VERUS WHOLESALE

12.01.2025

Prime Ascent Plus – Standard Doc and Alt Doc

Maximum LTV/CLTV							
Minimum Credit Score	Maximum Loan Amount	Primary Residence			Second Home / Investment		
		Purchase	Rate/Term	Cash-Out	Purchase	Rate/Term	Cash-Out
720	1,000,000	90	80	80	75	70	70
	2,000,000	80	75	75	75	70	70
	2,500,000	75	70	70	NA	NA	NA
700	1,000,000	85	75	75	75	70	70
	2,000,000	80	70	70	75	70	70
	2,500,000	70	65	65	NA	NA	NA
680	1,000,000	80	75	75	75	70	70
	2,000,000	75	70	70	75	70	70
	2,500,000	70	NA	NA	NA	NA	NA

Property Type		
• Single Family: Attached, Detached • **Not Eligible**: 2-4 Unit, Condo Hotel (Condotel)	• Condominium: Max LTV/CLTV 80%	• Rural: Max LTV/CLTV 80% Purchase, 75% Refinance

Housing History	Credit Event Seasoning
0x30x12	Bankruptcy/Foreclosure/Short Sale/Deed-In-Lieu/Pre-Foreclosure/Mortgage Charge-Off: >=48 Mo Forbearance, Modification, or Deferral: > 12 Mo

State Eligibility

- Consumer Purpose - Ineligible States: AK, HI, MA, MO, NY
- Business Purpose: Investment occupancy only
  - Ineligible States: AK
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- Ineligible: Investor occupancy in Baltimore City, MD
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 85% for purchase and 75% for rate/term and cash-out transactions

General Requirements	
Product Type	• Fixed Rate Terms: 15 & 30 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term
Interest Only	• Min Credit Score: 700 • Max LTV: 80% • 30-year total loan term, qualification based upon remaining term (amortized) after expiration of interest only period
Loan Amounts	• Min: 150,000 • Max: 2,500,000
Loan Purpose	• Purchase, Rate/Term, and Cash-Out
Occupancy	• Primary, Second Home, Investment
Acreage	• Property up to 20-acres
Cash-In-Hand	• Max: $1,000,000 (Not applicable to Delayed Financing transactions)
Appraisals	• FNMA Form 1004, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > $2,000,000.

Income Requirements	
Standard Doc	• Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by total eligible deposits from 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account.

Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:
	  ○ Fixed Expense Ratio (50%)
	  ○ Expense ratio provided by a Third party (CPA, EA, or tax preparer) min ratio of 10%
	  ○ Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

Ineligible	• Profit & Loss Statement • Written VOE • IRS Form 1099 • Asset Utilization

Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower with the highest qualifying income ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
Assets	• Min of 30-days asset verification required; any large deposit must be sourced	**Reserves**	• LTV ≤ 85%: 6-months of PITIA • LTV > 85%: 12-months of PITIA • Loan Amount > $1.5 M: 9-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	• Min contribution: 5% primary/second home, 10% investment	**DTI Requirements**	• Max: 43%
		Document Age	• 120-days

Prime Ascent Plus – Standard Doc and Alt Doc, continued

Underwriting Requirements, continued		
Prepayment Penalty - Investment Property Only	• Acceptable structures include the following: ○ Fixed percentage of no less than 3% ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)	• Prepayment periods up to 5-years eligible, see rate sheet. • **IL, KS, MI, MN, NJ, NM, OH, RI:** Penalties not allowed. • **MS:** Only declining prepayment penalty structures are allowed. • **PA:** Penalties not allowed on loan amounts less than $319,777 for calendar year 2025.
Escrows	• HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable), see Section 2.5.5 for non-HPML loans	

Prime Ascent – Standard Doc and Alt Doc

Maximum LTV/CLTV – Primary Residence							
Minimum Credit Score	Maximum Loan Amount	Standard, Bank Statement, 1099			P&L Statement Only, P&L Statement with 2 Mo Bank St, Written VOE, Asset Utilization		
		Purchase	Rate/Term	Cash-out	Purchase	Rate/Term	Cash-out
720	1,000,000	90	85	80	80	75	70
	1,500,000	90	85	80	80	75	70
	2,000,000	85	85	80	80	75	70
	2,500,000	80	75	75	75	70	70
	3,000,000	75	70	70	70	NA	NA
	3,500,000	70	70	NA	NA	NA	NA
	4,000,000	70	65	NA	NA	NA	NA
700	1,000,000	90	85	80	80	75	70
	1,500,000	90	85	80	80	75	70
	2,000,000	85	85	70	80	75	70
	2,500,000	75	75	65	75	70	65
	3,000,000	75	70	65	70	NA	NA
	3,500,000	70	65	NA	NA	NA	NA
680	1,000,000	90	85	75	80	75	70
	1,500,000	85	80	75	80	75	70
	2,000,000	80	75	70	75	70	65
	2,500,000	75	70	65	70	65	60
	3,000,000	70	65	65	NA	NA	NA
660	1,000,000	80	80	75	75	70	NA
	1,500,000	80	75	75	75	70	NA
	2,000,000	75	70	65	NA	NA	NA
	2,500,000	70	65	65	NA	NA	NA
640	1,000,000	80	80	70	NA	NA	NA
	1,500,000	70	65	65	NA	NA	NA
	2,000,000	65	NA	NA	NA	NA	NA
620	1,000,000	70	70	NA	NA	NA	NA

Maximum LTV/CLTV – Second Home / Investment							
Minimum Credit Score	Maximum Loan Amount	Standard, Bank Statement, 1099			P&L Statement Only, P&L Statement with 2 Mo Bank St, Written VOE, Asset Utilization		
		Purchase	Rate/Term	Cash-out	Purchase	Rate/Term	Cash-out
720	1,000,000	85	80	75	80	75	70
	1,500,000	85	80	75	80	75	70
	2,000,000	85	80	75	80	75	70
	2,500,000	80	75	75	75	70	70
	3,000,000	75	70	70	NA	NA	NA
	3,500,000	70	65	NA	NA	NA	NA
	4,000,000	NA	NA	NA	NA	NA	NA
700	1,000,000	85	80	75	80	75	70
	1,500,000	85	80	75	80	75	70
	2,000,000	85	75	70	80	75	70
	2,500,000	75	75	65	75	70	65
	3,000,000	75	70	65	NA	NA	NA
	3,500,000	70	65	NA	NA	NA	NA
680	1,000,000	85	80	75	80	75	70
	1,500,000	85	80	75	80	75	70
	2,000,000	80	75	70	75	70	65
	2,500,000	75	70	65	70	65	60
	3,000,000	70	65	65	NA	NA	NA
660	1,000,000	80	80	75	75	70	NA
	1,500,000	80	75	75	75	70	NA
	2,000,000	75	70	65	NA	NA	NA
	2,500,000	70	65	65	NA	NA	NA
640	1,000,000	80	80	70	NA	NA	NA
	1,500,000	70	65	65	NA	NA	NA
	2,000,000	65	NA	NA	NA	NA	NA
620	1,000,000	70	70	NA	NA	NA	NA

Prime Ascent – Standard Doc and Alt Doc, continued

Property Type

- Single Family: Attached, Detached
- 2-4 Unit and Condominium: Max LTV/CLTV 85%
- Condo Hotel (Condotel): Max LTV/CLTV 85%, Max Loan Amount $2,500,000
- Rural: Max LTV/CLTV 85% Purchase, 75% Refinance

Housing History

Housing History:	1x30x12	0x60x12	0x90x12
Max LTV/CLTV: Purchase	See matrix above	80	70
Max LTV/CLTV: Refinance	See matrix above	75	NA
Max Loan Amt:	See matrix above	$1,500,000	$1,000,000

Credit Event Seasoning

BK/FC/SS/DIL/PreFC/MC:	>= 36 Mo	>= 24 Mo	>= 12 Mo
Max LTV/CLTV: Purchase	See matrix above	80	70
Max LTV/CLTV: Refinance	See matrix above	75	NA
Max Loan Amt:	See matrix above	$1,500,000	$1,000,000

Forbearance, Modification, or Deferral: <= 12 Mo to be treated as 0x90x12

State Eligibility

- Consumer Purpose - Ineligible States: AK, HI, MA, MO, NY
- Business Purpose: Investment occupancy only
  - Ineligible States: AK
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- Ineligible: Investor occupancy in Baltimore City, MD
- State Overlays for CT, IL, NJ, NY: Max LTV/CLTV limited to 85% for purchase and 80% for refinance, max loan amount limited to $2.0MM
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

If appraisal report identifies the property in declining market, max LTV/CLTV is limited to 85% for purchase and 80% for refinance, max loan amount limited to $2.0MM

General Requirements

Product Type	• Fixed Rate Terms: 15, 30, 40-years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30 and 40-year terms; ARM 40-year term must be combined with interest only feature
Interest Only	• Min Credit Score: 660 • Max LTV: 90% • 30 and 40-year total loan terms, qualification based upon remaining term (amortized) after expiration of interest only period
Loan Amounts	• Min: 150,000 • Max: 4,000,000
Loan Purpose	• Purchase, Rate/Term, and Cash Out
Occupancy	• Primary, Second Home, Investment
Acreage	• Property up to 20-acres
Cash-In-Hand	• Max: Unlimited
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > $2,000,000.

Income Requirements

Standard Doc	• Standard Doc:
	  ○ Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE
	  ○ Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C

Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account.

Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:
	  ○ Fixed Expense Ratio (50%)
	  ○ Expense ratio provided by a Third party (CPA, EA, or tax preparer) min ratio of 10%
	  ○ Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

Profit & Loss Statement Only	• 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only • CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return • Max 1x30x12 housing • Min 36 months credit event seasoning
P&L Statement with Two Months Bank Statements	• 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement • CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return • Two (2) months business bank statements for the most recent two (2) months reflected on the P&L Statement • Max 1x30x12 housing • Min 36 months credit event seasoning
Written VOE	• FNMA Form 1005 • Max 1x30x12 housing • Min 36 months credit event seasoning
IRS Form 1099	• 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD Documentation to support continued receipt of income from same source
Asset Utilization	• Eligible assets divided by 84 to determine a monthly income stream • Max 1x30x12 housing • Min 36 months credit event seasoning

Prime Ascent – Standard Doc and Alt Doc, continued

<table>
<tr><th colspan="4">Underwriting Requirements</th></tr>
<tr><td>Credit Score</td><td colspan="2">• Use representative credit score of the borrower with the highest qualifying income
○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores</td><td>Tradelines</td><td>• Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity.
• If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived</td></tr>
<tr><td>Assets</td><td colspan="2">• Min of 30-days asset verification required; any large deposit must be sourced</td><td>Reserves</td><td>• LTV <= 80%: 3-months of PITIA
• LTV 80.01 to 85%: 6-months of PITIA
• LTV > 85%: 12-months of PITIA
• Loan Amount > $1.5M: 9-months of PITIA
• Loan Amount > $2.5M: 12-months of PITIA
• Cash out may be used to satisfy requirement</td></tr>
<tr><td rowspan="2">Gift Funds</td><td rowspan="2" colspan="2">• Min contribution:
○ 5% primary/second home
○ 10% investment
• Primary/Second Home/Investment:
○ 100% gift funds are eligible for all doc types
▪ Max 85% LTV/CLTV
▪ Borrowers must meet reserve and residual requirements</td><td>DTI Requirements</td><td>• Max: 50%
○ See FTHB guidelines for DTI restrictions
• Primary Residence - Up to 55% allowed:
○ Min residual income of $3,500
○ Max LTV/CLTV <= 80%
○ Standard Doc 2-years
○ Minimum 6- months reserves
○ First time homebuyer not eligible
○ Min credit score: 660</td></tr>
<tr><td>Document Age</td><td>• 120-days</td></tr>
<tr><td>Prepayment Penalty – Investment Only</td><td colspan="2">• Acceptable structures include the following:
○ Fixed percentage of no less than 3%
○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years
For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
• Prepayment periods up to 5-Years eligible, see rate sheet</td><td colspan="2">• KS, MI, MN, NM, OH, RI: Penalties not allowed.
• IL: Penalties not allowed when vesting in an individual.
• MS: Only declining prepayment penalty structures are allowed.
• NJ: Penalties not allowed when vesting in an individual, LLC, LLP, or LP. Penalties allowed when vesting in an S Corp or C Corp.
• PA: Penalties allowed on loan amounts less than $319,777 when vesting in an entity.</td></tr>
<tr><td>Escrows</td><td colspan="4">• HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable)
• See waiver options in Section 2.5.5 – Escrow/Impounds for non-HPML and Business Purpose loans</td></tr>
</table>

ITIN – Standard Doc and Alt Doc

Primary Residence and Second Home		Maximum LTV/CLTV		
Minimum Credit Score	**Maximum Loan Amount**	**Purchase**	**Rate/Term**	**Cash-Out**
700	1,000,000	80	80	75
	1,500,000	80	80	75
680	1,000,000	80	80	70
	1,500,000	75	75	70
660	1,000,000	75	75	70
	1,500,000	70	70	65

Property Type

- Single Family: Attached, Detached
- 2-4 Unit, Condominium, Condo Hotel (Condotel): Max LTV/CLTV Purchase 75%, Refinance 70%
- Rural: Max LTV/CLTV Purchase 75%, Refinance 70%

Housing History	Credit Event Seasoning
1x30x12	BK/FC/SS/DIL/PreFC/MC: >= 36 Mo Forbearance, Modification, or Deferral: > 12 Mo

State Eligibility

- Ineligible States: AK, HI, MA, MO, NY
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

Maximum eligible LTVs do not require a market adjustment for the ITIN program.

General Requirements

Product Type	• Fixed Rate Terms: 15, 30 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term		
Interest Only	• Min Credit Score: 680	• 30-year total loan term, qualification based upon remaining term (amortized) after expiration of interest only period	
Loan Amounts	• Min: 150,000	• Max: 1,500,000	
Loan Purpose	• Purchase, Rate/Term, and Cash-Out		
Occupancy	• Primary, Second Home		
Acreage	• Property up to 20-acres		
Cash-In-Hand	• Max: $300,000 if LTV > 50%	• Max: $500,000 for LTV <= 50%	
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required.		

Income Requirements

Standard Doc	• Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C		
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account.		
Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ○ Fixed Expense Ratio (50%) ○ Expense ratio provided by a Third party (CPA, EA, or tax preparer) min ratio of 10% ○ Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)		
IRS Form 1099	• 1-year or 2-years 1099	• Fixed Expense Ratio of 10%	• YTD Documentation to support continued receipt of income from same source
Written VOE	• FNMA Form 1005 • Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements • Minimum credit score 680		

Underwriting Requirements

Documentation Requirements	• Copy of unexpired government-issued ID (e.g., passport, Matricula Consular, U.S. State-issued ID), and • Copy of ITIN card or letter from IRS assigning the ITIN number to the borrower ○ Proof ITIN was assigned to the borrower prior to application ○ IRS form W7 is not acceptable evidence if the ITIN letter is not provided, or if the ITIN letter submitted is not legible		
Credit Score	• Use representative credit score of the borrower with the highest qualifying income ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**DTI Requirements**	• Max: 50% ○ See FTHB guidelines for DTI restrictions
Assets	• Min of 30-days asset verification required; any large deposit must be sourced	**Reserves**	• 6-months of PITIA if LTV = 80% • 3-months of PITIA if LTV < 80% • Cash out may be used to satisfy requirement
Gift Funds	• 100% gift funds allowed	**Document Age**	• 120-days
Tradelines	• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity or 1 mortgage/installment/revolving reporting 36-months with activity in last 6 months • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived • Non-traditional credit not eligible		
Escrows	• HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) • See waiver options in Section 2.5.5 – Escrow/Impounds for non-HPML		

Investor Solutions – DSCR

Single Investment Property – Maximum LTV/CLTV				
Maximum LTV/CLTV		**>= 1.00**		
Minimum Credit Score	**Maximum Loan Amount**	**Purchase**	**Rate/Term**	**Cash-Out**
700	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	80	75	70
	3,000,000	70	65	65
	3,500,000	70	65	NA
660	1,000,000	75	75	70
	1,500,000	75	75	70
	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	NA	NA
640	1,000,000	75	75	NA
	1,500,000	65	65	NA
	2,000,000	65	NA	NA
	3,000,000	60	NA	NA
Maximum LTV/CLTV		**< 1.00**		
700	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	70	65
	2,500,000	65	NA	NA
	3,000,000	60	NA	NA
680	1,000,000	70	70	65
	1,500,000	70	70	65
	2,000,000	65	60	60
	3,000,000	60	NA	NA
660	1,000,000	65	NA	NA

Property Type

- Single Family: Attached, Detached
- 2-4 Unit and Condominium: Max LTV/CLTV Purchase 75%, Refinance 70%
- Condo Hotel (Condotel): Max LTV/CLTV Purchase 75%, Refinance 65%, Max loan $1.5MM
- Rural: Max LTV/CLTV 75% Purchase, 70% Refinance

Housing History	Credit Event Seasoning	Investor Experience
• 1x30x12 – No reduction • 0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out	BK/FC/SS/DIL/PreFC/MC: • >=36 Mo – No reduction • >=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out Forbearance, Modification, or Deferral: > 12 Mo	**Experienced Investor:** Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years. **First Time Investor:** A borrower/guarantor that is purchasing an investment property for the first time, meaning they have not previously owned a property intended for rental income, resale, or other investment purposes. ○ First time investors eligible subject to the following restrictions: ▪ First-time homebuyer (FTHB) not allowed ▪ Min credit score: 700 ▪ >= 36 Mo seasoning from any credit event ▪ 1-Unit only ▪ DSCR > 1.00 ▪ Must own a primary residence **First Time Homebuyer (FTHB):** Not eligible except as allowed in Wholesale Broker Guide

Long-Term Rental – Vacant Refinance	LTV is lesser of 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table.
Short-Term Rental – All Transactions	LTV is lesser of 75% for purchase and 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table.

State Eligibility

- Ineligible States: AK
- Ineligible: Baltimore City, MD
- IL, NY: 2-4 Unit not eligible
- Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- State Overlays for CT, IL, NJ, NY: Max LTV/CLTV limited to 75% for purchase and 70% for refinance, max loan amount limited to $2.0MM
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

If appraisal report identifies the property in declining market, max LTV/CLTV is limited to 75% for purchase and 70% for refinance, max loan amount limited to $2.0MM

General Requirements

Product Type	• Fixed Rate Terms: 15, 30, 40 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30 year and 40-year terms; ARM 40-year must be combined with interest only feature
Interest Only (IO)	• Min Credit Score: 680 • Max LTV: 75% all transactions • 30 and 40-year total loan terms, qualification based upon the interest only payment
Loan Amounts	• Min: 100,000 • Max: 3,500,000

Investor Solutions – DSCR, continued

General Requirements, continued	
Loan Amt < 150K	• Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)
Loan Purpose	• Purchase, Rate/Term, and Cash-Out • Non-Arm's Length transactions are ineligible
Occupancy	• Investment
Acreage	• Property up to 5-acres
Cash-In-Hand	• Max: $500,000 if LTV ≥ 65% • Max: $1,000,000 if LTV < 65% • Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > $2,000,000.
Income Requirements	
Income	**Long-Term Rental Documentation and DSCR Calculation** • **Purchase Transactions:** ○ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. ○ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually. ▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required. ▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. ▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%. ○ A vacant or unleased property is allowed without LTV restriction. ○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR. • **Refinance Transactions:** ○ Required documentation: ▪ Original appraisal report reflecting tenant-occupied, and ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and ▪ Executed lease agreement ▪ Leases that have converted to month-to-month are allowed ▪ If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or per DSCR/FICO/Loan balance matrix ○ A vacant property as indicated on the appraisal is allowed subject to the following: ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix. ○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually. ▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required. ▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. ▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%. ○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR. • **DSCR Calculation:** ○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property. ○ PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR **Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation** Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. • **Short-Term Rental Income – Purchase and Refinance Transactions:** ○ LTV is lesser of 75% for purchase and 70% for refinance, or LTV based upon the DSCR/FICO/Loan balance. (Excludes condotels) ○ DSCR Calculation: ▪ Monthly gross rents based upon a 12-month average to account for seasonality required. ▪ Gross rents reduced by 10% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 10% expense factor. If actual expenses are less than 10%, a minimum 10% expense factor is required to be utilized. If actual expense exceeds 10%, the actual expense factor should be used. ▪ PITIA: (Gross Rents * .90) divided by PITIA = DSCR, ITIA: (Gross Rents * .90) divided by ITIA = DSCR • When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR. • Any of the following methods may be used to determine gross monthly rental income: ○ Short-term rental (STR) analysis form may be used, must include the following: ▪ Provide the source of the data used to complete the STR analysis. ▪ Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal. ▪ Include daily rental rate and occupancy percentage. ▪ Factor seasonality and vacancy into the analysis. ▪ Must be completed by a licensed appraiser. ○ The most recent 12-month rental history statement from the Third party rental/management service. ▪ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying income must be net of all vendor or management fees. ○ The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits. ○ AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data, must meet the following: ▪ Rentalizer (Property Earning Potential Report) ▪ Allowed for purchase and refinance transactions ▪ Gross rents equal revenue projection from the Property Earning Potential Report less 10% extraordinary expense factor ▪ Forecast period must cover 12-months and dated 90-days within the Note date ▪ Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy ▪ Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report.

Investor Solutions – DSCR, continued

Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower/ guarantor with the highest representative score ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived • Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
Assets	• Min of 30-days asset verification required	**Reserves**	• 2-months of PITIA • Loan Amount > $1.5M: 6-months of PITIA • Loan Amount > $2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	• 100% Gift funds allowed	**Document Age**	• 120-days

Prepayment Penalty	• Acceptable structures include the following:
	  ○ Fixed percentage of no less than 3%
	  ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years.
	  For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
	• Prepayment periods up to 5-Years eligible, see rate sheet
			• **KS, MI, MN, NM, OH, RI:** Penalties not allowed.
			• **IL:** Penalties not allowed when vesting in an individual.
			• **MS:** Only declining prepayment penalty structures are allowed.
			• **NJ:** Penalties not allowed when vesting in an individual, LLC, LLP, or LP. Penalties allowed when vesting in an S Corp or C Corp.
			• **PA:** Penalties allowed on loan amounts less than $319,777 when vesting in an entity.

Escrows	• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements		

Investor Solutions – DSCR (5-8 Unit or 2-8 Mixed Use)

Single Investment Property – Maximum LTV/CLTV							
		5-8 Residential Units >= 1.00			2-8 Mixed Use >= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term	Cash-Out	Purchase	Rate/Term	Cash-Out
720	1,500,000	75	70	65	75	70	65
	2,000,000	70	65	65	70	65	65
	2,500,000	65	60	60	NA	NA	NA
	3,000,000	60	55	NA	NA	NA	NA
700	1,500,000	75	70	65	75	70	65
	2,000,000	70	65	65	70	65	65

Housing History	Credit Event Seasoning	Investor Experience
0x30x12	BK/FC/SS/DIL/PreFC/MC: • >=36 Mo – Any event Forbearance, Modification, or Deferral: > 12 Mo	**Experienced Investor:** Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years **First Time Investor:** Not eligible **First Time Homebuyer:** Not eligible

Unleased Units

- Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units
- Vacant unit(s) qualify at 75% of market rent

State Restrictions

- Ineligible States: AK, IL, NY
- Ineligible: Baltimore City, MD
- Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- State Overlays for CT, NJ: Max LTV/CLTV limited to 70% for purchase and 65% for refinance, min credit score 720
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.

General Requirements

Product Type	• Fixed Rate Terms: 15, 30 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term
Interest Only	• Eligible • 30-year term, qualification based upon the interest only payment
Loan Amounts	• Min: 400,000 • Max: 3,000,000
Loan Purpose	• Purchase, Rate/Term, and Cash Out • Non-Arm's Length Transactions are ineligible
Cash-In-Hand	• Max: $1,000,000
Occupancy	• Investment
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien
Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible

Property Type	• Residential 5 – 8 Unit
	• Mixed use 2 – 8 Unit: Commercial usage limited to Retail/Office/Restaurant
	  ○ 2-3 Unit: Max 1 commercial Unit
	  ○ 4-5 Unit: Max 2 commercial Units
	  ○ 6-8 Unit: Max 3 commercial Units
	  ○ Commercial space must not exceed 49.99% of the total building area
	• **Not Eligible:** Rural

Acreage	• Property up to 2-acres, not meeting the rural definition, eligible

Appraisals	• A full interior inspection with photos is required for all units.
	• 5-8 Residential
	  ○ FHLMC 71A, FHLMC 71B, FNMA 1050 or similar short form used to appraise 5+ residential properties, or
	  ○ Narrative report can be utilized but not required
	• 2-8 Mixed Use
	  ○ General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode), or
	  ○ Narrative report can be utilized
	• The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports:
	  ○ Rent Roll
	  ○ Income and Expense Statement
	  ○ Photos of subject including exterior/interior and street scene
	  ○ Aerial photo
	  ○ Sketch or floor plan of typical units
	  ○ Map
	  ○ Appraiser qualifications
	• Review Product – A commercial sales and income BPO or second appraisal.
	  ○ In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO

Property Condition	• No fair or poor ratings • No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) • No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) • No excessive deferred maintenance that could become a health or safety issue for tenants • No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)
Mixed Use	• Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable • Vacant commercial space not allowed

Investor Solutions – DSCR (5-8 Units or 2-8 Mixed Use), continued

Income Requirements			

Income	• Leased – Use lower of Estimated market rent or lease agreement.
	• Short-Term Rental Income not eligible
	• Vacant Unit(s) – Use 75% of market rents.
	  ○ Max: 1 vacant unit on 2-3 Unit property: 2 vacancies on 4+ Units
	  ○ Vacant residential units must be actively marketed for rent, provide screenshot of listing or other documentation
	  ○ Vacant commercial space not allowed.
	• Reduce qualifying rents by any management fee reflected on appraisal report.
	• 2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income		

DSCR	• Minimum DSCR >= 1.00 • DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). • Reduce qualifying rents by any management fee reflected on the appraisal report		
Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower/ guarantor with the highest representative score ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity • For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually)
Assets	• Min of 30-days asset verification required	**Reserves**	• 6-months of PITIA • Loan Amount > $1.5M: 9-months of PITIA • Loan Amount > $2.5M: 12-months of PITIA • Cash out may not be used to satisfy requirement
Gift Funds	• Not eligible	**Document Age**	• 120-days

Prepayment Penalty	• Acceptable structures include the following:
	  ○ Fixed percentage of no less than 3%
	  ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years.
	  For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
	• Prepayment periods up to 5-Years eligible, see rate sheet
			• **IL, NJ:** Penalties not allowed when vesting in an individual.
			• **MS:** Only declining prepayment penalty structures are allowed.
			• **OH:** Penalties not allowed for 2-unit property.
			• **PA:** Penalties allowed on loan amounts less than $319,777 when vesting in an entity.

Escrows	• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements		

Foreign National – Investment Property Only

Single Investment Property – Maximum LTV/CLTV					
DSCR	**Minimum Credit Score**	**Maximum Loan Amount**	**Purchase**	**Rate/Term**	**Cash-Out**
>=1.00	680	1,000,000	75	75	70
		1,500,000	75	75	65
		2,000,000	70	70	60
		2,500,000	65	NA	NA
	No Credit Score	1,000,000	75	75	70
		1,500,000	75	75	65
		2,000,000	70	70	60
		2,500,000	65	NA	NA
<1.00	680	1,000,000	70	70	65
		1,500,000	65	65	65
		2,000,000	60	60	60
	No Credit Score	1,000,000	70	70	65
		1,500,000	65	65	65
		2,000,000	60	60	60

Property Type

- Single Family: Attached, Detached
- 2-4 Unit, Condominium, Condo Hotel (Condotel): Max LTV/CLTV Purchase 70%, Rate/Term 70%, Cash-Out 65%
- Rural: Max LTV/CLTV Purchase 70%, Rate/Term 70%, Cash-Out 65%

Housing History	Credit Event Seasoning	Investor Experience
0x30x12, if documented	BK/FC/SS/DIL/PreFC/MC: >= 36 Mo Forbearance, Modification, or Deferral: > 12 Mo	First Time Investor: Allowed
Long-Term Rental – Vacant Refinance	LTV reduction not required	
Short-Term Rental – Refinance Only	LTV is lesser of 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table	

State Restrictions

- Consumer Purpose - Ineligible States: AK, HI, MA, MO, NY (see Canadian Citizen 2nd Home Occupancy in Wholesale Broker Guide)
- DSCR Business Purpose:
  - Ineligible States: AK
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- IL, NY: 2-4 Unit not eligible
- Ineligible: Baltimore City, MD
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

Maximum eligible LTVs do not require a market adjustment for the Foreign National program.

General Requirements

Product Type	• Fixed Rate Terms: 15, 30, 40 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30 and 40-year terms; ARM 40-year term must be combined with interest only feature
Interest Only	• Eligible • 30 and 40-year total loan terms, qualification based upon the interest only payment
Loan Amounts	• Min: 150,000 • Max: 2,500,000
Loan Purpose	• Purchase, Rate/Term, and Cash Out • Non-Arm's Length transactions are ineligible
Occupancy	• Investment for all eligible foreign citizens • 2nd Home for Canadian citizens (see guide for criteria)
Eligible Borrowers	• Foreign Nationals
Eligibility Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible • Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association: ○ Conveyances to Foreign Entities – By Individual Buyer ○ Conveyances to Foreign Entities – By Entity Buyer
Acreage	• Property up to 5-acres
Cash-In-Hand	• $300,000 if LTV > 50% • $500,000 for LTV <= 50% • Total equity withdrawn cannot exceed above limits
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > $2,000,000.

Income Requirements

Income	**Long-Term Rental Documentation and DSCR Calculation** • **Purchase Transactions:** ○ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. ○ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually. ▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required. ▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. ▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%. ○ A vacant or unleased property is allowed without LTV restriction. ○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

Foreign National – Investment Property Only, continued

Income, Continued	• **Refinance Transactions:**
	  ○ Required documentation:
	  ▪ Original appraisal report reflecting tenant-occupied, and
	  ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and
	  ▪ Executed lease agreement
	  ▫ Leases that have converted to month-to-month are allowed.
	  ○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.
	  ▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required.
	  ▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
	  ▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.
	  ○ A vacant or unleased property is allowed, LTV reduction not required.
	  ○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
	• DSCR Calculation:
	  ○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property. See this matrix for required Debt Service Coverage Ratios.
	  ○ PITIA: Gross rents divided by PITIA = DSCR
	  ○ ITIA: Gross rents divided by ITIA = DSCR
	
	Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation
	Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.
	• **Short-Term Rental Income – Purchase and Refinance Transactions:**
	  ○ LTV is lesser of 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects).
	  ○ DSCR Calculation:
	  ▪ Monthly gross rents based upon a 12-month average to account for seasonality required.
	  ▪ Gross rents reduced by 10% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 10% expense factor. If actual expenses are less than 10%, a minimum 10% expense factor is required to be utilized. If actual expense exceeds 10%, the actual expense factor should be used.
	  ▪ PITIA: (Gross Rents * .90) divided by PITIA = DSCR
	  ▪ ITIA: (Gross Rents * .90) divided by ITIA = DSCR
	• When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
	• Any of the following methods may be used to determine gross monthly rental income:
	  ○ Short-term rental (STR) analysis form may be used, must include the following:
	  ▪ Provide the source of the data used to complete the STR analysis.
	  ▪ Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.
	  ▪ Include daily rental rate and occupancy percentage.
	  ▪ Factor seasonality and vacancy into the analysis.
	  ▪ Must be completed by a licensed appraiser.
	  ○ The most recent 12-month rental history statement from the Third party rental/management service.
	  ▪ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.
	  ○ The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.
	  ○ AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental Data, must meet the following:
	  ▪ Rentalizer (Property Earning Potential Report)
	  ▪ Only allowed for purchase and refinance transactions
	  ▪ Gross rents equal the revenue projection from the Property Earning Potential Report less the 10% extraordinary expense factor
	  ▪ Forecast period must cover 12-months and dated 90-days within the Note date
	  ▪ Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy
	  ▪ Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report

Underwriting Requirements

Credit Score	• If score available, use representative credit score of the borrower/guarantor with the highest representative score. ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• Tradelines not required, if borrower has U.S. credit score see section 2.5.12 of the Wholesale Broker Guide
Assets	• Min of 30-days asset verification • Large deposits only need to be sourced for 2nd Home for Canadian citizen	**Reserves**	• 6-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	• 100% Gift funds allowed	**Document Age**	• 120-days

Prepayment Penalty - Investment Property Only	• Acceptable structures include the following:
	  ○ Fixed percentage of no less than 3%
	  ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years.
	  For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
	• Prepayment periods up to 5-Years eligible, see rate sheet
			• **KS, MI, MN, NM, OH, RI:** Penalties not allowed.
			• **IL:** Penalties not allowed when vesting in an individual.
			• **MS:** Only declining prepayment penalty structures are allowed.
			• **NJ:** Penalties not allowed when vesting in an individual, LLC, LLP, or LP. Penalties allowed when vesting in an S Corp or C Corp.
			• **PA:** Penalties allowed on loan amounts less than $319,777 when vesting in an entity.

Escrows	• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements		

Closed End Second – Standard and Alt Doc

Standard Doc – Maximum CLTV				
Loan Amount	**Credit Score**	**Primary Residence**	**Second Home**	**Investment**
$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
$750,000	740	80	75	NA
	700	80	70	NA
	680	75	65	NA

Bank Statement and 1099 – Maximum CLTV				
Loan Amount	**Credit Score**	**Primary Residence**	**Second Home**	**Investment**
$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
$750,000	740	75	65	NA
	700	70	60	NA
	680	65	55	NA

WVOE and P&L Statement with 2 Mo Bank St – Maximum CLTV				
Loan Amount	**Credit Score**	**Primary Residence**	**Second Home**	**Investment**
$350,000	740	80	70	70
	700	75	65	60
	680	70	60	NA
$500,000	740	75	65	65
	700	70	60	60
	680	65	55	NA
$750,000	740	70	60	NA
	700	65	55	NA
	680	60	50	NA

Property Type

- Single Family: Attached, Detached
- 2-4 Unit: Max CLTV 75%
- Condominium: Max CLTV 80%
- **Not Eligible**: Rural, Condotel

Housing History	Credit Event Seasoning	Forbearance, Modification, or Deferral	First Time Homebuyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 48 Mo	> 12 Mo	Not Allowed

State Eligibility

- Consumer Purpose - Ineligible States: AK, HI, MA, MO, NY, TX
- Business Purpose: Investment occupancy only
  - Ineligible States: AK, TX
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- Ineligible: Investor occupancy in Baltimore City, MD
- State Overlays for CT, IL, NJ:
  - Single Family, Condominiums: Max CLTV 80%, min credit score 720
  - 2-4 Unit: Max CLTV 75%, min credit score 720
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

If the appraisal report identifies the property in a declining market, the maximum CLTV is limited to 80% for all transactions.

General Requirements

Product and Term	• Fixed Rate Terms: 10, 15, 20, 25, 30 years

Interest Only	• Occupancy: Primary residence only
	• Max CLTV 80%
	• Terms:
	  ○ 20 Year Fixed Rate Term: 3 year interest only with 17 year amortization
	  ○ 30 Year Fixed Rate Term: 3 year interest only with 27 year amortization
	• Qualification based upon remaining term (amortized) after expiration of interest only period

Loan Amounts	• Min: $75,000 • Max: $750,000

Closed End Second – Standard and Alt Doc, continued

General Requirements, continued	

Combined Loan Balance	• The CLTV of the combined loan balances are restricted as follows:
	  ○ Combined loan balance > $2,000,000 – maximum 80% CLTV
	  ○ Combined loan balance > $3,000,000 – maximum 75% CLTV
	• Maximum combined loan balance for all liens not to exceed $4,000,000

Loan Purpose	• Stand-Alone Cash Out (minimum ownership of 6 months required) • Simultaneous Purchase, First Lien must be an Agency-eligible loan
Occupancy	• Primary, Second Home, Investment
Cash-In-Hand	• Max: $750,000
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien: Max 80% CLTV
Ineligible Loan Features	• Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. • Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.
Eligibility Criteria	• For criteria not referenced in this matrix, follow the Closed End Second chapter in the Wholesale Broker Guide
First Lien Eligibility	

First Lien Documentation Requirements	• First lien documentation requirements, all of the following apply:
	  ○ Copy of 1st lien Note
	  ▪ Default interest rate on Note cannot exceed Note rate
	  ▪ If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements)
	  ○ Copy of most recent monthly mortgage payment statement
	  ▪ Utilized to determine if payment includes escrows (See DTI Requirements)

First Lien Qualifying Payment	• First lien qualifying payment for the debt-to-income (DTI) ratio:
	  ○ Stand-Alone Cash-Out Transaction: Use the mortgage payment verified on the credit report.
	  ○ Simultaneous Purchase Transaction:
	  ▪ Fixed Rate: Note rate amortized over the total loan term.
	  ▪ Adjustable Rate Mortgage (ARM): Qualifying rate is the higher of the fully indexed rate or the Note rate.
	  ▪ Interest Only (Fixed/ARM): Qualifying rate is amortized over the remaining term after the expiration of the interest only period.

Ineligible First Liens	• Ineligible First liens with high-risk features include, but are not limited to:
	  ○ Forbearance, modifications, or deferrals completed or reinstated within 12- months of the Note date
	  ○ Loans in active forbearance or deferment
	  ○ Negative amortization including loans with Paid-In-Kind (PIK) features
	  ○ Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien
	  ○ Reverse Mortgages
	  ○ Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages
	  ○ Home Equity Line of Credit
	  ○ Note with default interest rate greater than the Note rate

Income Requirements	
Standard Doc	• Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business (If applicable) Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements • The business bank statements must reflect business activity and transfers to the personal account

Business Bank Statements	• 12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:
	  ○ Fixed Expense Ratio (50%)
	  ○ Expense ratio provided by a Third party (CPA, EA, or tax preparer) with min ratio of 10%
	  ○ Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

P&L Statement with Two Months Bank Statements	• 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement • CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return • Two (2) months business bank statements for the most recent two (2) months reflected on the P&L Statement • Max CLTV 80%
Written VOE	• FNMA Form 1005 • Max CLTV 80%
IRS Form 1099	• 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD documentation to support continued receipt of income

Desktop Underwriter (DU) or Loan Product Advisor (LPA)	• Final AUS findings must be included in the loanfile
	  ○ Fannie Mae: DU Approve/Eligible, or
	  ○ Freddie Mac: LPA Accept/Eligible
	• Ineligible, Caution, or Refer with Caution not allowed
	• For simultaneous purchase transactions only
	• Findings permitted to be used for income, asset, and liability documentation
	• Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible)
	• Max DTI based upon CLTV restrictions for this program. See DTI Requirements.

Closed End Second – Standard and Alt Doc, continued

Property Requirements			
Acreage	• Property up to 10 acres, not meeting the rural definition, eligible		

Appraisal Requirements	• HPML loans that are not Qualified Mortgages require a full appraisal report with an interior inspection, regardless of loan balance
	• Any simultaneous transaction requires a full appraisal with an interior inspection
	• Transferred appraisals are eligible
	• Primary Valuation and Secondary Valuation are required for all loan files.
	• **Primary Valuation:**
	  ○ Primary Valuation - Loan Amount <=$400,000: See Wholesale Broker Guide for requirements
	  ○ Primary Valuation - Loan Amount >$400,000: Full appraisal report with an interior inspection is required, see Wholesale Broker Guide for requirements
	• **Secondary Valuation (Appraisal Review):** See Wholesale Broker Guide for requirements		

Listing Seasoning	• Properties currently listed for sale or previously listed for sale within the past 6-months are not eligible		

Title Requirements	• **Title Report:**
	  ○ Loan Amount <= $250,000: See Wholesale Broker Guide for requirements
	  ○ Loan Amount > $250,000: Title Insurance is required, see Wholesale Broker Guide for requirements
	• **Ownership Seasoning:** Subject property must be owned a minimum of 6-months (on title) to be eligible
	• **Existing Subordinate Liens:** All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of Wholesale Broker Guide.
	  ○ All Solar Panel loans and leases with PACE/HERO financing must be paid off.		

Flood Certificate And Flood Insurance	• Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA • Loss payee clause must reflect the following as additional insured: VRL, LLC C/O Shellpoint Servicing		
Hazard Insurance	• Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect the following as additional insured: VRL, LLC C/O Shellpoint Servicing		
Escrows	• Escrows for taxes and insurance are not permitted for second lien programs		
Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower with the highest qualifying income ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Assets	• Min of 30-day asset verification required if funds are needed to consummate the transaction	**Reserves**	• Simultaneous Purchase Transactions: Follow First lien requirements • Stand-Alone Cash-Out Transactions: None required
Gift Funds	• Simultaneous Purchase Transactions: Follow First lien requirements	**DTI Requirements**	• Maximum DTI ratio: ○ 50% DTI for CLTV less than or equal to 80% • 45% DTI for CLTV greater than 80%
Document Age - Property	• Appraisal, Title Report (or O&E): 120-days • AVM: 90-days	**Document Age - Credit**	• 120-days

Prepayment Penalty – Investment Property Only	• Acceptable Structures include the following:
	  ○ Fixed percentage of no less than 3%
	  ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years.
	  For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
	• Prepayment periods up to 5-Years eligible, see rate sheet
			• **KS, MI, MN, NM, OH, RI, VA**: Penalties not allowed.
			• **IL:** Penalties not allowed when vesting in an individual.
			• **MD:** Penalties not allowed on loan amounts less than $75,000.
			• **MS:** Only declining prepayment penalty structures are allowed.
			• **NJ:** Penalties not allowed when vesting in an individual, LLC, LLP, LP. Penalties allowed when vesting in an S Corp or C Corp.
			• **PA:** Penalties allowed on loan amounts less than $319,777 when vesting in an entity.

Home Equity Line of Credit (HELOC) – Standard and Alt Doc

Standard Doc – Maximum HCLTV				
Loan Amount	**Credit Score**	**Primary Residence**	**Second Home**	**Investment**
$250,000	740	90	75	70
	700	85	75	65
	680	75	75	NA
$350,000	740	85	75	65
	700	85	75	65
	680	75	70	NA
$500,000	740	75	75	NA
	700	75	70	NA
	680	75	65	NA

Bank Statement – Maximum HCLTV				
Loan Amount	**Credit Score**	**Primary Residence**	**Second Home**	**Investment**
$250,000	740	80	75	70
	700	75	70	65
$350,000	740	75	75	65
	700	75	70	65
$500,000	740	75	70	NA
	700	70	65	NA

Property Type

- Single Family: Attached, Detached
- 2-4 Unit: Max HCLTV 80%
- FNMA Warrantable Condominium: Max HCLTV 80%
- **Not Eligible:** Rural, Non-Warrantable Condominium, Condotel

Housing History	Credit Event Seasoning	Forbearance, Modification, or Deferral	First Time Homebuyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 84 Mo Multiple Derogatory Events: >= 84 Mo	> 12 Mo	Not Applicable

State Eligibility

- Ineligible States: AK, HI, MA, MO, NY, TX
- Ineligible : Investor occupancy in Baltimore City, MD
- State Overlays for CT, IL, NJ: Max HCLTV 80%, min credit score 720
- TN: Maximum total loan term is 15 years
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Market

If the appraisal report identifies the property in a declining market, the maximum HCLTV is limited to 80% for all transactions.

General Requirements	

Product and Term	• Variable Rate Terms: 15, 20, 25, 30 years
	  ○ Index: Prime as published in the Wall Street Journal (daily)
	  ○ Margin: See Rate Sheet
	  ○ Floor Rate: 4.0
	  ○ Maximum Rate: 18%
	  ○ Daily Periodic Interest Rate: Index plus Margin
	  ○ Finance Charges: Interest accrues on the day of an advance and continues until the outstanding balance is paid in full. Interest is calculated daily based upon the Daily Periodic Rate and the daily balance.
	• Draw Period: 2 year, 3 year, or 5 year
	• Minimum Payment:
	  ○ Draw Period: Interest only calculation, greater of accrued interest or $100
	  ○ Repayment Period: Amortizing principal and interest payment based upon the maximum line amount, repayment term, current rate (Index plus Margin)

Qualifying Payment for Subject Loan	• Qualifying Payment for Subject Loan: Amortizing principal and interest payment based upon the maximum line amount, repayment term, current rate (Index plus Margin)
Advances	• Initial Advance: Minimum 50% of total line amount • Minimum Advance: $1,000.00 • Maximum Advance: Line amount • Lock-out Period: Advances not available for a period of 90-days after closing to allow for servicing transfer
Responsible Lending	• Ineligible loans include State High Cost and HOEPA • Points/Fees not to exceed 5%
Loan Amounts	• Min: $75,000 • Max: $500,000
Home Equity Combined Loan to Value (HCLTV)	• Maximum line amount of the HELOC combined with the total outstanding balance of the first lien are used for the HCLTV ratio
Combined Loan Balance	• Maximum line amount of the HELOC combined with the total outstanding balance of the first lien not to exceed $2,000,000
Loan Purpose	• Stand-Alone Cash Out (minimum ownership of 12 months required)
Occupancy	• Primary, Second Home, Investment
Cash-In-Hand	• Max: $500,000
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien

Home Equity Line of Credit (HELOC), continued

General Requirements, continued	
Ineligible Loan Features	• Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. • Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.
Eligibility Criteria	• For criteria not referenced in this matrix, follow the HELOC chapter of the Wholesale Broker Guide
First Lien Eligibility	
First Lien Documentation Requirements	• First lien documentation requirements, all of the following apply: ○ Copy of 1st lien Note ▪ Default interest rate on Note cannot exceed Note rate ▪ If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) ○ Copy of most recent monthly mortgage payment statement ▪ Utilized to determine if payment includes escrows (See DTI Requirements)
First Lien Qualifying Payment	• First lien qualifying payment for the debt-to-income (DTI) ratio: ○ Fixed Rate: Note rate amortized over the total loan term. ○ Adjustable Rate Mortgage (ARM): Qualifying rate is the higher of the fully indexed rate or the Note rate. ○ Interest Only (Fixed/ARM): Qualifying rate is amortized over the remaining term after the expiration of the interest only period.
Ineligible First Liens	• Ineligible First liens with high-risk features include, but are not limited to: ○ Forbearance, modifications, or deferrals completed or reinstated within 12- months of the Note date ○ Loans in active forbearance or deferment ○ Negative amortization including loans with Paid-In-Kind (PIK) features ○ Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien ○ Reverse Mortgages ○ Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages ○ Home Equity Line of Credit ○ Note with default interest rate greater than the Note rate
Income Requirements	
Standard Doc	• Wage/Salary: Paystubs, W-2's, 1-year or 2-years Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account.
Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ○ Fixed Expense Ratio (50%)
Property Requirements	
Acreage	• Property up to 10 acres, not meeting the rural definition, eligible
Appraisal Requirements	• Transferred appraisals are not eligible • **Primary Valuation:** ○ Primary Valuation - Loan Amount <=$400,000: See Wholesale Broker Guide for requirements ○ Primary Valuation - Loan Amount >$400,000: Full appraisal report with an interior inspection is required, see Wholesale Broker Guide for requirements • **Secondary Valuation (Appraisal Review):** Not required • When a full appraisal report is obtained, new appraisal is required after 120 days. Appraisal Update 1004D is not allowed.
Listing Seasoning	• Properties currently listed for sale or previously listed for sale within the past 6-months are not eligible
Title Requirements	• **Title Report:** ○ Loan Amount <= $250,000: See Wholesale Broker Guide for requirements ○ Loan Amount > $250,000: Title Insurance is required, see Wholesale Broker Guide for requirements • **Ownership Seasoning:** Subject property must be owned a minimum of 12-months (on title) to be eligible • **Existing Subordinate Liens:** All existing subordinate liens must be satisfied • **Solar Panels:** UCC filings associated with the subject property are ineligible
Flood Certificate and Flood Insurance	• Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA • Loss payee clause must reflect the following as additional insured: VRL, LLC C/O Shellpoint Servicing
Hazard Insurance	• Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect the following as additional insured: VRL, LLC C/O Shellpoint Servicing
Escrows	• Escrows for taxes and insurance are not permitted for second lien programs
Underwriting Requirements	
Credit Score	• Use the lowest representative score amongst all borrowers ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores • Rapid rescoring is not allowed
Tradelines	• All borrowers must have three (3) reporting with one (1) currently open and active for at least 24-months based on credit report pull date. Other two (2) reported for 12-months can be open or closed.
Assets and Reserves	• Not applicable
DTI Requirements	• Maximum DTI ratio: ○ 50% DTI for HCLTV less than or equal to 80% ○ 45% DTI for HCLTV greater than 80%
Document Age – Property	• Title Report (or O&E): 60-days • Appraisal: 120-days • AVM: 90-days
Document Age - Credit	• 120-days

Super Jumbo – Standard Doc and Alt Doc

Maximum LTV							
Minimum Credit Score	Maximum Loan Amount	Primary Residence			Second Home / Investment		
		Purchase	Rate/Term	Cash-Out	Purchase	Rate/Term	Cash-Out
740	4,000,000	70	65	60	70	65	55
	5,000,000	65	60	55	65	60	50
720	4,000,000	70	65	60	70	65	55
	5,000,000	65	55	55	60	55	50
700	4,000,000	70	60	55	70	60	50
	5,000,000	65	50	50	60	50	50

Property Type

- Single Family: Attached, Detached
- Condominium, Condo Hotel, 2-4 Unit
- **Not Eligible:** Co-op, Rural

Housing History	Credit Event Seasoning
0x30x12	BK/FC/SS/DIL/PreFC/MC: >=48 Mo – Any event Forbearance, Modification, or Deferral: > 12 Mo

State Eligibility

- Consumer Purpose - Ineligible States: AK, HI, MA, MO, NY
- Business Purpose: Investment occupancy only
  - Ineligible States: AK
  - Broker required to hold a license in the following states: AZ/CA/ID/KS/MN/ND/NV/OR/SD/UT
- Ineligible: Investor occupancy in Baltimore City, MD
- Ineligible Locations: Puerto Rico, Guam, & the US Virgin Islands
- Texas Home Equity 50(a)(6) transactions not eligible

Declining Market

If the appraisal report identifies the property in a declining market, 5% LTV reduction to be applied to maximum eligible LTV

General Requirements

Product Type	• Fixed Rate Terms: 15, 30, 40 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30 and 40-year terms; ARM 40-year term must be combined with interest only feature
Interest Only	• Eligible • 30 and 40-year total terms, qualification based upon remaining term (amortized) after expiration of interest only period
Secondary Financing	• Not allowed
Loan Amounts	• Min: 3,000,000 • Max: 5,000,000
Loan Purpose	• Purchase, Rate/Term, and Cash-Out
Occupancy	• Primary, Second Home, Investment
Borrower Eligibility	• U.S. Citizen • Permanent Resident Alien
Acreage	• Property up to 10-acres, not meeting the rural definition, eligible
Cash-In-Hand	• Max: $1,500,000 (Not applicable to Delayed Financing transactions)
Appraisals	• FNMA Form 1004, 1073, 1025 with interior/exterior inspection • Two appraisals required
Title	• No LLC-to-LLC transfers within 12 months prior to purchase

Income Requirements

Standard Doc	• Wage/Salary: Paystubs, 1-year or 2-years of W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by total eligible deposits from 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account.

Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods:
	  ○ Fixed Expense Ratio (50%)
	  ○ Expense ratio provided by a Third party (CPA, EA, or tax preparer) min ratio of 10%
	  ○ Third party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

Asset Utilization	• Eligible assets divided by 84 to determine a monthly income stream
Ineligible	• Profit & Loss Statement • Written VOE

Super Jumbo – Standard Doc and Alt Doc, continued

<table>
<tr><th colspan="4">Underwriting Requirements</th></tr>
<tr><td>Credit Score</td><td>• Use the lowest representative credit score amongst all borrowers
○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores
• All borrowers must meet the 700 min credit score</td><td>Tradelines</td><td>• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
• If the borrower with the highest qualifying income has three (3) credit scores, the minimum tradeline requirement is waived</td></tr>
<tr><td>Assets</td><td>• Min of 60-days asset verification required; any large deposit must be sourced</td><td>Reserves</td><td>• 12-months of PITIA
• Cash out may not be used to satisfy requirement</td></tr>
<tr><td rowspan="2">Gift Funds</td><td rowspan="2">• Primary/Second Home: Permitted after 20% contribution towards down payment, closing costs, prepaids, and reserves from borrower's own funds
• Investment: Ineligible</td><td>DTI Requirements</td><td>• Max: 45%</td></tr>
<tr><td>Document Age</td><td>• 120-days</td></tr>
<tr><td>Prepayment Penalty – Investment Only</td><td colspan="3">• Acceptable structures include the following:
○ Fixed percentage of no less than 3%
○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years.
For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
• Prepayment periods up to 5-Years eligible, see rate sheet
• KS, MI, MN, NM, OH, RI: Penalties not allowed.
• IL: Penalties not allowed when vesting in an individual.
• MS: Only declining prepayment penalty structures are allowed.
• NJ: Penalties not allowed when vesting in an individual, LLC, LLP, or LP. Penalties allowed when vesting in an S Corp or C Corp.</td></tr>
<tr><td>Escrows</td><td colspan="3">• Required for property taxes, hazard insurance, and flood insurance (if applicable)</td></tr>
</table>