



CORRESPONDENT LENDING PRIME JUMBO MATRIX AND OVERLAYS

| PRIME JUMBO – SELECT & PLATINUM LTV MATRIX | | | | | |
|--------------------------------------------|----------------|----------------|--------------------|--------------|----------------|
| Minimum Credit Score: | 700 | 740 | 720 | 680 | 660 |
| – LTV – | – LOAN LIMIT – | | | | |
| 85.01 – 90.00% | \$1.00 MM | N/A | N/A | N/A | N/A |
| 80.01 – 85.00% | \$1.00 MM | \$1.50 MM | \$1.50 MM | \$1.50 MM | N/A |
| 75.01 – 80.00% | \$1.00 MM | \$1.50 MM | \$1.50 MM | \$1.50 MM | \$1.00 MM |
| 70.01 – 75.00% | \$1.00 MM | \$2.50 MM | \$2.50 MM | \$1.50 MM | \$1.00 MM |
| 65.01 – 70.00% | \$1.00 MM | \$3.00 MM | \$2.50 MM | \$1.50 MM | \$1.00 MM |
| 60.01 – 65.00% | \$1.00 MM | \$3.00 MM | \$2.50 MM | \$1.50 MM | \$1.00 MM |
| 50.01 – 60.00% | \$1.00 MM | \$3.00 MM | \$2.50 MM | \$1.50 MM | \$1.00 MM |
| ≤ 50.00% | \$1.00 MM | \$3.00 MM | \$2.50 MM | \$1.50 MM | \$1.00 MM |
| Parameter | Prime Select | Prime Platinum | Parameter | Prime Select | Prime Platinum |
| Purchase | Allowed | Allowed | Condo | N/A | Allowed |
| Cash-out Refinance | N/A | Allowed * | Non-owner Occupied | N/A | Allowed * |
| Rate/Term Refinance | N/A | Allowed | PUD | Allowed | Allowed |
| 2–4 Units | Allowed | Allowed | SFR | Allowed | Allowed * |
| 2nd Home | N/A | Allowed * | | | |

* See Platinum Matrix below for additional overlays.

| PRIME JUMBO – PLATINUM LTV MATRIX | | | | | | | | | | | |
|-----------------------------------|-------------------------|-----------|-----------|-----------|-----------|---------------|------------------------------------|---------------|-----------|-------------------------|-----------|
| PARAMETER | – CASH-OUT REFINANCE – | | | | | | – PURCHASE & RATE/TERM REFINANCE – | | | | |
| | PRIMARY RESIDENCE | | | 2ND HOME | | INVESTMENT | | 2ND HOME | | INVESTMENT | |
| Max LTV/CLTV/HCLTV | 80% | 75% | 75% | 70% | 60% | 60% | 60% | 80% | 75% | 70% | 60% |
| Minimum Credit Score | 680 | 700 | 700 | 700 | 720 | 700 | 720 | 680 | 680 | 700 | 720 |
| Max Loan Amount | \$1.00 MM | \$1.50 MM | \$2.00 MM | \$1.50 MM | \$1.50 MM | \$1.50 MM | \$1.50 MM | \$1.00 MM | \$1.50 MM | \$1.50 MM | \$1.50 MM |
| Property Type | SFR/2–4 Units/Condo/PUD | | | SFR/PUD | Condo | SFR/Units/PUD | Condo | SFR/Condo/PUD | | SFR/2-4 Units/Condo/PUD | |

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| Appraisal Requirements Back to Table of Contents | <ul style="list-style-type: none"> • Appraisal must be completed within 120 days of closing <ul style="list-style-type: none"> ○ Recertification of value is not acceptable • Loan amounts ≤ \$1.5 MM require supporting appraisal evaluation <ul style="list-style-type: none"> ○ CDA/ARR validating appraised value ○ Maximum 10% variance; if variance is > 10%, a 2055 (exterior only inspection) is required to support value ○ CU Score Under 2.5 • Loan amounts > \$1.5 MM require two (2) appraisals <ul style="list-style-type: none"> ○ Appraisals must be completed by two different Appraisal Companies and Appraisers ○ LTV determined by the lower value of two appraisals or sales price, whichever is lower ○ CDA/ARR evaluation is not required with two appraisals unless required by the underwriter • Transferred appraisals are allowed with proper transfer letter |
| Asset Requirements Back to Table of Contents | <ul style="list-style-type: none"> • Down Payment <ul style="list-style-type: none"> ○ Minimum 3% of the purchase price is required as down payment that must come from the borrower’s own funds • Earnest Money Deposit (EMD) <ul style="list-style-type: none"> ○ The source of EMD must be verified <ul style="list-style-type: none"> ▪ Canceled check or other evidence of payment (i.e., wire receipt) from a third-party unaffiliated with the transaction ▪ Two (2) months bank statements (must reflect the cleared check or wire deposit); must evidence a sufficient average balance to support the EMD • Gift Funds <ul style="list-style-type: none"> ○ May be used for down payment or closing costs ○ Documentation: Signed Letter from the Donor indicating: <ul style="list-style-type: none"> ▪ Donor’s relationship to the borrower ▪ Donor’s address, phone number, and dollar amount of the gift ▪ Declaration that it is an outright gift and repayment is not required ▪ Evidence of donor’s ability to provide funds (even if funds deposited from donor into escrow account) |

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| | <ul style="list-style-type: none"> ▪ Evidence of transfer of funds |
| Credit (see also Derogatory Credit) Back to Table of Contents | <ul style="list-style-type: none"> • Mortgage/Rental History <ul style="list-style-type: none"> ○ No mortgage or rental payment may be overdue (at date of application) <ul style="list-style-type: none"> ▪ No 30 days or more past due in the last six (6) months ▪ No more than one (1) time 30 days past due in the last 24 months • Tradeline Requirement <ul style="list-style-type: none"> ○ A minimum of three (3) tradelines from traditional credit sources that reported ≥ 24 months required ○ At least one (1) of these credit lines must be open and active for the last 12 months ○ Borrowers not contributing income, assets, or reserves for qualifying purposes are not subject to tradeline requirements |
| Credit Requirements Back to Table of Contents | <ul style="list-style-type: none"> • Authorized user accounts are not considered as a credit reference • Credit report date must be within 90 days of closing • Inquiries within the previous 90 days require a letter of explanation |
| Debt-to-Income (DTI) Ratio | <ul style="list-style-type: none"> • Maximum DTI for all loans is 43% |
| Derogatory Credit Back to Table of Contents | <ul style="list-style-type: none"> • Adverse/Derogatory Credit <ul style="list-style-type: none"> ○ Charge-offs and Collection Accounts <ul style="list-style-type: none"> ▪ Total sum of \$5,000 not required to be paid off ○ Disputed Accounts <ul style="list-style-type: none"> ▪ Follow Fannie Mae Guidelines ○ Forbearance <ul style="list-style-type: none"> ▪ Follow Fannie Mae Guidelines ○ Letter of Explanation (LOE) <ul style="list-style-type: none"> ▪ A satisfactory written LOE signed by the borrower explaining any adverse credit is required • Major Derogatory Credit <ul style="list-style-type: none"> ○ Bankruptcy/Deed-in-Lieu of Foreclosure/Foreclosure: None in the last seven (7) years to date of application, and: <ul style="list-style-type: none"> ▪ Bankruptcy – from date discharged or dismissed |



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| Derogatory Credit (Continued) | <i>(Continued)</i> |
| Derogatory Credit (Continued) <ul style="list-style-type: none"> ▪ Deed-in-Lieu of Foreclosure – from date of last action ▪ Foreclosure – from date of last action ○ Loan Modification/Pre-foreclosure/Short Sale: None in the last four (4) years to date of application, and: <ul style="list-style-type: none"> ▪ Loan Modification – from date of last modification (a loan modification that is documented as only due to the interest rate and no change in term is not considered as adverse credit) ▪ Pre-foreclosure – from date of last action ▪ Short Sale – from date of last action | |
| Eligible Borrowers Back to Table of Contents | <ul style="list-style-type: none"> • First-time Homebuyers • Non-occupying Coborrowers • Non-permanent Resident Aliens • Permanent Resident Aliens • Trust Estates (provided they meet Fannie Mae requirements) • U.S. Citizens |
| Eligible Properties Back to Table of Contents | <ul style="list-style-type: none"> • Single-family Property <ul style="list-style-type: none"> ○ Condominium (attached or detached) ○ Planned Unit Development (PUD; attached or detached) ○ Single-family Residence (SFR) ○ 2-4 Unit Multifamily • Rural Properties <ul style="list-style-type: none"> ○ Primary use must be residential, and used in highest and best capacity ○ Must not be agricultural or otherwise provide a source of income to the borrower ○ Lot size must be typical for the area ○ Maximum 10 acres, including road frontage and subject property ○ Property cannot be subject to any idle acreage tax benefit or other tax incentive program • Warrantable Condominiums (non-warrantable are ineligible) <ul style="list-style-type: none"> ○ Full review required on attached units in New Condo Projects |



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| Eligible Properties (Continued) Back to Table of Contents | <i>(Continued)</i> <ul style="list-style-type: none"> ○ Limited review allowed for attached units in established projects (per Fannie Mae Guidelines) ○ Project Eligibility Review Service (PERS) approved projects allowed |
| First-time Homebuyer (FTHB) | <ul style="list-style-type: none"> ● First-time Homebuyers are allowed without specific FTHB restrictions |
| General Property Requirements Back to Table of Contents | <ul style="list-style-type: none"> ● Minimum 600 square feet of gross living area ● Maximum 10 acres |
| Income/Employment Back to Table of Contents | <ul style="list-style-type: none"> ● IRS Transcripts – Two (2) years 1040 transcript are required for all self-employed borrowers and wage earners (no W-2 only transcripts permitted) ● Unreimbursed Expenses – Must be subtracted from qualifying income |
| Ineligible Transaction Types Back to Table of Contents | <ul style="list-style-type: none"> ● Blanket loan ● Borrower less than 18 years old ● Bridge loan ● Builder/Seller Bailout ● Escrow Holdback or Escrow for Work Completion ● Foreclosure Bailout ● Interest-only Loan ● Lease-Purchase Option ● Loans not meeting ATR or TILA requirements ● Model Home Leaseback ● Multiple property payment skimming ● NanQ/Non-QM ● Prepayment Penalty ● Property/Land Flip ● Refinancing of a subsidized loan ● Section 32 and/or High-cost Loan ● Straw Borrower/Straw Buyer ● Temporary Buydown |

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| | <ul style="list-style-type: none"> • Texas Refinance 50(a)(6) Transaction |
| Interested Party Contribution Back to Table of Contents | <ul style="list-style-type: none"> • Permitted as follows: <ul style="list-style-type: none"> ○ Primary Residence – 6% ○ Second Home – 3% ○ Investment Property – 2% |
| LTV/CLTV/HCLTV Back to Table of Contents | <ul style="list-style-type: none"> • Calculating LTV <ul style="list-style-type: none"> ○ For purposes of calculating the LTV, if the property was acquired six (6) months or less from the application date, the lower of the sales price or appraised value is used to determine the value of the property; otherwise, the appraised value is used to determine the value • Cash-out Refinance <ul style="list-style-type: none"> ○ The maximum amount of cash out for a cash-out refinance transaction is \$500,000 when the LTV/CLTV/HCLTV is \leq 50% or \$350,000 when the LTV/CLTV/HCLTV is $>$ 50% |
| Mortgage Insurance/PMI Back to Table of Contents | <ul style="list-style-type: none"> • Private Mortgage Insurance (PMI) is not required |
| Multiple Financed Properties Back to Table of Contents | <ul style="list-style-type: none"> • Maximum four (4) financed properties allowed <ul style="list-style-type: none"> ○ Including primary residence ○ Not included in limitations: <ul style="list-style-type: none"> ▪ Property owned free and clear ▪ Commercial Real Estate ▪ Multifamily property with 5+ Units ▪ Ownership in a timeshare ▪ Ownership in vacant land ▪ Ownership in manufactured home on a leasehold estate (not titled as real property) |
| Non-Arm's-Length Transaction Back to Table of Contents | <ul style="list-style-type: none"> • Non-Arm's-Length Transactions are considered only under the following conditions: <ul style="list-style-type: none"> ○ Relationships are clearly disclosed with initial submission ○ Primary residence only ○ Additional risk factors are present (i.e., distress sale, selling assets for down payment, etc.) |



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| Non-Arm's-Length Transaction (Continued) | <i>(Continued)</i> <ul style="list-style-type: none"> ○ Loans made to principals or employees of LoanStream, or the service provider, cannot provide services on their own transactions (closing agent, title agent, appraiser, etc.) ○ In purchase transactions where the seller is a corporation, partnership, or any other business entity, LoanStream must ensure that the borrower is not one of the owners of the business entity selling the subject property |
| Property Listed for Sale Back to Table of Contents | <ul style="list-style-type: none"> ● Property listed for sale or listed within the last six (6) months are not eligible for refinance transactions <ul style="list-style-type: none"> ○ Days off the market are counted from the application date |
| Refinance Transaction Back to Table of Contents | <ul style="list-style-type: none"> ● LTV Calculation – For the purpose of calculating LTV: <ul style="list-style-type: none"> ○ If the property was acquired six (6) months or less from the application date, the lower of the sales price or appraised value is used to determine the value of the property ○ Otherwise, the appraised value is used to determine value ● Refinance – Cash-out <ul style="list-style-type: none"> ○ Six (6) months since the most recent mortgage transaction is required (timeframe is Note date of previous transaction to Note date of current transaction) ○ The maximum amount of cash out is \$500,000 when the LTV/CLTV/HCLTV is ≤ 50% or \$350,000 when the LTV/CLTV/HCLTV is > 50% ● Refinance – Rate/Term/Limited Cash-out <ul style="list-style-type: none"> ○ Any subordinate financing used to acquire property ○ Any subordinate financing <u>not</u> used to acquire property: <ul style="list-style-type: none"> ▪ Closed-end Mortgage – at least one (1) year seasoned (as of the application date) ▪ HELOC (open-end) – at least one (1) year seasoned (as of the application date) and less than \$2,000 in total draws over the last 12 months ○ Maximum cash to the borrower is \$5,000 |
| Rent Loss Insurance | <ul style="list-style-type: none"> ● Rent Loss Insurance is not required |
| Rental Income Back to Table of Contents | <ul style="list-style-type: none"> ● Rental income from the subject property, as well as from a non-subject property, can be used as qualifying income |

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| Reserves Requirements Back to Table of Contents | <ul style="list-style-type: none"> • Borrower must provide individual federal income tax returns for the prior two (2) years, including Schedule E and a current lease <ul style="list-style-type: none"> • Reserves are represented as a number equal to PITIA for the relevant property; PITIA is the monthly payment obligation for all of the following: <ul style="list-style-type: none"> ○ Principal ○ Interest ○ Taxes – real estate taxes ○ Insurance – hazard, flood, mortgage insurance (as applicable) ○ Assessments/Association Dues (including ground rent, HOA Dues, special assessments, etc.) ○ Plus any subordinate financing payments on mortgages secured by the subject property • Reserves – General Requirements <ul style="list-style-type: none"> ○ Six (6) months PITIA <ul style="list-style-type: none"> ▪ Primary Residence ○ Nine (9) months PITIA required for: <ul style="list-style-type: none"> ▪ Primary Residence with > 80% LTV/CLTV ○ Twelve (12) months PITIA required for: <ul style="list-style-type: none"> ▪ Primary Residence with > 85% LTV/CLTV ▪ Loan Amount > \$1 MM ▪ Primary Residence (2-4 Units) ▪ Second Home/Vacation Home ▪ Investment Property ○ For each additional financed property owned, add six (6) months PITIA reserves for that property <ul style="list-style-type: none"> ▪ The six (6) months PITIA reserves requirement for financed properties is based on the PITIA for the financed property • Unacceptable Reserves <ul style="list-style-type: none"> ○ Assets that are not vested (such as non-vested stock options and non-vested restricted stock) ○ Cash on-hand ○ Cash-out proceeds ○ Gift funds |

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| | <ul style="list-style-type: none"> ○ Stock held in an unlisted corporation ○ UGMA or UTMA accounts |
| Subordinate Financing Back to Table of Contents | <ul style="list-style-type: none"> ● Secondary financing is permitted when it meets the following: <ul style="list-style-type: none"> ○ Made subordinate to the first lien ○ Title indicates it is in the second lien position ○ CLTV/HCLTV does not exceed the maximum allowed on the LoanStream Matrix ○ Term of subordinate lien must be less than or equal to the term of the first lien |
| Unacceptable Funds Back to Table of Contents | <ul style="list-style-type: none"> ● Cash on-hand ● Gift from seller-funded programs ● Gift funds that must be repaid in part or in full ● Sweat equity ● Unsecured loan <p>(see also Unacceptable Reserves)</p> |