### Full Documentation
(1 or 2 years Full Doc, or combined with Asset Depletion)
(5/1, 7/1, 30 Year Fixed with IO options)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Occupancy Type</th>
<th>Maximum Loan Amount</th>
<th>Maximum Purchase/R&amp;T LTV</th>
<th>Maximum Cash-Out LTV</th>
<th>Fico Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFR, PUD, Condo &amp; Non-Warrantable Condo</td>
<td>Owner Occupied / Second Home</td>
<td>$750,000</td>
<td>80%</td>
<td>75%</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>75%</td>
<td>70%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>65%</td>
<td>60%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>65%</td>
<td>60%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70%</td>
<td>65%</td>
<td>720</td>
</tr>
<tr>
<td>2-4 Units</td>
<td>Owner Occupied</td>
<td>$1,500,000</td>
<td>65%</td>
<td>65%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>70%</td>
<td>60%</td>
<td>700</td>
</tr>
<tr>
<td>SFR, PUD, 2-4 Units Condo &amp; Non-Warrantable Condo</td>
<td>Investment</td>
<td>$1,500,000</td>
<td>65%</td>
<td>65%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>70%</td>
<td>60%</td>
<td>720</td>
</tr>
</tbody>
</table>

Footnote:
1 Max LTV at 50% if seasoning is greater than 1 year for all loss mitigations such as Short Sale/BK/Loan Modifications/Foreclosure.
2 Non-warrantable condo reduced by 5%.
3 1 Year Full Doc Qualification reduced by 5%
4 Minimum Loan Amount $125,000

Residual income is defined as the cash flow left over after paying all monthly obligations
- Loans with Debt to Income (DTI) ratios of <= 43% requires no Residual
- Loans with Debt to Income (DTI) ratios of > 43% requires minimum Residual Income equal to .0045 (.45%) multiplied by the Unpaid Principal Balance. Using residual income will allow max DTI at 50%.
- Non-occupant co-borrowers allowed
# Venice Non-Agency

## 12 Month Bank Statements-(Self Employed Borrowers)

(5/1, 7/1, 30 Year Fixed with IO options)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Occupancy Type</th>
<th>Maximum Loan Amount</th>
<th>Maximum Purchase/R&amp;T LTV</th>
<th>Maximum Cash-Out LTV</th>
<th>Fico Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFR, PUD, Condo &amp; Non-Warrantable Condo</td>
<td>Owner Occupied / Second Home</td>
<td>$750,000</td>
<td>80%</td>
<td>75%</td>
<td>660</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>75%</td>
<td>70%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>65%</td>
<td>60%</td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70%</td>
<td>65%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>65%</td>
<td>60%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70%</td>
<td>65%</td>
<td>720</td>
</tr>
<tr>
<td>2-4 Units</td>
<td>Owner Occupied</td>
<td>$1,500,000</td>
<td>65%</td>
<td></td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>65%</td>
<td>60%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70%</td>
<td></td>
<td>720</td>
</tr>
<tr>
<td>SFR, PUD, 2-4 Units Condo &amp; Non-Warrantable Condo</td>
<td>Investment</td>
<td>$1,500,000</td>
<td>65%</td>
<td></td>
<td>680</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>65%</td>
<td>60%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70%</td>
<td></td>
<td>720</td>
</tr>
<tr>
<td>First Time Home Buyer 1 Unit</td>
<td>Owner Occupied</td>
<td>$750,000</td>
<td>80%</td>
<td>N/A</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Footnote:**

1Max LTV at 50% if seasoning is greater than 1 year for all loss mitigations such as Short Sale/BK/Loan Modifications/Foreclosure.

2Non-warrantable condo reduced by 5%.

3Minimum Loan Amount $125,000

Residual income is defined as the cash flow left over after paying all monthly obligations:

- Loans with Debt to Income (DTI) ratios of <= 43% requires no Residual
- Loans with Debt to Income (DTI) ratios of > 43% requires minimum Residual Income equal to .0045 (.45%) multiplied by the Unpaid Principal Balance. Using residual income will allow max DTI at 50%.
- Non-occupant co-borrowers NOT allowed

**General guidelines apply. For specific guidelines for Self-Employed see page 13. (Refer to Self-Employed for Option 1 and 2)**
# Venice Non-Agency

## 12 Month CPA P&L -(Self Employed Borrowers)
(5/1, 7/1, 30 Year Fixed)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Occupancy Type</th>
<th>Maximum Loan Amount</th>
<th>Maximum Purchase/R&amp;T LTV</th>
<th>Maximum Cash-Out LTV</th>
<th>Fico Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFR, PUD, Condo, 2-Unit</td>
<td>Owner Occupied</td>
<td>$1,000,000</td>
<td>75%</td>
<td>65%</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,000,000</td>
<td>65%</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>SFR, PUD, Condo</td>
<td>Second Home</td>
<td>$1,000,000</td>
<td>70%</td>
<td>60%</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>65%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SFR, PUD, Condo, 2-4 Unit</td>
<td>Investment</td>
<td>$1,000,000</td>
<td>70%</td>
<td>60%</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>65%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Footnote:**
1. A 5% reduction in LTV for declining market and condo
2. Minimum Loan Amount $125,000 Owner Occupied; Second and Investment Min. Loan amount $150,000
3. Non-Warrantable condo not allowed
4. Cash-out amount <= $500K follows program matrix; Cash-Out > $500K Reduced LTV by 5%; Maximum Cash-Out is $1M
4. Maximum 70% LTV for Condo in Florida

- Max DTI 45%
- Payment Shock limited to 300%
- No credit events in the last 4 years includes (FC, BKs (7, 11, 13), SS, DIL, NOD, or 120+ days Delinquent); Multiple BK filings per person are not allowed
- 0x30 mortgage/rental late
- Non-occupant co-borrowers NOT allowed
- First Time Home Buyer only allowed on Owner Occupied Transaction
- 12 months Rental or Mortgage history required
- Interest Only not allowed

**General guidelines apply. For specific guidelines for Self-Employed see page 13 (Refer to Self-Employed Option 3)**
# Venice Non-Agency

## DSCR Qualification - Investment Properties
(5/1, 7/1, 30 Year Fixed with IO options)

<table>
<thead>
<tr>
<th>Property Type</th>
<th>FICO</th>
<th>Loan Amount</th>
<th>DSCR &gt;= 1.15</th>
<th>DSCR &lt; 1.15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>LTV/CLTV2,3</td>
<td>LTV/CLTV2,3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Purchase</td>
<td>R&amp;T</td>
</tr>
<tr>
<td>1-Unit SFR, PUD, Condo, 2-4 Units &amp; Non-Warrantable Condo&lt;sup&gt;4&lt;/sup&gt;</td>
<td>650-699</td>
<td>&lt;= 1,000,000</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,000,001-1,500,000</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,500,001-2,500,000</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>700+</td>
<td>&lt;= 1,000,000</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,000,001-1,500,000</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,500,001-2,500,000</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Foreign Nationals 1-unit only</td>
<td>N/A</td>
<td>&lt;= 1,000,000</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,000,001-1,500,000</td>
<td>65</td>
<td>60</td>
</tr>
</tbody>
</table>

**Footnote:**

1. Max LTV at 50% if seasoning is greater than 1 year for all loss mitigations such as Short Sale/BK/Loan Modifications/Foreclosure.
2. For 2-4 Units, LTV is reduced by 5%.
3. **Unleased Property LTV/CLTV Restrictions**
   - Purchase Transaction: Refer to matrix
   - Refinance (Rate/Term and Cash Out)
     - Loan Balance <= $1,000,000 – 65%/60%
     - Loan Balance > $1,000,000 – 60%/55%
4. Non-warrantable condo reduced by 5%.
5. Minimum .750 DSCR required; loan amount < $150,000 requires DSCR 1.15+
6. Minimum loan amount $125,000

- First Time Home Buyer Not allowed.
- Gift funds not allowed.
- Purpose of cash-out needs to be for business purpose.
- Non-occupant co-borrowers not allowed

**General guidelines apply. For specific guidelines for DSCR see page 16.**
### Foreign National
(5/1, 7/1, 30 Year Fixed with IO options)

<table>
<thead>
<tr>
<th>Occupancy Type</th>
<th>Property type</th>
<th>Minimum Loan Amount</th>
<th>Maximum Loan Amount</th>
<th>Maximum LTV(^1)(^2)</th>
<th>MAX DTI</th>
<th>Max Cash-Out</th>
<th>Minimum Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Home</td>
<td>SFR, PUD, Condo &amp; Non-Warrantable(^2)</td>
<td>$125,000</td>
<td>$1,000,000</td>
<td>70%</td>
<td>50%</td>
<td>$1,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$1,500,000</td>
<td>65%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>60%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>SFR, PUD, Condo &amp; Non-Warrantable(^2)</td>
<td>$125,000</td>
<td>$1,000,000</td>
<td>65%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>60%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Footnote:**
1. Max LTV at 50% if seasoning is greater than 1 year for all loss mitigations such as Short Sale/BK/Loan Modifications/Foreclosure
2. Non-warrantable condo reduced by 5% ; not allowed in Florida

Residual income is defined as the cash flow left over after paying all monthly obligations
- Loans with Debt to Income (DTI) ratios of <= 43% requires no Residual
- Loans with Debt to Income (DTI) ratios of > 43% requires minimum Residual Income equal to .0045 (.45%) multiplied by the Unpaid Principal Balance. Using residual income will allow max DTI at 50%.

**General guidelines apply. For specific guidelines for Foreign National see page 18.**
### Eligible Property Types
- SFR
- PUDS
- 2-4 unit
- Condos (Low and High-Rise; no litigation allowed) and allowed on new condo projects that are Fannie Mae approved

### Early Paid Off Policy (EPO)
EPO timeline is 12 months (365 days) from closing date of the loan.

### Program and Qualification

<table>
<thead>
<tr>
<th>ARM Type</th>
<th>Index</th>
<th>Caps: Initial adjustment</th>
<th>Caps: Subsequent adjustment</th>
<th>Life Cap</th>
<th>Margin</th>
<th>Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/1 ARM</td>
<td>1 YR Libor</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>3.500%</td>
<td>3.500%</td>
</tr>
<tr>
<td>7/1 ARM</td>
<td>1 YR Libor</td>
<td>5%</td>
<td>2%</td>
<td>5%</td>
<td>3.500%</td>
<td>3.500%</td>
</tr>
</tbody>
</table>

### Fully Amortizing
- Qualifying Ratios are based on PITIA payment with the principal and interest payments amortized over the loan term.
  - **5/1 LIBOR:** (2/2/5 Cap Structure)
    - Qualifying Rate (All Doc Types):
    - **7/1 LIBOR:** (5/2/5 Cap Structure)
    - Qualifying rate (All Doc Types):
  - **30 Year Fixed**

### Interest-Only
- Qualifying Ratios are based on PITIA payment with the principal and interest payments amortized over the scheduled remaining loan term at the time of recast after the interest only period has expired.
  - Loan Terms: 360
  - **5/1 LIBOR:** (2/2/5 Cap Structure)
    - Qualifying rate (All Doc Types):
    - Interest-Only Period: 10 Year Interest-Only Period
    - Amortization Periods: 20 Year
  - **7/1 LIBOR:** (5/2/5 Cap Structure)
    - Qualifying rate (All Doc Types):
    - Interest-Only Period: 10 Year Interest-Only Period
    - Amortization Periods: 20 Year
  - **30 Year Fixed**
    - Qualifying rate (All Doc Types):
    - Interest-Only Period: 10 Year Interest-Only Period followed by 20 Year Amortization
### DSCR Qualification
Qualifying Ratios are based on PITIA payment with the principal and interest payments amortized over the loan term

### DSCR ARM Terms

<table>
<thead>
<tr>
<th>Type</th>
<th>Index</th>
<th>Caps</th>
<th>Initial Adj.</th>
<th>Subsequent Adj.</th>
<th>Life Cap</th>
<th>Margin</th>
<th>Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/1 ARM</td>
<td>1 YR Libor</td>
<td></td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
<td>6.000%</td>
<td>6.000%</td>
</tr>
<tr>
<td>7/1 ARM</td>
<td>1 YR Libor</td>
<td></td>
<td>5%</td>
<td>2%</td>
<td>5%</td>
<td>6.000%</td>
<td>6.000%</td>
</tr>
</tbody>
</table>

- 5/1 LIBOR: (2/2/5 Cap Structure) Qualifying Rate: qualify borrower(s) at Note Rate (Business Purpose).
- 7/1 LIBOR: (5/2/5 Cap Structure) Qualifying Rate: qualify borrower(s) at Note Rate (Business Purpose).
- 30 Year Fixed

### Interest-Only
Qualifying Ratios are based on ITIA payment (Business Purpose).

- 5/1 LIBOR: (2/5 Cap Structure)
  - Qualifying rate (All Doc Types): qualify borrower(s) at Note Rate.
  - Interest-Only Period: 10 Year Interest-Only Period followed by a 20 Year Amortization Period
- 7/1 LIBOR: (5/2/5 Cap Structure)
  - Qualifying rate (All Doc Types): qualify borrower(s) at Note Rate.
  - Interest-Only Period: 10 Year Interest-Only Period followed by a 20 Year Amortization Period
- 30 Year Fixed Rate
  - Qualifying rate (All Doc Types): qualify borrower(s) at the Note Rate
  - Interest-Only Period: 10 Year Interest-Only Period followed by a 20 Year Amortization Period

### Prepays Offered
Where permitted by applicable laws and regulations, a prepayment charge can be structured to be assessed for one (1), or (4) years following the execution date of the note. Two prepayment structures may be utilized; either six (6) months of interest or 4% of the outstanding principal balance.

- Six Months Interest - The prepayment charge will be equal to 6 months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that payoff due to sale or refinance, or curtailments that exceed 20% of original principal balance in a given 12-month time period.
- 1 year prepay: 3% - The prepayment charge will be equal to 3% of the outstanding principal balance. The charge applies to loans that payoff due to sale or refinance.
- 4 year prepay: Prepayment 3% (3/3/3/3).
- Penalties not available in loan vested to individuals in Illinois and New Jersey.
- Prepayment penalties not allowed in KS, MD, MN, and OH.
- Only declining prepayment penalty structures allowed in MS.

### Income Verification
4506T not required on alternative documentations
<table>
<thead>
<tr>
<th>Topics</th>
<th>General Guidelines</th>
</tr>
</thead>
</table>
| Eligible Borrowers     | • US Citizens  
• Permanent Resident Aliens  
• Non-Permanent Resident Aliens Includes A Series (A-1, A-2, A-3), E-1, E-2, E-3, G Series (G-1, G-2, G-3, G-4, G-5), H-1 (includes H-1B and H-1C), H-4, L-1, L-2, O-1A, O-1B, O-2, TN NAFTA for Canadian and Mexican Citizens, TC, NAFTA for Canadian citizens for professional or business purpose  
• First time home buyers |
| Non-ARMS Length Transaction | On full doc loans, non-arm’s length transaction is allowed based on Fannie Mae guidelines.  
• Non-arm’s length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property. Fannie Mae allows non-arm’s length transactions for the purchase of existing properties unless specifically forbidden for the scenario, such as delayed financing. For the purchase of newly constructed properties, if the borrower has a relationship or business affiliation (any ownership interest, or employment) with the builder, developer, or seller of the property, Fannie Mae will only purchase mortgage loans secured by a principal residence. Fannie Mae will not purchase mortgage loans on newly constructed homes secured by a second home or investment property if the borrower has a relationship or business affiliation with the builder, developer, or seller of the property.  
The following are Ineligible on alternative documentations qualification such as bank statements, asset depletion, and foreign national. Non-arm’s length transactions as noted in Fannie Mae guidelines includes, but are not limited to:  
• Applicants related by blood or marriage to the seller.  
• Owners, employees or family members of originating entity  
• Renters buying from landlord |
| Vesting                | • Closing in POA is allowed on purchase and refinance R&T transaction. NOTE: POA requires initial 1003 to be wet sign. If e-disclosures were used, the borrower just need to sign above the electric signature.  
• Closing in Trust allowed |
| Property; Maximum Number | • Borrowers can have up to 10 financed properties  
• JMAC limits the borrower to four (4) JMAC serviced properties, including the subject transaction. The max loan amount of all properties cannot exceed $2.5 Million |
| Housing History        | • Requires 12 months mortgage or rental history  
• 0x30 allowed within last 12 months if borrower has credit events within 2 years. (e.g. SS, F/C, BK, Mod)  
• For full docs qualifications – living rent free is allowed * Must be living with immediate family member |
| Student Loans          | Follows Fannie Mae guidelines |
| Credit                 | • Length of credit history required is 2 years for all borrowers.  
  o For borrower with mortgage history for at least 12 months or more in the last 3 years:  
    ▪ 1 open trade line seasoned for at least 12 months  
  o For borrower with no previous mortgage history,  
    ▪ 1 open trade line seasoned for at least 24 months; and  
    ▪ 2 open/closed trade lines seasoned for 12 months |
### Venice Non-Agency

- Judgment/Tax Liens/Collections/Charge-Offs - must be paid off excludes Medical Collection ≤ $10,000.
- Bankruptcies and Loan Modification – discharged or closed at 2 years.
- Short Sale – must be seasoned for more than 2 years
- Foreclosure – must be seasoned for more than 3 years
  - If less than 3 years but greater than 2 years, LTV is reduced by 5%.

**For Short Sale/BK/Loan Modifications/Foreclosure, 1-year seasoning allowed but LTV is restricted to 50%LTV.**

<table>
<thead>
<tr>
<th>Disputed Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disputed Accounts – Disputed accounts are reviewed to determine current balance and derogatory information (a 30-day or more delinquency) within 2 years prior to the credit report date:</td>
</tr>
<tr>
<td>- Zero balance and no derogatory information – no action required</td>
</tr>
<tr>
<td>- Zero balance and derogatory information - remove dispute and pull new credit report if less than 1 year.</td>
</tr>
<tr>
<td>- A positive balance and no derogatory information – remove dispute and pull new credit report</td>
</tr>
<tr>
<td>- A positive balance and derogatory information – remove dispute and pull new credit report</td>
</tr>
</tbody>
</table>

A credit supplement is not allowed to document disputed accounts.

<table>
<thead>
<tr>
<th>Qualifying</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSCR qualifies on the fully amortized note rate.</td>
</tr>
</tbody>
</table>

**Max DTI up to 43% but may be up to 50% with residual income.**

Paying off revolving debts to qualify can only be use for DTI ≤ 43%. The accounts being paid off for qualifications must be closed. The Borrower cannot mix paying off debts and residual income to qualify (excludes installment debts). Installment debts can be paid for qualification above 43% DTI.

<table>
<thead>
<tr>
<th>Residual Income Calculation Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDUAL INCOME CALCULATION</td>
</tr>
<tr>
<td>#1 = Total Income – (Total Debts (PITIA &amp; Liabilities))</td>
</tr>
<tr>
<td>#2 = Loan Amount X 0.0045</td>
</tr>
<tr>
<td>#1 MUST BE &gt; #2 = Meets Residual Income</td>
</tr>
</tbody>
</table>

**Example:** Loan Amount $350,000, Income = $9000, Total Debts = $4000

#1 = $9000 - $4000 = $5000
#2 = $350,000 x .0045 = $1575
#1 > #2 = meets residual income

---

9
A Non-Occupant Co-Borrower (co-signer) is an individual who will not be living in the Mortgaged Property, but whose income and/or assets have been used to qualify for the loan. The co-signed must be on the Note and Deed of Trust (Title). Although the Non-Occupant Co-Borrower does not reside in the Mortgaged Property, he or she is jointly responsible (with the Primary Borrower) for repaying the loan. If the Loan Program allows for a Non-Occupant Co-Borrower, the loan is subject to the following conditions:

**Mortgage Loan:**
- Owner occupied
- Full Documentation only
- Credit events are seasoned the same for both borrowers (BK, FC, Loss Mitigation, mortgage history, etc.).
- Primary Borrower must have a DTI of no more than 60%
- A minimum of 10% of the down payment must come from the Primary (occupant) Borrower’s own funds.

**Non-Occupant Co-Borrower:**
- Individual cannot be the Primary Borrower, and must be a close family member such as a parent, child, grandparent, sibling, uncle, aunt, or parent-in-law. Credit must meet the minimum credit standards requirements.
- Must provide income and asset documentation to be used for loan qualification
- No seasoning required for Rate and Term refinance and 6 months title seasoning required for Cash-Out transaction.
- Up to one (1) Non-Occupant Co-Borrowers allowed

**Income**
- Capital gain not allowed.
- RSU income not allowed

**Reserves**

<table>
<thead>
<tr>
<th>Qualification Type</th>
<th>Occupancy</th>
<th>Property Type</th>
<th>Maximum Loan Amount</th>
<th>Required Reserves*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Doc, 12 Months Bank Statements and P&amp;L</td>
<td>Primary Residence / Second Home / Investment</td>
<td>All property types</td>
<td>$750,000</td>
<td>6 months PITIA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>9 months PITIA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$2,000,000</td>
<td>12 months PITIA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$2,500,000</td>
<td>18 months PITIA</td>
</tr>
</tbody>
</table>

- Foreign National Borrowers refer to Foreign National Guidelines
- Reserve is only required on subject property.
- Stocks/Bonds/Mutual Funds – 70% available for reserves.
- Retirement funds:
  - Gross retirement funds, less required deductions, may be used to meet 100% of the minimum reserve requirement for borrowers with penalty-free access to their account.
  - For borrowers without penalty-free access, gross retirement funds, less required deductions, may be used to meet 60% of the minimum reserve requirement.
### Appraisal Guidelines

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Appraisal Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $1,000,000</td>
<td>One full appraisal</td>
</tr>
<tr>
<td>$1,000,001 to $2,500,000</td>
<td>Two full appraisals</td>
</tr>
</tbody>
</table>

- For properties purchase within the last 6 months, the lesser of the purchase price or current appraised value will be utilized to determine the subject property value.
- Appraisal transferred accepted

### Appraisal Requirements/Review

- Properties Owned < 6 Months: LTV is based on the lesser of the appraised value or acquisition cost, regardless of any property improvements that may have been made. (Property acquisition date may be measured from the HUD 1 closing date, mortgage rating or other acceptable documentation in the loan file.)
- CDA > 10% Below Appraisal If the CDA returns a value more than 10% below the original appraisal(s) value, then a Field Review is required. The final value will be used as the appraised value for the property. *(CDA is an internal cost, but any additional product or service that needs to be ordered) ** broker or borrower to pay ***
- JMAC will order CDA (third party review) on all appraisals.

### Source of Funds

- **Owner Occupied Transactions:**
  - Borrower must contribute at least 10% toward the transaction from their own funds (excludes business funds) for purchase transactions.

- **Second Home and Investment Transactions:**
  - Borrower must contribute at least 20% toward the transaction from their own funds for purchase transactions.

### Gift Funds

- For Owner Occupied, acceptable after a minimum 10% down payment has been made by the borrower from their own funds (exclude business funds).
- Gift of Equity is only allowed on full doc qualification.
- For Second home and investment, acceptable after a minimum 20% down payment has been made by the borrower from their own resources.
- DSCR qualification does not allow any gift funds.
- Gift funds not allowed for meeting reserve requirements.

### Departing Rental Income

- Departing residences are allowed. If the departing residence has 25% or more equity, then you may use the rental income.
  - Provide lease agreement
  - Required 2055 exterior with rental survey (1007) cost to broker or borrower.

### HELOCs

- For non-subject property HELOCs, the payment may be taken from the credit report. If credit report shows no payment and there is balance on HELOC, payment must be documented by monthly statement or other acceptable source or 1% of the full line amount.

### Secondary Financing

- New and Subordination of existing subordinate financing is **not allowed**.
- Consolidation of secondary financing that is seasoned for 12 months with no draw is considered refinance R&T.

### Refinance R&T

- No seasoning requirement
- For property with less than 6 months of title seasoning, the lesser of the purchase price or current market value will be used.

### Cash-Out

- For purchase refinance transaction, no seasoning required except for flipped properties. For flipped properties, 12 months of seasoning is required.
- For title transfer, 6 months of title seasoning is required.
- For cash out with less than 12 months of seasoning, the lesser of the purchase price or current market value will be used.
- Unlimited cash-out up to the maximum LTV allowed **exclude 12 Month P&L qualification**

---

**Venice Non-Agency**
<table>
<thead>
<tr>
<th>Properties Listed for Sale</th>
<th>Rate/Term and Cash-Out Refinances: application date needs to be 1 day off the market.</th>
</tr>
</thead>
</table>
| Financing and Sales Concessions | Interested Party Contributions are allowed in accordance with Fannie Mae Standards:  
- **Owner Occupied and Second Home:**  
  - 3% of value with LTV ratios greater than 75% and up to 80%  
  - 6% of value with LTV ratios less than or equal to 75%  
- **Non-Owner** is 2%  
- Foreign National (Second/Investment) is 5%  
Amounts in excess of these limits must be deducted from the lower of sales price or appraised value when calculating the LTV |
| Impounds (if failed HPML / High Costs) |  
- Regardless of LTV if HPML failed, loan must be impounded tax, insurance, flood, and HO-6.  
- Escrows/impounds for tax, insurance, flood, and HO-6. (with some exceptions, including the exception for condo/PUD master insurance policies) on principal dwellings are required at all LTVs if necessary to comply with the CFPB’s HPML Escrow Rule or other legal requirements. Note that the APR threshold in the HPML definition differs for conforming loan balances (inclusive of high cost area limits) (APR >= APOR + 1.5%) and jumbo loan balances (APR >= APOR + 2.5%). (Refer to CFPB guidance and 12 CFR 1026.35).  
  - If the property considered a flip and it has been 180 days or less and the appreciation =>10% in the past 90 days or => 20% in the past 91 to 180 days, a 2nd appraisal is required. The borrower cannot pay for the 2nd Appraisal  
  - Escrows/impound is required for foreign national borrower.  
- **High Cost Limits:** Loans exceeding any applicable federal, state or municipal High Cost limits are **not** eligible for purchase by Lender (e.g. HOEPA).  
- The maximum points and fees is 5%. |
| Leased Land | Not allowed |
| Ineligible Properties | Acreage greater than 10 acres (appraisal must include total acreage)  
- New Condos  
- Condo Gut Conversion  
- Condo Newly Converted Non-Gut Projects  
- Condo Hotel  
- Co-Ops  
- Hobby Farms  
- Income Producing properties with acreage  
- Log Homes  
- Manufactured Housing  
- Mixed Used properties  
- Properties subject to oil and/or gas leases  
- Title may not be held in a business name  
- Unique properties  
- Working farms, ranches or orchards. |
| State Restrictions | State specific regulations supersedes guidelines stated herein  
- Texas 50(a)(b)  
  - Subordinate financing is not allowed on a Texas(a) 6 loan  
  - Maximum acreage cap at 10  
  - Only Investment transaction allowed for cash out. |
**Topics**

- Designed for credit worthy self-employed borrowers (Primary borrower must be self-employed; may have W2 co-borrower.
- Loans with Debt to Income ratios of less than 43% require no Residual Income.
- IRS from 4506T required for W2 borrower(s)
- 1099 borrower must provide business license or provide CPA/Tax Preparer letter
- Self-employed is defined as sole proprietorship, Schedule C, (actual owner of company). For 1065, 1120S, and 1120 borrower needs to own 25% or more of the company.

**Self-Employed Alternative Documents Guidelines**

<table>
<thead>
<tr>
<th>Option 1</th>
<th>(12 months personal or business bank statements + Borrower Self-Prepared P&amp;L) – borrower must own at least 25% of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 months of personal or business bank statements to determine income derived from business (income as noted on 1003).</td>
<td></td>
</tr>
<tr>
<td>Verification via CPA / Tax Preparer or business license to verify 2 years history of self-employment in the same business.</td>
<td></td>
</tr>
<tr>
<td>CPA / Tax Preparer’s attestation of borrower’s % of ownership is required.</td>
<td></td>
</tr>
<tr>
<td>Provide Self-Prepared P&amp;L covering same date as bank statements use for income calculations</td>
<td></td>
</tr>
<tr>
<td>Maximum DTI 50% with residual income</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 2</th>
<th>(12 months business or co-mingled bank statements + Borrower Expense Letter) – borrower must own at least 25% of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 months of business or co-mingled bank statements to determine income derived from business (income as noted on 1003).</td>
<td></td>
</tr>
<tr>
<td>Borrower to provide Expense Statement Letter:</td>
<td></td>
</tr>
<tr>
<td>Default Expense Percentage is 50% of the total deposits.</td>
<td></td>
</tr>
<tr>
<td>If borrower expense ratio is higher than 50%, that expense ratio will be used.</td>
<td></td>
</tr>
<tr>
<td>Verification via CPA / Tax Preparer or business license to verify 2 years history of self-employment in the same business.</td>
<td></td>
</tr>
<tr>
<td>CPA / Tax Preparer’s attestation of borrower’s % of ownership is required.</td>
<td></td>
</tr>
<tr>
<td>Maximum DTI 50% with residual income</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 3</th>
<th>(1 year CPA prepared P&amp;L) – borrower must owned at least 50% of the business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from P&amp;L is used for base income on 1003.</td>
<td></td>
</tr>
<tr>
<td>Most recent 12 month P&amp;L. P&amp;L end date must be less than 90 days old at closing</td>
<td></td>
</tr>
<tr>
<td>Both borrower and CPA must sign the P&amp;L</td>
<td></td>
</tr>
<tr>
<td>The CPA preparing the P&amp;L must filed the borrower’s most recent business tax returns</td>
<td></td>
</tr>
<tr>
<td>CPA must provide attestation they prepared borrower’s tax returns and that they are not related or associated with the borrower or borrower’s business.</td>
<td></td>
</tr>
<tr>
<td>The CPA must attest that they have performed the following functions:</td>
<td></td>
</tr>
<tr>
<td>Audited business financial statements, OR</td>
<td></td>
</tr>
<tr>
<td>Reviewed working papers provided by the borrower. The CPA must also attest that, based on this review, they certify that the P&amp;L represents an accurate summary of the business cash flow and applicable cash expenses.</td>
<td></td>
</tr>
<tr>
<td>Self-Employed borrowers who filed their own taxes are not eligible</td>
<td></td>
</tr>
</tbody>
</table>

*Option 3 continued on next page*
Venice Non-Agency

- Minimum of 2 years self-employed in the current profession
  - Validation of a minimum of 2 years existence of the business from one of the following: Business license, Letter from Tax Preparer, Secretary of State Filing or equivalent
- Borrower narrative on nature of business is required
- Internet search of the business is required

For Qualification on bank statements for following applies:
- Assets used for income calculation **may not** be used for down payment, closing costs, or reserve. **NOTE:** The asset that is not used on the bank statements for income calculation maybe use for down payment, closing costs, or reserve. For example, bank statements total is $50,000 but only $20,000 is used for income qualification, $30,000 can be used toward down payment, closing costs, or reserve
- Up to 3 bank statements allowed from different accounts. Each banking account provided needs to have 12 consecutive bank statements.
- Non-sufficient funds (NSF) or negative balances reflected on the bank statement must be considered. Overdraft protection (Fees) associated with a pre-arranged link to a savings account or line of credit must also be considered unless one of the following conditions exist.
  - **Overdraft protection from a depository account:** Occurrences may be excluded if statements for the linked account confirm that (a) the linked account balance at the time of the transfer exceeded the amount of the overdraft transfer, (b) the linked account’s balance did not report as zero or negative at any point during the statement period of the transfer, and (c) the linked account did not itself receive overdraft protection proceeds during the statement period of the transfer.
  - **Overdraft protection from a line of credit:** Occurrences may be excluded if statements for the linked account confirm that (a) the line’s credit limit was not exceeded during the statement period of the transfer and (b) a payment amount which equals or exceeds the sum of all overdraft protection occurrences analyzed in the statement period is made within 30 days after the statement close date.

**NOTE:** Lender will re-verify all bank statements.

Qualification based on DU Findings for Full Doc and 12 Months Alt Doc Qualification

The following applies on loans following FNMA DU Findings:
- DU must be “Approve/Eligible” or “Approve/Ineligible”
- Max DTI 45%
- Minimum 3 months of reserves regardless of DU findings
- Minimum Fico Score 680
- Allowed on Full Doc and 12 months Alternative Qualifications
**Asset Depletion Guidelines**

**General Guidelines**

Allowed to be use with full doc qualification, maximum LTC/CLTV follows Full Doc matrix.

**Asset Utilization Income Documentation**

- All individuals listed on the asset account(s) must be on the Note and Mortgage;
- Assets considered for this program must be verified with most recent 3 months of account statements or a VOD.
- Minimum Eligible Assets required: the lower of $1,000,000 or 150% of the loan balance.
- Assets must be seasoned 120 days;
- Income other than Asset Utilization must be documented in accordance with full doc qualification including tax returns and 4506-T.

**Assets Eligible For Depletion**

Assets must be liquid and available with no penalty; additional documentation may be requested to validate the origin of assets:

**Eligible:**

- 100% of Marketable securities (i.e. CD’s, money market accounts);
- 100% of Checking and Savings;
- 70% of Stocks, Bonds, and Mutual Funds;
- 60% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59 ½).

**Ineligible:**

- Equity in real estate;
- Privately traded or restricted / non-vested stocks;
- Retirement assets: ineligible if the borrower is not of retirement age (at least 59 ½);
- Any asset which produces income already included in the income calculation.
- Unvested funds such as restricted stock

Annuitization (asset depletion) is subject to the following calculation:

- Eligible asset amount to be amortized over the life of the loan (i.e. 360 months for 30 year mortgage)

**Example Calculation of Asset Depletion**

<table>
<thead>
<tr>
<th></th>
<th>Stocks and Mutual Funds</th>
<th>$500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Minus funds required for closing (down payment, closing costs, reserves)</td>
<td>($100,000)</td>
</tr>
<tr>
<td>3</td>
<td><strong>Total eligible documented assets</strong></td>
<td>$400,000</td>
</tr>
<tr>
<td>4</td>
<td>Minus 30% of $400,000 from line 3</td>
<td>($120,000)</td>
</tr>
<tr>
<td>5</td>
<td><strong>Net documented Assets</strong></td>
<td>$280,000</td>
</tr>
<tr>
<td>6</td>
<td>Monthly income calculation ($280,000/360 (or application term of loan in months))</td>
<td>$777.78 per month</td>
</tr>
</tbody>
</table>

**Remarks:**

- Secondary financing not allowed
- Assets used for income calculation may not be used for down payment, closing costs, or reserve.
<table>
<thead>
<tr>
<th>DSCR Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>• First Time home Buyer not allowed</td>
</tr>
<tr>
<td>• <strong>First Time Investor</strong>: First Time Investors must have owned a residence (primary or rental) for a minimum of the most recent 12 months.</td>
</tr>
<tr>
<td>• DSCR cannot go below &lt; .750</td>
</tr>
<tr>
<td>• DSCR cannot go below &lt; 1.15 for loan amount &lt; $150K</td>
</tr>
<tr>
<td>• Cash-out needs to be for business purpose.</td>
</tr>
<tr>
<td>• For Foreign Borrower, refer to Foreign National Guidelines for borrower eligibility, credit, housing, and assets requirements.</td>
</tr>
<tr>
<td>• No 4506T</td>
</tr>
<tr>
<td>• Initial 1003 to provide employment (if applicable) no further verification required.</td>
</tr>
<tr>
<td>• Initial 1003 to list all assets and REO’s.</td>
</tr>
<tr>
<td>• Maximum exposure is 4 properties or combined loan amount not to exceed $3 Million for a borrower.</td>
</tr>
</tbody>
</table>

**Lease Requirements:**

- **Unleased Property**: A property where 1 or both of the following exist:
  - More than 50% of the units within the subject property do not have an existing lease;
  - More than 50% of the units within the subject property have an executed lease with less than three months remaining without proof of extension

- **Unleased Property LTV/CLTV Restrictions**
  - Purchase Transaction: Refer to Program matrix
  - Refinance (Rate/Term and Cash Out)
    - Loan Balance <= $1,000,000 – 65%/65
    - Loan Balance > $1,000,000 – 60%/60%

**Documentation Requirements:**

- **Purchase**
  - Form 1007
  - Existing lease agreement(s), if applicable

- **Refinance**
  - Form 1007
  - Existing lease agreement(s)

If subject property leased on a short term basis utilizing an on-line service such as Airbnb; gross monthly rents can be determined by using a 12-month look back period and either 12-monthly statements or an annual statement provided by the on-line service to document receipt of rental income. If documentation can’t be provided covering a 12-month period, property will be considered unleased.
Venice Non-Agency

Qualified at note rate fully amortized.

How to calculate DSCR:

Gross Income is the lower of gross rents indicated on the lease agreement(s) and Form 1007. If the lease(s) agreement reflects higher rents then the 1007, the lease(s) amount may be used for gross rents if two months’ proof of receipt is verified. For a purchase transactions without an existing lease and Unleased Property refinance transactions the gross rents indicated on the 1007 may be used without the lease agreement(s).

Debt Service Coverage Ratio is the Monthly Gross Income divided by the PITIA of the subject property.

See the Eligibility matrix for required Debt Service Coverage Ratios:

**EXAMPLE: Debt Service Coverage Ratio**

Single Family Purchase Money Transaction

Monthly PITIA = $650
Estimated Monthly Market Rent (Form 1007) = $850
Existing Lease Monthly Rent = Not Available

Gross Market Rent = $850 *(Estimated Monthly Market Rent when a lease is not available for a purchase transaction)*

Gross Income = $850
÷ PITIA = $650

DSCR = 1.30

Sole Proprietor Assets / Business Funds on DSCR qualifications:

• Business funds may be used for down payment and/or closing costs, and reserve.

• If business funds are used, a letter from an accountant dated within 90 days of closing is required. This letter must include the following statements and comments:
  o The borrower has access to the funds.
  o Funds are not a loan. The borrower must be the sole proprietor or 100% owner of the business.
  o Accountant is not related to the borrower or an interested party to the transaction.
  o Withdrawal of funds will not have a negative impact on the business.
<table>
<thead>
<tr>
<th>Topics</th>
<th>General Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreign National Guidelines</strong></td>
<td>Foreign National Borrower is classified as borrower who earns income and resides outside of the US. If borrower earns income in the US or filed US tax returns then the borrower does not qualify. The exception is only allowed if the borrower filed US tax returns for rental income only.</td>
</tr>
</tbody>
</table>
| **Property Type**   | • SFR, PUD, Condo and Non-Warrantable Condo excludes Florida *(NOTE: There is a 5% reduction in LTV for non-warrantable condo)*  
• Condominiums – Follow Fannie Mae warrantable guidelines                                                                                           |
| **Housing History** | • Provide 12 months rating for rent or mortgage in country of origin. Rent free not allowed (*Primary residence property that is owned free/clear count towards housing history) |
| **Employment**      | • Income qualification - Disclosure of income and employment are required on 1003.  
• DSCR qualification – List employment no further verification is required.                                                                                    |
| **Income**          | (applies to all transactions types) – excludes DSCR qualifications  
• Tax Returns not required, no 4506T  
• For self-employed borrower, P&L statement prepared by third party for the most recent 12 months. The P&L can be prepared by the CPA/CFO/Controller. In addition, business license for the past 2 years OR a CPA/CFO/Controller letter verifying the borrower has been self-employed for the past 2 years.  
• Salaried borrower: written employment verification letter from employer verifying borrower’s position, years worked and salary. Letter should also include YTD and prior two (2) year’s earnings. Borrower must show at minimum 2 years of employment history. Employment verification must be on company letterhead and must show the name, address, and phone number of the company and contact information of the person verifying the information.  
• Translated & Notarized (if applicable)  
• Transcripts not required  
• MAX DTI 43% ** Residual Income does not apply **                                                                                                       |
| **Ineligible Transactions** | • Non-ARMS Length not allowed  
• Gift of Equity not allowed  
• At-Interest Transactions (An at-interest transaction involves persons who are not closely tied or related, but may have a greater vested interest in the transaction, such as a party who plays more than one role in the same transaction. Acceptable examples of at-interest transactions include builder also acting as realtor/broker, dual real estate agent (selling/listing) agent, realtor/broker selling own property. Unacceptable examples of at-interest transactions include realtor/broker acting as listing/selling agent as well as the mortgage loan originator, seller acting as the mortgage loan originator, borrower’s family member acting as the mortgage loan originator and real estate broker at the same time. Transaction includes unacceptable at-interest characteristics are not permitted.) |
Loan Amount

- Minimum: $125,000 / Maximum: $2,500,000

Borrower Eligibility

- For Canadian and Mexico Resident, only a copy of the passport and a second form of government issued ID.
- For all other all borrowers residing in other countries that are not on OFAC sanction, one of the following applies:
  - Copy of passport, and valid VISA (B-1, B-2, or EB-5)
  - Copy of passport and Evidence of Approval required for borrowers on VISA Waiver Program
  - Copy of passport with conditional green cards or permanent green card but reside in the another country.

- Provide Social Security Number if applicable. ITIN is not required.
- All borrowers must complete IRS form W-8BEN prior to closing.

Credit History

- **Revolving / installments**
  - no more than 2x30x12 in last 12 months

- Foreign National Borrowers without Qualifying U.S. Credit (including borrowers without a valid Social Security Number and borrowers with or without an Individual Tax Identification Number) must provide evidence of two (2) open tradelines with a two year history. ANY combination of the following is acceptable to arrive at the tradeline requirement:
  - Tradelines evidenced via a U.S. credit report; AND/OR
  - Tradelines evidenced via international credit report if a U.S. credit report cannot be produced or does not provide a sufficient number of tradelines; AND/OR
  - Tradelines evidenced via reference letters from borrower’s country of origin if a U.S. credit report and/or international credit report is not available or the combination of the credit reports does not provide a sufficient number of tradelines.
    - A minimum of 1 reference letter must be from a banking financial institution from the borrower country of origin.
    - Each letter of reference should provide 2 years history and the account should be in good standing.

- All documents in a Foreign language must be translated by a third party translator

All documents in a Foreign language must be translated to English by a third party translator.

Asset

- Checking, Savings, Time Deposit, Money Market: Must be verified by 2 months bank statements
- Establish a US bank account prior to closing for reserves only
### Funds
- Foreign Assets for reserve requirements must be transferred to a U.S. institutional account prior to closing.
- Funds for down payment and closing can be wired directly to escrow/title prior to closing.
- Gift funds can be wired directly into closing/escrow/title/builder (for new built properties). Refer to Fannie Mae guideline for use of gift funds.

### Reserves
- 6 months reserves PITIA

### Gifts
- Allowed after 10% from own funds for second home and investment property. Refer to Fannie Mae guideline for gift donor requirements.

### Interested Party Contributions
- 5%

### Power of Attorney
- Closing in POA is allowed on purchase and refinance R&T transaction.
- If using POA, the initial 1003 needs to have wet signature.

### Seasoning
- Rate/Term and Cash Out seasoning is 6 months
- For cash out with less than 12 months of seasoning, the lesser of the purchase price or current market value will be used.

### Cash-out Max $1,000,000
**Delayed Financing Requirements - Not Allowed**

### Maximum Financed Properties
- Maximum of 8 financed properties and up to 18 total properties owned.
- The total indebtedness to a single entity may not exceed $2.5 Million and maximum 4 properties.
- All simultaneous transactions must be identified and submitted concurrently

### Continuity of Obligation
- The borrower must be the existing lien holder for refinance transaction

### Appraisals
- All appraisals must be completed by a state-certified appraisal
- Form 1004 (1 unit)
- For investment transactions, 1007/rental survey is required.
Prepayment Penalty
- Not available for income qualification.
- 1 or 4 year prepay required for DSCR qualification.

Escrow/Impounds are required.

Automatic Debit Payment Agreement (ACH)
- An executed Automatic Debit Payment Agreement (ACH Form) from a U.S. Bank, including either the bank routing number, account number, and account type or a voided check is required for transactions involving a Foreign National.

Below are current list of countries that are on OFAC sanctions list. JMAC does not lend on countries that are listed on the OFAC sanctions so please check against the OFAC sanction website to get the most current list.

https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx

BALKANS, BELARUS, BURUNDI, CENTRAL AFRICAN REPUBLIC, CUBA, DEMOCRATIC REPUBLIC OF CONGO, IRAN, IRAQ, LEBANON, LIBERIA, LIBYA, NORTH KOREA, SOMALIA, SUDAN, SYRIA, UKRAINE, RUSSIA, VENEZUELA, YEMEN, ZIMBABWE

NOTE: For borrowers living in the countries listed under OFAC sanctions, lender can lend to borrower who does not work for the government of the listed countries and does not appear on the OFAC List as an individual or their business entity if self-employed.
<table>
<thead>
<tr>
<th>Topics</th>
<th>General Guidelines</th>
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<tr>
<td>Non-Warrantable Condo Guidelines</td>
<td>For Maximum LTV/CLTV, refer to program matrix for each program qualifications.</td>
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<td>Investor Concentration</td>
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<tr>
<td>Subject Property:</td>
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<tr>
<td>Non-Owner Occupied</td>
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<tr>
<td>• Established Projects: &lt;= 65% of total units can be Non-Owner Occupied</td>
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<tr>
<td>• New Projects (Presale): &lt;= 50% of total units sold or under bona fide contract and be Non-Owner Occupied</td>
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<tr>
<td>Minimum # units sold or under contract (New Projects): At least 50% of units in the project must be under bona fide contract. At least 25% sold.</td>
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<tr>
<td>Non-Warrantable condominium projects require a Lender Full Review; Limited Reviews are not permitted. Minimum documentation required:</td>
<td></td>
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<tr>
<td>• Form 1073 or Form 1004 (detached condos only), and</td>
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<tr>
<td>• Non-warrantable Certification of Project Eligibility, and</td>
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<td>• HOA Questionnaire, and</td>
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<td>• Project’s Budget (if applicable), and</td>
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<tr>
<td>• Project’s Legal Documents (if applicable), and</td>
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<tr>
<td>• Documentation verifying insurance coverage in accordance with Fannie Mae Guidelines for the:</td>
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<tr>
<td>• Subject Unit, and</td>
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<td>• Project</td>
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<tr>
<td>Restrictions:</td>
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<tr>
<td>• Maximum exposure is limited to 20% of the units in a project.</td>
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<tr>
<td>• Single owner can own up to 20% of the total complex</td>
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<tr>
<td>• For projects with &lt;= 4 units, exposure to no more than one (1) of those units</td>
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<tr>
<td>• Developer may not be in control of the association.</td>
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</tbody>
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