

| Lassen Jumbo | | | | | | | | |
|---|---|--|------------------|------------|--------|-----------|---|--|
| Owner-Occupied | | | | | | | | |
| Loan Purpose | Loan Amounts* | Property Type | Min Credit Score | LTV | CLTV | DTI | Reserves | |
| Purchase / Rate & Term | <= \$3,000,000 | SFR, PUD | 700 | 80% | 90% | 43% | <= \$1mm > of DU reserve requirement or 6 months PITI <= \$3mm > of DU reserve requirement or 12 months PITI | |
| | <= \$3,000,000 | Condo, 2-units | 700 | 80% | 80% | | | |
| Cash-Out | <= \$3,000,000 | SFR, PUD, Condo | 700 | 80% | 80% | | | |
| | <= \$3,000,000 | 2-units | 700 | 75% | 75% | | | |
| *Minimum loan amount is \$1 above standard conforming loan limits | | | | | | | | |
| 2nd Home | | | | | | | | |
| Loan Purpose | Loan Amounts* | Property Type | Min Credit Score | LTV | CLTV | DTI | Reserves | |
| Purchase / Rate & Term | <= \$3,000,000 | SFR, PUD | 700 | 75% | 75% | 43% | <= \$1mm > of DU reserve requirement or 6 months PITI <= \$3mm > of DU reserve requirement or 12 months PITI | |
| | <= \$3,000,000 | Condo | 700 | 75% | 75% | | | |
| Cash-Out | <= \$3,000,000 | SFR, PUD | 700 | 75% | 75% | | | |
| | <= \$3,000,000 | Condo | 700 | 75% | 75% | | | |
| *Minimum loan amount is \$1 above standard conforming loan limits | | | | | | | | |
| Lassen Jumbo | | | | | | | | |
| Available Products | Product | Qualifying Rate | | Term | Margin | Caps | Index | |
| | 30 Year Fixed | Note Rate | | 360 months | N/A | N/A | N/A | |
| | 15 Year Fixed | Note Rate | | 180 months | N/A | N/A | N/A | |
| | 5/6 ARM | Greater of note rate plus 2% or fully indexed rate | | 360 months | 3.00% | 2 - 1 - 5 | 30-day SOFR Avg. | |
| | 7/6 ARM | Greater of note rate or fully indexed rate | | 360 months | 3.00% | 5 - 1 - 5 | 30-day SOFR Avg. | |
| | 10/6 ARM | Greater of note rate or fully indexed rate | | 360 months | 3.00% | 5 - 1 - 5 | 30-day SOFR Avg. | |
| | 5/5 ARM | Note Rate | | 360 months | 2.00% | 2 - 2 - 5 | 5 YR CMT | |
| | 15/15 ARM | Greater of note rate or fully indexed rate | | 360 months | 2.00% | 6 - 6 - 6 | 10 YR CMT | |
| | 5/5 ARM & 15/15 ARM | | | | | | | |
| | 5/5 ARM - Provides an initial fixed rate period of 5-years. Resets then occurs every 5-years. At each rate adjustment the new rate will be the lower of the index plus margin or loan caps. 15/15 ARM - Provides an initial fixed rate period of 15-years. After 15-years the rate adjusts to lower of index plus margin or loan caps. | | | | | | | |

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| Secondary Financing | <p>Allowed - See LTV/CLTV grid</p> <p>Junior financing must meet the requirements as defined by FNMA</p> <p>PACE / HERO liens are not allowed to be subordinated. Follow FNMA for payoff requirements</p> <p>If paying off a secondary lien, it must be purchase money or have a balance no more than the allowed cash-back amount for a rate & term refinance, to treat transaction like rate & term</p> |
| Property Type | <p>Single Family Residence (Detached & Attached)</p> <p>PUD</p> <p>Condo (All condo's must meet FNMA warrantable condo requirements)</p> <p>2-Units - Primary Residence ONLY (rental income cannot be used for qualification)</p> |
| Cash-Out | No equity withdrawal restriction |
| Rate & Term - Allowable Cash Back | <p>The lesser of 2% or \$2,000</p> <p>Principal reductions up to \$2,500 are allowed</p> |
| Delayed Financing | <p>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.</p> <p>Cash-Out pricing is applicable</p> <p>Follow all other FNMA requirements</p> |
| Ownership Seasoning | <p>Rate & Term - No Seasoning requirement</p> <p>Cash-Out - 6 months</p> |

| Borrower Requirements | |
|---------------------------|---|
| Eligible Borrowers | <p>US Citizens Permanent Resident Alien Non-Permanent Resident Alien</p> |
| Non-Permanent Resident | <p>Non-Permanent Resident Aliens are eligible. A non-permanent resident alien is someone who is:</p> <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 is a lawful non-permanent resident of the U.S. (Visa Holder) <p>Borrowers who are Non-Permanent resident aliens and provide evidence of lawful residency and right to work in U.S. are eligible for financing with the same terms as U.S. Citizens.</p> <ul style="list-style-type: none"> - EAD alone is not sufficient, borrower must have a valid, acceptable Visa. Underwriter to review current Visa for acceptability. <p>Acceptable Visa types are too numerous to list and categorize, the underwriter will review the Visa provided and determine if it's eligible. The Visa types below are some, but not all of the Unacceptable Visa's:</p> <ul style="list-style-type: none"> - A-3, B-1, B-2, F-1, H-1C, I, J-1, K-1, M-1, M-2, O-2, P-1, P-1, P-3, Q-1, Q-2, R-1, U-1, U-2, U-3, U-4, U-5 |
| Multiple Properties Owned | <p>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</p> |
| Non-Occupant Co-Borrowers | <p>Allowed per AUS. Blended ratios OK.</p> |
| Membership | <p>Must establish membership If loan signed with a POA, primary borrower must complete and sign membership</p> |

| Credit | |
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| AUS | Loan requires AUS approve/ineligible for loan amount ONLY. Follow AUS where underwriting guidelines are silent. "Refer with Caution" not allowed Loan may be "ineligible" for loan amount ONLY LP not allowed |
| Credit Score | Refer to Matrices for eligibility When multiple borrowers apply, the lowest middle score is the qualifying credit score |
| Age of Documentation | Income & Assets - 120-days Credit & Title - 120-days Appraisal - 120-days |
| Housing Payment History | Follow AUS, any non reported housing obligation will need to verified as 0x60x12 or better. |
| Major Credit Events | Seasoning is measured between the event date and our transactions note date Foreclosure: 7-years seasoning DIL, Short-Sale, Short-Refi: 4-years seasoning BK 7 or 11: 4-years seasoning BK 13: 2-years seasoning from discharged date, 4-years seasoning from dismissed date Multiple BK's: 5-years seasoning |
| Collections, Charge Offs, & Past-Due Accounts | Past Due accounts must be brought current. 1-unit owner occupied: no requirements 2-unit owner occupied & 2nd Home: If the aggregate total is > \$5,000, all accounts must be paid |
| Required Credit History | Follow AUS |
| Business Liabilities | Business debt held in the name of borrower must be included in the DTI. These debts cannot be excluded from ratios unless the business is the primary obligor and the business has made the twelve most recent on-time payments. |
| Forbearance - Mortgage Accounts | 12 on-time monthly payments after exit of forbearance required If borrower exited the Forbearance plan and initiated a repayment plan or accepted a loss mitigation solution (for example, payment deferral, modification, etc.), transaction is ineligible. |

| Income | |
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| Debt to Income Ratios (DTI) | 43% Max Escrow waivers are permitted w/ DTI <= 40% (DTI limitation does not apply for subject properties in CA) |
| Income | Standard 2-year Full-Doc requirements apply. 1-year AUS findings are not allowed. |
| Tax Transcripts | Required based on underwriter discretion and in situations where the most recent year income shows a significant increase over the previous year. |
| Rental Income | 2-years 1040's plus leases. If leases are not current they must contain month-to-month rollover language. |
| Departure Property | In order to use the departure residence rental income a 25% equity position is required. Equity position can be demonstrated with either a full or drive-by appraisal no more than 6-months old, or by comparing the current mortgage UPB to the acquisition cost. Signed lease is required. Will apply the 25% rule to determine qualifying income. |
| Declining Income | Must be reasonable and supported with documentation to show trend is stable or increasing |
| Cannabis Income | Borrowers with Cannabis related income are not allowed; Either as W2 or Self-Employed |
| Assets | |
| Business Funds | Business funds allowed for down payment, closing costs, and reserves provided they meet the following requirements: - Business has a liquidity ratio of 1.00 or greater. - If borrower has less than 100% ownership of the business the following 3 items are required: 1) verify identity of all owners 2) provide most recent business tax returns 3) provide letter from all owners allowing use of business funds |
| Gift Funds | Follow FNMA Guidance |
| Paying Off Debt to Qualify | Revolving accounts may be excluded from the DTI ratio, documentation must be provided that the account was paid in full either prior to closing or at closing. Installment debt may be excluded if paid off and closed For Installment Debt, monthly payments may be excluded from DTI calculation if there are fewer than ten (10) monthly payments, provided additional assets are verified in the amount of the UPB of the debt being excluded. |
| Reserves for Multiple Financed Properties | 2% of the aggregate UPB when borrower has 1 to 4 financed properties Subject property and primary residence are excluded from UPB aggregation |
| Source of Reserves | 100% of the value for retirement and non-retirement assets can be used. Assets that have restrictions on liquidating such as Private Equity and RSU's cannot be considered. TOW needs to be provided for any employer sponsored plans. (like 401k) |
| Paycheck Protection Plan | These loans cannot be included in assets or counted as income |

| Property / Appraisal Information | |
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| Acreage | No more than twenty-five (25) acres |
| Rural Properties | <p>Allowed</p> <p>Properties indicated by the appraisal as rural must comply with the following criteria:</p> <ul style="list-style-type: none"> - The primary use must be residential - The property must not be agricultural, or otherwise providing a source of income to the Borrower or for the subject loan - The lot size and acreage must be typical for the area and similar to the surrounding properties - The maximum acreage allowed is twenty-five (25) acres, which includes road frontage and the subject property - The present use must be the "highest and best use" for the subject property - The condition, quality and use of outbuildings may be considered in determining the market value of the subject property when the appraiser clearly supports the adjustments with similar comparable information |
| Recently Listed Properties | Properties currently listed for sale are not eligible for refinance transactions. Property must be off market prior to application date. |
| Condos | <p>All condominiums must meet FNMA warrantable condo requirements</p> <p>Condo review type (Full or Limited) determined by FNMA requirements</p> <p>Detached Condos and small projects (2-4 units) do not require condo review</p> |
| Ineligible Properties | <p>Non-Warrantable Condos</p> <p>Manufactured Homes</p> <p>Condotels & resort style condos</p> <p>Unique style homes: earth, dome, etc.</p> <p>Property condition of C5 or C6</p> <p>Working farms or ranches</p> <p>Mixed Use Property</p> <p>Cantilevered Properties</p> <p>Properties zoned commercial or agricultural that do not allow residential usage in the event the property is destroyed</p> |
| Solar Panels | Follow FNMA Guidance |
| Appraisal Requirements | <p>Loan amounts up to and including \$2,000,000 require one (1) appraisal and a CDA. If the FNMA CU Score < 2.5 then a CDA is not required.</p> <p>Up to 10% tolerance on the CDA is allowed.</p> <p>If the tolerance exceeds 10% then a field review or a 2nd appraisal may be provided to support the appraised value.</p> <p>Any appraisal not meeting the above requirements may be accepted subject to management review.</p> <p>Loan amounts > \$2,000,000 require two (2) appraisals (no CDA required)</p> |
| Appraisal Age | Appraisal must be dated within 120 days of the note date. Re-certification of values are allowed. |
| Transferred Appraisals | Not allowed - no exceptions |
| 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 |