

FORTRESS DD NQM				
2 Year Full Doc				
Max LTV / CLTV's		Primary Residence		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
740+	<= \$1,000,000	90	85	75
	\$1,000,001 - \$1,500,000	85	85	75
	\$1,500,001 - \$2,000,000	80	80	70
	\$2,000,001 - \$2,500,000	80	80	70
720 - 739	<= \$1,000,000	80	80	75
	\$1,000,001 - \$1,500,000	80	80	70
	\$1,500,001 - \$2,000,000	80	75	70
	\$2,000,001 - \$2,500,000	75	70	65
700 - 719	<= \$1,000,000	80	80	75
	\$1,000,001 - \$1,500,000	80	75	70
	\$1,500,001 - \$2,000,000	75	75	60
	\$2,000,001 - \$2,500,000	75	70	60
680 - 699	<= \$1,000,000	80	80	70
	\$1,000,001 - \$1,500,000	75	75	70
	\$1,500,001 - \$2,000,000	70	70	60
	\$2,000,001 - \$2,500,000	70	70	60
Max LTV / CLTV's		NOO - 2nd Home		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
740+	<= \$1,000,000	75	75	65
	\$1,000,001 - \$1,500,000	75	75	65
	\$1,500,001 - \$2,000,000	75	75	65
720 - 739	<= \$1,000,000	75	75	65
	\$1,000,001 - \$1,500,000	75	75	65
	\$1,500,001 - \$2,000,000	75	75	65
700 - 719	<= \$1,000,000	75	75	65
	\$1,000,001 - \$1,500,000	75	75	65
	\$1,500,001 - \$2,000,000	75	75	60
680 - 699	<= \$1,000,000	75	75	65
	\$1,000,001 - \$1,500,000	75	75	65
	\$1,500,001 - \$2,000,000	70	70	60

1 Year Full Doc
Max LTV = 85%
Max LTV - Cash-Out = 70%

Property Type Restrictions
Max LTV - 80% Condo & 2-4 Units
State Restrictions
Max LTV - 80% IL & NJ

General Requirements							
	Product	Qualifying Rate	Term	I.O. Term	Amortization Term	Index	Caps
Product Type	5/1 ARM	Greater of Fully Indexed or Note Rate	360	N/A	360	1 Yr Libor	2/2/5
	5/1 ARM I.O.	Greater of Fully Indexed or Note Rate	360	120	240	1 Yr Libor	2/2/5
	5/1 ARM I.O.	Greater of Fully Indexed or Note Rate	480	120	360	1 Yr Libor	2/2/5
	7/1 ARM	Greater of Fully Indexed or Note Rate	360	N/A	360	1 Yr Libor	5/2/5
	7/1 ARM I.O.	Greater of Fully Indexed or Note Rate	360	120	240	1 Yr Libor	5/2/5
	7/1 ARM I.O.	Greater of Fully Indexed or Note Rate	480	120	360	1 Yr Libor	5/2/5
	15 Year Fixed	Note Rate	180	N/A	180	N/A	N/A
	30 Year Fixed	Note Rate	360	N/A	360	N/A	N/A
	30 Year Fixed I.O.	Note Rate	360	120	240	N/A	N/A
	40 Year Fixed I.O.	Note Rate	480	120	360	N/A	N/A
Interest Only	Primary Residence Only						
Loan Amounts	Minimum \$150,000 - Max \$2,500,000						
	NOO/2nd Home Max Loan Amount - \$2,000,000						
Loan Purpose	Purchase, Rate / Term, Cash-Out						
Occupancy	Primary, Second Home, Investment						
Property Type	SFR, Attached, 2-4 Units, Warrantable Condo						
Cash-Out	Max Cash \$500,000 -FL Condos Not Eligible -IL & NJ Not Eligible						
Appraisals	<p>Appraisals should be dated no more than 120 days prior to the note date Properties with condition ratings of C5 and C6 and/or a quality rating of Q6 are not allowed 2nd Appraisal: A second appraisal is required when the loan amount is greater than \$1.5MM and/or the transaction is a flip When a 2nd appraisal is required, value is based on the lower of the two (2) values. 2nd appraisal must be from a different company and appraiser than the first appraisal.</p>						

Appraisal Review Product	<p>CDA from Clear Capital A field review or a second appraisal is also acceptable Appraisal must be submitted to Collateral Underwriter (CU); an eligible score of 2.5 or less is required If the CDA reflects a value of more than 10% below the appraised value, if CDA does not provide a value or the CU score exceeds 2.5 - A field review or a second appraisal is required.</p>
Rural Property	Not allowed - Max Acreage 5-acres

Income Requirements							
Income	<p>Wage/Salary: Most recent paystubs reflecting 30 days and YTD earnings AND W2(s) AND Verbal verification of employment (VVOE) for each employer within (5) days of the note date. An email from the borrower's employer that identifies the name and title of the verifier may be used in lieu of a VVOE AND Executed 4506T for each borrower as well as W2 transcripts for each borrower</p>						
	<p>Self Employed: The most recent two (2) year or one (1) year returns, signed and dated by borrowers AND a borrower prepared YTD P&L, up to and including the most recent month preceding the application date and two (2) business checking account statements for the two (2) recent months reflected on the P&L If a gap exists between the tax return ending date and the start date of the P&L, a gap year P&L is required. The qualifying income is determined from the tax returns and the P&L is used to determine stability of the income. The bank statements for the most recent two (2) months must reflect deposits that support the sales from the P&L and the income from the priors' years tax return Executed 4506T for each borrower as well as the transcripts Verify the existence of the business within 30 days of the note date and ensure that the business is active: A letter from a tax professional, regulatory agency, or licensing bureau certifying two (2) years self-employment in the same business AND a phone listing and/or a business address using internet search</p>						
Earning Trends	<p>Year to year earnings trends must be considered in accordance with Appendix Q Part 1026 of regulation Z - <i>Standards for determining Monthly Debt and Income</i></p>						
	<table border="1"> <tr> <td>Stable or Increasing</td> <td>Amounts should be averaged</td> </tr> <tr> <td>Declining but Stable</td> <td>If 24 month average shows a decline, but most recent 12 months has stabilized & there is no reason to believe that the income / employment will not change the most recent 12 month average may be used.</td> </tr> <tr> <td>Declining</td> <td>Income is ineligible</td> </tr> </table>	Stable or Increasing	Amounts should be averaged	Declining but Stable	If 24 month average shows a decline, but most recent 12 months has stabilized & there is no reason to believe that the income / employment will not change the most recent 12 month average may be used.	Declining	Income is ineligible
	Stable or Increasing	Amounts should be averaged					
Declining but Stable	If 24 month average shows a decline, but most recent 12 months has stabilized & there is no reason to believe that the income / employment will not change the most recent 12 month average may be used.						
Declining	Income is ineligible						

Underwriting Requirements				
Credit Score	Middle of 3 scores of lower of 2			
Housing History	0x30x12			
Credit History	Foreclosure, Short Sale, Deed in Lieu, Any BK - 48 months seasoning			
Tradelines	2 open and reporting for 24 months or 3 open and reporting 12 months			
DTI Requirements	Max DTI is 43% 50% DTI is allowed with the following: Primary residence only AND 2-Year Full Doc only AND Minimum residual income of \$3500			
Residual Income	Residual Income = Gross Monthly Income - Total Monthly Debt			
	Add \$250 for the 1st dependent and \$125 for each additional dependent			
	Occupancy	Max LTV	Min Residual Income	
	Primary	90%	\$2,500	
Primary DTI > 43%	85%	\$3,500		
Payment Shock	Max 300% of current housing if DTI > 36%			
Reserves	LTV <= 85% = 6 months PITIA			
	LTV > 85% = 12 months PITIA			
	Loan Amounts > \$1.5MM = 9 months PITIA			
	Cash-Out proceeds not allowed to satisfy reserve requirement			
Business Assets	If business funds are used, the borrower must be the sole proprietor or 50% owner of the business. A business cash flow analysis will be performed to confirm the withdrawal of funds for the subject transaction will not have a negative impact on the business.			
Gift Funds	Not Allowed			
Document Age	60-days			
Prepayment Penalty NOO Only	Prepayment Periods Up to 5-Years Allowed			
	PPP not allowed in AK, KS, MI, MN, NM, OH, and RI			
	PPP not allowed on loans vested to individuals in IL and NJ			
	PPP not allowed on loan amounts less than \$260,404 in PA			
	Only declining prepayment penalty structures allowed in MS			
COVID				
PPP Loan	A business that has obtained a PPP loan is not prohibited from loan program. An analysis of the most recent bank statements, both standard doc and bank statement doc types, must support ongoing sales activity. The sales activity, deposits, must support the qualifying income.			