

**Expanded Document**

Maximum LTV/CLTVs		Bank Statements, Asset Utilization, 1099, WVOE, P&L Only- Primary Residence				
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance		
720+	<=1,500,000	90	85	80		
	1,500,001 – 2,000,000	85	80	80		
	2,000,001 – 2,500,000	80	75	75		
	2,500,001 – 3,000,000	75	70	70		
	3,000,001 – 3,500,000	70	70	NA		
700+	3,500,001 – 4,000,000	70	65	NA		
	<=1,500,000	90	85	80		
	1,500,001 – 2,000,000	85	80	80		
	2,000,001 – 2,500,000	80	75	65		
	2,500,001 – 3,000,000	75	70	65		
680 - 699	3,000,001 – 3,500,000	70	65	NA		
	<=1,000,000	90	85	75		
	1,000,001 – 1,500,000	85	80	75		
	1,500,001 – 2,000,000	80	75	70		
	2,000,001 – 2,500,000	75	70	65		
660 - 679	2,500,001 – 3,000,000	70	65	65		
	<=1,000,000	80	80	75		
	1,000,001 – 1,500,000	80	75	75		
	1,500,001 – 2,000,000	75	70	65		
	2,000,001 – 2,500,000	70	65	65		
640 - 659	<=1,000,000	80	75	70		
	1,000,001 – 1,500,000	70	NA	NA		
	1,500,001 – 2,000,000	65	NA	NA		
<b>Housing History Restrictions</b>					<b>Occupancy Restrictions – Second Home, Investment &amp; First Time Investor (5% Reduction)</b>	
<b>Housing History:</b>	<b>0x30x12</b>	<b>1x30x12</b>	<b>0x60x12</b>	<b>0x90x12</b>	Max LTV/CLTV: Purchase	85*
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV: R/T	80
Max LTV/CLTV: Refin	85	80	75	NA	Max LTV/CLTV: C/O	75
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Max Loan Amt:	\$2,500,000
<b>Housing Event Seasoning Restrictions – Forbearance, Mod or Deferral – refer to the guideline</b>					<b>Condotels or Non-Warrantable Restrictions</b>	
<b>BK/FC/SS/DIL/Mod:</b>	<b>&gt;=48 Mo</b>	<b>&gt;=36 Mo</b>	<b>&gt;=24 Mo</b>	<b>&gt;=12 Mo</b>	Max LTV/CLTV -Purchase:	75
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV R/T:	75
Max LTV/CLTV: Refin	85	80	75	NA	Max LTVCLTV – Cash-out:	70
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Occupancy Type:	OO/2 <sup>nd</sup> Home/NOO
<b>State Restrictions</b>						
<b>12 Mo Bank Statement, 1 Year 1099, WVOE</b>						
NJ: Max LTV/CLTV: Purchase or Rate/Term 85%, Cash-out 80%	LLPA applies – see rate sheet					
<b>Declining Market Restrictions</b>						
Maximum LTV/CLTV is limited to 5% LTV reduction for purchases and all refinances if the appraisal report identifies the property as a declining market. When the LTV/CLTV is < 65% and the appraisal is in a declining market, no reduction is required.						
<b>General Requirements</b>						
<b>Product Type</b>	40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)					
<b>Interest Only</b>	• Min Credit Score: 660		• Max LTV 85%			
<b>Loan Amounts</b>	• Min: 150,000		• Max: 4,000,000			
<b>Loan Purpose</b>	Purchase, Rate/Term, and Cash Out					
<b>Occupancy</b>	Primary, Second Home, Investment					
<b>Property Type</b>	Single Family, Attached, Detached: No restrictions. 2-4 Units, Condominium: Max LTV/CLTV 85% (Purchase); Max LTV/CLTV 80% (R/T or Cash out) Rural and AG Zoned – Not eligible (no exceptions) Condotels or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase or R/T) –70% (Cash-out) -- Max Loan Amount: \$1.5MM <b>Florida Condominiums:</b> A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible.					
<b>Acreage</b>	Property up to 10-acres, not meeting the rural definition, eligible, 5+ acres limited to a max LTV/CLTV 80%					
<b>Cash-In-Hand</b>	• LTV <= 65% - Cash-In-Hand: Unlimited • LTV > 65% - 70% - Cash-in-Hand: \$1.5MM • LTV > 70% - Max – Cash-in-Hand: \$1MM					
<b>Appraisals</b>	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained. 2 <sup>nd</sup> Appraisal required for loans > \$2,000,000.					

Expanded Document, continued

Income and Program Requirements			
Income	<ul style="list-style-type: none"> <li>• <b>Personal Bank Statements:</b> <ul style="list-style-type: none"> <li>○ 24 or 12-months of Personal and 2-months of business bank statements.</li> <li>○ Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements.</li> <li>○ Transfers between personal accounts must be excluded.</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>• <b>Business Bank Statements:</b> 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> <li>○ Fixed Expense Ratio (50%).</li> <li>○ Expense ratio provided by a 3rd party (CPA/EA/CTEC) min ratio of 10%</li> <li>○ 3rd party prepared Profit &amp; Loss Statement (CPA or EA)</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>• <b>Profit &amp; Loss Statement Only</b> <ul style="list-style-type: none"> <li>○ 24- or 12-months CPA, EA, CTEC or Tax Attorney prepared Profit &amp; Loss Statement Only. <b>Must attest they have completed or filed the borrower's most recent business tax return.</b></li> <li>○ PTIN tax preparers are not allowed.</li> <li>○ P&amp;L end date must be less than 90 days old at closing.</li> <li>○ CPA must be licensed and verified.</li> <li>○ CPA must attest they have prepared the borrower's most recent tax return.</li> <li>○ Self-employed borrowers who file their own tax returns are not eligible.</li> <li>○ LTV/CLTV 80% (Purchase), 75% (R/T) and 70% (Cash-Out).</li> <li>○ Max Loan Amount \$2.5 MM</li> <li>○ Minimum FICO 680</li> </ul> </li> </ul> <p>Expenses on the P&amp;L must be reasonable for the industry, BFF reserves the right to request additional information.</p>		
	<ul style="list-style-type: none"> <li>• <b>Written Verification of Employment Only (wages/salary)</b> <ul style="list-style-type: none"> <li>○ Max LTV 80% Purchase/R/T Refinance, Max LTV 75% Cash-Out, Max Loan Amount \$1.5MM</li> <li>○ Max LTV 70% Purchase/T/T Refinance, Max LTV 65% Cash-Out, Loan Amount &gt;\$1.5MM - \$3.0MM</li> <li>○ Complete Fannie Mae® Form 1005 and it must be completed by Human Resource, Payroll Department or Officer of the Company.</li> <li>○ Employment documentation provided by a 3<sup>rd</sup> party – (The Work Number®).</li> <li>○ An internet search of the company is required to support the existence of the company.</li> <li>○ Two years' history with the same employer is required.</li> <li>○ Employed by family members or a Relative/Friend are not eligible.</li> <li>○ Two (2) Month personal bank statement required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE.</li> <li>○ First-Time Home Buyer maximum LTV 70%, no gift funds allowed.</li> <li>○ Minimum FICO 680</li> <li>○ 24-month 0x30 housing history required.</li> <li>○ Primary residence only.</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>• <b>Asset Utilization – Minimum FICO 680 - Non-Occupant co-borrower not allowed.</b> <ul style="list-style-type: none"> <li>○ Eligible assets divided by 60 to determine a monthly income.</li> <li>○ Gift funds not eligible</li> <li>○ Crypto, Non-vested or restricted stock are not eligible liquid assets.</li> <li>○ Max LTV 80% Purchase/R/T Refinance, Max LTV 75% Cash-Out, Max Loan Amount \$1.5MM</li> <li>○ Max LTV 70% Purchase/T/T Refinance, Max LTV 65% Cash-Out, Loan Amount &gt;\$1.5MM - \$3.0MM</li> <li>○ Max 50% DTI</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>• <b>IRS Form 1099</b> <ul style="list-style-type: none"> <li>○ 2-Years or 1-Year of 1099s</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>○ Fixed Expense Ratio of 10%</li> </ul>
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> <li>• Use the credit score of the borrower with the highest qualifying income.</li> <li>• Middle of 3 scores or lower of 2.</li> </ul>	DTI Requirements	<ul style="list-style-type: none"> <li>• Standard Max 50%</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Min of 30-days asset verification required; any large deposit must be sourced.</li> <li>• Crypto Currency – Bitcoin and Ethereum are eligible sources of funds for the down payment, closing costs and reserves. Cryptos are not eligible liquid assets for asset utilization/depletion. Refer to guidelines for more information.</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>• 6 months of PITIA if LTV &lt;= 85%</li> <li>• 12 months of PITIA if LTV &gt; 85%</li> <li>• 12 months of PITIA if loan amount &gt;\$1.5M</li> <li>• Cash out may be used to satisfy requirement</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>• Owner-Occupied: 100% of gift funds are allowed with a maximum LTV/CLTV of 80%. LTV &gt; 80% - Min Contributions: 5%.</li> <li>• 2<sup>nd</sup> Home or Investment: Min Contributions: 10%</li> <li>• Gift funds may not be used to meet reserves requirements.</li> </ul>	Document Age	<ul style="list-style-type: none"> <li>• 120-days – Credit Report</li> <li>• 90-days - Assets</li> </ul>
Tradelines	<ul style="list-style-type: none"> <li>• The minimum tradeline is <u>not</u> required if the primary borrower has three (3) credit scores OR</li> <li>• Minimum 2 tradelines reporting 24-months with activity in last 12 months OR</li> <li>• Minimum 3 tradelines reporting 12-months w/recent activity.</li> </ul>	Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> <li>• Prepayment periods up to 5-Years eligible, see rate sheet.</li> <li>• Penalties not allowed in NM.</li> <li>• Penalties not allowed on loans vested to individuals in NJ</li> </ul>