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Investor Solution Conforming Second Home/Investment Product Matrix						
Primary Residence						
Not Eligible						
Second Home						
Transaction Type	Units	Loan Amount	Amortization / Product	Maximum LTV/CLTV/ HCLTV ³	Credit Score	DTI ² No Exceptions
Purchase and Limited Cash-Out Refinance	1 Unit	See Chart Below	30-year Fixed Rate	80%	680	50%
Cash-Out Refinance ^{1,4}	1 Unit			75% up to \$1.5M 70% over \$1.5M		
Non-Owner Occupied						
Transaction Type	Units	Loan Amount	Amortization / Product	Maximum LTV/CLTV/ HCLTV ³	Credit Score	DTI ² No Exceptions
Purchase	1 Unit	See Chart Below	30-year Fixed Rate	80%	680	50%
	2-4 Unit			75%		
Limited Cash-Out Refinance	1-4 Unit			75%		
Cash-Out Refinance ^{1,4}	1 Unit			75% up to \$1.5M 70% over \$1.5M		
	2-4 Unit			70%		
Footnotes	¹ No Texas 50(a)(6) allowed					
	² No Exceptions to max DTI					
	³ Secondary Financing is allowed but limited to CLTV/HCLTV of 80%					
	⁴ Maximum Cash-Out: Unlimited up to 65% LTV \$1M over 65% LTV					

Conforming Minimum/Maximum Loan Amounts		
	Contiguous States & District of Columbia	Alaska and Hawaii (All Counties)
Number of Units	Conforming	Conforming
1	\$832,750	\$1,249,125
2	\$1,066,250	\$1,599,375
3	\$1,288,800	\$1,933,200
4	\$1,601,750	\$2,402,625
Minimum Loan Amount - \$150,000		

Investor Solution High Balance Second Home/Investment Product Matrix						
Primary Residence						
Not Eligible						
Second Home						
Transaction Type	Units	Loan Amount	Amortization / Product	Maximum LTV/CLTV/ HCLTV ³	Credit Score	DTI ² No Exceptions
Purchase and Limited Cash-Out Refinance	1 Unit	See Chart Below	30-year Fixed Rate	80%	680	50%
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Limited Cash-Out Refinance	1-4 Unit			75%		
Cash-Out Refinance ^{1,4}	1 Unit			75% up to \$1.5M 70% over \$1.5M		
	2-4 Unit			70%		
Footnotes	¹ No Texas 50(a)(6) allowed					
	² No Exceptions to max DTI					
	³ Secondary Financing is allowed but limited to CLTV/HCLTV of 80%					
	⁴ Maximum Cash-Out: Unlimited up to 65% LTV \$1M over 65% LTV					

High Balance Minimum/Maximum Loan Amounts		
	Contiguous States, District of Columbia, Alaska & Hawaii (Other Counties)	Hawaii (Kalawao & Maui Counties)
Number of Units	Conforming	Conforming
1	\$1,249,125	\$1,299,500
2	\$1,599,375	\$1,633,600
3	\$1,933,200	\$2,010,950
4	\$2,402,625	\$2,499,100

Minimum Loan Amount - \$1 above Conforming Limits (e.g. \$832,751 for 1-unit, \$1,066,250 for 2-unit, etc.)

Program Overview

The purpose of the Investor Solution product is to offer a Conventional-type product that is eligible to FNMA and/or FHLMC underwriting guidelines for Second Home and Investment property transactions.

Underwriting:

- DU Approve/Eligible or LPA Accept Findings
- When the guidelines are silent, follow FNMA/FHLMC guides depending on which AUS is used (DU or LPA)
- No manual underwriting allowed.

Guidelines

Eligible Transactions	• Purchase • Limited Cash-Out Refinance • Cash-Out Refinance	
Ineligible Transactions	• Non-Arms Length • Assumable • Construction to Permanent • Builder Bailout • Conversion Loans • Lease Options / Rent-to-Own • Land Contracts • Assignment of Contract • NY CEMA • Graduated Payment Mortgage Loans • Ground Leases, Buydown Mortgage Loans, Pledged Asset Loans • Convertible Mortgage Loans (ARM to Fixed Rate) • Periodic Payments • Temporary Buydown	
Eligible Properties	• SFR • Warrantable Condos • 2-4 Units • PUDs NOTE: Maximum of 20 Acres	
Ineligible Properties	• Co-ops • Manufactured Homes • Assisted Living • Mixed Use • Agriculturally Zoned Properties • Properties with less than 500sf living space • Barndominiums • Properties Under Construction • Boarding Houses • C5 or C6 Property Condition Grades • Commercial Properties • Geodesic or Log Homes • Working Farms • Vacant Lots • Unique Properties • Timeshares • Work Escrows • Mortgage Loans financing builder inventory • Non-Warrantable Condos	

Guidelines			
Age of Documents	- The appraisal, credit report, employment, income and assets for all loans (existing and new construction), must be no more than four (4) months old on the date the Note is signed. - Preliminary title policies must be no more than 120 days before the Note date.		
Appraisal	The Seller must have appraisal policies in place including but not limited to: AIR, AMC (if applicable), ROV. For additional appraisal requirements, refer to the Homebridge Seller Guide. All appraisals must adhere to FNMA/FHLMC guidelines.		
	One Appraisal – 1 Unit Properties		
	Transaction Type	If: Then:	
	All Transactions	The CU or LCA score is <=2.5	No further action is required
		The CU and LCA score are >2.5:	A CDA is required and the following applies: - If the CDA variance is <= 10% of the appraised value, the appraisal is acceptable. - If the CDA variance is >10%, then the LTV will be based on the lower CDA value.
	One Appraisal – 2-4 Unit Properties CU/LCA Score Not Received		
	Transaction Type	When: Then:	
	All Transactions	- The property is 2-4 Units, or - CU/LCA Score Not Received	A CDA is required, and the following applies: - If the CDA variance is <= 10% of the appraised value, the appraisal is acceptable - If the CDA variance is >10%, then the LTV will be based on the lower CDA value.
	Two Appraisals		
	No additional valuation required for transactions requiring two appraisals		
- No appraisal waivers allowed - Loan must follow and meet all other requirements of the DU Approve/Eligible or LPA Accept findings.			
Appraisal Management Companies (AMCs)	The Seller must be responsible for selecting, retaining, and providing for payment of all compensation to the appraiser or AMC. A TPO may not have any involvement in selecting, retaining or providing payment to the appraiser or the AMC. Homebridge will not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by the borrower or any other third party (including Mortgage Brokers, Loan Originators, and real estate agents). Refer to the FNMA AIR FAQ document for additional information.		

Borrower, Citizenship	• US Citizens • Permanent Resident Alien, meeting agency guidelines • Non-Permanent Resident Alien ○ The following Visas are eligible, E1-E3, H1B, H1C, H4, I, K1, K3, L1A, L1B, L2, O1A-B, O2, P-1A, NAFTA, V1-V3 • First Time Homebuyer ○ FTHBs living rent-free are only eligible if they live with a non-borrowing spouse and/or family member. The spouse or family member must provide a rent-free letter. • Loans must follow and meet all requirements of the DU Approve/Eligible or LPA Accept findings.
Buy Now, Pay Later Accounts	The requirements in this section address accounts from common “Buy Now, Pay Later” companies including, but not limited to: • Affirm • Klarna • Afterpay • Sezzle • Zip • In addition to the above, many airlines and other retail establishments offer Buy Now, Pay Later services. Requirements • If a debt is identified on any asset statement or otherwise disclosed in the file, but not on the credit report, it should be treated the same way any other debt is handled. This includes: ○ Undisclosed Debts ○ Deferred Obligations ○ Obligations Paid by Others ○ Consideration of Installment Loans on DTI ○ Consideration of Revolving Charge Accounts on DTI • If the debt is not excluded, no other documentation is required. The debt is included in the DTI • If the debt is excluded, all standard documentation verifying the terms and conditions used to support the decision to exclude are required. • A credit report supplement is not mandatory, although it may be obtained with the creditor’s permission to verify terms and conditions.

Guidelines	
Credit	- Refer to the Product Matrix for minimum Credit Score - Applicants with no score are not eligible. - Each borrower must have a minimum of two credit scores. - Use lowest middle score for pricing and guideline purposes. <u>Trade Lines</u> – must meet minimum requirements as per AUS findings. <u>Significant Credit Events</u> – must follow AUS/Agency guidelines. Extenuating circumstances are not allowed; must meet standard waiting periods. - Bankruptcy Chapter 13 requires 48 months after discharge. - Non-Covid deferred payments are unacceptable credit events and disqualify the borrower(s) from financing. - Loans must follow and meet all requirements of the DU Approve/Eligible or LPA Accept findings. - Homebridge utilizes FICO only. A credit report which provides both FICO and VantageScore is acceptable, however Homebridge will only consider the FICO.
Credit - Housing Payment History	0x30x12 for all mortgage tradelines No Housing History or History Less Than 12 Months - Minimum 6 Months Reserves 10% Minimum Borrower Contribution - VOR/VOM for all months available reflecting paid as agreed. Note: Borrowers who have owned their Primary Residence free and clear for at least 12 months are acceptable.
Credit Inquiries	- The borrower(s) must address all inquiries listed on their credit report within the past 90 days. - All inquiries listed on the credit report must be addressed by the borrower, specifically stating the creditor(s) and verifying no extension of credit. Acceptable response: The inquiries by Chase, Wells & Bank of America have not resulted in any extension of credit. Unacceptable response: We have not obtained any additional credit as a result of the inquiries listed on our credit report. (Does not name the creditors - Chase, Wells & Bank of America).
Debt Certification, Undisclosed Debt Monitoring	An Undisclosed Debt Monitoring Notification dated within 10 days of the Note date must be obtained. If the UDN reveals any new or derogatory debt which was not disclosed on the loan application, a review must be completed to ensure the borrower meets debt-to-income and derogatory debt requirements.
Declining Markets	5% LTV Reduction for LTVs >65%

Guidelines	
Documentation	The loan must follow and meet all requirements of the DU Approve/Eligible or LPA Accept findings for income and asset documentation. Follow standard agency guidelines.
DTI Ratio	- Regardless of DU Approve/LPA Accept findings, the maximum DTI ratio is 50%. - Loans must follow and meet all other requirements of the DU Approve/Eligible or LPA Accept findings
Escrow Waivers	- Homebridge allows for the waiving of escrows, depending on the loan type, the LTV, and the borrower(s) financial ability to pay the lump sum payments of taxes and insurance. - Homebridge allows for the partial waiver of tax and homeowners insurance escrows. However, if a waiver is chosen for: - Taxes – all taxes must be waived. For example, a borrower may not waive county taxes and escrow for school taxes. - Insurance – all insurance (hurricane, wind, etc.), except for flood, must be waived. - Flood insurance escrow waivers are not permitted - For subject properties not located in CA, Homebridge does not allow for the waiving of escrows when a loan requires mortgage insurance, regardless if the mortgage insurance is lender paid or borrower-paid. - For subject properties located in CA, an escrow waiver is permitted if the LTV is < 90%. - Escrow deposit accounts for ALL refinance transactions where the current year or prior year taxes were sixty (60) days or more delinquent and are being included in the new loan amount may not be waived. - Any conflict between Homebridge policy and state law must default to the state law. Refinances – Escrows/impounds cannot be waived if the new loan amount includes the financing of real estate taxes that are more than sixty (60) days delinquent, unless requiring an escrow account is not permitted by applicable state law or regulation.
Gift Funds	10% minimum borrower contribution required on Second Homes. Ineligible on Investment Properties.
IRS 4506	A signed 4506C is required on all loans.

Guidelines	
Liabilities	- Garnishments must be paid off. - Collections and Charge-Offs: \$2000 total allowed on Second Homes
Multiple Properties Financed	Standard FNMA/FHLMC guidelines apply.
Occupancy	- Second Home and Non-Owner Occupied/Investment properties only. - Primary Residence is NOT eligible.
Power of Attorney	Please refer to the FNMA Selling Guide POA Requirements. The original Power of Attorney must be shipped to: Homebridge Financial Services, Inc. Attn: Warehouse 99 Wood Avenue South, Suite 301 Iselin, NJ 08830
Qualified Mortgage (QM)/Safe Harbor	- All loans originated under this program must meet the definition of a Qualified Mortgage (QM), as defined by the CFPB. Non-QM loans are not eligible under this program. - Borrower's annual percentage rate (APR) cannot exceed Prime + 1.50%. - All loans originated under this program must meet the Safe Harbor designation, meaning it is presumed to comply conclusively with the Ability-to-Repay (ATR) requirements.
Reserves	- Loans ≤ \$1M: Greater of DU/LP or 3 Months PITIA - Loans ≤ \$1.5M: Greater of DU/LP or 6 Months PITIA - Loans > \$1.5M: Greater of DU/LP or 9 Months PITIA - Rate-Term Refinances ≤65% LTV: Per DU/LP
Residual Income	\$1,500

Guidelines	
Title Vesting	• Individual names as joint tenants, community property or tenants in common. • Inter-Vivos Revocable trusts meeting FNMA requirements. • Blind Trusts – not allowed. • Limited Liability Corporations (LLC's) – not allowed. • Partnerships/Corporations – not allowed.
Verbal VOE	• A Verification of Employment must be obtained within 4 months prior to the note date. • A Reverification of Employment must be obtained. ○ For salaried borrowers, the reverification must be within 10 business days prior to the note date. ○ For self-employed borrowers, the reverification must be within 20 business days prior to the note date. • Business License, CPA Letter or Federal Tax ID Certificate required for all Self-Employed Borrowers (3rd party verification required). • Minimum of two (2) years employment history must be verified. • When employment is validated by DU, DU includes in its assessment the age of the information in the vendor's database. The DU message will include a date by which the loan must close. This may differ from the age of data and 10 business day requirements above. Compliance with the DU message satisfies the requirement for completing the verification of employment.