

## Near-Prime Matrix

| Maximum Program LTV's    |          |      |   |          |                          |          |   |          |                          |          |
|--------------------------|----------|------|---|----------|--------------------------|----------|---|----------|--------------------------|----------|
| Grade                    |          |      | A+  |          |                          |          | A   |          |                          |          |
| 12-Month Housing History |          |      | 0x30  |          |                          |          | 1x30  |          |                          |          |
| FC Seasoning             |          |      | 48 Months                                   |          |                          |          | 24 Months                                   |          |                          |          |
| SS/DIL Seasoning         |          |      | 48 Months                                   |          |                          |          | 24 Months                                   |          |                          |          |
| BK Seasoning             |          |      | 24 Months                                   |          |                          |          | 24 Months                                   |          |                          |          |
| Minimum Loan Amount      |          |      | \$100,000                                   |          |                          |          | \$100,000                                   |          |                          |          |
| Maximum Loan Amount      |          |      | \$1,000,000                                 |          |                          |          | \$1,000,000                                 |          |                          |          |
| Amortization             |          |      | 5/1, 7/1, 30yr Fixed (IO available on ARMs) |          |                          |          | 5/1, 7/1, 30yr Fixed (IO available on ARMs) |          |                          |          |
| Documentation            |          |      | Full Doc                                    |          | 24 Month Bank Statements |          | Full Doc                                    |          | 24 Month Bank Statements |          |
| Loan Amount              | Reserves | FICO | Purchase and Rate/Term                      | Cash Out | Purchase and Rate/Term   | Cash Out | Purchase and Rate/Term                      | Cash Out | Purchase and Rate/Term   | Cash Out |
| ≤ \$1,000,000            | 6 Months | 720  | 90%   | 85%      | 90%                      | 80%      | 90%   | 85%      | 90%                      | 80%      |
|                          |          | 680  | 90%   | 80%      | 85%                      | 80%      | 90%   | 80%      | 85%                      | 80%      |
|                          |          | 660  | 85%   | 80%      | 85%                      | 80%      | 85%   | 80%      | 85%                      | 80%      |
|                          |          | 640  | -   | -        | -                        | -        | 85%   | 80%      | 80%                      | 80%      |
|                          |          | 620  | -   | -        | -                        | -        | 80%   | 80%      | 80%                      | 80%      |
| \$1,000,000              | 9 Months | 720  | 90%   | 85%      | 85%                      | 75%      | 90%   | 80%      | 85%                      | 75%      |
|                          |          | 680  | 90%   | 80%      | 80%                      | 75%      | 90%   | 80%      | 80%                      | 75%      |
|                          |          | 660  | 85%   | 80%      | 80%                      | 75%      | 85%   | 80%      | 80%                      | 75%      |
|                          |          | 640  | -   | -        | -                        | -        | 80%   | 75%      | 80%                      | 75%      |
|                          |          | 620  | -   | -        | -                        | -        | 80%   | 75%      | 80%                      | 75%      |
|                          |          |      |   |          |                          |          |   |          |                          |          |
|                          |          |      |   |          |                          |          |   |          |                          |          |
|                          |          |      |   |          |                          |          |   |          |                          |          |

| Additional Program Requirements   |             |      |            |
|-----------------------------------|-------------|------|------------|
| Feature                           | LTV         | FICO | Term       |
| Interest Only (5/1 and 7/1 ARM)   | 80% Max     | 660  | 120 Months |
| 12 Month Personal Bank Statements | 80% Max     | 680  | -          |
| 24 Month Business Bank Statements | 85% Max     | 620  | -          |
| Second Homes                      | 80% Max     | 620  | -          |
| Limited Tradelines                | Not Allowed |      |            |

| Property Type Requirements |         |               |         |
|----------------------------|---------|---------------|---------|
| Property Type              | Max LTV | Property Type | Max LTV |
| Single Family / PUD        | 90%     | 2-4 Unit      | 80%     |
| Townhouse                  | 90%     |               |         |
| Condominium                | 85%     |               |         |
| Non-Warrantable Condo      | 80%     |               |         |

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## Near-Prime Additional Program Requirements

| <b>Appraisal Review Product</b> | <ul style="list-style-type: none"> <li>Required for certain loans - See guidelines for details</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
|---------------------------------|---|---------|--------------|------------------------|------------|------------------------|--|--|----------------|------|-------|-----------|------------|----------------|-----|-------|-------|-----------|----------|----------|----------|-----|-------|-------|-----------|----------|----------|----------|
| <b>Assets</b>                   | <ul style="list-style-type: none"> <li>Assets sourced or seasoned for 60 days • Gift funds allowed - See guidelines for details</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Cash Out</b>                 | <ul style="list-style-type: none"> <li>Up to \$250,000: Program LTV's</li> <li>\$250,001 - \$500,000: 5% LTV reduction</li> <li>\$500,001 - \$1,000,000: 10% LTV reduction</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Compliance</b>               | <ul style="list-style-type: none"> <li>Escrows required for taxes and insurance • Fully documented ability-to-repay • Compliance with all applicable Federal and State regulations</li> <li>No section 32 or state high cost • Total Borrower Paid Points and Fees must be less than 5%</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Credit</b>                   | <ul style="list-style-type: none"> <li>Standard: 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months</li> <li>Limited: Not Allowed</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Debt Ratios</b>              | <ul style="list-style-type: none"> <li>Maximum 40% Housing Ratio and 43% Total DTI Ratio / No Housing Ratio required for FICO <math>\geq</math> 660 and LTV <math>\leq</math> 80%</li> <li>Expanded DTI to 50% available with <u>ALL</u> of the following compensating factors present (Full Doc or 24M Personal Bank Statements only):                             <ul style="list-style-type: none"> <li>FICO <math>\geq</math> 660 • 12 Months Reserves</li> </ul> </li> <li>Expanded DTI to 55% available with <u>ALL</u> the following compensating factors present (Full Doc only):                             <ul style="list-style-type: none"> <li>FICO <math>\geq</math> 680 • Primary Occupancy • LTV <math>\leq</math> 85% • Residual Income <math>\geq</math> \$3,500 • 12 Months Reserves</li> </ul> </li> </ul> |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Income</b>                   | <ul style="list-style-type: none"> <li>Full Doc; 24 Month Personal Bank Statements; 12 Month Personal Bank Statements or 24 Month Business Bank Statements - See guidelines for details</li> <li>Asset Depletion Income (subject to Full Doc Income Requirements) - 680+ FICO &amp; LTV <math>\leq</math> 80% - See guidelines for details</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Ineligible States</b>        | <ul style="list-style-type: none"> <li>In addition to the MAM original list: AK, MA, NY, WV</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Occupancy</b>                | <ul style="list-style-type: none"> <li>Primary and Second Homes Only</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Product Types</b>            | <ul style="list-style-type: none"> <li>30yr Fixed</li> <li>5/1 ARM</li> <li>7/1 ARM</li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="3">ARM Features</th> <th colspan="3">Interest Only Features</th> </tr> <tr> <th>Margin &amp; Floor</th> <th>Caps</th> <th>Index</th> <th>IO Period</th> <th>Amort Term</th> <th>Final Maturity</th> </tr> </thead> <tbody> <tr> <td>5/1</td> <td>4.00%</td> <td>2/2/5</td> <td>1YR LIBOR</td> <td>10 Years</td> <td>30 Years</td> <td>40 Years</td> </tr> <tr> <td>7/1</td> <td>4.00%</td> <td>5/2/5</td> <td>1YR LIBOR</td> <td>10 Years</td> <td>30 Years</td> <td>40 Years</td> </tr> </tbody> </table>  | Product | ARM Features |                        |            | Interest Only Features |  |  | Margin & Floor | Caps | Index | IO Period | Amort Term | Final Maturity | 5/1 | 4.00% | 2/2/5 | 1YR LIBOR | 10 Years | 30 Years | 40 Years | 7/1 | 4.00% | 5/2/5 | 1YR LIBOR | 10 Years | 30 Years | 40 Years |
| Product                         | ARM Features  |         |              | Interest Only Features |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
|                                 | Margin & Floor  | Caps    | Index        | IO Period              | Amort Term | Final Maturity         |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| 5/1                             | 4.00%   | 2/2/5   | 1YR LIBOR    | 10 Years               | 30 Years   | 40 Years               |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| 7/1                             | 4.00%   | 5/2/5   | 1YR LIBOR    | 10 Years               | 30 Years   | 40 Years               |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Property Types</b>           | <ul style="list-style-type: none"> <li>SFR • Townhomes • Condominiums (non-warrantable condos considered - see guidelines) • 2-4 Units</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Reserves</b>                 | <ul style="list-style-type: none"> <li>6 - 12 month minimum as determined by loan amount; 3 months required if LTV is 10% less than program maximum and DTI &lt; 43% (Primary only)</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Residual Income</b>          | <ul style="list-style-type: none"> <li>\$2,500 plus an additional \$150 per dependent is required</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Seller Concessions</b>       | <ul style="list-style-type: none"> <li>Up to 6% towards closing</li> </ul>  |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |
| <b>Subordinate Financing</b>    | <ul style="list-style-type: none"> <li>Max 90% CLTV (Institutional seconds only)</li> </ul>   |         |              |                        |            |                        |  |  |                |      |       |           |            |                |     |       |       |           |          |          |          |     |       |       |           |          |          |          |

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