

| ARCHES WINDOWS AUS | | | | | | | |
|--------------------|------------------------|--------------------|------------|-------------|--------------|-------------|--|
| Purchase | | | | | | | |
| Occupancy | Property Type | Max Loan Amount <= | Max LTV <= | Max CLTV <= | Credit Score | Maximum DTI | Reserves |
| Primary | SFR, SFA, PUD, & Condo | \$1,500,000 | 80% | 80% | 700 | 43% | LA <= \$1,500,000 - 6 Months PITI LA > \$1,500,000 <= \$2,000,000 - 9 Months PITI LA > \$2,000,000 <= \$2,500,000 - 24 Months PITI |
| | | \$1,500,000 | 65% | 65% | 680 | 40% | |
| | | \$2,000,000 | 70% | 70% | 720 | 43% | |
| | | \$2,500,000 | 70% | 70% | 720 | 40% | |
| | 2 Units | \$1,500,000 | 80% | 80% | 700 | 43% | |
| 3-4 Units | \$1,000,000 | 80% | 80% | 700 | 43% | | |
| 2nd Home | SFR, SFA, PUD, & Condo | \$1,000,000 | 75% | 75% | 700 | 40% | |
| | | \$1,500,000 | 70% | 70% | 700 | 40% | |
| | | \$1,500,000 | 60% | 60% | 680 | 40% | |
| | | \$2,000,000 | 65% | 65% | 720 | 40% | |
| Cash-Out | | | | | | | |
| Occupancy | Property Type | Max Loan Amount <= | Max LTV <= | Max CLTV <= | Credit Score | Maximum DTI | Reserves |
| Primary | SFR, SFA, PUD, & Condo | \$1,000,000 | 75% | 75% | 700 | 40% | LA <= \$1,500,000 - 6 Months PITI LA > \$1,500,000 <= \$2,000,000 - 9 Months PITI LA > \$2,000,000 <= \$2,500,000 - 24 Months PITI |
| | | \$1,500,000 | 70% | 70% | 700 | 40% | |
| | | \$2,000,000 | 50% | 50% | 720 | 40% | |
| | 2 Units | \$1,000,000 | 75% | 75% | 700 | 40% | |
| | | \$1,500,000 | 70% | 70% | 700 | 40% | |
| | 3-4 Units | \$1,000,000 | 75% | 75% | 700 | 40% | |
| 2nd Home | SFR, SFA, PUD, & Condo | \$1,000,000 | 70% | 70% | 700 | 40% | |

| ARCHES WINDOWS AUS | | | | | | |
|------------------------------|--|-----------------|------|--------|------|-------|
| Available Products | Product | Qualifying Rate | Term | Margin | Caps | Index |
| | 30 Year Fixed | Note Rate | 360 | N/A | N/A | N/A |
| APR / APOR | No higher priced covered transactions allowed. All loans must be QM Safe Harbor | | | | | |
| Minimum Loan Amount | \$1 above the current 1-unit conforming loan limit regardless of the subject property county or # of units | | | | | |
| AUS Decision Requirements | DU Approve/Eligible, LPA Accept or DU Approve/Ineligible, LPA Accept/Ineligible for loan amount or maximum LTV on cash-out refinances only is required | | | | | |
| Secondary Financing | Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae | | | | | |
| Property Type | Single Family Residence (Detached & Attached) PUD Condo (All condo's must meet FNMA warrantable condo requirements) - no litigation of any kind allowed 2 - 4 Unit (Not Allowed on 2nd Homes) | | | | | |
| Rate/Term Refinance | Rate & Term Refinance transactions are not eligible | | | | | |
| Max Cash-Out | Primary / 2nd Home - \$500,000 | | | | | |
| Property Value Determination | Purchase: Current Appraised Value Cash-Out: Current Appraised Value | | | | | |
| Lien & Ownership Seasoning | Cash-Out: 6-month ownership seasoning required | | | | | |
| Continuity of Obligation | <p>One of the following must be met:</p> <p>At least one (1) borrower who is obligated on the new loan is also obligated on the existing loan being refinanced</p> <p>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</p> <p>At least one (1) borrower has recently been legally awarded the property (divorce, separation, or dissolution of domestic partnership)</p> <p>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</p> <p>Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement</p> | | | | | |
| Delayed Financing | Not allowed | | | | | |

| Borrower Requirements | |
|---------------------------------|--|
| Eligible Borrowers | US Citizens Permanent Resident Alien |
| Ineligible Borrowers | Non-permanent resident aliens are not permitted |
| Frist Time Homebuyer | A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date Owner Occupied ONLY, \$2,000,000 Max Loan Amount |
| Multiple Properties Owned | The maximum number of residential 1-4 unit properties financed is five (5) - 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 | Allowed per AUS - Blended ratios OK |
| 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, Title & Appraisal - 120-days |
| Housing Payment History | 0x30x24 For rental verification, a standard VOR completed by a professional mangement company or 24-months bank statements or canceled checks required |
| 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 | AUS approval required |
| Business Liabilities | Business debt in borrowers name can be excluded following FNMA guidance: - The account does not have history of delinquency - 12-months canceled checks showing debt paid by the business are provided - The cash flow analysis of the business takes payment of the obligation into consideration |
| Forbearance - Mortgage Accounts | Forbearance on Primary Residence requires most recent 24-months 0x30 after forbearance period is over NOO & 2nd Home - Follow FNMA |

| Income | |
|-----------------------------|--|
| Debt to Income Ratios (DTI) | Maximum 43% DTI, See matrix |
| Paying Off Debt to Qualify | Follow FNMA Installment debt may be paid off to qualify either before or at closing Revolving debt may be paid off to qualify either before or at closing |
| Income | Follow the DU and the requirements in chapters B3-3 through B3-6 of the Fannie Mae Single Family Selling Guide, published June 3, 2020 or follow the LPA and the requirements in Sections 5102 through 5500 of the Freddie Mac Single-Family Seller/Servicer Guide, published June 10, 2020 If a discrepancy exists between DU and the aforementioned Fannie Mae guide or LPA and the aforementioned Freddie Mac guides the guide requirements must be followed |
| Tax Transcripts | Required on all income used to qualify, Transcripts can match income type |
| P&L's | Full year P&L required if most recent tax forms are due but not filed |
| Self-Employed | Year to date P&L required - Needs to be no older than 60-days from note date 3-months business bank statements with ending period same as YTD P&L Balance sheet dated within 60-days from note date |
| Rental Income | Requires one (1) year 1040 |
| Unacceptable Income | RSU Cannabis Boarder Income Auto Allowances |
| Declining Income | Follow FNMA |
| 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 | Allowed per FNMA guidance |
| Gift of Equity | Not allowed |
| Reserves | See matrix |
| 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 must have three comparables with similar acreage |
| PIW | Property Inspection Waiver (PIW) not allowed |
| Recently Listed Properties | Listing must be canceled or expired prior to the closing date |
| Condos | All condominiums must meet FNMA warrantable condo requirements Condo review type (Full or Limited) determined by FNMA requirements 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 Lava zones 1 & 2 |

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|----------------------------|---|
| Oil & Gas Leases | Not allowed |
| Leasehold | 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 | Two (2) full appraisals are required for loan amounts > \$1,500,000 All Loan Amounts require one (1) appraisal and CDA. FNMA CU Score < 2.5 does not require a CDA Up to 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 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%, the loan is ineligible |
| Appraisal Age | Appraisal must be dated within 120 days of the note date, recerts of value 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 |