ASSET QUALIFIER (1YR & 2YR) ALT INCOME DOCUMENTATION [2]

1-4 Unit Primary Residence / 1-Unit Second Home [3]

PRODUCT DESCRIPTION:

Qualification is determined solely based on the borrower's assets which are liquid or may be liquidated without restriction. No income or employment needs to be verified. No DTI is developed for this program.

THIS IS A QUICK GUIDE FOR THE ASSET QUALIFIER PROGRAM. REFER TO FULL GUIDELINES FOR ACCESS WHICH SUPERSEDE THIS DOCUMENT.

Purchase and Rate/Term Refinance [4]			
<=$1,000,000 [1]			
	Owner Occupied	Second Home	Investment
FICO [5]	Alt-Doc	Alt-Doc	Alt-Doc
740	80%	80%	N/A
720	80%	80%	N/A
700	80%	80%	N/A
680	80%	80%	N/A
660	80%	80%	N/A
<=$2,000,000			
	Owner Occupied	Second Home	Investment
740	80%	80%	N/A
720	80%	80%	N/A
700	80%	80%	N/A
680	80%	80%	N/A
660	75%	75%	N/A
<=$3,000,000 [6]			
	Owner Occupied	Second Home	Investment
740	75%	75%	N/A
720	75%	75%	N/A
700	75%	70%	N/A
680	75%	70%	N/A

Purchase and Rate/Term Refinance [4]			
<=$1,500,000			
	Owner Occupied	Second Home	Investment
FICO [5]	Alt-Doc	Alt-Doc	Alt-Doc
740	80%	80%	N/A
720	80%	80%	N/A
700	80%	80%	N/A
680	80%	80%	N/A
660	75%	75%	N/A
<=$2,500,000 [6]			
	Owner Occupied	Second Home	Investment
740	80%	80%	N/A
720	80%	80%	N/A
700	75%	75%	N/A
680	75%	75%	N/A
660	70%	N/A	N/A

FOOTNOTES

1. Minimum loan amount $125,000
2. DTI = N/A
3. Owner-Occupied and Second Homes only; Investment Properties are not eligible
4. Cash-Out Refinance not eligible
5. Significant Derogatory Credit Event Seasoning – 5 years
6. Loan amounts > $2MM require Credit Committee approval; NO EXCEPTIONS TO MAX LOAN AMOUNTS

GUIDELINES

Credit Requirements	Generally, use the lowest middle score on the file. If one borrower is providing 75%+ of the assets for the subject transaction, including funds to close and all post-closing reserve requirements, in accounts that are either solely in their name or jointly with persons who are not borrowers on the transaction, then they are deemed to be the primary asset contributor and their FICO may be used for guideline purposes. Borrowers with only one (1) bureau reporting are not eligible. Each borrower must have three trade lines and a credit history covering 24 months. One trade line must have been open and active within the last 6 months. At least one trade line must be seasoned for 24 months.

GUIDELINES	
Qualifying Ratios	Note that these requirements are superseded by any regulatory requirements such as HPML, unless exempt by definition. **Fully-Amortized ARM Loans:** Qualified at the greater of the Note rate or the index plus margin, using the full term of the loan. **Interest Only Loan:** Determine a simulated fully amortizing payment for purposes of loan qualification based on the following: For 30-year loan – use a 20-year term and the Note rate* to simulate the qualifying payment For 40-year loan – use a 30-year term and the Note rate* to simulate the qualifying payment *For IO ARMs, use the greater of the Note rate or fully-indexed rate (index + margin) Interest-Only loans will require a minimum 700 FICO. Interest Only is capped at max LTV of 85% or the max LTV defined by the eligibility matrix, whichever is less.
Eligible Borrowers	Eligible Borrowers include United States Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens, and First Time Home Buyers. **Non-Permanent Resident Aliens** are eligible for Purchase and Rate-Term Refinance transactions only with a maximum LTV of 80%, unless lower per the eligibility matrix. Cash-Out Refinances are not eligible. See full guidelines for eligible visa types and additional requirements. **FTHB Eligible with one of the following:** Document a 12-month rental history (documented via cancelled checks, paid by the borrower or an institutional VOR completed by a management company; private party/landlord VORs are not an acceptable form of documentation) within the 3 years prior to application showing 0x30. Payment shock cannot exceed 300%; if a FTHB is living rent-free or cannot document their 12mo housing history, the borrower is not eligible. **Non-Occupant Co-Borrower** must be a relative. For purposes of these guidelines, a relative is defined as someone who had a relationship to the primary borrower by blood, law, or marriage. Non-occupant co-borrower's debt service must be included in debt service calculation for determining qualification. ▪ Primary Residence Only ▪ 1-Unit Only ▪ Purchase and Rate/Term Refinance Transactions Only ▪ Max Loan Amount $1,500,000 ▪ Max 80% LTV ▪ LTV reduced by 5% ▪ This is exclusive of the 80% Max LTV. A loan which would be 85% must be reduced to 80% and would be acceptable. A loan which would be 80% must be reduced to 75%
Ineligible Borrowers	▪ Borrowers with diplomatic immunity ▪ Borrowers without a social security number or a number that cannot be validated with the SSA. ▪ Life Estate ▪ Non-revocable trust – **no exceptions** ▪ Guardianships ▪ Borrowers previously convicted of mortgage fraud ▪ Broker company employees and owners
Eligible Properties	▪ 1-4 unit attached and detached properties ▪ Attached and detached PUDs ▪ Attached and detached Condos which are warrantable under Fannie Mae/Freddie Mac criteria. ▪ Non-Warrantable Condos with one Non-Warrantable feature (see Non-Warrantable Condo section) Max 80% LTV. Pricing adjustments apply ▪ Properties with an Accessory Unit (ADU) must meet Fannie Mae/Freddie Mac criteria. SFR with 2 ADUs are permitted only if the following criteria are met: appraiser confirms compliance with local regulations, appraiser provides a minimum of 2 comparable properties with 2 ADUs, the value and/or income from only one unit may be used. ▪ TBD Properties (file must be resubmitted when property address is found – valid change of circumstance to add the property address is ineligible for this product) ▪ Rural properties are eligible as primary residence only. Must be primarily for residential use. Property must not be agricultural or provide a source of income to the borrower. Lot size and acreage must be typical for the area and similar to the surrounding properties. Present use as per the appraisal must be the highest and best use for the property. Maximum 75% LTV/CLTV. See Agriculturally Zoned Properties section of full guides for exception cases.

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Ineligible Properties	▪ Acreage greater than 20 acres (appraisal must include total acreage) ▪ Mixed Use Properties ▪ Log Homes ▪ Manufactured housing/Modular homes ▪ Properties subject to oil and/or gas leases ▪ Unique properties ▪ Working farms, ranches, or orchards ▪ Hobby Farms ▪ Co-ops ▪ Properties in Lava Zones 1 and 2 ▪ Properties with a condition rating of C5 or C6
Geographic Eligibility	The Access product suite is eligible in ALL states. No state subprime or equivalent allowed. Loans that fall under the definition of New York Subprime Home Loan are not eligible for the product. In the event an appraisal indicates a property is located in a declining market, a 5% LTV reduction will be applied.
# of Properties Owned	Loan/Property restrictions per borrower are as follows: • Borrowers are collectively limited to eight (8) loans either issued or purchased by REMN/HBFS not to exceed $10,000,000. If greater than four (4) loans, then REMN WS Credit Committee approval is required • Borrowers with > 15 properties are not eligible for any second home or investment property transaction (purchase, rate/term, or cash-out). This is an aggregate based on all borrowers, and includes commercial properties and properties owned free and clear • Borrowers may have REMN/HBFS financing on a maximum of 5% of the properties in a condominium project. Condo project will require upfront validation with the Project Standards group to ensure maximum exposure in the project has not been reached. • For projects ≤ 10 total units, financing on a maximum of 1 unit is allowed • Multiple simultaneous submissions require REMN management approval
Pre-Payment Penalties	Prepayment penalties may be placed on investment properties (all documentation types) where allowed and to the extent permitted by state and federal law. Except as otherwise specified or directed, the prepayment penalty placed shall be for a term of at least 1 year and permit the Borrower to pay down up to 20% of the original principal balance per 12-month period. Any pay downs (including complete payoff) which exceed 20% per year are penalized in an amount not less than six (6) months interest on the amount prepaid which exceeds 20% of the original principal balance, unless restricted by state/federal law. Any loan which has a prepayment penalty must be a business purpose loan as defined in 12 CFR 1026.3(a). This includes cash-out refinance transactions, where the cash-out proceeds must be used solely for business purposes. Prepayment penalties are available for terms up to five (5) years. Pricing implications may apply in the event that a PPP shorter than three years or no PPP is placed. Eligible states for PPP are AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, ME, MD*, MO, MT, NC, ND, NE, NH, NJ*, NV, NY, OK, OR, PA*, SC, SD, TN, TX, UT, VA, VT, WA*, WI, WY *State Specific Limitations Illinois – PPP permitted only when closing in an LLC or a corporation Maryland – Note must include Choice of Law – Title 12, Subtitle 10 Credit Grantor provisions New Jersey – PPP permitted only when closing in a corporation Pennsylvania – Minimum loan balance of $312,159 required to allow PPP on 1-2 unit properties Rhode Island – Max 1 year prepay period. Purchase transactions must have a Flat-Pay structure Washington – PPP permitted only on fixed rate transactions
Reserves	No separate reserves are required. Post-closing assets must meet one of the three requirements listed in Income Guidelines below.
Gifts	A borrower of a mortgage loan may use funds received as a personal gift from an acceptable donor as a source of funds to close, closing costs, and funds to pay down debts. The gift donor must be a relative. A relative is any person related by blood, legal proceedings, marriage, or adoption and also includes a fiancé or domestic partner. Gift funds may not be used for reserves. The borrower must contribute 5% of the purchase price from their own funds, except as otherwise specified. A purchase of a primary residence with an LTV ≤80 does not require a borrower contribution, except as otherwise specified.
Seller Concession	On a primary or second home, 9% up to 75 LTV and 6% to 90 LTV.

GUIDELINES	
Appraisals	Appraisals may not be more than 120 days old as of the note date. All transactions require a new appraisal. Appraisals must be ordered through a REMN approved Appraisal Management Company. **Determining Collateral Value** Collateral valuations impact the determination of the loan-to-value ratios, as well as approval and identification of exceptions. Loans wherein the best usage is as a "tear down and replace" are not eligible. The methods for determining collateral value are different for purchase versus refinance transactions (see below). In instances where two full appraisals are completed, utilize the lower of the two. *Purchase Transaction* The collateral value is based upon the lesser of the sales price (minus concessions or excess contributions) or the appraised value. *Rate/Term Refinance Transaction* For properties owned less than 12 months as of the application date, current value may be used provided the value is supported both by appraisal and a CDA with a variance <=10%. If value not supported, use lesser of purchase price plus documented improvements or market value. If more than 12 months, use market value *Cash-Out Refinance Transaction* For properties owned less than six months (Note to Note), the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraisal value. Proof of improvements are required. Proof of purchase is required as evidenced by final CD from the property purchase. For properties owned less than 12 months, but greater than or equal to six months as of the application date, current value may be used provided the value is supported both by appraisal and a CDA with a variance <=10%. If value not supported, use lesser of purchase price plus documented improvements or market value. If more than 12 months, use market value. In instances where one appraisal is required, the CU and/or LCA score must be reviewed. If the CU and/or LCA score is less than or equal to 2.5, no additional appraisal review products are required unless otherwise specified. If the CU and/or LCA score exceeds 2.5 or there is no CU and/or LCA score, a CDA with a variance less than 10% is required. If the variance between the CDA and the appraisal is greater than 10%, a field review must be performed. **NOTE**: The > 10% variance rule applies when the CDA variance is reflecting a lower value than the property appraisal. If the CDA variance is reflecting a higher value than the property appraisal, the property appraisal is fully supported, and a field review is not necessary. If the value of the field review is within 5% of the value of the appraisal, utilize the lower of the two. If the value is outside of 5% of the appraised value, complete a second full appraisal. Loan amounts above $1.5MM and up to $2MM may not utilize the CU and/or LCA score in lieu of obtaining a CDA. In the event of two appraisals, the lower of the two values will be utilized and a CDA is not required unless otherwise specified in these guidelines. **For each transferred appraisal, the following criteria must be met:** ▪ A copy of the appraiser's current license, to be independently verified by REMN WS ▪ A copy of the appraiser's current E&O Policy with sufficient coverage name the appraiser as insured ▪ If the appraisal is a transferred appraisal, the AMC must provide an assignment of appraisal to REMN WS. In lieu of this requirement the AMC's business license must be independently verified by REMN WS. ▪ The AIR certificate confirming compliance with Dodd-Frank AIR requirements ▪ A desk review from the Appraisal Department **Appraisal Requirements:** Up to and including $2,000,000 – One Appraisal Above $2,000,000 – Two Appraisals HPML Loan with a Flipped Property* – Two Appraisals (Borrower is not permitted to pay for 2nd appraisal) **For HPML loans, the borrower must provide evidence of receipt of the appraisal(s) or 3 calendar days must have elapsed since delivery of the appraisal(s) report.*

GUIDELINES	
Eligible Asset Types for Income Calculation	Assets are determined based on the below calculation: ▪ Cash and cash equivalents – 100% of face value ▪ Marketable securities (excludes unvested RSUs and Stock options) – 80% ▪ Retirement funds – 70% unless if borrower is of retirement age, then use 80%. If utilizing retirement account, document borrower's ability to access the funds ▪ Cash surrender value of an annuity or life insurance contract – 100% ▪ Cryptocurrencies/Bitcoin – must be liquidated and deposited into a United States bank/financial institution account. Deposit must be seasoned for a minimum 60 days. ▪ The proceeds of sale from documentable assets owned by the borrower over the prior 6 months The balance of any loans secured against financial assets being used for asset qualification will be netted against the asset's value before application of discount, without regards to the total amount that may be drawn. The borrower(s) may only use their proportionate share of any accounts jointly held with parties who are not on the loan application. If no specified percentage of ownership is listed, it will be assumed the account is divided evenly amongst the account holders
Ineligible Asset Types for Income Calculation	▪ Business funds (may be used for funds to close) ▪ Non-liquid assets (automobiles, artwork, business net worth etc.) ▪ Face value of life insurance. Cash value of a vested life insurance policy is allowed at 100%. When used for reserves the cash value must be documented but does not need to be liquidated or received by borrower. ▪ Unvested restricted stock ▪ Stock options, unless exercised ▪ Securities that are not publicly traded
Documentation Requirements	The most recent 6 months of statements must be provided for any account that will be utilized for asset qualification. Asset balances must be verified within 120 days of the note date via statements or other verification of the account balance, unless more recent required based on underwriter's discretion. The statements must be analyzed for deposit activity. Any deposit greater than 10% of the face value of the account of the most recent statement must be sourced and documented. Business accounts used for funds to close should follow standard asset requirements. Gift funds do not need to be seasoned any longer than would be required under standard asset requirements. Gift funds may be utilized for funds to close a purchase only. Any deposits which cannot be sourced will be deducted from the end value of the account. **Note**: Taxes, insurance, and HOA/common charges on non-subject properties do not need to be documented if utilizing Methods 1 or 2. The residual income for the Asset Qualifier product must meet or exceed $1,300 per month. For purposes of the product, gross income is determined by taking available assets and dividing by 60 months. Do not impute tax deductions when determining residential income. Funds that are being used for closing costs and/or down payment must be deducted from the income calculation.

GUIDELINES	
Calculation Method for Asset Qualifier	Qualification is determined solely based on the borrower's assets which are liquid or may be liquidated without restriction. No income or employment needs to be verified. No DTI is developed for this program. Total post-closing assets must meet one of the three requirements below: **Method One | Mortgage Only** Total post-closing assets must equal 125% of all outstanding mortgage debt for which the Borrower has personal liability. Any mortgage debt which a borrower may document in compliance with Business Debt in Borrower's Name or Co-Signed Loans Sections of the full guidelines may be omitted from this calculation. **Method Two | Simplified** Total post-closing assets must equal 110% of the subject loan amount on the subject property plus 25% of all other outstanding debt (mortgage and consumer). Any debt which a borrower may document in compliance with Business Debt in Borrower's Name or Co-Signed Loans Sections of the full guidelines may be omitted from this calculation. **Method Three | Traditional:** ▪ 100% of loan amount ▪ Reserves required per program guidelines ▪ 60 months of total of other debt service, as determined by the liability section of this guideline. Do not include PITIA on rental properties, as that is addressed separately. Do not include PITIA on the subject property. ▪ 60 months of net loss on rental real estate properties as determined below in this section. Do not include the subject property's PITIA.
Rental Property Calculation	Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed $0 for determining impact. For example, a property with a lease of $1,600 and PITIA of $1,500 would have $300 per month added to debt service ($1,600 x 75% less $1,500=-$300). A lease of $2,400 and PITIA of $1,500 would have $0 per month added to the debt service ($2,400 x 75%=$1,800 less $1,500= $300). Since the result is greater than $0, nothing is added to the debt service. Each property is countered separately. Other REO (including any rental properties) require additional reserves. Document at least 3 months receipt of rental income. If no rent can be documented for the property, include the full PITIA in its debt service.