EZ CES

MATRIX

Stand-Alone Closed End Second	VOE Close End Second				
	SFR / Condo / PUD / 1 - 4 units				
	Max Loan Amount	Min FICO	Primary	2nd Home	Investment
	<= $ 250,000	700	75	75	70
		680	70	70	65
		660	65	65	60
	$ 250,001 - $ 500,000	720	75	75	70
		700	70	70	65
		680	65	65	60
	$ 500,001 - $ 750,000	700	65	65	60
	Declining Market	5% LTV reduction			

General Requirements

Second Home	1 unit property only
Max DTI	50%
Loan Terms	30 or 20 year Fixed
Min. Loan Amt.	$ 75,000
Eligible Occupancy	Primary Residence, 2nd Home, Investment Property
Pre-Payment Penalty	- Only applies to investment property transactions - Hard 5% penalty
Ineligible Transaction	- Purchase transactions - HPML Flip transactions
Eligible Properties	- SFR - PUD - Warrantable Condo - 2 - 4 units
Ineligible Property Types	- Non-Warrantable Condos - Agricultural/Commercial Properties - Working Farms, Ranches, Orchards - Hobby Farms - Rural Properties - Greater than 20 acres - Condotels/Co-ops - Non-Warrantable Condos - Timeshares - Leasehold/Land Trust - Mixed-Used Properties - Modular Homes - Manufactured Homes - Mobile Homes - Log Homes - Properties with Deed/Resale Restrictions - Properties Subject to Oil and/or Gas Leases - Properties in a business name (Unless Business Purpose Loan)

General Requirements	
Eligible Borrowers	- U.S Citizens - Permanent Resident Aliens - Non-Permanent Resident Aliens with eligible EAD - Non-occupant Co-borrowers are not allowed. - Borrowers who are party to a lawsuit are not allowed. - Maximum number of borrowers on a loan transaction is limited to four (4).
Eligible Title Vesting	- Individuals (e.g., sole ownership, joint tenancy, tenancy in common, etc.) - Inter-Vivos Revocable Trusts – Must meet Fannie Me guidelines (not permitted for Texas R/T 50(f)(2) transactions) - Limited Liability Company (LLC) - Allowed for Business Purpose Only loans and must meet below requirements: - Borrower(s) have complete ownership (100% ownership interest) documented by the LLC's organizational documentation. - LLC must be the purchaser on the purchase contract.
Age of Credit Documents	The age of credit documents cannot be more than the specified calendar days below unless stated in other sections of this guideline. - Credit Reports: 120 days from Note date. - Preliminary Title Reports: 120 days from Note date. - Employment/Income: No more than 60 days from Note date. - Asset Documents: No more than 90 days from Note date. - Appraisal: No more than 120 days from Note date based on effective date of the Appraisal Report. If the Appraisal Report is more than 120 days, a recertification of value (FNMA 1004D/FHLMC 442) completed by the original licensed appraiser is required, confirming the value of the property has not declined since the original report and must be dated within 120 days of the Note date.
Credit	- **Credit Report**: Tri-Merged Credit Report with minimum of (2) FICO score is required (except Foreign Nationals). - Representative score for each borrower is middle score of 3 scores or lower of 2 scores - Representative score for the loan is the lowest representative scores of the borrowers - **Credit Inquiries**: Written explanation addressing all inquiries within (90) days is required confirming no undisclosed debt. **Minimum Tradelines**: 3 Tradelines with 12 months rating (maybe open or closed) * Tradeline requirement may be waived when borrower(s) have 3 FICO scores reporting on the credit report. - Authorized User Accounts: Tradelines listing a borrower as an authorized user DO NOT COUNT toward meeting the minimum tradeline requirement. - Past-Due Accounts: Accounts that are not reported as collection accounts must be brought current. - Collections/Charge-off Accounts: - Primary Homes: Outstanding collections or charge-offs do not need to be paid off, regardless of the amount, provided the collection will not threaten the first-lien position. - Second Homes/Investment Properties: Collections and charge-offs totaling more than $5,000 must be paid in full.

<table>
<tr><th colspan="2">General Requirements</th></tr>
<tr><td>Credit</td><td>- Delinquent Credit: Judgements, garnishments, charge-offs of non-mortgage accounts, delinquent taxes, tax liens, mechanics' or materialmen's lien, and other liens that have the potential to affect lien position or diminish the borrower’s equity, must be paid off at or prior to closing or documentation of satisfaction of these obligations is required.</td></tr>
<tr><td>Credit Events</td><td>- Deed in Lieu/Pre-Foreclosure/Short Sales: 2 years from completion or settlement date to the Note date.

- Bankruptcy: 3 years from discharged/dismissed date to the Note date.
- Foreclosure: 5 years from completion date to the Note date.
- No multiple events allowed for the past 7 years (84 months) prior to the initial application date. Any credit events that occurred greater than 7 years will not be counted toward multiple events.</td></tr>
<tr><td>Modification, Deferment or Forbearance</td><td>For installment or revolving accounts that are reporting a modification plan, a payment deferral plan, or forbearance plan to the account, iTrust Mortgage follows FNMA guidance. Please refer to the FNMA Selling Guide.</td></tr>
<tr><td>Monthly Debt Obligations</td><td><u>Mortgage</u>
- 0x30 late payment within 12 months
- For DSCR Loans Only: Applicable to any mortgages REPORTED on the credit report, Subject Property, and Primary Residence. Any mortgage NOT REPORTED on the credit report does NOT REQUIRE additional housing history.
- If Private Lender, 12 months cancelled checks or 12 months bank statements must be provided to document mortgage. If mortgage is reported on Credit Supplement, then 12 months cancelled checks or 12 months bank statements are not required.

<u>Installment Debt</u>
- Payments on installment debts with more than 10 months of remaining payment must be included in the DTI.

- Installment debts may be paid off or paid down to 10 or fewer monthly payments for qualifying. (Unless the monthly debt obligation significantly affects the borrower's ability to meet their credit obligations).

<u>30 Day Accounts</u>

- Open 30-day charge accounts require the balance to be paid in full every month. Borrower must demonstrate funds to pay the account balance. The verified funds must be in addition to any funds required for down payment, closing costs, and reserves. If the borrower paid off the account balance prior to closing, evidence of payoff may be provided in lieu of verifying funds to cover the account balance.

<u>Deferred Installment Debts</u>
Deferred Installment debts must be included in the DTI ratio calculation as follows:
- Installment debts, other than Student loans, when minimum payment is not shown on credit report, then use:
- a copy of the payment letter, OR
- forbearance agreement that reflects a future monthly payment
<u>Student Loans</u>

- All student loans, whether deferred, in forbearance, or in repayment, monthly payments must be included in the DTI ratio calculation. In order to calculate the repayment amount, one of the following must be used:</td></tr>
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General Requirements	
Monthly Debt Obligations	- If a payment amount is provided on the credit report, that amount can be used for qualifying purposes. - If blank, use 1% of the outstanding balance or a calculated payment that will fully amortize the loan(s) based on the documented loan repayment. **Lease Payment** - Must be included in the DTI ratio calculation regardless of the remaining number of payments. Note: Payoff of debt to quality is permitted.
First Mortgage Requirements	**Ineligible 1st Mortgage** - Loans in active forbearance/deferment - Negative Amortization - Balloon, if the balloon payment has less than three years remaining at the time of Note Date of new loan. - Reverse Mortgages - Private Mortgages opened within the past 12 months. **Required Documentation:** - Mortgage Statement showing: Current balance, Term, Payment - Full Amortized, Escrow. - If applicable: HOA statement, Note/Deed, Property Insurance
Wage Earner	- Written Verification of Employment completed by the employer (FNMA Form 1005 or equivalent) - For U.S. Citizens or Permanent Residents working abroad, foreign income paid in foreign currency is eligible with a Written Verification (converted to U.S. dollars) AND a letter from a Licensed Tax Preparer confirming the most recent two years of foreign income tax filings.
Max. number of Properties	- Maximum number properties owned by borrower(s) cumulatively including the subject property is 10. - If borrower(s) have multiple financed properties with iTrust Mortgage, the following additional restrictions apply: - Aggregate iTrust Mortgage loan amount to one borrower may not exceed $1.5 million. - Maximum number of iTrust Mortgage loans allowed to one borrower is 4. - Frequent Refinances: A borrower may not have more than two (2) Cash-Out transactions financed with iTrust Mortgage in the past twelve (12) months on the same property. Note: Exceptions maybe granted subject to Management Review
Appraisal	**For loan amount ≤ $250,000:** - AVM within 90- days of the Note date from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or - Exterior Drive-By appraisal (allowed for 1-unit property only), or - New Appraisal (FNMA Form 1004/1025/1073), or - Prior Full Appraisal is acceptable if the report was completed within 120 days of settlement to new note date. - The lender on the prior appraisal must be the same as the subject loan, and - A new Property Condition Report with acceptable findings, and - Recertification of value by the original appraiser is required if appraisal report is dated more than 120 days from Note date.

General Requirements	

Appraisal	**For loan amount > $250,000:**
	- New Appraisal (FNMA Form 1004/1025/1073)
	- Full Appraisal(s) must be ordered through one of iTrust Mortgage's approved Appraisal Management Companies.
	- Transferred appraisals are NOT allowed.
	- HPML loans require a full appraisal with an interior inspection, regardless of loan balance.
	- Properties with a condition rating of C5 or C6 are Not acceptable.
	- Secondary Valuation is required if both CU and LCA scores exceed 2.5 or are not available.
	- Acceptable review products are:
	    - CDA,
	    - Full Appraisal, or
	    - Field Review
	    - Clear Capital Collateral Desktop Analysis (CDA) must be within 10% variance. If negative variance is returned, the option to accept the lower value (up to -10%) is allowed, or a 2nd Appraisal or Field Review may be utilized.
	    When using two appraisals, the lower value of the original or 2nd appraisal/field review will be utilized.

Condominium	All Condominium properties require a Full review
Value Seasoning	LTV/CLTV/HCLTV is generally calculated based on the appraisal value or valuation of the property. - Properties purchased within 120 days of the application will use the lesser of the purchase price or appraised value to calculate LTV/CLTV/HCLTV, measured from the date on which the property was purchased to the disbursement date of the new mortgage loan.
Title	**For loan amount ≤ $250,000:** - Owner and Encumbrance Property Report (O&E Property Report) ordered/obtained by approved title insurer or vendor. The O&E Property Report, and related closing documents if applicable, must indicate that the lien for the Product on Collateral is subordinate to a first lien, and that no other liens or encumbrances remain. The O&E Property Report must be dated no more than 60 days to the Note Date. **Any loan amount:** - ALTA Full Title Policy, or - ALTA Short Form Residential Limited Coverage Junior Loan Policy **Title Documentation must include, but not limited to the following:** - Current grantee and grantor - Twenty-four (24) month chain of title - Property address - Recordable legal description - Ownership Interest (i.e. fee simple) - Status of real estate taxes - Open mortgages and voluntary encumbrances - Judgments, liens, and involuntary encumbrances - At least one of the Borrower(s) must be vested on the title at the time of the initial loan application and Note Date. - If property has no mortgage and Closed-End 2nd will be in 1st lien position, a full title report is required.

General Requirements	
Property Insurance	- **Hazard insurance** coverage must be adequate to cover both the First and Second Mortgages or Guaranteed Replacement Cost. If the current coverage is insufficient, an updated or new policy will be required. - **Flood insurance** is mandatory if the property or any of its improvements are situated within a designated flood zone, as identified in the flood determination report.
Impounds/Escrow	Escrows for taxes and hazard insurance not required.
Power of Attorney	Not allowed