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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM

LTV/CLTV MATRIX – Owner-Occupied & Second Home**

		Full Doc - 24 Months		Full Doc – 12 Months		Bank Statement – 24 Months		Bank Statement – 12 Months	
Loan Amount	Credit Score	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out
$100,000 - <$1,000,000	720	95% * / 90%	80%	85%	70%	85%	75%	80%	70%
	700	90%	80%	80%	70%	85%	75%	80%	70%
	680	90%	75%	80%	65%	85%	75%	80%	65%
	660	85%	75%	75%	65%	80%	70%	75%	65%
$1,000,001 - $1,500,000	720	90%	80%	85%	70%	85%	75%	80%	70%
	700	90%	80%	85%	70%	85%	75%	80%	70%
	680	85%	75%	75%	65%	80%	70%	75%	65%
	660	80%	70%	70%	60%	75%	65%	70%	60%
$1,500,001 - <$2,000,000	720	80%	70%	80%	65%	75%	65%	70%	60%
	700	75%	70%	70%	65%	70%	60%	65%	55%
	680	70%	65%	65%	60%	65%	55%	60%	50%
	660	65%	55%	60%	50%	60%	50%	55%	50%
$2,000,001 - <$2,500,000	720	75%	65%	70%	60%	70%	60%	65%	55%
	700	70%	60%	65%	55%	65%	55%	60%	50%
	680	70%	60%	65%	55%	65%	55%	60%	50%

*>90% LTV --- Purchase Only, Primary, Max DTI ≤ 43%

**Second Home Max 80% LTV/CLTV

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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM

LTV/CLTV MATRIX – Non-Owner Occupied

		Full Doc - 24 Months		Full Doc – 12 Months		Bank Statement – 24 Months		Bank Statement – 12 Months	
Loan Amount	Credit Score	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out	Purchase Rate & Term	Cash-Out
$100,000 - <$1,000,000	720	80%	75%	75%	65%	75%	70%	70%	60%
	700	80%	75%	75%	65%	75%	70%	70%	60%
	680	75%	70%	70%	60%	70%	65%	65%	55%
	660	70%	70%	65%	60%	65%	65%	60%	55%
$1,000,001 - $1,500,000	720	80%	75%	75%	65%	75%	70%	70%	60%
	700	80%	75%	75%	65%	75%	70%	70%	60%
	680	75%	70%	70%	60%	70%	65%	65%	55%
	660	70%	65%	65%	55%	65%	60%	60%	N/A
$1,500,001 - <$2,000,000	720	75%	65%	70%	55%	70%	60%	65%	50%
	700	70%	65%	65%	55%	65%	60%	60%	50%
	680	65%	60%	60%	50%	60%	55%	55%	50%
	660	60%	50%	55%	50%	55%	50%	N/A	N/A

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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM								
Product Details and Options								
Available Products	5/1 ARM	5/1 ARM - I/O	7/1 ARM	7/1 ARM- I/O	30 Yr Fixed	40 Yr Fixed - I/O	30 Yr Fixed - I/O	15 Yr Fixed
Margin	3.50%	3.50%	3.50%	3.50%				
Caps	2/2/5	2/2/5	5/2/5	5/2/5				
Index	1Year LIBOR	1Year LIBOR	1Year LIBOR	1Year LIBOR				
Floor	Margin	Margin	Margin	Margin				
IO PERIOD	N/A	120 Months	N/A	120 Months		120 Months	120 Months	
Amortization Term	30 Years	20 Years	30 Years	20 Years	30 Years	30 Years	20 Years	15 Years
Maturity	30 Years	30 Years	30 Years	30 Years	30 Years	40 YEARS	30 Years	15 Years
Qualifying Rates	The higher of the fully indexed rate or the initial note rate.	The higher of the fully indexed rate or the initial note rate using the fully amortizing payment during the principal repayment period.	The higher of the fully indexed rate or the initial note rate.	The higher of the fully indexed rater the initial note rate using the fully amortizing payment during the principal repayment period.	Note Rate	The note rate using the fully amortizing payment during the principal repayment period.	The note rate using the fully amortizing payment during the principal repayment period.	Note Rate
Prepayment Penalty Option	• Prepayment penalties are not allowed							

Interest Only Option	• Loans with Interest Only are limited to an 85% LTV maximum
Secondary Financing	• Allowed - see LTV/CLTV grid • Junior financing must meet the requirements as defined by Fannie Mae • Any energy efficiency-based liens, like PACE or HERO, are not allowed to remain on title and must be paid and removed ○ If paid with loan proceeds, the loan is considered cash-out
Property Type	• Single family (attached and detached) • PUD • Warrantable Condo - MAX to 85% LTV/CLTV • Non-Warrantable Condo - MAX to 80% LTV/CLTV • 2 to 4 Unit – MAX 80% LTV/CLTV

Max Cash-Out	• Equity withdrawal is the proceeds net to the borrower after closing costs and payoff the existing mortgage have been deducted from the loan amount
	• The equity withdrawn in a cash out refinance is limited to the following as a percentage of the property value:
	  ○ Loan amount < $1,000,000 - 70% max LTV
	  ○ Loan amount > $1,000,000 < $1,500,000 - 60% max LTV
	  ○ Loan amount > $1,500,000 - 50% max LTV

Cash-out Transactions	• At least one (1) borrower must be on title for six (6) months or more • Payoff of a HELOC with more than $3,000 advanced in the last twelve (12) months is considered cash-out • For LTV's 20% below maximum, no title seasoning requirement, however equity withdrawal may not exceed original down payment
LTV Determination	• Rate & Term - use current appraised value • Cash-out owned >= 12 months - use current appraised value • Cash-out owned < 12 months - LTV <= 70% use current appraised value; LTV > 70% use lesser of acquisition cost or appraised value
Delayed Financing	• Properties purchased with cash within the past six (6) months (measured from the purchase date of the property to the disbursement date of the new loan) are eligible for a cash-out refinance • Follow Fannie Mae requirements
Mortgage Insurance	• Not required at any LTV

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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM – Borrower Requirements	
Eligible Borrowers	• US Citizens • Permanent Resident Alien • Non-Permanent Resident Alien, with the following restrictions: ○ Primary residence only

Non-Permanent Resident	• Acceptable visa types are as follows:
	  ○ 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)
	  ○ L Series (L-1B, L-2)
	  ○ NATO Series (NATO 1-6)
	  ○ O Series (O-1)
	  ○ TN-1, Canadian NAFTA Visa
	  ○ TN-2, Mexican NAFTA Visa
	• Additional Requirements:
	  ○ Must have valid Social Security Number
	  ○ Maximum LTV/CLTV of 80%/80%
	  ○ Must have a minimum of two (2) year employment history in US and qualifying income must be from the U.S. (two (2) year history will be based on note date)
	  ○ Must verify that current employment has a probability of three (3) year continuance
	  ○ Must have a two (2) year credit history in US and must meet minimum credit requirements (two (2) year history will be based on note date)

First Time Home Buyer	• Defined as borrowers who have not owned residential property in the past three (3) years • If one (1) 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 • Max loan amount $2,000,000 • <=45% DTI, max payment shock is 200% • <=50% DTI, 150% payment shock allowed LTV <=90% • 12-month income programs not available
Multiple Properties Financed	• The maximum number of residential 1-4 unit properties owned, (financed or free and clear), is six (6)

Non-Occupant Co-Borrowers (Partial Blended Ratios)	• Not allowed on bank statement program • The primary occupying borrower must have a DTI of no more than 60% • A minimum of 5% of the down payment must come from the primary occupying borrower's own funds • Non-occupant must be an immediate family member such as a parent, child, grandparent, sibling, domestic partner or fiancé
Non-Occupant Co-Borrowers (Blended Ratios)	• Restrictions: ○ 680 minimum credit score ○ 90% LTV with max loan amount of $1,000,000 ○ 85% LTV with max loan amount of $1,500,000 ○ 80% LTV follows program matrix ○ 45% maximum blended DTI ○ Two (2) year full doc income only ○ LTV > 80% requires a minimum 10% occupant borrower down payment contribution ○ Purchase and rate & term refi only
Non-Arm's Length	• The following NALs are eligible with proper documentation: ○ Sales or transfers between members of the same family (transaction may not be due to any adverse circumstances) ○ Property seller acting as his or her own real estate agent ○ Borrower purchasing form his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history) ○ Investment property loans must be arm's length

SEQUOIA PORTFOLIO PLUS LOAN PROGRAM - Credit	
Credit Score	• Refer to Matrices • When multiple borrowers apply, the lowest middle score is the qualifying credit score
Age of Credit Docs	• Credit docs valid for 90 days from note date • Appraisal valid for 120 days from note date
Housing Payment History	• Maximum of 0 x 30 in past 12 months, late payments in months 13-24 evaluated case-by-case

Major Credit Events	• Four (4) year seasoning is required on all major credit events
	• Seasoning is measured from date of credit event to note date and includes:
	  ○ Bankruptcy
	  ○ Foreclosure
	  ○ Died-in-Lieu
	  ○ Short-sale / Short-refinance
	  ○ Modification with principal forgiveness

Collections & Charge Offs	• Collection and charged-off accounts that do not impact title do not need to be paid off if:
	  ○ Individual accounts less than $500 and cumulative balance $2,500 or less AND/OR
	  ○ Medical collections up to $10,000 cumulative AND/OR
	  ○ Collections and charge-offs that have passed the individual state statute of limitations

Required Credit History	• Option #1: Three (3) for 12 OR Two (2) for 24
	  ○ Three (3) open and active tradelines with 12- months history OR
	  ○ Two (2) tradelines open 24 months both showing activity in the most recent 12 months
	  ○ Trade lines with recent serious adverse history are not acceptable
	  ○ Rental verification can be included as a trade line
	  ○ Student loans can be counted in credit depth as long as they are in repayment and not being deferred
	• Option #2: Eight (8) for eight (8)
	  ○ Minimum of eight (8) tradelines are reporting
	  ○ One (1) must be a mortgage or a rental history
	  ○ At least one (1) trade must be open and active for the most recent 12 months

	○ Borrower has established credit history for at least eight (8) years and shows a pattern of consistent credit usage over the eight (8) year period • Option #3: Three (3) Credit Scores ○ Borrower has three (3) credit scores reporting ○ Minimum of four (4) trade lines reporting ○ Max LTV/CLTV of 75% or 15 points under max allowed for loan amount and credit score ○ A minimum 10% borrower contribution has been made by the borrower from their own funds on purchase transactions ○ Primary residence only ○ Allowed on 24-month income documentation only ○ Must have a satisfactory 24-month history of current housing payments, borrowers with no current housing expenses are not allowed

SEQUOIA PORTFOLIO PLUS LOAN PROGRAM - Income	

Debt to Income Ratios (DTI)	• Full doc 12 and 24 month programs, allow max 50% DTI with the following restrictions:
	  ○ Max 85% LTV with 700 min credit score OR
	  ○ Max 80% LTV with 680 min credit score
	• Bank statement 12 and 24 month programs allow max 45% DTI
	• Greater than 45% DTI on any income type has the following restrictions:
	  ○ Max payment shock of 150% AND
	  ○ Three (3) months additional reserves
	• Asset depletion max 45% DTI, if asset depletion income is < 25% of total qualifying income, follow primary income DTI requirements

Personal Bank Statement Income	• Intended for borrowers with 50% or more self-employment income • Can be combined with all other income sources • Multiple bank accounts are allowed • Non-borrower on joint bank account is allowed but limited to 50% of deposits • Personal bank account used as a business bank account is acceptable, however, must follow business bank statement income guidance
Business Bank Statement Income	• May use P&L or Fixed Expense Ratio (FER). • When using FER, a borrower prepared business narrative is required at time of submission • Multiple bank accounts OK • A minimum of 20% ownership in the business required • May be combined with non-business income: i.e. SSI, rental income, W2 wages

<table>
<tr><td>Fixed Expense Ratio for Bank Statement Income Calculations</td><td colspan="5">A borrower prepared business narrative is required at loan submission describing the business activity to product, number of employees and contractors on average, years in operation, and borrower's role in the daily operation of the business. Must be signed and dated.<table><tr><td>Number of Employees</td><td>0</td><td>1-5</td><td>>5</td><td rowspan="3">Service Business Examples – Consulting, Accounting, Legal, Counseling, Therapy, Financial Planning, Insurance, Information Technology, etc.
Product Business Examples – Retail, Food Services/Restaurant, Manufacturing, Contracting/Construction etc.
The expense ratio should be reasonable for the profession, for both qualifying methods.</td></tr><tr><td>Service Business</td><td>20%</td><td>40%</td><td>60%</td></tr><tr><td>Product Business</td><td>40%</td><td>60%</td><td>80%</td></tr></table></td></tr>
<tr><td>History of Self-Employment</td><td colspan="5">• A two (2) year history of self-employed history required on all loans
• Less than two (2) years but greater than one (1) year can be considered case-by-case. Requirements are:
○ Strong previous experience
○ Job industry-specific training
○ Previous work history to support lack of self-employment history</td></tr>
<tr><td>Short Term Rental Income</td><td colspan="5">• Documentation Options:
○ A two (2) year schedule E income averaged over two (2) years and supported with YTD host ledger (VRBO / AirBNB, etc.) OR
○ A one (1) year Schedule E supported by YTD host ledger and 1007
○ Less than one (1) year history is not allowed
• Gross income limited to 125% of 1007 rents
• Less than one (1) year history is not an eligible income source</td></tr>
<tr><td>Asset Depletion</td><td colspan="5">• Assets net of closing and reserves divided by 120 can be used as qualifying income
• If asset depletion is 80% or more of total income, then assets must equal 1.5 times loan amount
• If asset depletion is less than 80% of total income, then $100,000 is minimum required asset amount
• Six (6) months of statements required on all accounts
• Non-occupant co-borrowers not allowed
• Cash-out is ineligible; however, debt consolidation refi is allowed, maximum of $3,000 or 2% of the loan amount in proceeds is allowed
• Asset type with qualifying percentage allowed:
○ Checking, Savings, Money Market Accounts = 100%</td></tr>
</table>

	○ Stocks, Bonds and Mutual Funds = 70% ○ Restricted Stock Units (vested units at current price) = 70% ○ Retirement Accounts (401k / IRA): ▪ Borrower is < 59.5 years old = 60% ▪ Borrower is >59.5 years old = 70%
Tax Transcripts on Full Doc	• Required on all income used to qualify • Business transcripts not required if business income is reported on 1040
Tax Transcripts on Bank Statement and Asset Depletion	• Transcripts and income validation not required for Asset Depletion and Bank Statement income • Transcripts are required for any non-1040 type full doc income used in conjunction with these 2 income types, i.e. W2 wages SSI income should be validated with 2 months bank statements, 1099 transcripts are not required
Declining Income	• Follow Fannie Mae - Must be reasonable and supported with documentation to show trend is stable or increasing

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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM - Assets	
Business Funds	• Business funds allowed for down payment, closing costs and reserves • Must meet cash flow analysis of three (3) months of statements
Gift Funds	• If LTV/CLTV is greater than 80%, borrowers must have 5% of own funds • All gift allowed when LTV/CLTV is 80% or less • Gift funds allowed on primary residence only • Gift funds must be from an immediate family member, fiancé(e), or domestic partner • Gift funds not acceptable for reserves
Paying Off Debt to Qualify	• Revolving may be excluded if paid to zero ○ Account does not need to be closed • Installment may be excluded if paid off and closed • Paying down an installment loan to ten (10) months is not allowed
Reserves	• Loan amount <= $1,500,000 requires six (6) months PITI • Loan amount > $1,500,000 requires twelve (12) months PITI • Each additional financed 1-4 family residential property requires two (2) months PITI • Departing residence converted to rental without landlord history and LTV of 75% or less requires four (4) months PITI • Departing residence converted to rental without landlord history and LTV of 75.01 to 90% requires six (6) months PITI • Using 1007 projected rents requires an additional four (4) months PITI
When are Reserves NOT Required	• Rate & term with DTI <= 45% and with a payment lower than current payment • Cash-out refi with DTI <= 45% and either PITI is lower than current PITI or overall debt payment is being reduced by a minimum of 10% • All other non-subject reserve requirements remain
Source of Reserves	• Funds in non-cash holdings, like stocks, bonds & mutual funds must be discounted to 70% • Subject property proceeds up to 10% of property value and non-subject property refinance proceeds • Life insurance surrender value • 529 accounts • Business funds • Company sponsored retirement accounts i.e.: 401(k)

Retirement Accounts Being Used for Reserves	• Discount non-cash holding to 70% for borrower 59.5 and older • Discount non-cash holdings to 60% if younger than 59.5 • Employer sponsored savings plans (like a 401(k))require TOW from employer which allow for hardship withdrawal

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SEQUOIA PORTFOLIO PLUS LOAN PROGRAM – Property/Appraisal Information	
Acreage	• No more than ten (10) acres
Rural Properties	• Owner-Occupied ONLY • 80% Max LTV • Purchase or Rate & Term Refi

Property Flips	• The following requirements apply to properties acquired within 90 days prior to the date of sales contract:
	  ○ Property seller on the purchase contract is the owner of record
	  ○ Second full appraisal is required
	  ○ Increases in value should be documented with commentary from the appraiser

Recently Listed Properties	• Properties listed at the time of application are not eligible • Properties listed in the past six (6) months prior to the application date are not eligible for cash out Properties listed in the period between three (3) and six (6) months from app date may be eligible for rate & term refi
Warrantable Condos	• Established projects ONLY • Detached units and small projects (2-4 condos) follow Fannie Mae guidance ○ No HOA review required • All other projects require full review
Non-Warrantable Condos	• Some non-warrantable condos are acceptable on an exception basis, see your Account Manager for info
Ineligible Properties	• Condotels & resort style condos • Unique style homes: earth, dome, etc. • Property condition of C5 or C6 • Working farms or ranches
Appraisal Requirements	• Loan amounts up to and including $1,500,000 require one (1) appraisal and CDA • Up to a 10% tolerance on the CDA is allowed. • If the CDA value is more than 10% below the appraisal value, the lower of the two (2) values must be used • If the tolerance exceeds 10% then a field review may be provided to support the appraised value

	• If the field review value is within 10% of the original appraised value, then the original appraised value may be used • If the variance between the original appraised value and the field review is greater than 10%, a second full appraisal is required and the lesser of the two (2) will be used • Loan amounts greater than $1,500,000 require two (2) appraisals • Leaseholds are acceptable in areas where commonly accepted and documented via the appraisal with sufficient comps
Appraisal Age	• Appraisals must be dated within 120 days of the Note date • Re-certification is required if appraisal is greater than 120 days • Maximum appraisal age is 180 days
Transferred Appraisals	• Allowed
Declining Property Value	• Reduce maximum LTV/CLTV by 5%, max 85% LTV/CLTV for any property located in an area of declining property values as noted on the appraisal