



NMLS ID 1231327

Denali Loan Program - Primary Residence, Second Home and Investment

Fixed Rate 15 Year, 30 Year, 30 Year I/O and 40 Year I/O (I/O period is 10 years)¹

ARM 5/1

Grade	A+	A
Mortgage History	0 x 30 in the last 24 months	0 x 30 in the last 12 months 0 x 60 in the last 24 months
Foreclosure Seasoning (multiple foreclosures are ineligible)	7 years prior to application	3 years prior to application
Short Sale Seasoning	4 years prior to application	2 years prior to application
Deed in Lieu Seasoning	4 years prior to application	2 years prior to application
Bankruptcy Seasoning (multiple bankruptcies are ineligible)	Chapter 7: 4 years from discharge date Chapter 13: 4 years from discharge date	Chapter 7: 3 years from discharge date Chapter 13: 2 years from discharge date
Minimum Loan Amount	\$100,000	\$100,000
Maximum Loan Amount	\$1,500,000	\$1,000,000
Cash Out	No Limit ²	No Limit ²

Credit Score	Full Doc - Primary Residence			Full Doc - Primary Residence		
	Purchase	Rate & Term	Cash Out	Purchase	Rate & Term	Cash Out
760+	95% ³ / 90% ³	95% ³ / 90% ³	95% ³ / 90% ³	95% ³ / 90% ³	95% ³ / 90% ³	90% ³ / 85%
720 - 759	95% ³ / 90% ³	95% ³ / 90% ³	90% ³ / 85% ³	95% ³ / 90% ³	95% ³ / 90% ³	90% ³ / 85%
680 - 719	85%	85%	80%	85%	85%	80%
600 - 679	75%	75%	70%	75%	75%	70%

Credit Score	Full Doc - 2nd Home and Investment			Full Doc - 2nd Home and Investment		
	Purchase	Rate & Term	Cash Out	Purchase	Rate & Term	Cash Out
760+	85%	85%	80%	85%	85%	80%
720 - 759	85%	85%	80%	85%	85%	80%
680 - 719	85%	85%	80%	85%	85%	80%
600 - 679	75%	75%	70%	75%	75%	70%

Additional Program Requirements	
Feature	LTV
2-4 Units	85% Max LTV
Max CLTV	Same as LTV

ARM Features				
Grade	Term	Margin	Caps	Floor
A+	5/1	2.50%	2/2/5	Start Rate
A	5/1	3.25%	2/2/5	Start Rate

¹ Minimum 680 credit score for I/Os

² Minimum 6 months ownership seasoning required for cash-out transactions

³ Refer to Denali LTV overlays for 90 and 95% LTVs

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Denali LTV Overlays
95% Purchase, Rate & Term, Cash Out Overlays
Applies to LTVs 90.01 - 95% <ul style="list-style-type: none">• Minimum credit score of 720 required for purchase and rate & term• Minimum credit score of 760 required for cash out• Maximum 35% DTI• Full documentation - Appendix Q• Primary residence, SFR, PUD or warrantable condo are allowed• Minimum 12 months ownership seasoning required for cash out• Maximum combined loan balance = \$1,500,000• First time homebuyers are permitted
90% Cash Out Overlays
Applies to LTVs 85.01 - 90% <ul style="list-style-type: none">• Minimum credit score of 720• Maximum 35% DTI• Full documentation - Appendix Q• Primary residence, SFR, PUD or warrantable condo are allowed• Maximum combined loan balance = \$1,500,000• First time homebuyers are permitted

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Denali Non-QM Loan Program Parameters, Page 1		
	Grade A+	Grade A
Appraisal Requirements	<ul style="list-style-type: none"> • One full appraisal and a Valuation Review for combined loan amounts of \leq \$1,500,000 • Two full appraisals and a Valuation Review for combined loan amounts $>$ \$1,500,000 • If the Valuation Review returns a value that is $<$ 5% of the appraised value, the appraised value can be used to establish the LTV/CLTV • If valuation review returns a value that is $>$ 5% but \leq 10% of the appraised value, three options are available: <ol style="list-style-type: none"> 1. The Valuation Review can be used to establish the LTV/CLTV, however the LTV/CLTV maximum is the lower of the program maximum or 70%, whichever is less OR 2. A BPO and Value Reconciliation may be ordered. In the case where two appraisals were required, the two appraisals and the Valuation Review can be used for the Value Reconciliation. The reconciled value determined by Clear Capital will be used to determine LTV/CLTV OR 3. A field review may be ordered. The lowest value between the original full appraisal, the Valuation Review, and field review will be used to determine LTV/CLTV • If the Valuation Review returns a value that is "Indeterminate" or $>$ 10% of the appraised value, a BPO and Value Reconciliation must be ordered - The reconciled value determined will be used to determine LTV/CLTV • If the Valuation Review returns a value is greater than the appraised value, the appraised value will be used to determine LTV/CLTV 	
Assets	• Assets sourced or seasoned for 60 days	• Assets sourced or seasoned for 60 days
Cash Out	<ul style="list-style-type: none"> • No limit • Minimum 6 months ownership seasoning required for cash-out transactions 	<ul style="list-style-type: none"> • No limit • Minimum 6 months ownership seasoning required for cash-out transactions
Credit	• All delinquent credit that will impact title, including delinquent taxes, judgments, charge-off accounts, tax liens and mechanic's liens must be paid off prior to or at closing	• All delinquent credit that will impact title, including delinquent taxes, judgments, charge-off accounts, tax liens and mechanic's liens must be paid off prior to or at closing
Debt Ratios	<ul style="list-style-type: none"> • 43% Max for LTV $>$ 80% includes I/O • Grade A+: Up to 50% DTI with minimum 720 credit score and LTV \leq 80% 	<ul style="list-style-type: none"> • 43% Max for LTV $>$ 80% includes I/O • Grade A: Up to 50% DTI with minimum 680 credit score
Departing Residence	• Document rental amount with Rent Survey from appraiser (use 75% of rental) OR fully executed lease, must be non-arms length, copy of cancelled 1st month's rent and copy of cancelled check for security deposit	• Document rental amount with Rent Survey from appraiser (use 75% of rental) OR fully executed lease, must be non-arms length, copy of cancelled 1st month's rent and copy of cancelled check for security deposit
Documentation	• Full doc	• Full doc
First Time Homebuyer	<ul style="list-style-type: none"> • Primary residence only - SFR, PUD and warrantable condo • 9 months PITIA reserves required • Non occupant co-borrower not allowed 	<ul style="list-style-type: none"> • Primary residence only - SFR, PUD and warrantable condo • 6 months PITIA reserves required • Non occupant co-borrower not allowed
Gift Funds	<ul style="list-style-type: none"> • For LTVs 80% and less a down payment of 100% from gift funds is allowed, secondary financing not allowed • Reserve requirements must be met with borrower's own funds • Signed gift letter (no repayment required), donor's relationship to borrower, address, phone #, dollar amount of gift, receipt of funds, proof of donor's ability to provide the funds and must be sourced and seasoned for 60 days 	<ul style="list-style-type: none"> • For LTVs 80% and less a down payment of 100% from gift funds is allowed, secondary financing not allowed • Reserve requirements must be met with borrower's own funds • Signed gift letter (no repayment required), donor's relationship to borrower, address, phone #, dollar amount of gift, receipt of funds, proof of donor's ability to provide the funds and must be sourced and seasoned for 60 days

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Denali Non-QM Loan Program Parameters, Page 2		
	Grade A+	Grade A
Maximum Financed Properties	<ul style="list-style-type: none"> If loan is secured by borrower's primary residence, there are no limitations on number of property owned or financed If loan is secured by borrower's second home or investment property <ul style="list-style-type: none"> May have up to 10 financed properties, including primary residence OR May own or have financed an unlimited number of properties - Max LTV/CLTV on subject loan is 70% (or the program guideline whichever is less) 	<ul style="list-style-type: none"> If loan is secured by borrower's primary residence, there are no limitations on number of property owned or financed If loan is secured by borrower's second home or investment property <ul style="list-style-type: none"> May have up to 10 financed properties, including primary residence OR May own or have financed an unlimited number of properties - Max LTV/CLTV on subject loan is 70% (or the program guideline whichever is less)
Occupancy	<ul style="list-style-type: none"> Primary - Owner Occupied Second home Investment Property 	<ul style="list-style-type: none"> Primary - Owner Occupied Second home Investment Property
Payment Shock	<ul style="list-style-type: none"> Generally, payment shock >150%, may require further review and additional compensating factors and/or documentation may be required 	<ul style="list-style-type: none"> Generally, payment shock >150%, may require further review and additional compensating factors and/or documentation may be required
Pre Pay Penalty	<ul style="list-style-type: none"> No pre payment penalty 	<ul style="list-style-type: none"> No pre payment penalty
Property Type	<ul style="list-style-type: none"> Single-family (detached, semi-detached, and attached) PUD (Attached and Detached) Condominiums (Must be warrantable, Low and High-Rise acceptable) 2-4 Units 	<ul style="list-style-type: none"> Single-family (detached, semi-detached, and attached) PUD (Attached and Detached) Condominiums (Must be warrantable, Low and High-Rise acceptable) 2-4 Units
Qualifying Rates	<ul style="list-style-type: none"> ARMs qualify using the higher of the fully indexed rate or the initial note rate plus the periodic adjustment (2%) Interest Only Loans qualify at the note rate based on the fully amortizing P&I, not on the I/O payment 	<ul style="list-style-type: none"> ARMs qualify using the higher of the fully indexed rate or the initial note rate plus the periodic adjustment (2%) Interest Only Loans qualify at the note rate based on the fully amortizing P&I, not on the I/O payment
QM	<ul style="list-style-type: none"> QM and Non-QM are allowed 	<ul style="list-style-type: none"> QM and Non-QM are allowed
Reserves	<ul style="list-style-type: none"> 6 months PITIA reserves for all LTVs <= 80% 9 months PITIA reserves required for LTV > 80%, loan amounts > \$1,000,000, second home, 2-4 unit, investment, and First-time Homebuyer 6 months PITIA reserves required for each additional financed property (Up to a maximum of 36 months) 	<ul style="list-style-type: none"> 3 months PITIA reserves for all LTVs <= 80% 6 months PITIA reserves required for LTV > 80%, loan amounts > \$1,000,000, second home, 2-4 unit, investment, and First-time Homebuyer 2 months PITIA reserves required for each additional financed property (Up to a maximum of 24 months)
Residual Income	<ul style="list-style-type: none"> DTI > 43% require household residual income \geq \$3500 DTI < 43% require residual income of: \$800 for the primary borrower / \$200 for each additional family member 	<ul style="list-style-type: none"> DTI > 43% require household residual income \geq \$2500 DTI < 43% require residual income of: \$800 for the primary borrower / \$200 for each additional family member

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