

FORTRESS DD NQM				
2 Year Full Doc				
Max LTV / CLTV's		Primary Residence		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
720+	<= \$1,000,000	90	85	80
	\$1,000,001 - \$1,500,000	90	85	75
	\$1,500,001 - \$2,000,000	85	85	70
	\$2,000,001 - \$2,500,000	80	80	70
700 - 719	<= \$1,000,000	90	85	75
	\$1,000,001 - \$1,500,000	85	85	70
	\$1,500,001 - \$2,000,000	80	80	65
	\$2,000,001 - \$2,500,000	75	75	65
680 - 699	<= \$1,000,000	85	85	75
	\$1,000,001 - \$1,500,000	80	80	70
	\$1,500,001 - \$2,000,000	75	75	65
	\$2,000,001 - \$2,500,000	70	70	60
660 - 679	<= \$1,000,000	80	80	75
	\$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
720+	<= \$1,000,000	80	80	75
	\$1,000,001 - \$1,500,000	80	80	75
	\$1,500,001 - \$2,000,000	80	80	70
700 - 719	<= \$1,000,000	80	80	75
	\$1,000,001 - \$1,500,000	80	80	70
	\$1,500,001 - \$2,000,000	80	80	65
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	\$1,000,001 - \$1,500,000	75	75	70
	\$1,500,001 - \$2,000,000	70	70	60

1 Year Full Doc
Max LTV/CLTV = 85%
Max LTV/CLTV - Cash-Out = 75%

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

General Requirements							
	Product	Qualifying Rate	Term	I.O. Term	Amort Term	Index	Caps
Product Type	5/6 ARM	Greater of Fully Indexed or Note Rate	360	N/A	360	30-day avg SOFR	2/1/5
	5/6 ARM I.O.	Greater of Fully Indexed or Note Rate	360	120	240	30-day avg SOFR	2/1/5
	5/6 ARM I.O.	Greater of Fully Indexed or Note Rate	480	120	360	30-day avg SOFR	2/1/5
	7/6 ARM	Greater of Fully Indexed or Note Rate	360	N/A	360	30-day avg SOFR	5/1/5
	7/6 ARM I.O.	Greater of Fully Indexed or Note Rate	360	120	240	30-day avg SOFR	5/1/5
	7/6 ARM I.O.	Greater of Fully Indexed or Note Rate	480	120	360	30-day avg SOFR	5/1/5
	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 Yr Fixed I.O.	Note Rate	360	120	240	N/A	N/A
40 Yr Fixed I.O.	Note Rate	480	120	360	N/A	N/A	
Interest Only	Primary Residence Only - <b>Minimum 680 FICO, MAX 80% LTV/CLTV</b>						
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, <b>Non-Warrantable Condo</b>						
Cash-Out	<b>Max Cash-Out:</b> - LTV >= 70% = \$250,000 - LTV > 50% - < 70% = \$500,000 - LTV <= 50% = \$1,000,000 <b>Condos in Florida - Max LTV 65%</b> <b>IL, NJ - Max LTV 65%</b>						
Appraisals	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 <b>2nd Appraisal:</b> 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.						

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>
Financed Properties	<p>A max of 20 financed properties including subject loan  Commercial or multi-family (5+ units) property do not apply to the cap of 20 financed properties  Newfi exposure to a single borrower shall not exceed \$5,000,000 in current UPB or six (6) properties</p>
Rural Property	Not allowed - Max Acreage 5-acres

Income Requirements							
Income	<p><b>Wage/Salary:</b>  Most recent paystubs reflecting 30 days and YTD earnings <b>AND</b> two (2) or one (1) year W2(s) <b>AND</b> 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 <b>AND</b> Executed 4506T for each borrower as well as W2 transcripts for each borrower</p>						
	<p><b>Self Employed:</b>  The most recent two (2) year or one (1) year returns, signed and dated by borrowers <b>AND</b> a borrower prepared YTD P&amp;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&amp;L  If a gap exists between the tax return ending date and the start date of the P&amp;L, a gap year P&amp;L is required. The qualifying income is determined from the tax returns and the P&amp;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&amp;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 <b>AND</b> 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 &amp; 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 or 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	<p>Max DTI is 50%</p> <p>55% DTI is allowed with the following:</p> <ul style="list-style-type: none"> <li>- Primary residence only</li> <li>- 2-Year Full Doc only</li> <li>- Minimum residual income of \$3500</li> <li>- Max LTV / CLTV &lt;= 80%</li> <li>- Minimum 12-months Reserves</li> <li>- FTHB Not Allowed</li> </ul>		
Residual Income	Residual Income = Gross Monthly Income - Total Monthly Debt		
	Add \$250 for the 1st dependent and \$125 for each additional dependent		
	<b>Occupancy</b>	<b>Max LTV</b>	<b>Min Residual Income</b>
	Primary	90%	\$2,500
Payment Shock	Primary DTI > 43%	85%	\$3,500
	Max 300% of current housing if DTI > 36%		
Reserves	<p>LTV &lt;= 85% = 6 months PITIA</p> <p>LTV &gt; 85% = 12 months PITIA</p> <p>Loan Amounts &gt; \$1.5MM = 9 months PITIA</p> <p>Each financed property, in addition to the subject property, will increase the applicable reserve requirement by two (2) months of PITIA on the subject property, to a maximum of 12 months reserves</p> <p>Reserves for a loan with an Interest Only feature are based upon the I.O. payment amount</p> <p>Cash-Out proceeds allowed to satisfy reserve requirement for LTV's &lt;= 65%</p>		
Business Assets	<p>If business funds are used, the borrower must be the sole proprietor or 50% owner of the business.</p> <p>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.</p>		
Gift Funds	Allowed - Minimum 5% borrower contribution required		
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.		