

PIGGY BACK					
PURCHASE					
Occupancy	Units	Min. FICO	CLTV	Max. HELOC Loan Amount	Max. Combined Loan Amount
Primary Residence	1	680	89.99%	\$250,000	\$1,500,000
		700	80.00%	\$300,000	\$1,500,000
		700	70.00%	\$350,000	\$1,500,000
Second Home	1	680	80.00%	\$250,000	\$1,500,000
		700	70.00%	\$300,000	\$1,500,000.

PIGGY BACK					
RATE/TERM REFINANCE					
Occupancy	Units	Min. FICO	CLTV	Max. HELOC Loan Amount	Max. Combined Loan Amount
Primary Residence	1	680	85.00%	\$250,000	\$1,500,000
		700	80.00%	\$300,000	\$1,500,000
		700	70.00%	\$350,000	\$1,500,000
Second Home	1	680	80.00%	\$250,000	\$1,500,000
		700	70.00%	\$300,000	\$1,500,000.

PIGGY BACK					
CASH OUT REFINANCE					
Occupancy	Units	Min. FICO	CLTV	Max. HELOC Loan Amount	Max. Combined Loan Amount
Primary Residence	1	680	85.00%	\$250,000	\$1,500,000
		700	80.00%	\$300,000	\$1,500,000
		700	70.00%	\$350,000	\$1,500,000
Second Home	1	700	80.00%	\$300,000	\$1,500,000
		680	70.00%	\$250,000	\$1,500,000.

Properties located in AK, HI, OH, TX and NY are ineligible.

Product Guidelines	
Target Market	Home Equity Line of Credit (HELOC) combined with a conventional Agency first mortgage to avoid non-conforming loan amounts or combined with an Agency first mortgage product to reduce down payment below 20%.
Pricing	See rate sheets page 10
Term	30 Year Term, 10 Year Interest Only Draw Period, 20 Year Amortization
DU/LPA Eligibility	Piggyback's must have DU/LPA Approve/Eligible/Accept or Approve/Accept/Ineligible due to loan size for non-conforming 1 <sup>st</sup> liens;.
Eligible Transactions	Purchase, Rate/Term or Cash-out.
Minimum Loan Amount	\$40,000
Max Credit Limit	Maximum Credit Limit \$250,000 to 89.99% HCLTV, \$300,000 to 80% HCLTV, \$350,000 to 70% HCLTV on owner occupied. Maximum Credit Limit \$250,000 to 80% HCLTV, \$300,000 to 70% HCLTV on second homes
Max Combined Liens	\$1.5 MM
Max CLTV/HCLTV	Owner Occupied – 89.99% on purchase and rate/term; 85% on cash out Second Home – 80%
Minimum Line/Draw	\$25,000; minimum draw the lesser of \$50,000 or 75% of the line
Eligible Borrowers	Follow Fannie Mae Seller Guide except: <ul style="list-style-type: none"> <li>- No non-occupant co-borrowers</li> <li>- No E-2 Investor visas</li> <li>- No DACA recipients</li> <li>- No tax IDs in lieu of valid social security numbers</li> </ul>
Eligible Properties	<ul style="list-style-type: none"> <li>▪ 1-unit primary residence <ul style="list-style-type: none"> <li>- SFD / PUD / townhouse / rowhome</li> <li>- Low-rise condominium (Fannie/Freddie Approved)</li> <li>- High-rise condominium (Fannie/Freddie Approved)</li> </ul> </li> <li>▪ 1 unit second / vacation home <ul style="list-style-type: none"> <li>- SFD / PUD / townhouse / rowhome</li> </ul> </li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>▪ Owner Occupied</li> <li>▪ Second/Vacation homes</li> <li>▪ Non-owner occupied home are ineligible</li> <li>▪ Non-occupant co-borrowers are ineligible</li> </ul>
Eligible First Lien Programs	<ul style="list-style-type: none"> <li>▪ Agency &amp; Government Fixed Rate and ARM's with initial fixed rate term ≥ 5 years</li> <li>▪ Non-Conforming Fixed Rate and ARM's with initial fixed rate terms ≥ 5 years</li> <li>▪ AUS approval required (DU/LPA) for piggyback</li> <li>▪ Interest Only, Negative Amortization and other High-Risk product features are ineligible</li> </ul>
Credit	<ul style="list-style-type: none"> <li>• Minimum underwriting credit score is 680</li> <li>• Credit limits: \$250,001-\$300,000 require minimum score of 700</li> <li>• Credit limits: \$300,001-\$350,000 require minimum score of 720</li> <li>• When borrower is not on the Note of the First mortgage of the subject property, the PITI must be included in the DTI calculation. The mortgage payment history must be provided</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Underwriting score is determined as the middle of three indicator scores or the lower of two. For multiple borrowers, the lowest middle score for all borrowers is used. Non-traditional credit scoring is not eligible.</li> <li>▪ Credit documents must be no older than 60 days old on the note date</li> <li>▪ For piggybacks, credit document age must follow the AUS requirements</li> <li>▪ No mortgage delinquency (0x30) in the last 24 months</li> <li>▪ No judgements, repossessions or charge offs in the past 60 months</li> <li>▪ The following are considered severe delinquency, regardless of AUS feedback; <i>Borrowers with these profiles are ineligible until a period of 7 years has passed since occurrence and credit has been re-established.</i> <ul style="list-style-type: none"> <li>- Bankruptcy / Foreclosure / Deed in Lieu of Foreclosures</li> <li>- Short Sale or Short Payoff</li> <li>- History of mortgage modification</li> <li>- Borrowers with extenuating, isolated, one-time circumstances may be considered on a case-by-case basis, as determined by underwriting.</li> </ul> </li> </ul>
Qualifying Ratios	<ul style="list-style-type: none"> <li>▪ 45.00% DTI maximum on credit limits &lt;= \$250,000</li> <li>▪ 36.00% DTI maximum on credit limits &gt; \$250,000</li> </ul>
Self Employed Borrowers	<ul style="list-style-type: none"> <li>▪ Minimum income documentation: <ol style="list-style-type: none"> <li>1. 2 years tax returns (business and personal) with all schedules</li> <li>2. Audited Year to Date P&amp;L or</li> <li>3. Unaudited Year to Date P&amp;L with three business depository account statements</li> </ol> </li> <li>▪ For businesses impacted by pandemic, follow FNMA seller guide, including Lender Letters and all updates</li> <li>▪ Maximum Credit Limit \$200,000 to Maximum HCLTV 85%</li> <li>▪ Minimum underwriting credit score is 720</li> <li>▪ Primary Residence only</li> </ul>
Qualifying Factor	Note Rate + 2% P&I over 30 year amortization
Funds to Close / Reserves	Piggybacks: Follow first lien requirements (otherwise provide at least one month liquid asset statements showing funds to close)
Appraisal Requirements	<p>Piggybacks: follow FNMA/FHLMC guidelines (based upon the applicable AUS feedback type provided) except GBC no longer accepts appraisal waivers. If AUS permits an appraisal waiver, then instead provide: 1) AVM with exterior minimum property inspection report (including photos) dated within 120 days of the note date or 2) an appraisal (can be a desktop, exterior inspection and/or interior inspection) completed by a licensed/state certified appraiser dated within one year of note date.</p> <p>For credit limits &gt; \$250,000, full FNMA 1004 or FHLMC 70 with interior &amp; exterior inspection containing color photos required</p> <p><b>Transferred appraisal is not allowed</b></p>

Geographic Restrictions	Properties located in AK, HI, OH, TX and NY are ineligible.
Ineligible Properties	<ul style="list-style-type: none"> <li>▪ Condotels</li> <li>▪ Non-warrantable condos</li> <li>▪ Manufactured</li> <li>▪ Co-Ops</li> <li>▪ Multi-Unit (2-4)</li> <li>▪ Unique properties</li> <li>▪ Log Homes</li> <li>▪ Working or Hobby Farms</li> <li>▪ Tracts greater than 5 acres</li> </ul>
Property Insurance	Follow FNMA Selling Guide
Disasters	For properties located in individual assistance designated areas that have been declared a major disaster by FEMA after a full appraisal has been completed, then a re-inspection including a post-disaster photo dated after the disaster declaration date with confirmation that the property has not been adversely affected by the disaster is required
Contributions	See first lien eligibility
Conversion	Non-convertible
Assumability	Not assumable
Amortization	10 Year Interest Only / Draw Period, 20 Year Amortization
High Cost Loans	May not be defined as High Cost by any applicable agency
Prepayment Penalty	None
Leasehold	Not eligible
Payment Date	Payment will be due on the 1st of each respective month
Late Charges	5% or the highest amount allowed by state law and will be assessed on the payment date + 15 days
Annual Fee	\$75 Annual Fee
Minimum Payment	Greater of I/O payment or \$100
Lifetime Max Rate	18% or state maximum
Lifetime Rate Floor	2.500%
Loan Disclosures	HELOC loan disclosures, follow state requirements
Title Policy	Full ALTA, Junior ALTA or ALTA lite required. Lender's title insurance in the amount of the credit limit is required (final policy must be separate from 1st lien title policy). Both short form and long form policies are acceptable. ALTA Endorsements are not required. Closing protection letters are not required.)
Other Guidelines	If not addressed, follow FNMA selling guide. Additional documentation may be required in addition to AUS required documentation.
Underwriting	Investor approval is required prior to doc
Locks	45 days
Extensions	Will be assessed by Secondary Marketing as needed No limit to the number of extensions; 30-day maximum extension period
Vesting	Title may not be held in the name of a trust.