

### CHOICE ONE NON QM & GRADES

**Full Doc | Alt Doc Purchase, R/T & C/O | Income Types Include: Full Doc-12, 24 mos, Alt Doc-1099, WVOE, Asset Utilization, Bank Statements, P&L w/ 3 mos Bank Statements, 1 Yr Self Employment, Asset as blended income.**

LOAN AMOUNT	CHOICE NON QM					A+					A				B			
	FICO to MAX LTV/CLTV					FICO to MAX LTV/CLTV					FICO to MAX LTV/CLTV				FICO to MAX LTV/CLTV			
	740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+
\$1,000,000	85%	85%	85%	80%		90%	90%	90%	85%	80%	85%	80%	80%	80%	80%	80%	80%	80%
\$1,500,000	85%	85%	80%	75%		90%	90%	90%	85%	80%	80%	80%	80%	75%	80%	75%	75%	75%
\$2,000,000	85%	80%	75%	75%		90%	90%	85%	80%	75%	75%	75%	75%	70%	65%	50%		
\$2,500,000	80%	75%	75%	65%		80%	80%	80%	75%	70%	70%	70%		60%	50%			
\$3,000,000	75%	75%	65%	60%		80%	80%	75%	70%	60%	65%	60%		50%				
\$3,500,000						70%	70%	60%	60%	50%	50%							
\$4,000,000						65%	60%	50%										

Purchase	Max 85%	Max 90%	Max 85%	Max 80%
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Rate & Term	Max 80%	Max 85%	Max 80%	Max 80%
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Cash Out	5% Reduction from Max LTV   Max LTV 75% Refer to C/O Restrictions for details	5% Reduction from Max LTV   Max LTV 80% Refer to C/O Restrictions for details	5% Reduction from Max LTV   Max LTV 75% Refer to C/O Restrictions for details	5% Reduction from Max LTV   Max LTV 70% Refer to C/O Restrictions for details
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Max LTV	Non-Owner Occupied: 75%	Non-Owner Occupied: 85%	Non-Owner Occupied: 80%	Non-Owner Occupied: 75%
	2nd Home: 75%	2nd Home: 85%	2nd Home: 80%	2nd Home: 75%
	Condo: 85%	Condo: 80%	Condo: 75%	Condo: 70%
	Condo Non Warrantable: NA	Condo Non Warrantable: 75%	Condo Non Warrantable: 75%	Condo Non Warrantable: 70%
	2 Unit: 80%	2 Unit: 85%	2-4 Unit: 80%	2-4 Unit: 75%
	3-4 Unit: 75%	3-4 Unit: 80%	Rural: 70%	Rural: 65%
	Rural: NA	Rural: 70%		

Min Loan Amount	Full Doc Min Loan Amount: \$150K Alt Doc Min Loan Amount: \$150K	Full Doc Min Loan Amount: \$125K Alt Doc Min Loan Amount: \$125K	Full Doc Min Loan Amount: \$125K Alt Doc Min Loan Amount: \$125K	Full Doc Min Loan Amount: \$125K Alt Doc Min Loan Amount: \$125K
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Housing History	0x30x24   Rent free not allowed	0X30X12	1X30X12	1x60x12
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Credit Event BJ, SS, FC, DIL, CCC)	48 Months Multiple unrelated credit events not allowed	36 Months (12 mos on BK 13/CCC w/ pay history allowed)	24 Months (Settled BK 13/CCC w/ pay history allowed)	18 Months (Settled BK 13, SS, DIL, CCC Allowed)
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DTI	Full Doc: Max 45% Alt Doc: Max 45%	Full Doc: Max 50%   Max 45% if >=85% LTV Alt Doc: Max 50%   Max 45% if >=85% LTV	Full Doc: Max 50%   Max 45% if >=85% LTV Alt Doc: Max 50%   Max 45% if >=85% LTV	Full Doc: Max 50% Alt Doc: Max 43%
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One Year Self-Employed	Not allowed	Max 80% LTV   Max 75% LTV - C/O Min 660 FICO   Bank Statement Only	Max 80% LTV   Max 75% LTV - C/O Min 660 FICO   Bank Statement Only	Not Allowed
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Asset Utilization	Not allowed	Max 80% LTV   Max 75% LTV - C/O   Max \$2MM	Max 80% LTV   Max 75% LTV - C/O Max \$2MM	Max 80% Purchase & R/T   Max \$2MM
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1099 Only	Not allowed	\$3MM Max Loan   2 most recent bank statements	\$3MM Max Loan 2 most recent bank statements	2 most recent bank statements
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WVOE Only	Not allowed	Max 80% LTV Max 70% LTV - C/O & FTHB Primary residence only	Max 80% LTV Max 70% LTV - C/O & FTHB Primary residence only	Min 620 FICO   Max 80% LTV Max 70% LTV - C/O & FTHB Primary residence only
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ITIN	Not allowed	660+ FICO   Max 85% LTV   \$1.5MM Max LA >80% LTV \$1MM Max LA   NOO Max 80% LTV & Max 75% LTV C/O   Full Doc & 12 mos Bank Statement only	700+ FICO   Max 80% LTV - Purchase \$1.5MM Max LA Full Doc & 12 mos Bank Statement only	Not Allowed
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Foreign National 2nd Home/NOO	Not allowed	700+ FICO   Max 75% LTV-Pur   Max 65% LTV-C/O \$2MM Max LA   12 mos min reserves required	700+ FICO   Max 75% LTV-Pur   Max 65% LTV-C/O \$2MM Max LA   12 mos min reserves req.	Not Allowed
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DACA	Not allowed	Max 85% LTV - Purchase	Max 80% LTV - Purchase	Max 75% LTV - Purchase & R/T
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Reserves	6 mos minimum, cash out cannot be utilized	O/O & 2nd Home: <=75% LTV no reserves, >75% 3 mos, >80% 6 mos NOO: <=70% LTV no reserves, >70% 3 mos, >80% 6 mos All Occupancies: Cash out can be utilized	O/O & 2nd Home: <=65% LTV no reserves O/O & 2nd Home: >65% LTV 3 mos reserves NOO: 3 mos min, max \$2MM LA All Occupancies: Cash out can be utilized
	Loan Amt > \$3MM, 12 mos; > \$2MM, 6 mos, cash out cannot be utilized   2 mos for each additional financed property (based on subject property PITIA)		

### CHOICE ONE NON QM INVESTOR PROGRAMS

**DSCR Choice Ratio 1.25 | DSCR Ratio 1.00 | No Ratio Ratio < 1.00**

LOAN AMOUNT	CHOICE DSCR		DSCR					NO RATIO
	FICO to MAX LTV/CLTV		FICO to MAX LTV/CLTV					FICO to MAX LTV/CLTV
	740+	700+	740+	720+	680+	640+	620+	640+
\$1,000,000	75%	75%	85%	85%	80%	75%	70%	70%
\$1,500,000	75%	75%	85%	85%	80%	70%	65%	65%
\$2,000,000	75%	70%	80%	80%	75%	70%	60%	60%
\$2,500,000	70%	65%	75%	75%	70%	65%	55%	55%
\$3,000,000	65%	60%	70%	70%	65%	<=60%	<=50%	50%
\$3,500,000			65%	65%				
\$4,000,000								

Purchase	Max 75%	Max 85%	Max 70%
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Rate and Term	Max 75%	Max 85%	Max 70%
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Cash Out	5% LTV reduction from Max LTV Refer to C/O Restrictions	5% LTV reduction from Max LTV   Max 75% Refer to C/O Restrictions	5% LTV reduction from Max LTV Refer to C/O Restrictions
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Max LTV	Condo - 75%	Condo - 80%	60%
	Condo NW - NA	Condo Non-Warrantable (Max \$3MM) - 75%	60%
	2-4 Unit - NA	2-4 Unit - 80%	60%
	Rural - NA	Rural - 65%	NA

Min Loan Amount	\$250,000	\$100,000	\$100,000
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Ratio	Min 1.25 Ratio	Min 1.00 Ratio   >80% LTV Min 1.20 Ratio	Min .75 Ratio
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Housing History	0x30x12	1x30x12	0x30x12
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Credit Event (BK, SS, FC, DIL)	48 Months	36 Months (12 BK 13 & 24 SS/DIL, Ch. 7 BK)	36 Months
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Reserves	3 mos Cash out cannot be utilized	>65% LTV, 3 mos; cash out can be utilized; Inexperienced Investors: mos, cash out cannot be utilized	6 mos cash out cannot be utilized
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Short Term Rentals	Not Allowed	5% Reduction   Max 80% LTV - Purch & R/T Max 70% LTV - C/O	Not Allowed
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Declining Market Rent	>= 1:1 DSCR Max LTV 65% or Program Max LTV >= 1.250 DSCR		Not Allowed
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Recently Listed w/ C/O ( <6 mos Off Mkt )	Delisted >= 30 days and leased allowed Value is lower of lowest listing price within 180 days or appraised value 3 mos reserves (not from C/O), 1 yr min. PPP required, 70% Max LTV		Not Allowed
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ITIN	Not Allowed	700+ FICO   \$1.5MM Max Max 75% LTV - Purch & R/T   Max 70% LTV - CO	Not Allowed
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Foreign National	Not Allowed	700+ FICO   Max 75% LTV   Max 65% LTV - C/O Max LA \$2MM   12 mos min reserves required	Not Allowed
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DACA	Not Allowed	Max 80% LTV - Purchase & R/T	Not Allowed
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Interest Only	Qualify on I/O Payment all States   Reserves based on I/O payment		
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### LOAN PROGRAMS

ARM Fully Amortized	Fixed Fully Amortized	Interest Only Min 640 FICO   Max 80% LTV Reserves based on I/O Payment
5/6 SOFR: (2/1/5 CAP) 7/6 SOFR: (5/1/5 CAP) Not Available on Choice NQM	15 Year Fixed (180 Months) 30 Year Fixed (360 Months) 40 Year Fixed (480 Months)	30 Yr Fixed I/O (120 mos + 240 mos Amort) 40 Yr Fixed I/O (120 mos + 360 mos Amort) 5/6 I/O SOFR (2/1/5 CAP) 7/6 I/O SOFR (5/1/5 CAP) I/O Not Available on Choice NQM

ADDITIONAL PRODUCT DETAILS: ALL PRODUCTS & DSCR			ADDITIONAL DSCR GUIDELINES	
<b>Cash in Hand Limit (Based on LTV &amp; FICO)</b>	<b>Appraisal</b>	<b>Interested Party Contribution</b>		
<= 70% LTV & >= 700 FICO: \$1.5MM max cash in hand* <= 65% LTV & < 700 FICO: \$1.0MM max cash in hand* > 65% <= 70% LTV & < 700 FICO: \$500K max cash in hand* > 70% LTV: \$500K max cash in hand (Free & Clear ineligible) Vacant Properties: \$750K max cash in hand *Free & Clear Properties: Must follow FICO requirements, 70% max LTV	▶ Loan Amount > \$1,500,000: 2 appraisals, both must be ordered through AIR compliant AMC ▶ <= \$1,500,000 LA & CU <= 2.5 = No Additional Requirements ▶ <= \$1,500,000 LA & CU > 2.5 = ARR, CDA or CCA Required, 10% variance allowed	<=80% LTV - 6% Max > 80% LTV - 4% Max	▶ Gross income/PITIA or ITIA; Qualified on cash flow of subject property ▶ Gross Income: Lower of estimated market rent from Form 1007 and monthly rent from existing lease (if lease amount is higher, needs to be documented with two months proof of receipt of rent or if brand new lease see guidelines). ▶ Experienced Investor: Must have ONE of the following 1. Owned 2 or more properties greater than the most recent 12 months 2. Owned 1 investment property for greater than the most recent 24 months 3. Ownership in commercial RE within the last 12 months 4 Inexperienced Investor: Must have owned a residence (primary or investment) in the most recent 12 mos, for a min of 12 mos. 80% Max LTV   \$1,500,000 Max LA   60% Max LTV for No Ratio < 1.00   C/O NA for No Ratio inexperienced investor   3 mos. reserves, cash out cannot be utilized <b>Tradelines</b> Tradelines for mortgages that reflect credit report that have been paid off or sold in the last 12 months can meet the above requirements. Inexperienced investors, all borrowers must meet inexperienced definition. No first time home buyers are allowed with inexperienced. Experienced investor, only one borrower has to meet the experienced investor definition, all other borrowers can either be inexperienced or first time home buyer. All properties to meet above definitions must be domiciled in the United States (Foreign National excluded).	
Cash Out Restrictions	LTV is the lower of Max LTV based on FICO, loan amount, occupancy and property type with 5% reduction or program specific Max LTV not to exceed the Max LTV allowed, as applicable			
Gift Funds	100% allowed with 10% LTV reduction from program Max LTV (see above), no LTV reduction required with min 5% buyer own funds   Gift of Equity not allowed for all Choice			
> \$3,000,000 + Loan Amount	See Guides for Appraisal & Credit Overlay			
Impound Waivers	Owner / 2nd Home: only if NOT HPML loan; Non-Owner is allowed (see rate sheet)			
Seasoning	Cash Out: >=6 months ownership, >6 months since a prior Cash Out   ITIN: >=12 MONTHS OWNERSHIP FOR Cash Out, >= 6 months ownership for Rate/Term			
Residual Income	\$1250 per month + \$250 1st + 125 others (not applicable to DSCR)			
Min Square Footage	SFR: 600 square feet   Condo: 500 square feet   2-4 Units: 400 square feet each			
Financed Property Limits	20 financed properties included subject (non DSCR)   LS Exposure - \$5MM or 6 Properties			
Pre-Payment Penalty	Eligible for investment properties only where permitted by applicable state law and regulations			
Debt Consolidation	Follows R/T Refi FICO, 80% Max LTV, O/O Only (Max 5K Cash in hand)			
Private Party VOR's	LTV <= 80% & >= 660 FICO   LTV <= 70% & >= 600 FICO			
Foreign National	Asset Utilization only for 2nd Home & Non Owner when not DSCR   12 mos Reserves all Occupancy types			
Non Occupant Co-Borrower	Purchase / Rate & Term Only (Grades A, A+, B only)			
Declining Markets	> 70% LTV: Areas designated declining value on the appraisal will take a 5% reduction from program Max LTV			
50.01 - 55% DTI	Full Doc   6 mos Reserves   Max 80% LTV   660 Min FICO   Primary Only   Purchase Only   Grade A+   \$1,500,000 Max LA			
Tradelines Requirements	3 tradelines reporting 12 months with activity in last 12 months, or 2 tradelines reporting for 24 months with activity in last 12 months. See guides for other options when borrower(s) do not meet min criteria. (ITIN see ITIN Guides)			
Delayed Financing	<= \$1.5MM loan amount program max LTV/CLTV, > \$1.5MM loan amount 70% max LTV/CLTV   DSCR only - unleased/vacant > 3 mos must follow unleased property LTV/CLTV restrictions and Cash in Hand Limit - Vacant Properties			
First Time Homebuyers	Primary Residence and Investment Properties allowed (Second Homes & DSCR ineligible)   Investment - Purchase and Refinance: Full Doc only, Max LTV 80%, Min FICO 660, Max 50% DTI, \$1.5MM Max loan amount, Max 300% payment shock			
Temporary Buydowns	2:1 and 1:0   30 year fixed, Purchase transactions only   Primary and Second Home eligible, non-TRID Investment and DSCR loan ineligible			
Limited Tradelines	Max 70% LTV see guidelines, not available on Choice DSCR and No Ratio			
Additional Reserves	Additional Financial Properties - Not Applicable			
Occupancy	Non-Owner Occupied Only, Investment Properties Only			
<b>Short Term Rentals</b>	▶ Purchase or Refi (R/T & C/O) ▶ 1 Unit SFR, 2-4 Unit, PUD, & Condo eligible ▶ No first time investors and no inexperienced investors ▶ Apply 20% Management Fee Reduction to Income ▶ Document income with 1007/1025 supported by 12 mos history of payment or AirDNA/Overview Report ▶ Rural not available ▶ Vacant Ok	<b>Vacant / Unleased Properties</b>		
		▶ Purchase Transaction Program Max ▶ Refinance Rate/Term Loan Bal <=\$1,000,000 - 70% LTV Max Loan Bal <=\$2,000,000 - 65% LTV Max ▶ Refinance Cash Out Loan Balance <=\$1,500,000 - 60% LTV Max ▶ LOE for cause of vacancy		

Programs, Guidelines, Matrix subject to change without notice.

REV 6/2024