



Flexible BS (FBN)

Personal or Business Bank Statement

Program Matrix

| Min FICO | Max Loan Amount | Max LTV/CLTV/HCLTV | | | | | |
|----------|-----------------|--------------------|----------|----------------|----------|----------------|----------|
| | | Primary | | 2nd Home | | Investment | |
| | | Purchase / R&T | Cash-Out | Purchase / R&T | Cash-Out | Purchase / R&T | Cash-Out |
| 740 | 1,000,000 | 90 | 80 | 85 | 75 | 85 | 75 |
| | 1,500,000 | 85 | 75 | 80 | 75 | 80 | 75 |
| | 2,000,000 | 85 | 75 | 80 | 70 | 80 | 70 |
| | 2,500,000 | 80 | 70 | 75 | 65 | 75 | 65 |
| | 3,000,000 | 75 | 65 | 70 | 60 | 70 | 60 |
| | 3,500,000 | 65 | N/A | 60 | N/A | N/A | N/A |
| 720 | 1,000,000 | 85 | 75 | 85 | 75 | 85 | 75 |
| | 1,500,000 | 85 | 75 | 80 | 75 | 80 | 75 |
| | 2,000,000 | 80 | 70 | 80 | 70 | 80 | 70 |
| | 2,500,000 | 80 | 70 | 75 | 65 | 75 | 65 |
| | 3,000,000 | 75 | 65 | 70 | 60 | 70 | 60 |
| | 3,500,000 | 60 | N/A | 60 | N/A | N/A | N/A |
| 700 | 1,000,000 | 85 | 75 | 85 | 75 | 85 | 75 |
| | 1,500,000 | 85 | 75 | 80 | 70 | 80 | 70 |
| | 2,000,000 | 80 | 70 | 80 | 70 | 80 | 70 |
| | 2,500,000 | 75 | 65 | 75 | 65 | 75 | 65 |
| | 3,000,000 | 70 | 60 | 70 | 60 | 70 | 60 |
| 680 | 1,500,000 | 80 | 70 | 80 | 70 | 80 | 70 |
| | 2,000,000 | 75 | 65 | 75 | 65 | 75 | 65 |
| | 2,500,000 | 70 | 60 | 70 | N/A | 70 | N/A |
| 660 | 1,000,000 | 80 | 70 | 80 | 70 | 80 | 70 |
| | 1,500,000 | 75 | 70 | 75 | 70 | 75 | 70 |
| | 2,000,000 | 75 | 60 | 70 | 60 | 70 | 60 |
| | 2,500,000 | 70 | N/A | 65 | N/A | 65 | N/A |

Condo & 2-4 Units Max LTV/CLTV/HCLTV: 85%

2-4 Units for 2nd home not allowed

Declining Markets subject to 5% Max LTV/CLTV/HCLTV reduction

Non-Permanent Resident Alien Restrictions: Max LTV/CLTV/HCLTV 80%, Cash-Out not allowed

Non-Occupant Co-Borrower Restriction: 1 Unit, Primary only, Max DTI 43%, Max LTV/CLTV/HCLTV 80%, Cash-Out not allowed

Income Requirements

| | |
|--------------------------------------|--|
| Personal Bank Statements | <ul style="list-style-type: none"> ◆ 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/Co-Mingled Bank Statements: | <ul style="list-style-type: none"> ◆ 12 or 24-months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: ◆ Fixed Expense Ratio (50%); OR ◆ Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR ◆ 3rd party prepared Profit & Loss Statement (CPA or EA). |



MORTGAGE
LAND
CAPITAL

| Flexible BS (FBN) | | | |
|--|--|--------------------------------------|---|
| <i>Personal or Business Bank Statement</i> | | | |
| General Requirements | | | |
| Product Type | <ul style="list-style-type: none"> ◆ 30-Yr Fixed ◆ 5/6 ARM | Loan Amounts | <ul style="list-style-type: none"> ◆ Min. \$200,000 ◆ Max. \$3,500,000 |
| Occupancy | <ul style="list-style-type: none"> ◆ Primary ◆ Second Home ◆ Investment | Loan Purpose | <ul style="list-style-type: none"> ◆ Purchase ◆ Rate/Term ◆ Cash Out |
| Acreage | ◆ Property up to 20-acres | Cash-In-Hand | <ul style="list-style-type: none"> ◆ LTV/CLTV > 60%: Max \$750,000 ◆ LTV/CLTV ≤ 60%: Unlimited |
| ARM Detail | <ul style="list-style-type: none"> ◆ Index: SOFR 30 Day Average ◆ Caps: 2/1/5 ◆ Margin/Floor: 5.000% ◆ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125) | | |
| Property Type | <ul style="list-style-type: none"> ◆ Single Family / PUD / Condominiums / Rural ◆ 2-4 Units (Not allowed for 2nd Home) ◆ Property with multiple ADUs not allowed | | |
| Appraisals | <ul style="list-style-type: none"> ◆ 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. | | |
| Underwriting Requirements | | | |
| DTI Requirements | ◆ Max: 50% | Housing History | <ul style="list-style-type: none"> ◆ 0x30x12 ◆ 0x60x24 |
| Minimum Borrower Contribution | ◆ Not required | Credit Event Seasoning | <ul style="list-style-type: none"> ◆ BK/FC/SS/DIL/NOD ≥ 48 Months ◆ 120+ days mortgage late ≥ 48 Months |
| Interested Party Contributions (IPC) | ◆ Limited to 6% | Prepayment Penalty – Investment Only | <ul style="list-style-type: none"> ◆ Prepayment periods up to 3-Years eligible ◆ 5% fixed on remaining loan balance |
| Gift of Equity | ◆ Not allowed | Large Deposits | ◆ Source of large deposit is not required |
| Escrows | <ul style="list-style-type: none"> ◆ HPML ◆ Flood Insurance | Title Layering | <ul style="list-style-type: none"> ◆ Investment only ◆ Max 2 |
| Gift Funds | ◆ 100% Gift funds are allowed for closing costs, down payments and reserves | | |
| Assets | ◆ Savings, checking, certificate of deposit, stock, retirement, life insurance cash value | | |
| Reserves | <ul style="list-style-type: none"> ◆ Primary & 2nd Home: <ul style="list-style-type: none"> - LTV/CLTV/HCLTV ≤ 75% AND Loan balance ≤ \$1MM: No reserves - LTV/CLTV/HCLTV > 75%: 4 months PI - Loan balance > \$1MM: 4 months PI ◆ Investment: <ul style="list-style-type: none"> - Loan balance ≤ \$1MM: 6 months PI - Loan balance > \$1MM: 9 months PI - Loan balance > \$2MM: 12 months PI ◆ No Additional reserves for each financed property (other than subject) ◆ Cash out net proceeds can be used for reserve requirement | | |
| Document Age | <ul style="list-style-type: none"> ◆ Income/Asset/Credit report must be dated within 120 days from closing ◆ Appraisal/prelim report must be dated within 120 days from closing | | |
| Credit Score | <ul style="list-style-type: none"> ◆ Representative Credit Score of the Primary Wage Earner is used to qualify ◆ To determine the Representative Credit Score, select the middle score when three (3) agency scores are provided and the lower score when only two (2) agency scores are provided ◆ In the event there are multiple Borrowers that earn identical income, the Representative Credit Score will be the higher score of the applicants | | |
| Tradelines | <ul style="list-style-type: none"> ◆ Min 2 reporting 24-months w/activity in last 12- months or ◆ Min 3 reporting 12-months w/recent activity. ◆ If any one of the borrowers has two (2) credit scores, the minimum tradeline requirement is waived ◆ Authorized User accounts allowed | | |
| Collections | ◆ Collections within three (3) years exceeding \$5,000 (individually or aggregate) must be paid off | | |
| Non-Arm's Length Transaction | <ul style="list-style-type: none"> ◆ Renter(s) purchasing from landlord <ul style="list-style-type: none"> - 12 months of cancelled checks to prove timely payments are required - Verification of Rent (VOR) is not acceptable ◆ Purchase between family members <ul style="list-style-type: none"> - Gift of equity requires a gift letter, and the equity gift credit is to be shown on the CD - Must provides a 12-month mortgage history on the existing mortgage securing the subject property, confirming the Family Sale is not a foreclosure bailout. ◆ Gift of equity is allowed only for a primary residence. Borrower to provide verification of earnest money deposit. | | |