

NON-QM G PRODUCT MATRIX & GUIDE

WHOLESALE



NON-QM G

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Non-QM Fixed

1st TD Program Codes: NF30G – NON-QM FIXED 30YR G

NF30GIO – NON-QM FIXED 30YR G INT ONLY / NF40GIO – NON-QM FIXED 40YR G INT ONLY

(Min: \$100,000)

Fully Amortizing Fixed

Property Type	Transaction Type	Max Loan Amount	Max LTV/CLTV	Min FICO Score	Max DTI		
Primary Only							
1 Unit SFR/PUD/Condo	Purchase Rate/Term Refi	\$1,500,000	95%	680	35%		
		\$3,000,000	90%	720	45%		
		FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000	85% 80%	640 600	45%		
2 – 4 Units ²	Purchase Rate/Term Refi	FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000	85% 80%	640 600	45%		
		1 Unit SFR/PUD/Condo	Cash-Out Refi ¹	\$1,500,000	95%	720	35%
FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000	90% 75% 70%			720 640 600	45%		
2 – 4 Units ²	Cash-Out Refi ¹			FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000	80% 75% 70%	680 640 600	45%
				Second Home			
		1 Unit SFR/PUD/Condo	Purchase Rate/Term Refi	FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000	85% 80%	640 600	45%
Cash-Out Refi ¹	FICO < 720 = \$2,000,000 FICO ≥ 720 = \$3,000,000			80% 75% 70%	680 640 600	45%	

¹ Maximum cash-out no limit (amount cannot exceed loan amount)

² First Time Home Buyer not allowed

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PRODUCT ELIGIBILITY	<ul style="list-style-type: none"> • Purchase • Rate & Term • Cash-Out
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • 1 Unit / SFR • PUD • 2-4 Units • Condos – Agency Warrantable
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • Condotel • Condo Conversions • Coops • Earth/Dome/Log/Modular Homes • Leaseholds/Resale Restrictions • Manufactured • Mobile Homes • Mixed Use • Unimproved • Rural Properties • Agriculture zoned/Ranches • > 20 Acres • Properties < 700 Sq Ft
OCCUPANCY	<ul style="list-style-type: none"> • Primary • Second Home
ELIGIBLE STATES	Eligible States Matrix
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> • U.S. Citizens • First Time Homebuyers • Permanent Resident Aliens • Inter Vivos Revocable (aka living) Trusts
INELIGIBLE BORROWERS	<ul style="list-style-type: none"> • Foreign Nationals • Non-Permanent Resident Aliens
FIRST TIME HOMEBUYER	Primary residence only. Single-family, PUDs, and warrantable Condominiums only
NON OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> • When allowed, the non-occupant co-borrower need not be a family member. There should be, however, an established relationship and motivation not including equity participation for profit. • MWF will follow DU/LP Findings regarding non-occupant co-borrowers but generally DU analyzes the risk factors in the loan case file without the benefit of the non-occupant co-borrower's income or liabilities.



NON-QM G (CONT)

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NON-QM G (CONT)	
SEASONING REQUIREMENTS	<ul style="list-style-type: none"> • Minimum six months ownership seasoning required for cash-out refinance transactions. • Minimum 12 months ownership seasoning to use appraised value to determine LTV/CLTV. • If the ownership seasoning is less than 12 months, the lower of the purchase price or the appraised value will be used to determine the LTV/CLTV. The original purchase price must be documented.
CONTINUITY OF OBLIGATION	<p>For refinance transactions, there must be a continuity of obligation. This occurs when at least one of the borrowers or members of a Limited Liability Company (LLC) or corporation on the existing loan being refinanced is on the new refinance transaction secured by the subject property. The member must have a controlling or majority ownership in the LLC or corporation. When an existing lien will be satisfied as a result of a refinance transaction, the following apply:</p> <ul style="list-style-type: none"> • At least one borrower held title to the subject property for the most recent six-month period. The file must contain documentation evidencing that the borrower has been making the mortgage payments, including any payments for secondary financing. • The borrower has recently inherited, or was legally awarded, the property (divorce, separation or dissolution of a domestic partnership). • Loans with an acceptable continuity of obligation may be considered either a cash-out or rate/term cash-out refinance as described in this chapter. • Note: The transfer of ownership from an LLC or corporation to an individual does not meet the continuity of obligation requirement
DELAYED FINANCING	<ul style="list-style-type: none"> • Not allowed • Cash-out refinance ownership seasoning must be met
TEMPORARY BUYDOWNS	Not Allowed



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MANUAL UNDERWRITING	Not Allowed
ELIGIBLE AUS	<ul style="list-style-type: none"> Fannie Mae DU (DU) required. Freddie Mac LP (LP) not allowed.
Fannie Mae Requirements	<ul style="list-style-type: none"> Approve/Eligible Approve/Ineligible (for loan structure such as LTV limits, loan purpose and loan amount) 30-year Interest Only program should be run as a 20-year fixed loan Fannie Mae DU Findings Report must be included in the file submission
CREDIT	Refer to matrix on 1 st page for minimum FICO requirements.
Minimum Tradelines	<ul style="list-style-type: none"> A Borrower(s) without an established credit history is Ineligible. A valid and usable score is one that is generated based on credit history and credit patterns that accurately reflect the borrower's history. It should contain at least: Three established open and active tradelines reported on the credit report: <ul style="list-style-type: none"> One reported for a minimum of 24 months All active in the last 12 months (defined as last activity within 12 months of credit report date) One with a minimum \$2,500 high credit balance
Mortgage/Housing History	<ul style="list-style-type: none"> 0X30 in the past 12 months Borrowers without a primary mortgage or rent history in the last 12 months are Ineligible. This includes situations where the borrower may have received a "rent holiday", payments lapsed due to divorce/separation, or other instances where the most recent 12-month housing history is not consecutive and complete. At least one of the borrower(s) must have a fully documented, recent, consecutive, 12-month primary housing history. In addition: Mortgage/housing payment history on any property, regardless of the occupancy or lien status, is considered mortgage/housing history for grading purposes. A copy of the title or credit report must document the free and clear status.
Bankruptcy	<ul style="list-style-type: none"> Chapter 7: Four years from discharge date to application date. Chapter 13 and Chapter 11 personal: Two years from discharge date to application date. Bankruptcy dismissal dates are treated the same as discharge dates.



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<p>Multiple Bankruptcies</p>	<ul style="list-style-type: none"> Loans to borrowers with multiple bankruptcies are ineligible regardless of the age of the bankruptcy or whether it was discharged or dismissed. The following are not considered as multiple bankruptcies: When a Chapter 13 rolls into a Chapter 7 bankruptcy <ul style="list-style-type: none"> When individual borrowers each have filed separate bankruptcies Bankruptcies discharged greater than 15 years ago If a foreclosure is included in the bankruptcy, each event is treated separately for credit grade determination
<p>Foreclosure</p>	<ul style="list-style-type: none"> 4 years from completion date to application date.
<p>Adverse Credit</p>	<ul style="list-style-type: none"> All delinquent credit that will impact title, including delinquent taxes, judgments, charge-off accounts, tax liens and mechanic's liens must be paid off prior to or at closing. Tax repayment plans must be paid off prior to or at closing.
<p>Loss Mitigation</p>	<ul style="list-style-type: none"> 4 years prior to the application date. Prior Loss Mitigation includes Deed-in-lieu, Pre-Foreclosure, Short Sale, NOD, Short Refinance, Charge Off and Modification.
<p>QUALIFYING PAYMENT</p>	<p>Borrowers qualify at the note rate based on fully amortizing Principal and Interest payment during the principal repayment period. Borrowers will not be qualified on the Interest Only payment amount.</p> <ul style="list-style-type: none"> 30 year Interest Only – Fully amortizing mortgage loan that pays Interest Only during the first 10 years and amortizes down over the remaining 20 years. Loan to be run through DU as a 20 year fully amortizing loan. 40 years Interest Only – Fully amortizing mortgage loan that pays Interest Only during the first 10 years and amortizes down over the remaining 30 years. Loan to be run through DU as a 30 year fully amortizing loan.



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ASSETS/RESERVES	Per Fannie Mae DU Findings		
GIFTS	Allowed per Fannie Mae guidelines		
BORROWER CONTRIBUTION	A minimum down payment of 5% of the borrower's own funds is required for any purchase transaction		
INTERESTED PARTY CONTRIBUTIONS	<u>Residency</u> Primary Residence & Second Homes	<u>LTV</u> > 90% > 75 ≤ 90% ≤ 75%	<u>Maximum Contribution</u> 3% 6% 9%
APPRAISALS	- 1 Full Appraisal ¹ if Combined Loan Amount ≤ \$1.5 M - 2 Full Appraisals ¹ if Combined Loan Amount > \$1.5 M ² - Condominiums require HOA Certification Form. Transferred Appraisals –allowed.		
PROPERTIES LISTED FOR SALE	Properties that are listed for sale at the time of application are not eligible. Refinance transactions on properties that have been listed with six months of the application date are acceptable with the following: <ul style="list-style-type: none"> • Rate/Term Refinance: • Primary residence and second homes only • Documentation to show cancellation of listing on or before the application date Letter of explanation form the borrower detailing the reason for cancelling the list • Cash-out Refinance: • Primary residence and second homes only • Documentation to show cancellation of listing on or before the application date Letter of explanation form the borrower detailing the reason for cancelling the listing A maximum CLTV of 80% or the program maximum, whichever is less 		



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PROPERTY FLIPS	<p>A flip transaction is when the property is being resold within 180 days of its acquisition by the current seller. Flip transactions are not permitted unless one of the following conditions are met: Property obtained through inheritance</p> <ul style="list-style-type: none"> • Property that is part of a settlement in a divorce agreement • Property that is part of an employer relocation program • Property acquired by the lender or servicer as a result of foreclosure or Deed in Lieu of foreclosure • Property that has been substantially improved by verified renovations since the property was acquired by the property Seller in which any increase in sales price over the property seller's acquisition costs is representative of the market
ESCROW HOLDBACKS	Not allowed
NON-ARM'S LENGTH TRANSACTIONS	Not allowed
MORTGAGE INSURANCE	Not Required