

TOPIC	JUMBO LOAN PROGRAMS MATRIX																																																												
BASIC GUIDELINES	This matrix applies to Jumbo guidelines. Information in this matrix is subject to change without notice.																																																												
Eligible Products/Terms	Jumbo 30 Year Fixed, 30- Year IO, 5/6 and 7/6 SOFR ARMs.																																																												
Credit Score, Loan Amount and Max LTV/CLTVs Eligibility	<u>Owner-Occupied:</u> <table><tr><th>Loan Amount</th><th>FICO</th><th>Max LTV/CLTV - Purchase</th><th>Max LTV/CLTV - Rate & Term</th><th>Max LTV/CLTV - Cash-Out</th></tr><tr><td rowspan="2">\$813,626 - \$1.5MM</td><td>720+</td><td>85</td><td>85</td><td>80</td></tr><tr><td>700+</td><td>85</td><td>85</td><td>80</td></tr><tr><td rowspan="2">>\$1.5MM - \$2MM</td><td>720+</td><td>80</td><td>80</td><td>75</td></tr><tr><td>700+</td><td>80</td><td>80</td><td>75</td></tr><tr><td rowspan="2">>\$2MM - \$2.5MM</td><td>720+</td><td>80</td><td>80</td><td>70</td></tr><tr><td>700+</td><td>75</td><td>75</td><td>65</td></tr><tr><td rowspan="2">>\$2.5MM - \$3MM</td><td>720+</td><td>75</td><td>75</td><td>65</td></tr><tr><td>700+</td><td>70</td><td>70</td><td>65</td></tr><tr><td rowspan="2">>\$3MM - \$3.5MM</td><td>720+</td><td>75</td><td>75</td><td>65</td></tr><tr><td>700+</td><td>70</td><td>70</td><td>60</td></tr></table> <u>Second Homes:</u> <table><tr><th>Loan Amount</th><th>FICO</th><th>Max LTV/CLTV - Purchase</th><th>Max LTV/CLTV - Rate & Term</th><th>Max LTV/CLTV - Cash-Out</th></tr><tr><td>\$766,551 - \$2.5MM</td><td>720+</td><td>80</td><td>75</td><td>70</td></tr></table>	Loan Amount	FICO	Max LTV/CLTV - Purchase	Max LTV/CLTV - Rate & Term	Max LTV/CLTV - Cash-Out	\$813,626 - \$1.5MM	720+	85	85	80	700+	85	85	80	>\$1.5MM - \$2MM	720+	80	80	75	700+	80	80	75	>\$2MM - \$2.5MM	720+	80	80	70	700+	75	75	65	>\$2.5MM - \$3MM	720+	75	75	65	700+	70	70	65	>\$3MM - \$3.5MM	720+	75	75	65	700+	70	70	60	Loan Amount	FICO	Max LTV/CLTV - Purchase	Max LTV/CLTV - Rate & Term	Max LTV/CLTV - Cash-Out	\$766,551 - \$2.5MM	720+	80	75	70
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Income Documentation Requirements	Follow Fannie Mae used for income documentation and verification requirements.																																																												

Ineligible Product Type	Temporary Buydown not allowed									
Maximum Loan Amount	\$3,500,000									
Minimum Loan Amount	\$1 above the conforming standard loan limit.									
Documentation Requirement	Full Document Only.									
Maximum Cash-Out	The maximum cash back to borrower includes non-mortgage debt to be paid off. Maximum cash out is determined by LTV: <table><tr><th>LTV</th><th>Max Cash Out</th></tr><tr><td>Less than 65%</td><td>\$1,000,000</td></tr><tr><td>Greater than 65%</td><td>\$500,000</td></tr></table>		LTV	Max Cash Out	Less than 65%	\$1,000,000	Greater than 65%	\$500,000		
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Occupancy	- Primary residence - Second Home									
Investment Property	Not Allowed.									
Qualifying Rate	5/6 ARM – Greater of the fully-Indexed rate or Note Rate plus 2% 7/6 ARM – Greater of the fully-indexed rate or Note Rate									
Interest Only Restriction	<table><tr><td>Loan Amount >\$813,625 - \$2.0MM</td><td>Max LTV/CLTV 80%</td></tr><tr><td>Loan Amount > \$2.0MM < \$2.5MM</td><td>Max LTV/CLTV 70%</td></tr><tr><td>Loan Amount =>\$2.5MM</td><td>Max LTV/CLTV 65%</td></tr></table>		Loan Amount >\$813,625 - \$2.0MM	Max LTV/CLTV 80%	Loan Amount > \$2.0MM < \$2.5MM	Max LTV/CLTV 70%	Loan Amount =>\$2.5MM	Max LTV/CLTV 65%		
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Reserves Requirements	<table><tr><th>Loan Amount</th><th>Purchase / R/T Refinance or Cash-Out Refinance</th></tr><tr><td> ≤ \$1.50MM</td><td>6 Months</td></tr><tr><td>> \$1.50MM</td><td>9 Months</td></tr><tr><td>> \$2.0MM</td><td>12 Months</td></tr></table>		Loan Amount	Purchase / R/T Refinance or Cash-Out Refinance	 ≤ \$1.50MM	6 Months	> \$1.50MM	9 Months	> \$2.0MM	12 Months
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Maximum Debt-to-Income (DTI)	- Debt-to-income ratio 50% - LTV/CLTV > 80% and DTI > 45% Residual Income is required.
Residual Income Requirements	Minimum of \$1,500. Total Monthly Income minus (-) Total Monthly Debt Obligations (Expense) = Monthly Residual Income.
Eligible Borrowers	- U.S. Citizens. - Permanent Resident Aliens is an individual who is not a U.S. Citizen but maintain legal, permanent residency in the United States. - All borrowers must have a valid Social Security Numbers. - Borrowers who are a party to a lawsuit are ineligible.
Interested Party Contributions (IPC)	- Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, or their affiliates, or any other party with an interest in the real estate transaction. Interested party contributions may only be used for closing costs and prepaid expenses and may never be applied to any portion of the down payment. <= 75% LTV: Maximum IPC 9% >75% LTV: Maximum IPC 6%
First Home Buyers	Owner-Occupied only.
Payment Shock	- Payment shock is limited to 300% for a FTHB unless the DTI =< 36%. - Payment shock calculation = ((Proposed Housing Payment/Present Housing payment)x100)-100
AUS	- Loans must be underwritten through Fannie Mae Desktop Underwriter (DU). - Fannie Mae Desktop Underwriter (DU) with 'Approve/Ineligible' recommendation for loan amounts above the applicable conforming or High Balance loan Limit for county. Ineligible due to loan amount only.
Tradeline Requirement	The credit report(s) must meet one the following tradeline requirement: - Three (3) tradelines with a minimum 12-month history or - Two (2) tradeline with a minimum 24-month history.
Mortgage/Rent History Requirements	If the borrower(s) has a mortgage or rental history in the most recent twelve (12) months, a VOM or VOR must be obtained reflecting 0x30 in the last twelve (12) or twenty-four (24) months from the date of application. Applies to all borrowers on the loan. Acceptable methods of a Verification are: Electronic Pay History printout directly from Mortgage Lender.

	• 12 to 24 months of bank statements showing timely payment of rent or mortgage. • Credit report reflecting a pay history over the last 12 to 24 months. • Cancelled checks front and back or 12 to 24 months bank statements showing payment withdrawals and a year-end mortgage statement. • If renting from a private party canceled checks are required. • If no VOR is obtained a copy of the lease and 12 to 24 months canceled checks are acceptable. • For private mortgages, provide a VOM together with 12 to 24 months bank statements or canceled checks showing prompt payment of mortgage. Borrower who does not have a complete 12-month housing history are subject to the following restrictions: • Primary residence only • Minimum six (6) months reserves after closing. • 10% minimum borrower contribution • Payment shock is not considered. • VOR/VOM must be obtained for all month's available reflecting paid as agreed. • Properties owned free and clear are considered 0x30 for grading purposes. Borrowers who own their primary residence free and clear for a minimum of 12 months are acceptable. Borrower living rent free with a spouse are acceptable with rent-free letter and evidence of spouse's mortgage.
Derogatory Credit	• Minimum 7-year seasoning on all major derogatory credit events including bankruptcy (7,11,13) multiple bankruptcies, foreclosures, Deed-in-Lieu of Foreclosure, Pre-foreclosure Sale (Short Sale), Mortgage Charge-off. • Loan modifications will require 4-year seasoning from the modification date, min 720 FICO and no additional credit events after modification. • Reduced seasoning due to extenuating circumstances is not permitted.
Unacceptable Income	Unacceptable income sources include, but are not limited to: • Any unverified source • Deferred compensation • Income that is temporary or a one-time occurrence • Rental income received from the borrower's single-family primary residence or second home. • Retained earnings

	• Education benefits • Income from trailing co-borrowers • Stock Options & Restricted Stock Grants • Income derived from virtual currency, such as cryptocurrency, including but not limited to: ○ Income paid to or earned by the borrower in the form of cryptocurrency ○ Assets to establish income continuance such as retirement distributions, trust or dividend/interest income ○ Use in assets as a basis for repayment of obligations ○ Rental payments. When a lease is necessary the payment method on the lease must be reflected in U.S. dollars • Income derived from an activity that is prohibited by federal, state or local law, rules and regulations cannot be considered this applies to both W2 and self-employment, regardless of if reporting income or loss. Income sources may include, but not limited to: ○ Foreign shell banks ○ Medical marijuana dispensaries ○ Any business or activity related to marijuana or CBD (e.g., growing, processing, distribution, etc.,) even if legally permitted under state or local law. ○ Businesses engaged in any type of internet gambling.
Eligible Property Types	• Single Family Dwelling • Multi Family Dwelling • Planned Unit Development (PUDs) • Warrantable Condominium
Ineligible Property Types	• Manufacture Homes • Working Farms • Time-shares • Rural properties • Commercial properties • Vacant lots

	• Log Homes • Mixed Used or Boarding Houses • Assisted Living • Condotels or Non-warrantable Condo • Property Under Construction or Property that is subject to repairs. • Agricultural Properties • Tenancy in Common Properties • Leaseholds • Properties with less than 500 square feet of living space. • No Mortgage loans financing builder inventory is allowed. • Properties with values in excess of the predominant value of the subject’s market area may be ineligible. • Properties encumbered by Property Assessed Clean Energy (PACE) liens (that are not being paid off utilizing the Homestyle Energy program) at time of closing.																												
Declining Markets	Properties with appraisals that show the “Neighborhood – Housing Trends” marked as Declining may be subject to a reduction in LTV/CLTV. The distribution of a Declining market is determined by the Appraiser. Appraisers are required to pull median house price data over the last 12 months and analyze it to determine the market trends for that area and property type. <table><tr><th colspan="4">Declining Markets</th></tr><tr><th colspan="4">Required to be applied for LTVs > 65%</th></tr><tr><th>Property Value</th><th>Demand</th><th>Market Time</th><th>Reduction to LTV</th></tr><tr><td>Declining</td><td>Shortage or In Balance</td><td>Under 3 months</td><td>5%</td></tr><tr><td>Declining</td><td>Shortage</td><td>3 – 6 Months</td><td>5%</td></tr><tr><td>Declining</td><td>In Balance</td><td>3 – 6 Months or Over 6 Months</td><td>10%</td></tr><tr><td>Declining</td><td>Over Supply</td><td>Over 6 months</td><td>10%</td></tr></table>	Declining Markets				Required to be applied for LTVs > 65%				Property Value	Demand	Market Time	Reduction to LTV	Declining	Shortage or In Balance	Under 3 months	5%	Declining	Shortage	3 – 6 Months	5%	Declining	In Balance	3 – 6 Months or Over 6 Months	10%	Declining	Over Supply	Over 6 months	10%
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Appraisal Transfers	Appraisal Transfers are permitted.						
Appraisal Requirements	- Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted. - Collateral Desktop Analysis (CDA) from Clear Capital Appraisal Management or Appraisal Risk Review (ARR) from Pro Teck is required when the CU score is greater than 2.5. <table border="1"> <thead> <tr> <th>Loan Amount</th><th>Appraisal Requirement</th></tr> </thead> <tbody> <tr> <td><= \$2MM</td><td>One Full Appraisal</td></tr> <tr> <td>> \$2MM</td><td>Two Full Appraisals</td></tr> </tbody> </table>	Loan Amount	Appraisal Requirement	<= \$2MM	One Full Appraisal	> \$2MM	Two Full Appraisals
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Condominiums	- A full project review is required. - Fannie Mae Condo Project Manager (CPM) must be used to assist in the full review of the project. - All project documentation needed to demonstrate that the project meets Fannie Mae eligibility requirements, including any documentation relied upon to enter information into CPM must be retained in the loan file. - Condominium projects with a status CPM “unavailable are ineligible. - The CPM certificate must be retained in the loan file. - Florida Condos are allowed in accordance with the underlying Fannie Mae requirements. - Refer to Fannie Mae guidelines for complete guidance on condominium eligibility and project standard requirements. - Projects with pending litigation are ineligible.						
Mortgage Insurance	Mortgage insurance is not required						
Escrow Holdbacks	Not Permitted						
High-Cost Loans	BFF will not allow High-Cost Loans.						
Ability to Repay and Qualified Mortgage Rule	All loans must meet the Ability to Repay and Qualified Mortgage standards set forth in General GM Loan Definition of Reg. Z, effective April 1, 2022, including the Safe Harbor Verification provisions, as codified in the official commentary of Regulation Z, comment 43(e)(2)(v) (B)-3.						

Age of Documents	• All credit documents must be dated within 90 days of the note date. • Preliminary title policies must be no more than 120 days old on the date the note is signed. Texas loans must be within 90 days.
Concentration Limit	• BFF will not approve or close more than ten (10) loans to any one borrower with an aggregate loan amount total of more than \$5,000,000.
Number of Borrowers	• The maximum number of borrowers on a loan transaction cannot exceed four (4)
Number of Financed Properties	• The maximum number of financed residential properties is limited to four (4)
Escrow Waivers	• Escrow for taxes and insurance are required above 80% LTV, (90% in CA), or as required by applicable state law. • Refer to rate sheet for LLPAs if applicable.