

| ARCHES GARDEN | | | | | | | Reserves |
|------------------------------|-------------------|--------------------|------------|-------------|--------------|-----|---|
| Owner Occupied - Purchase | | | | | | | |
| Property Type | Min Loan Amount > | Max Loan Amount <= | Max LTV <= | Max CLTV <= | Credit Score | DTI | |
| SFR, SFA, PUD, & Condo | \$548,250 | \$2,000,000 | 80% | 80% | 720 | 43% | |
| | \$548,250 | \$1,000,000 | 70% | 70% | 700 | 40% | |
| | \$2,000,000 | \$2,500,000 | 75% | 75% | 740 | 43% | |
| | \$2,500,000 | \$3,000,000 | 75% | 75% | 780 | 43% | |
| | \$2,500,000 | \$3,000,000 | 70% | 70% | 740 | 43% | |
| Owner Occupied - Rate & Term | | | | | | | Loan Amounts <= \$1mm - 12 Months PITI Loan Amounts <= \$2mm - 15 Months PITI Loan Amounts <= \$3mm - 30 Months PITI FTHB - 18 Months PITI |
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| | \$2,500,000 | \$3,000,000 | 70% | 70% | 740 | 43% | |
| Owner Occupied - Cash-Out | | | | | | | |
| Property Type | Min Loan Amount > | Max Loan Amount <= | Max LTV <= | Max CLTV <= | Credit Score | DTI | |
| SFR, SFA, PUD, & Condo | \$548,250 | \$1,000,000 | 65% | 65% | 720 | 38% | |
| | \$1,000,000 | \$2,000,000 | 65% | 65% | 740 | 38% | |
| | \$2,000,000 | \$2,500,000 | 65% | 65% | 760 | 38% | |

| ARCHES GARDEN | | | | | | |
|------------------------------|--|---|------|--------|--------------|-----------------|
| | Product | Qualifying Rate | Term | Margin | Caps | Index |
| Available Products | 15 Year Fixed | Note Rate | 180 | N/A | N/A | N/A |
| | 5/6 ARM | Greater of Note Rate + 2% or Fully Indexed Rate | 360 | 2.75% | 2% - 1% - 5% | 30-Day Avg SOFR |
| | 7/6 ARM | Greater of Note Rate or Fully Indexed Rate | 360 | 2.75% | 5% - 1% - 5% | 30-Day Avg SOFR |
| | 10/6 ARM | Greater of Note Rate or Fully Indexed Rate | 360 | 2.75% | 5% - 1% - 5% | 30-Day Avg SOFR |
| Secondary Financing | Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae Institutional lenders only Not allowed with a cash-out first mortgage | | | | | |
| Property Type | Single Family Residence (Detached & Attached) PUD Condo (All condo's must meet FNMA warrantable condo requirements, minimum 400 square feet) | | | | | |
| Max Cash-Out | \$500,000 Max | | | | | |
| Property Value Determination | Purchase: Current Appraised Value Rate & Term: Current appraised value can be used after 6-months of ownership. Owned less than 6-months use lesser of purchase price or current appraised value Cash-Out: Current appraised value can be used after 12-months of ownership. Owned less than 12-months use lesser of purchase price or current appraised value | | | | | |
| Lien & Ownership Seasoning | Rate & Term: 6-months seasoning on previous cash-out or transaction paying off non-seasoned 2nd Cash-Out: 6-month ownership seasoning required | | | | | |
| Flips | If seller has taken title 90-days prior to contract date, 2nd appraisal is required | | | | | |
| Continuity of Obligation | One of the following must be met: At least one (1) borrower who is obligated on the new loan is also obligated on the existing loan being refinanced At least one (1) borrower has been on title and residing in the property for at least 12-months and has either paid the mortgage for the last 12-months or can demonstrate a relationship with the current obligor At least one (1) borrower has recently been legally awarded the property (divorce, separation, or dissolution of domestic partnership) The loan being refinanced and the title to the property are in the name of a natural person or in the name of a limited liability company (LLC) as long as the borrower owns at least 25% percent of the LLC. | | | | | |
| Delayed Financing | Delayed financing refinances in which the borrower(s) purchased the subject property for cash within 90-days from the date of the application are eligible Cash-back to the borrower in excess of the original purchase price or appraised value (whichever is less) is not allowed Delayed financing refinances are underwritten as rate and term refinances and are not subject to cash-out program limitations Property may not be located in Texas | | | | | |

| Borrower Requirements | |
|---------------------------|--|
| Eligible Borrowers | US Citizens Permanent Resident Alien Non-Permanent Resident Alien |
| Non-Permanent Resident | Non-Permanent Resident Aliens are eligible. A non-permanent resident alien is someone who is: <ul style="list-style-type: none"> - Not a U.S. Citizen - Granted the right to live and work in the U.S. on a temporary basis, and a lawful non-permanent resident of the U.S. (Visa Holder) Acceptable Visa types are as follows: <ul style="list-style-type: none"> - 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) - L Series (L-1, L-1A, L-1B, Spouse L-2 with EAD) - NATO Series (NATO 1-6) - O Series (O-1) - TN-1, Canadian NAFTA visa - TN-2, Mexican NAFTA visa Must have a valid Social Security Number Must have minimum of two (2) year employment history in the U.S. and qualifying income must be from the U.S. Must be able to verify that current employment has a probability of three (3) year continuance. VOE form may be used to document. Must have a two (2) year credit history in U.S. and must meet minimum credit requirements Funds to close must be deposited in a U.S. financial institution first. No funds to close from directly outside the U.S. are allowed. |
| Frist Time Homebuyer | \$1,000,000 Max Loan Amount - Reserves 18 Months PITI |
| Multiple Properties Owned | The maximum number of residential 1-4 unit properties financed is four (4). Properties owned free and clear are NOT included in this limitation. Max exposure to Newfi for any one (1) borrower is five (5) loans or \$5,000,000 UPB |
| Max # of Borrower's | Maximum of 4 borrowers per loan |
| Non-Occupant Co-Borrowers | Income from a Non-Occupant Co-Borrower Not Allowed |

| Credit | |
|---------------------------------|---|
| Credit Score | See matrix When multiple borrowers apply, the lowest middle score is the qualifying credit score |
| Age of Documentation | Income & Assets - 60-days Credit - 90-days Title & Appraisal - 120-days |
| Housing Payment History | 0x30x24 |
| Major Credit Events | Foreclosure, Deed-In-Lieu, Bankruptcy, Short Sales, NOD, 120/150 day lates - Seven (7) years seasoning is required |
| Collections & Charge Offs | At or prior to loan closing, all delinquent credit that will impact title - including delinquent taxes, judgments, charge-off accounts, tax liens and mechanics liens - must be paid off. Collection and charged-off accounts that do not impact title do not need to be paid off if the sum total of all derogatory accounts is less than \$1,000 or if there are multiple accounts total balance of all accounts cannot exceed \$2,500. |
| Required Credit History | Three (3) open and active tradelines with 24-months history Two (2) tradelines must have activity within the most recent six (6) months of application date One (1) tradeline must be installment, mortgage, or rental history Rental history may be used as one (1) of the three (3) tradelines Borrowers not meeting the three (3) tradeline requirement above are acceptable if they meet the following criteria: - Minimum of eight (8) tradelines (one must be mortgage or rental) - One trade must be open for a minimum of 12-months - Minimum ten (10) year credit history |
| Business Liabilities | Debts that are not a contingent liability that are paid by another entity such as borrower's business or debts being paid by a family member must be included in the DTI calculation. |
| Forbearance - Mortgage Accounts | Not Allowed |

| Income | |
|----------------------------|--|
| Paying Off Debt to Qualify | <p>Installment debt may be paid off to qualify either before or at closing</p> <p>Revolving debt may be paid off to qualify either before or at closing with appropriate documentation to evidence that the account has been closed</p> |
| Tax Transcripts | <p>Required on all income used to qualify, Transcripts may match income type</p> <p>2-years return transcripts always required</p> |
| P&L and Balance Sheet | <p>Full year P&L required if most recent tax forms are due but not filed</p> |
| Self-Employed | <p>A borrower is considered Self-Employed when they have 25% or more ownership interest in a business</p> <p>A wage earner borrower with an incidental side business that does not provide qualifying income will not be considered as Self-Employed</p> <p>Declining qualifying income from Self-Employed of 20% or more, is ineligible for qualifying income</p> <p>Two (2) business entities max per transaction</p> <p>For determining the number of qualifying entities, rental properties held in an entity are counted in the total max of two (2). Schedule C are not counted against the maximum number of entities allowed.</p> <p>Year to date P&L required. Needs to be no older than 60-days from note date.</p> <p>3-months business bank statements with ending period same as YTD P&L.</p> <p>Balance sheet dated within 60-days from note date.</p> |
| Rental Income | <p>Requires one (1) year 1040</p> <p>Leases are required for all properties where rental income is being used to qualify</p> <p>Rental income for properties with leases from management companies or other rental companies (i.e. Airbnb and VRBO) is not allowed</p> <p>Properties with expired leases that have converted to month to month per the terms of the lease will require bank statements for the lesser of 12-months or the time period after the lease expired</p> <p>Commercial properties owned on the REO section of schedule E must be documented with a current commercial lease and evidence that the primary use and zoning of the property is commercial</p> |
| Unacceptable Income | <p>RSU</p> <p>Cannabis</p> <p>Boarder Income</p> <p>Auto Allowances</p> |
| Declining Income | <p>Self-Employed income with \geq 20% decline, is ineligible</p> |

| Assets | |
|--------------------------|--|
| Business Funds | Business funds allowed for down payment and closing costs Loan must meet the FNMA requirements for use of business assets |
| Gift Funds | Gift funds are allowed for primary residence transactions with the following requirements: <ul style="list-style-type: none"> - Gift donor must be a relative, defined as a borrower's spouse, child or other dependent or by any other individual who is related to the borrower by blood, marriage, adoption or legal guardianship or a fiancé or domestic partner - Borrower must contribute a minimum of 5% of their own funds - Gift of equity is not eligible - Gift funds may NOT be used to pay off installment debt to qualify Gift funds may NOT be used to pay off revolving debt to qualify. |
| Reserves | Loan Amounts <= \$1,000,000 - 12 Months PITI Loan Amounts <= \$2,000,000 - 15 Months PITI Loan Amounts <= \$3,000,000 - 30 Months PITI First Time Homebuyers - 18 Months PITI (\$1,000,000 Max Loan Amount) REO: Each additional financed property requires an additional 6 Months PITI based on each REO's PITI |
| Source of Reserves | Gift funds, equity lines of credit, and cash-out proceeds CANNOT be used for reserves TOW needs to be provided for any employer sponsored plans. |
| Paycheck Protection Plan | These loans cannot be included in assets or counted as income |

| Property / Appraisal Information | |
|----------------------------------|--|
| Acreage | No more than twenty (20) acres Properties with greater than 10 acres need to have three comparables with similar acreage |
| Recently Listed Properties | Rate & Term: Listing must be canceled or expired prior to the application date Cash-Out: Listed within the previous 6-months, not eligible |
| Condos | All condominiums must meet FNMA warrantable condo requirements Condo review type - Full review always required Detached Condos and small projects (2-4 units) do not require condo review Projects with any litigation are ineligible Minimum square footage 400 New projects are ineligible |
| Ineligible Properties | Properties zoned Rural Manufactured Homes Factory Built Housing Properties with income producing attributes Properties with oil and gas lease(s) Condo hotel units, non-warrantable condominiums, condominiums with HOA in litigation Log Homes Timeshare units Geothermal homes Unique properties Mixed use properties, including home businesses i.e.: daycare Working farms Hobby farms Commercial properties Agriculturally zoned properties (agricultural/residential eligible) Properties held as leasehold |

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| Oil & Gas Leases | Not allowed |
| HERO / PACE / Solar Panels | Any item that will include a UCC associated with the property and/or will create an easement on title is ineligible PACE / HERO Liens cannot be subordinated, must be paid off. If paid with loan proceeds transaction will be considered cash-out. |
| Appraisal Requirements | <p>For loan amounts up to and including \$1,500,000, one full appraisal is required</p> <p>For loan amounts greater than \$1,500,000, two full appraisals are required</p> <p>LTV will be based on lower of the two (2) values</p> <p>All inconsistencies between the two (2) appraisals must be addressed and reconciled</p> <p>A CDA is required on all loans regardless of the loan amount</p> <p>If the CDA produces a value in excess of a 10% negative variance then a field review may be ordered to support the original appraised value, if the field review produces a value in excess of a 10% negative variance the loan is ineligible</p> |
| Appraisal Age | Appraisal must be dated within 120 days of the note date. Re-certs are not allowed. |
| Transferred Appraisals | Allowed case by case for loan amounts <= \$1,500,000 |
| Declining Property Value | Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as noted on the appraisal |