

Eligibility Matrix

Occupancy/Transaction type	Units	Max Loan Amount	FICO	Max LTV/ CLTV	Max DTI	Occupancy/Transaction type	Units	Max Loan Amount	FICO	Max LTV/ CLTV	Max DTI	
Primary - Purchase or Rate/Term	1	\$2,000,000	680	89.99%	45%	Investment - Purchase or Rate/Term	1	\$2,000,000	680	80%	45%	
			660	80%				\$2,000,000	660	70%		
	2-4	\$2,000,000	700	80%			2-4	\$2,000,000	680	75%		
Primary - Cash-out	1	\$2,000,000	740	89.99%				2-4	\$2,000,000	660		65%
	2-4	\$2,000,000	680	80%		\$2,000,000			680	75%		
Second Home -Purchase or Rate/Term	1	\$2,000,000	680	89.99%		Investment - Cash-out		1	\$1,000,000	680		75%
		\$2,000,000	660	80%					\$2,000,000	720		75%
				\$3,000,000			680		70%			
Second Home - Cash-out	\$2,000,000	700	75%	2-4			\$1,000,000		680	70%		
			\$2,000,000				720	70%				
			\$3,000,000				680	65%				
FTHB : Primary Only, Max LTV 80%												

Program Guidelines

Loan Terms	30 yr, 15 yr fixed & 5/6, 7/6, 10/6 SOFR ARM
Minimum Loan Amount	Must be \$1 over the current agency loan limit
Mortgage Insurance	Not required
Eligible Borrowers	<ul style="list-style-type: none">US citizensPermanent resident aliens (front and back copy of resident alien card required)Non-permanent resident aliens - must be legally present in the U.S. with an acceptable visa type (E, G, H, L, NATO, O, TN-1, TN-2). Must have a history of visa renewals and minimum 2 years of employment history in U.S.Inter-vivos revocable trusts All borrowers must have a valid social security number Maximum 4 borrowers on the loan Non occupant co-borrower is allowed
Properties	<ul style="list-style-type: none">Eligible : Single family, PUD, Condo (Follow Agency guideline for review type), and 2-4 unitsIneligible : Condo with litigation, Manufactured, Properties with income producing attributes, Mixed Use, Leasehold, etc.
Appraisal Requirements	<ul style="list-style-type: none">Age of report : 120 days from closing. 1004D is required after expirationDesk review is ordered and reviewed by New Wave Underwriter, additional conditions may applyTransfer appraisal is not allowedFEMA declared disaster area : Re-inspection is required after incident end date by original appraiser to confirm no damageDeclining trends will reduce Max LTV by 10% from matrix
Maximum Number of Financed Properties	Follow agency requirements
Housing Payment History	0x30x24 is required, Living rent-free is okay with LOE
Age of Credit Documents	Follow AUS and COVID related agency requirements
Credit Requirements	<ul style="list-style-type: none">Must have at least 2 credit scores for each borrower. All 3 bureaus must be unfrozenFollow AUS and/or Fannie Mae guidelineAny delinquent credit history requires LOE from borrowerAll delinquent credit must be paid off. Collection and charge-off individually ≥ \$1,000 collectively > \$2,500 must be paid off
Derogatory Credit Event (Including NOD)	7 years waiting period from application date. LOE is required to address the circumstances
Occupancy	<ul style="list-style-type: none">Primary residence : At least one of the borrowers must occupy. Providing housing for parents or child is not allowed2nd home : Must have reasonable distance from primary residence, Sch E reporting > 30 days rental income is ineligibleInvestment : Signed Business Purpose & Occupancy Affidavit is required for cash-out (Form is available on our website)
Employment and Income	Minimum 2 years employment history. Gaps over 30 days within 2 year requires LOE <u>Wage earner</u> <ul style="list-style-type: none">Follow AUS except belowVerbal VOE must cover 24 months of employment, including previous jobNon-permanent resident aliens must have 2 years employment history in US, and 3 years of continuance of employment needs to be verified through VOE <u>Self employed</u> <ul style="list-style-type: none">Follow AUS except belowAn unaudited YTD P&L, no older than 60 days from the Note Date, most recent 3 months business bank statement, and Balance Sheet (In case an audited P&L is obtained, business bank statement is not required). Bank statements must support P&LIf tax return for last year is not filed yet, 12 months P&L and balance sheet as of Dec 31(or end of fiscal year) is requiredPPP or any other type of SBA loans cannot be used as income or asset



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Employment and Income (Continued)	<ul style="list-style-type: none">▪ Verification of active business is required within 10 days prior to closing. It must be from 3rd party such as CPA, regulatory agency or applicable licensing bureau <u>Other Income</u> <ul style="list-style-type: none">▪ Follow AUS or Fannie Mae guideline▪ RSU income is not acceptable
Debts	<ul style="list-style-type: none">• Follow AUS and/or Fannie Mae guideline• HELOC must be paid off and closed unless it’s subordinated
Assets and Reserves	Follow AUS and COVID related agency requirements for source of funds. Gift of equity not allowed <u>Reserves (PITI for property x months) : Follow greater of AUS or below requirement</u> <ul style="list-style-type: none">• Loan amount ≤ \$1MM : None (follow AUS)• Loan amount > \$1MM : 3 months• LTV/CLTV > 80% : 6 months• HELOC, Gift funds, and cash-out from refinance are not acceptable source
Interested Party Contribution (IPC)	<ul style="list-style-type: none">• Can only be used for closing costs and prepaid expenses, not down payment• Maximum 9% if LTV ≤ 75%, Maximum 6% if LTV > 75% for primary residence and 2nd home. Maximum 2% for Investment• Exceeding IPC after above use is considered as sales concessions, will be deducted from sale price to determine LTV
Title Ownership	Individual, Joint Tenants, Tenants in Common, Inter-Vivos Revocable Trusts
Escrows & Title	<ul style="list-style-type: none">● No impound required except when property is in flood zone• Any existing tax or liens must be removed or paid in full through escrow• Any item that will include a UCC associated with the property will be accepted as exception only (different loan limit, LTV, DTI, and reserves will be required)
Power of Attorney	Follow Agency guideline
Purchase	<ul style="list-style-type: none">• Seller must have taken title to the subject property at least 90 days prior to date of sales contract• Personal property may not be included in the purchase agreement/sales contract. Personal property items should be deleted from the sales contract or reasonable value must be documented and the sales price to be adjusted• Non arm’s length transaction is allowed for primary and 2nd home only
Rate & Term	<ul style="list-style-type: none">• Cash-back to borrower is limited to \$2,000• Payoff of a non-purchase second lien seasoned a minimum of 12 months from date of application. The second lien must not evidence draws exceeding \$2,000 within the past 12 months and withdrawal activity must be documented with a transaction history of the line of credit• Minimum of 6 months seasoning from the note date is required if previous refinance was cash-out debt consolidation of first and non-purchase money second. Closing Disclosure for prior transaction is required• Properties listed for sale are ineligible unless the listing was withdrawn (or expired) prior to the date of application• Property purchased within 6 months of closing date, the LTV is lessor of appraisal value or purchase price• Delayed financing in which the borrowers purchased the subject property for cash within 90 days from application is acceptable as rate and term. Not eligible for Texas
Cash-Out	<ul style="list-style-type: none">• 6 months title seasoning is required• Properties listed for sale are ineligible unless the listing was withdrawn (or expired) prior to the date of application• Payoff of a HERO lien is considered cash-out• Not eligible for Texas
Subordinate Financing	Allowed up to maximum LTV, CLTV as per matrix
Continuity of Obligation	Continuity of obligation must be met <ul style="list-style-type: none">▪ At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced.▪ The borrower has been on title for at least 12 months, residing in the property for the last 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc.) with the current obligor▪ The borrower has been added to title through a transfer from a trust, LLC or partnership – borrower must have been beneficiary/creator or 25% or more owner of LLC or partnership prior to transfer▪ The borrower has recently been legally awarded, the property (divorce, separation or dissolution of a domestic partnership)