

## N2 FUNDING ALT-A PREMIER & NEAR MISS (INCLUDING ITIN) PROGRAM MATRIX

GENERAL			
<b>Products Available</b>	<b>Alt-A Premier: Fixed Rate:</b> 15-, 20-, 25- and 30-Year <b>Near Miss:</b> 30-Year Term		
<b>Minimum Loan Amount</b>	\$100,000		
<b>Maximum LTV</b>	85%		
<b>Minimum Credit Score</b>	600		
LTV MATRIX			
Alt-A PREMIER		NEAR MISS	
LTV Parameters	Maximum LTV Limits	LTV Parameters	Maximum LTV Limits
\$100,000 - \$647,200	85%	\$100,000 - \$647,200	80%
\$647,201 - \$750,000	80%	\$647,201 - \$750,000 (≥640)	75%
\$750,001 - \$1,250,000	75%	Condo/Townhome/2 <sup>nd</sup> Home	75%
2 <sup>nd</sup> Home*	80%	Investment Property/Multifamily	70%
Condo/Townhome	80%	<b>Near Miss Program</b> - To qualify for 75.01% - 80%: 0x30 Housing History required (6 Months)	
Any Gift Funds	80%		
Cash-Out Refinance**		Cash-Out Refinance ≥640 Credit **	
\$100,000 - \$647,200	75%	\$100,000 - \$647,200	75%
\$647,201 - \$750,000	75%	\$647,201 - \$750,000	70%
\$750,001 - \$1,250,000	70%	** Cash Out Refinance not available in Texas	
<p>*1-Unit only; Only one (1) Second Home allowed; Must be occupied by Borrower for some portion of the year</p> <p>Acceptable Uses for Cash-Out Refinance Transactions:</p> <ul style="list-style-type: none"> <li>Paying off the unpaid principal balance (UPB) of the existing first mortgage</li> <li>Financing the payment of closing costs, points, and prepaid items, unless prohibited by regulation. The Borrower can include real estate taxes in new loan amount.</li> </ul>			

MAXIMUM DEBT-TO-INCOME RATIO (DTI)																				
Characteristics	Parameters																			
<b>Maximum DTI</b>	<ul style="list-style-type: none"> <li>DTIs greater than 43% and up to 55% may be considered with compensating factors</li> <li>85% LTV available (Property condition of C3 or better in CA, CT, IL, NJ &amp; NY)</li> <li>80% LTV for Second Homes/Condo</li> </ul>																			
<b>DTI Caps</b>	<table border="1"> <thead> <tr> <th>Monthly Income</th> <th>No Compensating Factor</th> <th>One Compensating Factor</th> <th>Two Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>&lt;\$2,000</td> <td>43%</td> <td>43%</td> <td>43%</td> </tr> <tr> <td>≥\$2,000 and &lt;\$62,499</td> <td>43%</td> <td>50%</td> <td>55%</td> </tr> <tr> <td>≥\$62,500</td> <td>43%</td> <td>43%</td> <td>43%</td> </tr> </tbody> </table>	Monthly Income	No Compensating Factor	One Compensating Factor	Two Compensating Factors	<\$2,000	43%	43%	43%	≥\$2,000 and <\$62,499	43%	50%	55%	≥\$62,500	43%	43%	43%			
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GENERAL REQUIREMENTS	
Characteristics	Parameters
<b>Ineligible Loans</b>	<ul style="list-style-type: none"> <li>• Section 32 loans</li> <li>• Section 35 loans in which escrow / impound is not established</li> <li>• Cross-collateralization or Blanket loans, covering multiple properties</li> <li>• Bridge loans</li> <li>• Construction loans</li> <li>• ARMs</li> <li>• HELOCs</li> <li>• Balloon loans</li> <li>• Interest Only loans</li> <li>• Mobile to Land loans</li> <li>• Greater than 30-year terms</li> </ul>
<b>Credit History</b>	No Bankruptcy, Foreclosure, or Short Sale within 4 years
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• Alt-A Premier: Not required on purchase money mortgages</li> <li>• Near Miss: <ul style="list-style-type: none"> <li>- 01 – 80% LTV: 0x30 for 6 Months</li> <li>- VOR or Canceled Check</li> </ul> </li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>• C4 or better condition of property required*</li> <li>• Rural properties considered on a case-by-case basis</li> <li>• No purchase of REOs</li> <li>• No property flips in past six (6) months</li> <li>• *C3 or better required in CA, CT, IL, NJ or NY</li> </ul>
<b>Reserves</b>	LTV 80.01% - 85% - 3 Months Reserves required

<b>GENERAL REQUIREMENTS (Continued)</b>							
<b>Characteristics</b>	<b>Parameters</b>						
<b>Trade Lines (Active or Closed)</b>	<p>Primary Borrower must meet the following requirements:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #1a3d54; color: white; text-align: center;">LTV</th> <th style="background-color: #1a3d54; color: white; text-align: center;">Requirements</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">80.01% - 85%</td> <td> <ul style="list-style-type: none"> <li>Requires five (5) tradelines</li> <li>Minimum 12-month history</li> <li>At least one (1) trade line must have 24-month or greater history</li> <li>At least one (1) trade line must have a minimum credit limit of \$3,000</li> <li>At least one (1) trade lines can be housing history, if not reporting to credit</li> <li>Authorized user accounts do not qualify</li> </ul> </td> </tr> <tr> <td style="text-align: center;">Up to 80%</td> <td> <ul style="list-style-type: none"> <li>Requires three (3) tradelines with minimum 12-month history, OR</li> <li>Two (2) tradelines with a minimum 18-month history</li> <li>Authorized user accounts do not qualify</li> </ul> </td> </tr> </tbody> </table>	LTV	Requirements	80.01% - 85%	<ul style="list-style-type: none"> <li>Requires five (5) tradelines</li> <li>Minimum 12-month history</li> <li>At least one (1) trade line must have 24-month or greater history</li> <li>At least one (1) trade line must have a minimum credit limit of \$3,000</li> <li>At least one (1) trade lines can be housing history, if not reporting to credit</li> <li>Authorized user accounts do not qualify</li> </ul>	Up to 80%	<ul style="list-style-type: none"> <li>Requires three (3) tradelines with minimum 12-month history, OR</li> <li>Two (2) tradelines with a minimum 18-month history</li> <li>Authorized user accounts do not qualify</li> </ul>
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<b>INCOME</b>							
<b>Characteristics</b>	<b>Parameters</b>						
<b>Income History</b>	12-Month income documentation (Business or Personal)						
<b>Unacceptable Sources of Income</b>	<ul style="list-style-type: none"> <li>Unemployment Income (if not documented with a minimum 2-year history of receiving)</li> <li>Stock Options</li> <li>Gambling winnings (except lottery payments continuing for a minimum of 3 years)</li> <li>Educational benefits (such as, grants and scholarships)</li> <li>Federal, State or Local tax refunds</li> <li>Any income that is not legal (such as, income from foreign shell banks, medical marijuana dispensaries)</li> <li>Expense account reimbursement</li> <li>Mortgage credit certificates</li> <li>Homeownership Subsidies</li> <li>Income received from roommates</li> </ul>						

PROPERTY								
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<b>Maximum Number of Properties</b>	<table border="1"> <thead> <tr> <th>Property Type</th> <th>Limitation</th> </tr> </thead> <tbody> <tr> <td>Principal Residence</td> <td rowspan="2">No limitation on the number of other financed properties with outstanding balances</td> </tr> <tr> <td>Second Home</td> </tr> <tr> <td>Investment Property</td> <td> <ul style="list-style-type: none"> <li>Borrower(s) may own no more than Eight (8) financed properties including the subject property.</li> <li>The Borrower may own additional real estate if it is owned free and clear</li> </ul> </td> </tr> </tbody> </table>	Property Type	Limitation	Principal Residence	No limitation on the number of other financed properties with outstanding balances	Second Home	Investment Property	<ul style="list-style-type: none"> <li>Borrower(s) may own no more than Eight (8) financed properties including the subject property.</li> <li>The Borrower may own additional real estate if it is owned free and clear</li> </ul>
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<b>Eligible Property Types (Alt-A Premier)</b>	<ul style="list-style-type: none"> <li>One-unit Attached/Detached SFRs</li> <li>One-unit Attached/Detached PUDs</li> <li>Low/Mid/High-Rise Condos and Site Condos (High Rises over 5 stories requires prior approval)</li> <li>Warrantable and Non-warrantable condos</li> <li>2-4 Unit Properties</li> <li>Mobile and manufactured one-unit housing (if not affixed, applications must include front and back of certificate of title); ALTA 7 endorsement to title is required</li> <li>Doublewide Mobile Homes</li> <li>Properties located adjacent to environmental hazards may be considered case by case</li> <li>Residential properties zoned commercial, must be grandfathered to rebuild residential and may be considered case by case</li> <li>Unique or unusual property types (i.e. berms, geodesic domes, homes off the grid) will be considered on a case by case basis</li> <li>Properties with accessory units are considered on a case-by-case basis.</li> <li>Multiple dwellings on a single lot will be considered on a case-by-case basis. A maximum of three (3) dwellings per property will be considered.</li> <li>Properties with agricultural use or zoning are permitted.</li> </ul>							

**PROPERTY** *(Continued)*

Characteristics	Parameters
<b>Eligible Property Types (Near Miss)</b>	<ul style="list-style-type: none"> <li>• Single-Family Owner-Occupied</li> <li>• 1-4 Units</li> <li>• Second Home</li> <li>• Most other property types will be considered</li> </ul> <ul style="list-style-type: none"> <li>• Mobile Home/Manufactured Home</li> <li>• Non-Warrantable Condos</li> <li>• Excluding Commercial and Agricultural Properties</li> </ul>
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Cooperatives</li> <li>• Timeshare</li> <li>• Commercial Enterprises (i.e. Bread and Breakfast, Boarding House, Hotel)</li> <li>• Properties containing environmental hazards</li> <li>• Properties with insufficient Flood Insurance – Borrower supplemented is not permitted</li> <li>• Leasehold properties</li> <li>• Vacant Land</li> <li>• Singlewide Mobile/Manufactured Home</li> </ul>

**MISCELLANEOUS**

Characteristics	Parameters
<b>Gift Funds</b>	100% gift funds allowed up to 80% LTV
<b>Gift of Equity</b>	Up to 100% gift of equity for down payment permitted for Primary Residences and Second Homes
<b>Eligible Occupancy Types</b>	<ul style="list-style-type: none"> <li>• Primary Residence: 1-4 Unit properties</li> <li>• Second Home: 1-Unit Only (No rental (Airbnb) or time share arrangement income can be used to qualify</li> <li>• Investment or Non-Owner-Occupied: 1-4 Units</li> </ul>