found from the CAIVRS report), the following is required: <ul style="list-style-type: none"> ▪ Approved payment plan documentation from the Federal agency, with frequency of payment, payment amount, payment history and balance due; and • Twelve on-time monthly payments paid during the month that the payment was due, must have been made prior to the application of the mortgage | | | x | |
| AUS and Underwriting | DU 'Approve/Eligible' or LPA 'Accept' is required | x | | x | |
| | Manual underwriting is not permitted | | | x | |
| | Loans not meeting the additional payment history requirements based on ML2020-30 are ineligible to Lakeview and may not be manually downgraded. | x | x | | |
| | Manual underwriting is permitted in cases where the loan received an 'Approve/Eligible' finding but requires a downgrade due to additional information not considered in the DU decision that affects the overall insurability or eligibility of the loan. Subject to the following requirements: <ul style="list-style-type: none"> • Min 640 Credit Score • Max 43% DTI | x | | | |
| Minimum Credit Score | FHA 620 Purchase | x | | | |
| | FHA Streamline 620 (credit qualifying and non-credit qualifying) | | x | | |
| | VA 620 | | | x | |



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| Topic | Government Loan Policy Overview | FHA | FHA Streamline | VA | VA IRRRL |
|--|---|-----|----------------|----|----------|
| | Minimum 680 for loan amounts > \$1,000,000 and ≤ \$1,500,000 VA IRRRL 640 Minimum 680 for loan amounts > \$1,000,000 and ≤ \$1,500,000 | | | | x |
| Non-Borrowing Spouse Debt in Community Property States (For Credit Qualifying Loans Only) | If the Borrower resides in a community property state or the Property being insured is located in a community property state, debts of the non-borrowing spouse must be included in the Borrower's qualifying ratios, except for obligations specifically excluded by state law | | x | | |
| Credit Requirements | Private Party VOM/VOR as a standalone document is not permitted If a mortgage is not reported to the credit bureau, 12 months cancelled checks are required to document the payment history. | x | x | x | |
| | Use of non-traditional credit is not acceptable | x | x | x | |
| | <ul style="list-style-type: none"> • 0x30x6 payment history is required on the underlying mortgage being refinanced, must be verified using one of the following: <ul style="list-style-type: none"> ○ A credit report that clearly shows the payment history, OR; ○ A credit bureau supplement that clearly identifies all payments made in that timeframe, OR; ○ Servicer payment history/ledger documenting all payments. • The new loan cannot refinance an existing loan that is currently 30 days past due • Safe harbor loans only • Loans that are shown to be in active forbearance due to COVID-19 but meet the payment history requirements, are current, <i>and</i> have made at least one regularly scheduled payment since forbearance inception date are eligible. Loan file must contain a letter of explanation from the borrower explaining the reason for forbearance and that the hardship no longer exists. • Loans shown to be in any other loss mitigation options are not eligible for refinance transactions. This restriction applies to all active loans in the pipeline including new applications, regardless of loan purpose | | | | x |
| Employment/ Income | VOEs as a stand-alone document are not acceptable | x | x | x | x |



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| Topic | Government Loan Policy Overview | FHA | FHA Streamline | VA | VA IRRRL |
|--------------|--|-----|--------------------------|----|----------|
| Verification | Tax Transcripts are required in the following circumstances: <ul style="list-style-type: none"> ▪ When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below: ▪ Self-employment income ▪ Rental income ▪ Other income sources (i.e. Dividend, Interest, Capital Gains, Alimony, etc.) ▪ When a written VOE, form 1005, is used as a standalone income verification ▪ Employment by Family Members ▪ When amended tax returns have been filed, tax transcripts are required and must support the amended income | x | x (credit qualifying) | x | |
| | A 4506-C form is required to be signed at closing for all transactions | x | x | x | |
| | For future income, paystubs are required prior to the purchase by Lakeview | | | x | |
| | <i>For a self-employed Borrower a verification of the current existence of the Borrower's business no more than 120 calendar days prior to the Note Date must document the loan file</i> | x | x | | |
| | <i>Secondary education enrollment can only be used in verifying employment history if the education is job specific and the employment is full-time and salaried. Must have a 12 month history of employment.</i> | x | | | |
| | <ul style="list-style-type: none"> • <u>Transcript Requirements:</u> <ul style="list-style-type: none"> o <u>W2/1099 or tax transcripts are not required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</u> o <u>Tax transcripts are required in the following circumstances:</u> <ul style="list-style-type: none"> ▪ <u>When tax returns are used to qualify a borrower, the number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below.</u> <ul style="list-style-type: none"> • <u>Self-employment income</u> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony etc.)</u> ▪ <u>Employment by Family Members</u> ▪ <u>Handwritten pay stubs/W-2s</u> ▪ <u>Amended tax returns have been filed</u> | x | x | x | |



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|--|---|-----|----------------|----|----------|
| | <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/income types):</u> <ul style="list-style-type: none"> ○ <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted.</u> ○ <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended return must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of borrower's overall income profile. The following documentation will be required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reason for re-filing;</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return;</u> ▪ <u>Payment of and evidence of the ability to pay any applicable tax (if a payment plan for taxes due is accepted, evidence of initial payment must be documented)</u> | | | | |
| | <p><u>A 4506-C is required to be signed by all borrowers at time of application and at closing for all transactions</u></p> | x | x | | |
| | <p><u>Mortgage Credit Certificates are not permitted</u></p> | x | x | | |
| <p>Qualifying Ratios (For Credit Qualifying Loans Only)</p> | <ul style="list-style-type: none"> • <u>For Non-Credit Qualifying Loans:</u> <ul style="list-style-type: none"> ○ <u>For salaried employees the verbal verification of employment must be completed within 10 calendar days prior to the note date</u> ○ <u>For self-employed borrowers the verification of evidence of the existence of the business to be completed within 120 days prior to the note date</u> • <u>For Credit Qualifying Loans:</u> <ul style="list-style-type: none"> ○ <u>For self-employed borrowers the verbal verification of employment must be completed within 120 calendar days prior to the note date</u> ○ <u>Secondary education enrollment can only be used in verifying employment history if the education is job specific and the employment is full-time and salaried. Must have a 12 month history of employment</u> | | x | | |
| <p>Ineligible Asset Type</p> | <ul style="list-style-type: none"> • <u>Cash on Hand</u> • <u>Custodial Accounts for minors</u> • 1031 Exchanges • <u>Pooled Funds</u> • <u>Sweat Equity</u> | x | x | | |



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|---|---|-----|----------------|----|----------|
| | <ul style="list-style-type: none"> • <u>Trade Equity</u> • <u>Cryptocurrency (i.e. bitcoin)</u> | | | | |
| Down Payment & Closing Cost Assistance | Down payment and closing cost assistance subordinate financing is not permitted | x | x | x | |
| Assets | VOD (Verification of Deposit) as a stand-alone document is not permitted | | x | | |
| Gifts | <p><u>If the donor bank statement includes large deposits and/or does not cover a 30 day period then the signed gift letter must contain verbiage (or a separate certification is required to be signed by the donor) confirming the funds for this transaction were not provided by a party to the transaction including the seller, real estate agent, broker, builder, loan officer, or any other entity associated with the transaction. Additionally, any large deposit on the donor's statement must be sourced. Large deposit for the purposes of gifts is defined as exceeding 50% of the amount of the gift.</u></p> | x | | | |
| Ineligible Properties | Manufactured Homes Co-ops Group Homes Cooperatives Geodesic Domes | x | x | x | x |
| Renegotiated Purchase Agreements | Purchase agreements renegotiated after the completion of the appraisal that increases the sales price are only acceptable under the following circumstances: <ul style="list-style-type: none"> • The sales price adjustment is due to price overruns that impact the tangible value of the property on a new construction. An updated appraisal must be obtained to verify the value of the modifications. • A renegotiation of only seller paid closing costs and/or prepaids occurs where seller paid closing costs/prepaids are common and customary for the market and supported by comparables on the appraisal report. | | | x | |
| Recently Listed Properties | <p><u>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</u></p> | x | x | | |



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|------------------------------------|--|-----|----------------|----|----------|
| | <ul style="list-style-type: none"> <u>Non Cash-Out Refinance Transaction – listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</u> <u>Cash-Out Refinance Transaction – the listing must have been expired or been withdrawn 180 days prior to the application date or the loan will be limited to 85% LTV</u> | | | x | |
| Appraisals | Loans in disaster impacted areas - see Bayview Lakeview Loan Servicing Disaster Guide for re-inspection requirements. | x | x | x | x |
| | <u>Assisted Appraisal Processing Program: Not Permitted</u> <ul style="list-style-type: none"> Initial appraisal validity period will remain at 120 days Appraisal update validity period will remain at 240 days | x | | x | |
| Escrow Holdbacks | <u>Escrow holdbacks are not permitted for Minimum Property Requirement (MPR) items and/or any repair that delays the guarantee of the loan file.</u> | | | x | |
| Condos/PUDs | Single-unit approval process is not permitted | x | | | |
| Limitations on Financed Properties | <u>Maximum exposure of two (2) Lakeview financed loans to any one borrower in a Condo or PUD development</u> | | x | x | |
| Geographic Restrictions | The following states are not eligible: New York | x | x | x | x |
| | Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted | x | x | x | x |



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|------------------------|--|-----|----------------|----|----------|
| High Cost Loans | Lakeview will not purchase High Cost Loans | x | x | x | x |
| Escrow Waivers | Escrow accounts for property taxes, homeowner’s insurance and flood insurance (if applicable) are required on all loans. | | | x | x |
| Seasoning Requirements | Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered to Lakeview for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased by Lakeview within 60 days of the note date. | x | x | x | x |
| | FHA Cash-Out Refinance Transactions: On the date of the FHA case number assignment: <ul style="list-style-type: none"> • The Borrower must have made at least six consecutive monthly payments on the FHA-insured Mortgage that is being refinanced, beginning with the payment made on the first payment due date; and • At least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; and • If the borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption | x | | | |
| | FHA Streamline Refinance Transactions: On the date of the FHA case number assignment: <ul style="list-style-type: none"> • The Borrower must have made at least six consecutive monthly payments on the FHA-insured Mortgage that is being refinanced, beginning with the payment made on the first payment due date; and • If the Borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption. | | x | | |
| | VA Cash-Out Refinance Transactions: <ul style="list-style-type: none"> • The Borrower must have made at least six consecutive monthly payments on the Mortgage that is being refinanced, beginning with the payment made on the first payment due date; and • At least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; and • The note date of the new refinance loan must be on, or after, the later of the date on which the borrower has made at least six consecutive monthly payments in the month due on the loan being refinanced; and the date that is greater than 210 days after the first payment due date of the loan being refinanced. • If the Borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption. • (GNMA Requirement) For mortgages that have been modified, the Note date of the refinanced loan must be on, or after, the later of: | | | x | |



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|---|--|-----|----------------|----|----------|
| | <ul style="list-style-type: none"> o the date on which the borrower has made at least six consecutive monthly payments on the modified loan being refinanced; and o the date that is greater than 210 days after the first payment due date listed on the modification agreement | | | | |
| | <p>VA Interest Rate Reduction Refinance (IRRRL)</p> <ul style="list-style-type: none"> • If the borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption • (GNMA Requirement) For mortgages that have been modified, the Note date of the refinanced loan must be on, or after, the later of: <ul style="list-style-type: none"> o the date on which the borrower has made at least six consecutive monthly payments on the modified loan being refinanced; and o the date that is greater than 210 days after the first payment due date listed on the modification agreement | | | | x |
| Special Restrictions | <ul style="list-style-type: none"> • Payment Increasing: <ul style="list-style-type: none"> o Not permitted. The principal and interest payment on an IRRRL must be less than the principal and interest payment on the loan being refinanced • Interest Rate Decrease Requirement: <ul style="list-style-type: none"> o Fixed rate to fixed rate & <u>ARM to fixed rate transactions</u> – the interest rate of the new loan must be at least 0.5% below the prior interest rate o Fixed rate to ARM – <u>Not permitted</u> o <u>Copy of the prior note or loan modification for purposes of calculating NTB requirements</u> | | | | x |
| Title Vesting | <ul style="list-style-type: none"> • Properties vested in an LLC are not permitted | | x | | |
| Power of Attorney | <ul style="list-style-type: none"> • Not permitted for borrowers on vacation or short term business trips • Not permitted on Cash-out transactions • The initial loan application must be signed by all borrowers. | x | x | | x |
| Special Documentation Requirements | <p><u>Acceptable documentation (i.e. copy of the prior note, mortgage statement, or closing disclosure) is required to validate the current loan information for the net tangible benefit disclosure form</u></p> | | | x | |
| Additional Requirements | <p>Copy of the prior note or loan modification</p> | | | | x |



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| Version Control | | | | |
|-----------------|--------------|--------------------------------|----------|--|
| Author | Section | | Date | Update |
| AS | All | All | 05.16.22 | <ul style="list-style-type: none"> Matrix created |
| AS | Government | Appraisal Requirements | 07.29.22 | Per Mortgagee Letter 2022-11 Revised Appraisal Validity Periods Added: <ul style="list-style-type: none"> <u>Initial appraisal validity period will remain at 120 days</u> <u>Appraisal update validity period will remain at 240 days</u> |
| AS | Government | Occupancy | 07.29.22 | Per Info Letter 22-68 – Handbook 4000.1 Quarterly Updates ADDED: <u>Direct electronic verification of employment by a Third Party Verification (TPV) vendor verifying the Borrower's address is the same as that of the subject Property is not permitted</u> |
| AS | Conventional | Employment/Income Verification | 08.26.22 | Removed per FNMA SEL-2022-07 <u>An email in lieu of a 10 days verbal pre-closing verification (PCV) is not permitted</u> |
| MM | Government | Employment/Income Verification | 10.21.22 | <u>Updated S/E VVOE to read as verification of the current existence of the Borrower's business</u> |
| AS | Conventional | Borrower Eligibility | 10.21.22 | Clarified: Loans must meet the requirements of the Residency and Eligibility Guide |
| AS | Government | Seasoning Requirements | 10.21.22 | Updated language to be consistent with GNMA's requirements: Prior: The note date of the new refinance loan occurs no earlier than 210 days after the first monthly payment was made on the prior Mortgage that is being refinanced Updated: The note date of the new refinance loan must be on, or after, the later of the date on which the borrower has made at least six consecutive monthly payments in the month due on the loan being refinanced; and the date that is greater than 210 days after the first payment due date of the loan being refinanced |



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**NON-DELEGATED
NON-CREDIT QUALIFYING
VA INTEREST RATE REDUCTION REFINANCE
(VA IRRRL)
MORTGAGE PROGRAM
PRODUCT MATRIX**

This product matrix serves as a summary of the VA Interest Rate Reduction Mortgage program in addition to Lakeview Loan Servicing overlays. Refer to the VA Handbook and Circulars, specifically Circular 26-19-22 for any information not specified in this product matrix.


Seller shall deliver loans that were originated in accordance with the VA Handbook unless otherwise noted in this product matrix.



Red indicates a change from a previous matrix.
Overlays to VA product guidelines are underlined and in italics

In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future

| Interim Guidance in Response to COVID-19 for Government Programs | |
|--|---|
| Continuity of Income | Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing. |
| Credit Score | <ul style="list-style-type: none"> The minimum FICO score for FHA Standard and VA products will be 620. <u>The minimum FICO score for FHA Streamline and USDA products will be 640.</u> See Lakeview announcements C2020-09, C2020-23 and C2020-32 for full details |
| Forbearance | <ul style="list-style-type: none"> Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing. Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| Remote Online Notarization (RON) | <u>Lakeview will not accept the use of remote online notarizations at this time.</u> |

| | |
|---|--|
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|---|--|



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| Non-Credit Qualifying VA Interest Rate Reduction Refinance Program | |
|--|--|
| Loan Product | |
| Eligible Products/Terms | <ul style="list-style-type: none"> • VAF310 • <u><i>Non-Credit Qualifying IRRRLs Only that meet Safe Harbor Requirements.</i></u> • <u><i>Terms greater than 15 years up to 30 years</i></u> • <u><i>Fixed Rate Only</i></u> |
| Ineligible Product Types | <ul style="list-style-type: none"> • <u><i>Credit Qualifying IRRRLs are not permitted</i></u> • <u><i>Terms less than or equal to 15 years</i></u> • <u><i>Adjustable Rate Mortgage</i></u> • If the current loan is a Texas Cash-Out 50(a)(6), the loan is ineligible <ul style="list-style-type: none"> ◦ Current 50(a)(6) loans may not be refinanced into a non-home equity loan |
| Minimum FICO | <ul style="list-style-type: none"> • <u><i>640</i></u> <ul style="list-style-type: none"> ◦ <u><i>Minimum 680 for base loan amounts > \$1,000,000 and ≤ \$1,500,000</i></u> |
| Loan Amount Calculation | <ul style="list-style-type: none"> • Loan amount may include: <ul style="list-style-type: none"> ◦ Unpaid principal balance ◦ Up to 2 discount points ◦ Allowable fees and charged, see VA guidelines ◦ Incidental cash back should not exceed \$500 ◦ No satisfaction of junior liens ◦ New subordinate financing is not permitted (current 2nd lien subordination is acceptable) <ul style="list-style-type: none"> ▪ The second mortgage note is not required • <u><i>Reimbursements for energy efficient improvements are not permitted.</i></u> |
| Maximum Base Loan Amount | <ul style="list-style-type: none"> • <u><i>\$1,500,000</i></u> <ul style="list-style-type: none"> ◦ <u><i>For base loan amounts > \$1,000,000 and ≤ \$1,500,000, a minimum 680 FICO is required</i></u> |
| Loan Amount Calculation | Refer to the VA Lenders Handbook use VA Form 26-8923, IRRRL Worksheet, to calculate maximum loan amount |
| Occupancy | <u><i>Owner Occupied Principal Residences only</i></u> |
| Funding Fee | <ul style="list-style-type: none"> • Refer to the VA Lenders Handbook • If non-exempt borrower has pending claim for compensation or pre-discharge claim, correct exemption status must be determined prior to closing. |



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| | |
|-------------------------------|---|
| Seasoning Requirements | <ul style="list-style-type: none"> The Note date of the refinance loan must be on, or after, the later of: <ul style="list-style-type: none"> the date on which the borrower has made at least six consecutive monthly payments in the month due on the loan being refinanced; and the date that is greater than 210 days after the first payment due date of the loan being refinanced <i>For mortgages that have been modified, the Note date of the refinanced loan must be on, or after, the later of:</i> <ul style="list-style-type: none"> <i>the date on which the borrower has made at least six consecutive monthly payments on the modified loan being refinanced; and</i> <i>the date that is greater than 210 days after the first payment due date listed on the modification agreement</i> (GNMA Requirement) <i>If the borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption</i> If the borrower entered a forbearance plan that did not require payments to be made, the missed payments may not be counted towards the six consecutively required payments even if those payments have been subsequently made |
|-------------------------------|---|

| | |
|-----------------|-----------------------|
| Buydowns | <u>Not permitted.</u> |
|-----------------|-----------------------|

Eligibility

| | |
|--------------------------|--|
| IRRRL Eligibility | <ul style="list-style-type: none"> Refer to the VA Lenders Handbook Acceptable Residency Statuses: <ul style="list-style-type: none"> US Citizen(s) Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide <i>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</i> |
|--------------------------|--|

| Parties on Current Loan | Parties to be Obligated on new IRRRL | Is IRRRL Possible? |
|--|--|---|
| Unmarried Veteran | Veteran and new spouse | YES |
| Veteran and spouse | Divorced Veteran alone | YES |
| Veteran and spouse | Veteran and different spouse | YES |
| Veteran alone | Different Veteran who has substituted entitlement | YES |
| Veteran and spouse | Spouse alone (Veteran deceased) | YES |
| Veteran and non-Veteran joint loan obligors | Veteran alone | YES |
| Veteran and spouse | Divorced spouse alone | NO |
| Unmarried Veteran | Spouse alone (Veteran deceased) | NO |
| Veteran and spouse | Different spouse alone (Veteran deceased) | NO |
| Veteran and non-Veteran joint loan obligors | Non-Veteran alone | NO |
| Veteran and non-Veteran where the non-Veteran is not obligated | Non-Veteran alone | NO |
| Veteran and wife where the wife is not obligated | Non-Veteran alone (Veteran deceased) Can she do a SOE, then do an IRRRL? | NO, YES |
| Veteran and spouse | Non-Veteran spouse (not divorced) | NO |
| Veteran alone, non-purchasing spouse not on title | Non-purchasing spouse, who is now on title (Veteran deceased) | NO |
| Veteran and spouse (who is a Veteran) | Same two Veterans, but they are now divorced | YES (must be sent in as prior 1/2 guaranty) |
| 2 unmarried Veterans as a joint loan, each using their own entitlement | 2 married Veterans, using only 1 entitlement | YES |

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|  <p>About Us ©2022 Lakeview Loan Servicing, LLC provides access to a full range of agency residential mortgage products for qualified lending institutions and these programs are not applicable to the general public or individual consumers. Lakeview Loan Servicing, LLC is a member of a family of companies owned or managed by Bayview Asset Management, LLC. Bayview companies have been managing mortgage assets since 1995. It is the policy of Lakeview Loan Servicing, LLC (NMLS #391521) to provide services without regard to race, color, religion, national origin, ancestry, age, sex, familial status, or disability.</p> | <p>Contact Us 85-LAKEVIEW (855-253-8439) www.lakeviewcorrespondent.com</p> |
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| Life Estates | <u>Not permitted</u> |
| Credit | |
| AUS | Manual underwriting only |
| Credit Requirements | <ul style="list-style-type: none"> • <u>0x30x6 payment history is required on the underlying mortgage being refinanced, must be verified using one of the following:</u> <ul style="list-style-type: none"> ◦ <u>A credit report that clearly shows the payment history, OR;</u> ◦ <u>A credit bureau supplement that clearly identifies all payments made in that timeframe, OR;</u> ◦ <u>Servicer payment history/ledger documenting all payments.</u> • <u>The new loan cannot refinance an existing loan that is currently 30 days past due</u> • <u>Safe Harbor Loans Only</u> • Loans that are shown to be in active forbearance due to COVID-19 but meet the payment history requirements, are current, <u>and have made at least one regularly scheduled payment since forbearance inception date are eligible. Loan file must contain a letter of explanation from the borrower explaining the reason for forbearance and that the hardship no longer exists.</u> • <u>Loans shown to be in any other loss mitigation options are not eligible for refinance transactions. This restriction applies to all active loans in the pipeline including new applications, regardless of loan purpose.</u> • COVID-19 VA Partial Claim Payment Program liens cannot be subordinated or rolled into the loan amount calculation on IRRRLs. Existing COVID-19 VA Partial Claim Payment Program liens must be paid in full before or at closing through other means. |
| Credit Documents Requirement | If the file contains credit documents, documents cannot be older than 120 days from the Note Date |
| DTI | Ratios are not calculated |
| CAIVRS | Must be shown as cleared, as required by VA |
| Employment/Income | |
| Employment/Income Verification | <ul style="list-style-type: none"> • Borrower's income should not be reflected on the application and should not be verified • Income documentation must not be provided in the loan file <ul style="list-style-type: none"> ◦ If income documentation is provided and loan reflects income qualification calculated then the loan will be considered to be credit qualifying and will not be eligible for this program |
| Assets/Reserves | |
| Assets | Verification of assets is not required |



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| Secondary Financing | |
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| New Secondary Financing | Not permitted |
| Existing Secondary Financing | <ul style="list-style-type: none"> • Current 2nd lien subordination is acceptable • The second mortgage note is not required |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • 2-4 Unit Detached/Attached • PUDs • Condominiums – no condo approval required • Rural Properties – must be residential in nature • Land Trust • Mixed use – in accordance with the VA Lenders Handbook requirements • Leaseholds with proof of prior VA approval • Properties with eligible PACE obligations – refer to VA Circular 26-16-18 |
| Ineligible Property Types | <ul style="list-style-type: none"> • <u>Manufactured Homes</u> • Mobile Homes • Community Land Trusts • Cooperatives • Condotels • Hotel Condominiums • Timeshares • Geodesic Domes • Working Farms and Ranches • Unimproved Land • <u>Group Homes</u> |
| Appraisal Requirements | No appraisal required, value is based on prior VA loan amount |
| Disaster Area Requirements | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ○ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ○ Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ○ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster |



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| Leased Solar Panels/Power Purchase Agreements | <ul style="list-style-type: none"> A property that contains leased equipment or operates with a leased energy system, power purchase agreement (PPA) or other similar arrangement may be eligible for VA financing, subject to the following requirements: <ul style="list-style-type: none"> The title cannot reflect any liens superior to VA's first lien position |
| Geographic Restrictions | <ul style="list-style-type: none"> <i>The following states are not permitted: New York</i> <i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted</i> |
| Special Restrictions | |
| Application Information | <ul style="list-style-type: none"> Must contain all subject property information Declarations must be completed Borrower's information to be completed with contact information (employer/employment information not required) |
| Special Restrictions | <ul style="list-style-type: none"> Maximum Term: <ul style="list-style-type: none"> Term of the new loan may not exceed the original by more than 10 years, subject to a maximum term of 30 years and 32 days Payment Increasing: <ul style="list-style-type: none"> <i>Not permitted. The principal and interest payment on an IRRRL must be less than the principal and interest payment on the loan being refinanced</i> Interest Rate Decrease Requirement: <ul style="list-style-type: none"> Fixed rate to fixed rate & <i>ARM to fixed rate transactions</i> – the interest rate of the new loan must be at least 0.5% below the prior interest rate Fixed rate to ARM – <i>Not permitted</i> <i>Copy of the prior note or loan modification for purposes of calculating NTB requirements</i> In the event that the prior note cannot be obtained on loans currently serviced by Lakeview, Underwriting can determine loan eligibility using the following: <ul style="list-style-type: none"> Verification of original borrowers on loan – verify the information in the Servicing system agrees with the original mortgagor information on title; and Verification of original loan amount, type and P&I amount – verify information in the Servicing system agrees with prior loan information on LIN Discount Points: <ul style="list-style-type: none"> Reasonable discount points permitted, however no more than two discount points can be included in the loan amount Cost Recoupment: <ul style="list-style-type: none"> The recoupment period for all allowable fees and charges incurred on the loan, regardless of how paid (i.e. financed as part of the loan, paid at closing, or paid through premium pricing) cannot exceed 36 months Loans with deferred payments (i.e. due to hardship, etc.) are not eligible for IRRRL processing until payments resume and mortgage history requirements are met |
| High Cost Loans | <u>Lakeview will not purchase High Cost Loans</u> |
| Higher Priced Mortgage Loans | Not permitted |



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| <p>Principal Curtailment</p> | <ul style="list-style-type: none"> • In a limited number of situations, the borrower may receive cash at closing <ul style="list-style-type: none"> ◦ Computational errors ◦ Changes in final pay-off figures ◦ Upfront fees paid for the appraisal and/or credit report that are later added to the loan ◦ The refund of the escrow balance of the old loan • However, if the situation involves a borrower receiving more than \$500 cash back, consult the VA as to its acceptability |
| <p>Power of Attorney</p> | <ul style="list-style-type: none"> • Power of Attorney (POA) must be specific to the transaction • <u>Not permitted for borrowers on vacation or short term business trips</u> • Alive and Well certification must be obtained on the day of the closing by a Lakeview employee. Certification must contact the following language: “[The undersigned lender] certifies that written evidence in the form of correspondence from the Veteran or, if on active military duty, statement from his or her Commanding Officer (including the statement of a person authorized to act for said officer), affirmatively indicating that the Veteran was alive and, if the Veteran is on active military duty, not missing in action status on [date], was examined by [the undersigned] and that the said date is subsequent to the date the note and security instruments were executed on the Veteran’s behalf by the attorney-in-fact.” • A sample can be found here: https://benefits.va.gov/HOMELoANS/documents/docs/poacertification.pdf |
| <p>Other Considerations</p> | |
| <p>Excluded Parties – LDP/GSA Searches</p> | <ul style="list-style-type: none"> • VA loans require confirmation that companies or individuals involved in the origination or underwriting of a mortgage transaction are not on the Freddie Mac Exclusionary List, General Services Administration’s (GSA’s) Excluded Party List or the HUD Limited Denial Participation (LDP). Regardless of the reason for the party being excluded, any party to the transaction included on either list will result in the loan being ineligible for delivery. <p>All name variations found throughout the loan file must be run when performing the searches. The search must be run on the following parties in the transaction:</p> <ul style="list-style-type: none"> • Borrower(s) • Title Company • Closing Attorney/Settlement Agent/Escrow Company |
| <p>Escrow Waivers</p> | <p><u>Escrow accounts for property taxes, homeowner’s insurance and flood insurance (if applicable) are required on all loans</u></p> |
| <p>Assignment of Mortgage</p> | <p>All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements</p> |
| <p>Delivery Seasoning Requirements</p> | <p>Refer to Lakeview Loan Servicing Seller Guide</p> |

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| <p>Additional Requirements</p> | <ul style="list-style-type: none"> • Please visit the VA Handbook for a full list of VA required disclosures, including but not limited to items listed below: <ul style="list-style-type: none"> ○ <u><i>A copy of the prior note or loan modification</i></u> ○ LIN Assignment screen ○ VA IRRRL Worksheet to be signed ○ VA Comparison Form – initial and final ○ Current payoff showing the underlying loan is current ○ CAIVRS must be shown as cleared, as required by the VA ○ Nearest Living Relative information is required for the purpose of the VA Form 26-1820 |
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Sellers must deliver loans that were originated in accordance with the VA Lender’s Handbook and GNMA Requirements, unless otherwise stated in this product matrix.



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| Version Control | | | |
|-----------------|---------------------------|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| MM | Ineligible Property Types | 10.21.22 | ADDED: Community Land Trusts |



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**NON DELEGATED
VA STANDARD MORTGAGE PROGRAM
PRODUCT MATRIX**

This product matrix serves as a summary of the VA Standard Mortgage program in addition to Lakeview Loan Servicing overlays. Refer to the VA Handbook for any information not specified in this product matrix.


Seller shall deliver loans that were originated in accordance with the VA Handbook unless otherwise noted in this product matrix.



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In response to the COVID-19 pandemic, the following interim guidance will supersede current Lakeview guidance listed in this matrix until future

| Interim Guidance in Response to COVID-19 for Government Programs | |
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| Continuity of Income | Borrowers working in industries significantly impacted by the current conditions (e.g. service, travel, hospitality, etc.) should be given additional scrutiny to determine if this income will continue into the future and at the same or similar levels. Lenders remain responsible for ensuring that all borrowers are employed at their disclosed employment through closing. |
| Forbearance | <ul style="list-style-type: none"> • Lakeview Loan Servicing will not purchase any loan where the borrower is actively seeking a forbearance or any loan that is in an “active” forbearance status prior to purchase by Lakeview Loan Servicing. • Refer to the Lakeview announcements as posted on the Lakeview Correspondent website for full details |
| Remote Online Notarization (RON) | <u><i>Lakeview will not accept the use of remote online notarizations at this time.</i></u> |

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| VA Mortgage Program | | |
|---------------------|------------------------|------------------------|
| Fixed Rate | | |
| Term | Minimum FICO | Maximum LTV/CLTV |
| Purchase | <u>620²</u> | 100% |
| Cash-Out Refinance | <u>620²</u> | <u>90%¹</u> |

¹The funding fee may be included in the new loan amount, except any portion that would exceed the maximum LTV/CLTV, which must be paid in cash at the loan closing
² Minimum 680 FICO required for base loan amounts > \$1,000,000 and ≤ \$1,500,000

| Loan Product | |
|----------------------------------|--|
| Eligible Products/Terms | <ul style="list-style-type: none"> • VAF150 VA 15YR Fixed • VAF155 VA 15YR Fixed High Balance • VAF300 VA 30YR Fixed • VAF305 VA 30YR Fixed High Balance • Energy Efficient Mortgages (EEM) |
| Ineligible Products Types | <ul style="list-style-type: none"> • <u>Construction/Permanent Home Loans</u> • <u>Energy Efficient Mortgages</u> • <u>Loans for Alternation and Repair/Supplemental Loans</u> • <u>Graduated Payment Mortgages (GPMs)/Growing Equity Mortgages (GEMs)</u> • <u>Loans to Native American Veterans on Trust Lands</u> |
| Maximum Base Loan Amount | <ul style="list-style-type: none"> • <u>\$1,500,000</u> <ul style="list-style-type: none"> ◦ <u>Minimum 680 FICO required for base loan amounts > \$1,000,000 and ≤ \$1,500,000</u> |
| Purpose | <ul style="list-style-type: none"> • Refer to the VA Lenders Handbook • Transactions in the State of Texas subject to 50(a)(6) are not permitted <ul style="list-style-type: none"> ◦ <u>Current 50(a)(6) loans may not be refinanced into non-home equity loans</u> |
| Occupancy | <ul style="list-style-type: none"> • Owner Occupied Principal Residences only <ul style="list-style-type: none"> ◦ <u>Borrower(s) are limited to one primary residence transaction within the past 12 months.</u> |
| Temporary Buydowns | <u>Not Permitted</u> |
| Funding Fee | Refer to the VA Lenders Handbook |
| Entitlement | <ul style="list-style-type: none"> • Refer to the VA Lenders Handbook and Circular 26-19-30 • For Veterans with full entitlement, the maximum amount of guaranty entitlement available to the Veteran, for a loan above \$144,000 shall be 25 percent of the loan amount. • For Veterans who have previously used entitlement and such entitlement has not been restored, the maximum amount of guaranty entitlement available to the Veteran, for a loan above \$144,000 shall be 25 percent of the Freddie Mac conforming loan limit (CLL), reduced by the amount of entitlement previously used (not restored) by the Veteran. |



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| | <ul style="list-style-type: none"> For additional information pertaining to entitlement including married veterans and joint loans refer to Circular 26-19-30 |
| <p>Cash-Out – Net Tangible Benefit Requirements (Effective for applications dated on or after 02/15/2019)</p> | <ul style="list-style-type: none"> For all Type I Cash-Out Refinances, defined by the VA as a refinancing loan in which the loan amount (including VA Funding Fee) does not exceed the payoff amount of the loan being refinanced, the following requirements must be met: <ul style="list-style-type: none"> Interest Rate Reduction Requirements: <ul style="list-style-type: none"> Fixed Rate to Fixed Rate: the interest rate of the new loan must be at least 0.50% below the prior interest rate Fixed Rate to ARM: the interest rate of the new loan must be at least 2% below the prior interest rate Cost Recoupment Requirements: <ul style="list-style-type: none"> The recoupment period for all allowable fees and charges incurred on the loan, regardless of how paid, (i.e. financed as part of the loan, paid at closing, or paid through premium pricing) cannot exceed 36 months |
| <p>Cash-Out Seasoning Requirements</p> | <ul style="list-style-type: none"> The Note date of the refinance loan must be on, or after, the later of: <ul style="list-style-type: none"> The date on which the borrower has made at least six consecutive monthly payments in the month due on the loan being refinanced; and The date that is greater than 210 days after the first payment due date of the loan being refinanced <i><u>At least six full months must have passed since the first payment due date on the Mortgage that is being refinanced; and</u></i> <i><u>If the borrower assumed the Mortgage that is being refinanced, they must have made six consecutive payments since the time of assumption</u></i> <i><u>For mortgages that have been modified, the Note date of the refinanced loan must be on, or after, the later of:</u></i> <ul style="list-style-type: none"> <i><u>the date on which the borrower has made at least six consecutive monthly payments on the modified loan being refinanced; and</u></i> <i><u>the date that is greater than 210 days after the first payment due date listed on the modification agreement</u></i> (GNMA Requirement) Loans being refinanced within one year (365 days) from the date of Closing, require the following documentation: <ul style="list-style-type: none"> Payment history/ledger to be obtained directly from the Servicing lender documentation the date of the first payment made and that all subsequent payments have been made as agreed, or; A credit bureau supplement documenting the first payment due date and that all subsequent payments have been paid as agreed Cancelled checks or verification of mortgage cannot be substituted for the servicing payment history/ledger or credit bureau supplement |
| Eligibility | |
| <p>Borrower Eligibility</p> | <ul style="list-style-type: none"> Refer VA Lenders Handbook Foreign Nationals are not permitted Certificate of Eligibility must have sufficient entitlement to meet minimum 25% guarantee; the 25% can be a combination of entitlement and equity (GNMA requirement) If non-exempt borrower has pending claim for compensation or pre-discharge claim, correct exemption status must be determined prior to closing Joint loans with Veteran & Non-Veteran must be approved by the VA <i><u>Life Estates are not permitted</u></i> |



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| | <ul style="list-style-type: none"> Acceptable Residency Statuses: <ul style="list-style-type: none"> US Citizen(s) Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens as defined in the Lakeview Loan Servicing Seller Guide or the Residency and Eligibility Guide. <i>Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses</i> |
| CAIVRS | <ul style="list-style-type: none"> For all applicants and co-obligors (veteran or non-veteran), perform a CAIVRS inquiry. An applicant cannot be considered a satisfactory credit risk if he or she is presently delinquent or in default on any debt to the Federal Government until the delinquent account has been brought current or satisfactory arrangements have been made between the applicant and the Federal agency. <ul style="list-style-type: none"> A judgment lien must be paid in full or satisfied <i>For any payment plan set up for a Federal debt or tax lien that has not been paid in full (whether or not directly found from the CAIVRS report), the following is required:</i> <ul style="list-style-type: none"> <i>Approved payment plan documentation from the Federal agency, with frequency of payment, payment amount, payment history and balance due; and</i> <i>Twelve on-time monthly payments paid during the month that the payment was due, must have been made prior to the application of the mortgage</i> |
| Credit | |
| AUS | <ul style="list-style-type: none"> DU 'Approve/Eligible' or LPA 'Accept' is required <i>Manual underwriting is not permitted</i> |
| DTI | Refer to the VA Lenders Handbook |
| Credit Requirements | <ul style="list-style-type: none"> Evaluated by AUS If the mortgage is not reported to the credit bureaus, the following documentation is needed: <ul style="list-style-type: none"> Direct verification from the servicer confirming a satisfactory 24-month payment history <i>Private party VOM/VOR as a standalone document is not permitted, 12 months cancelled checks are required to document the payment history</i> If the Borrower resides in a Community Property State or the Property being insured is located in a Community Property State, a credit report for a non-borrowing spouse must be obtained and the debts of the non-borrowing spouse must be included in the Borrower's qualifying ratios, except for obligations specifically excluded by state law. The Community Property States are: AZ, CA, ID, LA, NV, NM, TX, WA, WI |
| Non-Traditional Credit | <i>Use of non-traditional credit is not permitted</i> |
| Foreclosure/Deed-in-lieu/Short Sale | Refer to the VA Lenders Handbook |
| Non-Arm's Length Transaction | Non-Arm's length transactions are acceptable; relationship must be fully disclosed at the time of delivery to Lakeview |



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| <p>Student Loans</p> | <ul style="list-style-type: none"> • Refer to VA Circular 26-17-02 • Documented student loan debt that is deferred at least 12 months beyond the closing date does not need to be considered • If a student loan is in repayment or scheduled to begin within 12 months from the date of VA loan closing, the lender must consider the anticipated monthly obligation in the loan analysis and utilize the payment established in paragraph (1) or (2) below. Calculate each loan at rate of 5% of the outstanding balance divided by 12 months (example: \$25,000 student loan balance x 5%= \$1,250 ÷ 12 months = \$104.17 per month; this is the monthly payment to calculate the DTI) <ul style="list-style-type: none"> ◦ The lender must use the payment(s) reported on the credit report for each student loan(s) if the reported payment is greater than the threshold payment calculation above <p>If the payment reported on the credit report is less than the threshold payment calculation above, the loan file must contain a statement from the student loan servicer that reflects the actual loan terms and payment information for each student loan(s). The statement(s) must be dated within 60 days of the VA loan closing and maybe an electronic copy from the student loan servicer's website or a printed statement provided by the student loan servicer. It is the lender's discretion as to whether the credit report should be supplemented with this information</p> |
| <p>Employment/Income</p> | |
| <p>Employment/Income Verification</p> | <ul style="list-style-type: none"> • Employment and income documentation must comply with the requirements of the AUS Findings and the VA Lenders Handbook • For salaried employees, the verbal verification of employment (VVOE) must be completed within <u>10 business days</u> prior to the note date <ul style="list-style-type: none"> ◦ Third party suppliers and distributors that generate employment and income verification "automated" reports are permitted for the purpose of verifying income and/or employment. <ul style="list-style-type: none"> ▪ Because third party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor's database was no more than 35 days old as of the Note date ◦ Request for Verification of Employment (VA 26-8497) or a VVOE/VOI completed manually/researched through a third party is not permitted as a stand-alone document. • <u><i>For self-employed borrowers, the verbal verification of employment must be completed within 30 days prior to the note date</i></u> • For borrowers in the military, a military Leave and Earnings Statement [LES], dated within 120 days prior to the note date, is acceptable in lieu of a verbal verification of employment • All sources of qualifying income must be legal in accordance with all applicable Federal, State, and Local laws, rules and regulations, without conflict (i.e. marijuana related income of any source is not permitted) • Temporary Leave: When a borrower is on temporary leave and that borrower's income is needed to qualify, follow Fannie Mae temporary leave income guidance found in the Selling Guide under B3-3.1-09, Other Sources of Income. • <u><i>A 4506-C form is required to be signed at application and at closing for all transactions</i></u> • <u><i>For future income, paystubs are required prior to closing</i></u> • <u><i>Transcript Requirements:</i></u> <ul style="list-style-type: none"> ◦ <u><i>W2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources</i></u> ◦ <u><i>Tax transcripts are required in the following circumstances:</i></u> <ul style="list-style-type: none"> ▪ <u><i>When tax returns are used to qualify a borrower. The number of years provided must be based on the LPA Findings. Income verified via tax returns, includes but is not limited to, the examples listed below:</i></u> <ul style="list-style-type: none"> • <u><i>Self-Employment Income</i></u> |



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| | <ul style="list-style-type: none"> • <u>Rental Income</u> • <u>Other Income Sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)</u> ▪ <u>Employment by Family Members</u> ▪ <u>Amended tax returns have been filed</u> <ul style="list-style-type: none"> • <u>When amended tax returns are utilized for documenting qualifying income for approval purposes and the borrower could not qualify with the prior tax return income, then the following would need to be adhered to (all employment/income types):</u> <ul style="list-style-type: none"> ○ <u>Tax returns amended within 90 days prior to the application date or at any time during the loan process are not permitted</u> ○ <u>Tax returns amended greater than 90 days prior to the application date are permitted. Both the original and amended returns must be examined for consistency to determine whether the use of the amended return is warranted and is supportive of the borrower's overall income profile. The following documentation will be required:</u> <ul style="list-style-type: none"> ▪ <u>A letter of explanation from the borrower detailing the reasons for re-filing</u> ▪ <u>Evidence of re-filing via tax transcript (Record of Account) supporting the amended return</u> ▪ <u>Payment and evidence of the ability to pay any applicable tax (if a payment plan for taxes is accepted, evidence of initial payment must be documented)</u> |
| Residual Income | Refer to the VA Lenders Handbook |
| Assets/Reserves | |
| Assets | <ul style="list-style-type: none"> • Evaluated by AUS • <u>Handwritten VOD as a standalone document is not acceptable</u> <ul style="list-style-type: none"> ○ A system generated automated VOD may be used as a standalone document, if provided by a verifiable institutional bank • Borrower must have sufficient cash to cover the difference between the sales price and the loan amount, if the sales price exceeds the reasonable value established by the VA |
| Gifts | Refer to the VA Lenders Handbook |
| Ineligible Asset Types | <ul style="list-style-type: none"> • <u>Cash on hand</u> • <u>Custodial accounts for minors</u> • <u>Pooled funds</u> • <u>Trade Equity</u> • <u>Sweat Equity</u> • <u>Cryptocurrency (i.e. bitcoin)</u> |
| Interested Party Contributions | Refer to the VA Lenders Handbook |
| Down Payment and Closing Costs Assistance | <u>Down payment and closing cost assistance subordinate financing is not permitted</u> |
| Reserves | <ul style="list-style-type: none"> • Evaluated by AUS • Owner occupied 2-4 units – 6 months PITI required when rental income used to qualify. Borrower must have prior experience managing rental units |



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| Secondary Financing | |
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| New Secondary Financing | <ul style="list-style-type: none"> • Not permitted |
| Existing Secondary Financing | <ul style="list-style-type: none"> • Limited to Max CLTV restrictions listed in Eligibility Grid • The second lien must not restrict the veteran's ability to sell the property (i.e. assumability feature) • <i><u>Down payment and closing cost assistance subordinate financing is not permitted.</u></i> |
| Property/Appraisal | |
| Eligible Property Types | <ul style="list-style-type: none"> • Single Family Detached • Single Family Attached • 2-4 Unit Detached/Attached • PUDs • Low and High-Rise Condominiums – must be VA Approved • Rural Properties – property must be residential in nature • Leaseholds – with proof of prior VA approval • Mixed use – refer to the VA Lenders Handbook for requirements • Land Trust • Properties with eligible PACE obligations – refer to VA Circular 26-16-18 |
| Ineligible Property Types | <ul style="list-style-type: none"> • <i><u>Manufactured Homes</u></i> • Mobile Homes • Community Land Trusts • <i><u>Cooperatives</u></i> • Condotels • Hotel Condominiums • Timeshares • Working Farms and Ranches • Unimproved Land • <i><u>Group Homes</u></i> |
| Appraisal Requirements | <ul style="list-style-type: none"> • All appraisals must be ordered through VA's Loan Guaranty website, which will assign the order to a VA Approved Appraiser • A Notice of Value (NOV) for property appraised as existing or new construction is valid for six months. Rapidly fluctuating real estate market conditions may temporarily dictate the use of a shorter validity period. • If the appraiser notes that Carbon Monoxide (CO) Detectors, Smoke Alarms, and/ or Seismic Strapping of Water Heaters are mandated by the Property State, but are missing and/or inadequate, the loan file must contain confirmation that these items have been properly installed prior to closing. <ul style="list-style-type: none"> ◦ For appraisals completed "subject to", the completed work must be recertified by the appraiser with a final inspection or 1004D. ◦ For appraisals completed "as is", a final inspection by the appraiser or an independent third party confirming completion of these items is required. • *LAPP reviewers should not indicate these items on the NOV regardless of the appraisal being completed "subject to" or "as is", but condition for these items to be completed. • <i><u>Assisted Appraisal Processing Program: Not Permitted</u></i> |
| Appraisal Transfers | Appraisal transfers must be executed in accordance with VA Lenders Handbook |
| Appraisal Re-Use | The re-use of an appraisal under another LIN (Loan Identification Number) is not permitted |



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| <p>Condos/PUDs</p> | <p>All projects must be approved by the VA; the Condominium Approval list is available on VA's Loan Guaranty website</p> |
| <p>Deed Restricted Properties</p> | <p>Refer to the VA Lenders Handbook</p> |
| <p>Disaster Area Requirements</p> | <ul style="list-style-type: none"> • Refer to the Disaster Guidelines in the Lakeview Loan Servicing Seller Guide for requirements pertaining to properties impacted by a disaster in: <ul style="list-style-type: none"> ◦ FEMA Major Disaster Declarations with designated counties eligible for Individual Assistance (IA); ◦ Areas where FEMA has not made a disaster declaration, but Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster; ◦ Areas where the Seller has reason to believe that a property might have been damaged in a disaster • Correspondent lenders are responsible for monitoring the Disaster Declaration File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. |
| <p>Escrow Holdbacks</p> | <p><i><u>Escrow holdbacks are not permitted for Minimum Property Requirement (MPR) items and/or any repair that delays the guarantee of the loan file.</u></i></p> |
| <p>Re-Negotiated Purchase Agreements</p> | <ul style="list-style-type: none"> • <i><u>Purchase agreements renegotiated after the completion of the appraisal that increases the sales price are only acceptable under the following circumstances:</u></i> <ul style="list-style-type: none"> ◦ <i><u>The sales price adjustment is due to price overruns that impact the tangible value of the property on new construction. An updated appraisal must be obtained to verify the value of the modifications.</u></i> ◦ <i><u>A renegotiation of only seller paid closing costs and/or prepaids occurs where seller paid closing costs/prepaids are common and customary for the market and supported by comparables</u></i> <p>Escape Clause: If the sales contract was signed by the Veteran prior to the receipt of the Notice of Value (NOV), the contract must include, or be amended to include, the clause below: "It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise by obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veteran Affairs. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs. (Authority: 38 U.S.C. 501, 3703I(1))"</p> |
| <p>Recently Listed Properties</p> | <ul style="list-style-type: none"> • <i><u>Non Cash-Out Refinance Transaction – listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied transactions. In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</u></i> • <i><u>Cash-Out Refinance Transaction – the listing must have been expired or been withdrawn 180 days prior to the application date or the loan will be limited to 85% LTV</u></i> |



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| <p>Leased Solar Panels/Power Purchase Agreements</p> | <ul style="list-style-type: none"> • A property that contains leased equipment or operates with a leased energy system, power purchase agreement (PPA) or other similar arrangement may be eligible for VA financing, subject to the following requirements: <ul style="list-style-type: none"> ○ The leased equipment may not be included in the appraised value of the property ○ The title cannot reflect any liens superior to VA's first lien position ○ The appraiser must identify such systems and any impact that they may have on market value. Impact may include cost to restore the property if the system is removed <p>The lease payment is not included in the debt ratios</p> |
| <p>Title Documents</p> | <ul style="list-style-type: none"> • Refer to Circular 26-16-01 • VA does not allow an individual to take title to a property if that individual is not on either the mortgage or a deed of trust. Accordingly, if a spouse or other owner does not want to sign a mortgage note and be obligated for a VA-Guaranteed home loan, that individual must sign a deed of trust. |
| <p>Geographic Restrictions</p> | <ul style="list-style-type: none"> • <i>The following states are not eligible: New York</i> • <i>Properties located outside of the United States or in a Territory, Province or Commonwealth; including, but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands or American Samoa are not permitted.</i> |
| <p>Special Restrictions</p> | |
| <p>High Cost Loans</p> | <p><i>Lakeview will not purchase High Cost Loans</i></p> |
| <p>Limitations on Financed Properties</p> | <ul style="list-style-type: none"> • Refer to the VA Lenders Handbook • <i>Maximum exposure of two Lakeview financed loans to any one Borrower in a Condo or PUD development</i> |
| <p>Power of Attorney</p> | <ul style="list-style-type: none"> • Please visit the Lakeview Seller Guide - Power of Attorney for all transactions including a POA. • A General Military POA naming an attorney-in-fact to execute documents necessary to obtain a VA Guaranteed loan <ul style="list-style-type: none"> ○ A valid general durable or specific/limited power of attorney is permitted ○ The Veteran's attorney-in-fact may use the power of attorney to apply for a COE and initiate the processing of the loan on behalf of the Veteran ○ A power of attorney used for a cash-out transaction is subject to justifiable reasons and underwriter discretion ○ A power of attorney is not permitted for VA Borrowers on vacation or short term business trips • To complete the transaction using an Attorney-in-Fact, the veteran's written consent verifying the specifics of the transaction is required. This requirement can be satisfied by either: <ul style="list-style-type: none"> ○ The Veteran's signature on both the sales contract and the URLA, as long as the Veteran's intention to obtain a VA loan on the particular property is expressed somewhere in those documents; or ○ A general durable or specific/limited power of attorney or other document(s) signed by the Veteran, which encompasses the following elements: <ul style="list-style-type: none"> ▪ Entitlement – a clear intention to use all or a specified amount of entitlement ▪ Purpose – a clear intention to obtain a loan for purchase, construction, repair, alteration, improvement, rate and term or cash-out refinance ▪ Property Identification – identification of the specific property |

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| | <ul style="list-style-type: none"> ▪ Price and Terms – the sales price, if applicable, and other relevant terms of the transaction ▪ Occupancy – intention of the Veteran to occupy the home <ul style="list-style-type: none"> • Alive and Well certification must be obtained on the day of the closing by a Lakeview employee. Certification must contact the following language: <i>“[The undersigned lender] certifies that written evidence in the form of correspondence from the Veteran or, if on active military duty, statement from his or her Commanding Officer (including the statement of a person authorized to act for said officer), affirmatively indicating that the Veteran was alive and, if the Veteran is on active military duty, not missing in action status on [date], was examined by [the undersigned] and that the said date is subsequent to the date the note and security instruments were executed on the Veteran’s behalf by the attorney-in-fact.”</i> <p>A sample can be found here: https://benefits.va.gov/HOMELOANS/documents/docs/poacertification.pdf</p> |
| Other Considerations | |
| Age of Documents | <ul style="list-style-type: none"> • All credit documents must be dated within 120 days of the note date; including credit reports as well as employment, income and asset documents • Preliminary Title Policies must be no more than 180 days old on the date that the note is signed • A Notice of Value for property appraised as existing or new construction is valid for six months (180 days) |
| Assignment of Mortgage | All loans must be registered with MERS at the time of delivery to Lakeview. The MERS transfer of beneficial rights and transfer of servicing rights must be initialed by the Seller within 7 calendar days of purchase date. Refer to the Seller Guide for transfer requirements. |
| Seasoning Requirements | Refer to Lakeview Loan Servicing Seller Guide |
| Escrow Waivers | <u><i>Escrow accounts for property taxes, homeowner’s insurance and flood insurance (if applicable) are required on all loans</i></u> |
| Special Documentation Requirements | <ul style="list-style-type: none"> • Please visit the Disclosure Signature Matrix for the full list of required VA disclosures • VA Case Number Assignment Screen to be received once appraisal is ordered • Automated Certificate of Eligibility printed from the VA ACE System – must be dated within 30 days of the application • Notice of Value completed and signed by LAPP Approved Underwriter or issued by the VA • CAIVRS information must be checked • Residual Income requirements must be met • Nearest Living Relative information is required to be obtained in Encompass for the purpose of the VA Form 26-1820 • A copy of the divorce decree is required when the loan file indicates income or liability due to divorce • <u><i>Acceptable documentation (i.e. copy of the prior note, mortgage statement, or closing disclosure) is required to validate the current loan information for the net tangible benefit disclosure form</i></u> |
| Seller shall deliver loans that were originated in accordance with the VA Lender’s Handbook and GNMA Requirements, unless otherwise stated in this product matrix. | |

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| Version Control | | | |
|-----------------|--------------------------|----------|--|
| Author | Section | Date | Update |
| AS | All | 05.16.22 | Matrix created |
| MM | Ineligible Property Type | 10.21.22 | ADDED: Community Land Trusts |



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