



SEQUOIA CPA LOAN PROGRAM

| 12 Month CPA Prepared P&L - Purchase & R/T | | | | | |
|--|---|--|--|--------------|----------|
| Property Type | Occupancy | Purpose | Loan Amount | Credit Score | LTV/CLTV |
| SFR, Condo*, PUD, 2-Unit | Primary | Purchase Rate & Term | \$1,000,000 | 700 | 75% |
| | | | \$1,500,000 | | 70% |
| | | | \$2,000,000 | | 65% |
| SFR, Condo*, PUD | Second Home | Purchase Rate & Term | \$1,000,000 | 720 | 70% |
| | | | \$1,500,000 | | 65% |
| SFR, Condo*, PUD, 2-4 Unit | Investor | Purchase Rate & Term | \$1,000,000 | 720 | 70% |
| | | | \$1,500,000 | | 65% |
| <i>*5% LTV Reduction for Condos</i> | | | | | |
| 12 Month CPA Prepared P&L - Cash-Out | | | | | |
| Property Type | Occupancy | Purpose | Loan Amount | Credit Score | LTV/CLTV |
| SFR, Condo*, PUD, 2-Unit | Primary | Cash-Out | \$1,500,000 | 700 | 65% |
| SFR, Condo*, PUD | Second Home | Cash-Out | \$1,500,000 | 720 | 60% |
| SFR, Condo*, PUD, 2-4 Unit | Investor | Cash-Out | \$1,500,000 | 720 | 60% |
| <i>*5% LTV Reduction for Condos</i> | | | | | |
| Product Details & Options | | | | | |
| Available Products | | 5/1 ARM | 7/1 ARM | 30 Yr Fixed | |
| Margin | | 3.50% | 3.50% | N/A | |
| Caps | | 2/2/5 | 5/2/5 | N/A | |
| Index | | 1YR LIBOR | 1YR LIBOR | N/A | |
| Floor | | MARGIN | MARGIN | N/A | |
| IO PERIOD | | N/A | N/A | N/A | |
| Amortization Term | | 30 Years | 30 Years | 30 Years | |
| Maturity | | 30 Years | 30 Years | 30 Years | |
| Qualifying Rates | | Greater of Note Rate or the Fully Indexed Rate (rounded) | Greater of Note Rate or the Fully Indexed Rate (rounded) | Note Rate | |
| Max Cash Out | Equity withdrawal is the amount of proceeds net to the borrower after closing costs and payoff of the to be retired mortgage have been deducted from the loan amount. The dollar amount of equity withdrawn in a cash-out refinance is limited to the following as a percentage of the property value. - Maximum cash out \$1,000,000 - Cash out amount <= \$500,000 - follow LTV matrix - Cash out amount > \$500,000 - reduce max LTV 5% | | | | |
| Cash Out Transactions | At least one borrower must be on title for 6 months or more Payoff of HELOC with more than \$2,000 advanced in the last 12 month is considered cash out | | | | |
| Delayed Financing | Borrowers who purchased the subject property within the past six months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a cash out refinance. Follow Fannie Mae requirements. | | | | |
| Maximum Financed Properties | Borrower may have up to 10 financed 1-4 unit residential properties | | | | |



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| Eligible Borrowers | <ul style="list-style-type: none"> - US Citizens - Permanent Resident Aliens - Non-Permanent Resident Aliens - Primary Residence ONLY |
| Non-Permanent Resident | <p>Acceptable Visa types:</p> <ul style="list-style-type: none"> - A Series (A-1, A-2, A-3) - B Series (B-1, B-2) - E Series (E-1, E-2, E-3) - G Series (G-1, G-2, G-3, G-4, G-5) - H Series (H-1B, H-1C, H-2, H-3, H-4) - I Series - J Series (J-1, J-2) - L Series (L-1A, L-1B, L-2) - NATO Series (NATO 1 – 6) - O Series (O-1, O-2) - P Series (P-1, P-2) - R Series (R-1) - TN-1, Canadian NAFTA visa - TN-2, Mexican NAFTA visa |
| First Time Home Buyer | <ul style="list-style-type: none"> - Defined as borrowers who have not owned residential property in the past three years - If one borrower is an FTHB and the other borrower is not, then FTHB guidance does not apply Property owned outside of the USA is not considered in the FTHB determination |
| Non Occupant Co Borrowers | <ul style="list-style-type: none"> - Must be an immediate family member such as a parent, child, grandparent, or sibling - Allowed on Primary Residence ONLY - Purchase and Rate & Term ONLY - Ratios are blended |
| Power of Attorney | Allowed for purchase and rate & term transactions ONLY |
| DTI & Liabilities | |
| Maximum DTI | Max DTI is 45% |
| Payment Shock | Permitted up to 200% |
| Housing Payment History | Maximum of 0 x 30 in last 12 months |
| Contingent Liabilities | Contingent liabilities can be excluded if 0 X 30 X 12 and paid for by another party. Cannot exclude mortgage debt. |
| Business Debt in Borrower Name | Can be excluded if 0 X 30 X 12 and paid by business. Cannot exclude mortgage debt. |
| Alimony Payments | OK to treat as a reduction in income or as a monthly liability. |
| Departure Property PITI | Can use 75% of 1007 rental survey to offset PITI, positive income cannot be used. |



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Income & Employment

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| Employment | <ul style="list-style-type: none"> - Self employed borrowers ONLY - Minimum 2 years in current profession - Minimum 50% ownership in business |
| Income Calculation | 12 month CPA prepared P&L |
| P&L Requirements | <ul style="list-style-type: none"> - P&L end date must be less than 90 days at closing - P&L must be signed by CPA and borrower - The CPA must attest that they have performed either of the following functions: (i) Audited the business financial statements, or (ii) Reviewed working papers provided by the borrower. The CPA must also attest that, based on this review, they certify that the P&L represents an accurate summary of the business cash flow and applicable cash expenses. - CPA must provide attestation that they prepared borrower's tax returns and that they are not related to the borrower, or associated with borrower or borrower's business - The borrower must provide a brief, signed and dated, narrative describing the business activity: product, number of employees and contractors on average, years in operation, and borrower's role in the daily operation of the business |

Assets

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| Business Funds | Business funds allowed for down payment, closing costs and reserves - Must meet cash flow analysis (3 months of statements required) Borrower must be 100% owner of the business |
| Gift Funds | <ul style="list-style-type: none"> - Gift funds allowed on primary residence purchase ONLY. Gift must be from immediate family member - Gift not acceptable for reserves - Minimum 5% borrower contribution required |
| Paying Off Debt to Qualify | Revolving: ok to exclude if paid to zero, account does not need to be closed Installment: ok to exclude if paid off and closed. Paying down to 10 months is not allowed |
| Reserves | Primary Residence: Loan amount <= \$500,000 = 6 months PITI Loan Amount > \$500,000 - <= \$1,000,000 = 9 months PITI Loan Amount > \$1,000,000 - <= \$2,000,000 = 12 months PITI 2nd Home & Investment: All Loan Amounts = 12 months PITI REO: Primary Residence w/ 3+ REO = Minimum 9 months subject property PITI plus 3 months PITI on each additional REO 2nd Home & Investment w/ 3+ REO = 12 months subject property PITI plus 3 months PITI on each additional REO Cash-Out proceeds are an acceptable source of reserves |
| Retirement Accounts | <ul style="list-style-type: none"> - IRA and acceptable employer sponsored savings plans - not discounted, use 100% of value - Employer sponsored savings plans require TOW from employer (401K) |



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Property/Appraisal Information

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| Acreage | No more than 20 acres - Rural properties OK on primary residence - purchase and rate & term ONLY |
| Recently Listed Properties | Must be off the market at least 6 months prior to loan application date for rate & term transactions. 12 months for cash-out transactions. |
| Unpermitted Additions | Not Allowed |
| Appraisal Requirements | - Loan amounts <= \$1,500,000 require one appraisal and CDA (a 10% tolerance is allowed between the CDA and appraisal) - Loan amounts > \$1,500,000 require two appraisals |
| Appraisal Age | Appraisals must be dated within 120 days of the Note date Re-Certifications are required if appraisal is greater than 120 days. Must be completed by original appraiser. |

Credit

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| Age of Credit Docs | 120 days from note date |
| Major Credit Events | 4 years from credit event date to note date includes: - Bankruptcy - Foreclosure - Died in Lieu - Short Sale and Short Refinance - Modification with principal forgiveness (of any kind) |
| Collections & Charge Offs | Charged-off accounts and collection accounts that do not impact title do not need to be paid off under the following guidelines: - Collections/Charge Offs which are 36 months old or less with a cumulative total of \$5,000 or less - Medical collections up to \$15,000 cumulative |
| Authorized User Accounts | Not allowed to be used as part of the minimum tradeline requirement Must be included in DTI |
| Required Credit History | For each borrower providing income the following requirements apply: - 2 tradelines reporting within the past 24 months with a 12 month history OR - 3 tradelines between 2 borrowers reporting within the past 24 months with a 12 month history - Authorized user accounts DO NOT count as a tradeline - Current housing history not on credit report OK if supported by canceled checks or bank statements - Accounts with derogatory history in the previous 24 months cannot be used |