

Rainier			
Owner Occupied**			
		LTV / CLTV	
Loan Amount	Credit Score	Purchase Rate & Term	Cash-Out
≤ \$1,000,000	740	90%	80%
	720	90%	80%
	700	90%	80%
	680	85%	75%
≤ \$2,000,000	740	85%	80%
	720	85%	80%
	700	85%	75%
	680	85%	75%
≤ \$2,500,000	740	80%	75%
	720	80%	70%
	700	75%	70%
	680	75%	65%
≤ \$3,000,000	760	80%	70%
	740	80%	70%
	720	75%	65%
**2nd Homes - Max \$2.5MM Loan Amount, Purchase / Rate & Term Max 80% LTV/CLTV, Cash Out Max 75% LTV/CLTV			
Non Owner-Occupied			
		LTV / CLTV	
Loan Amount	Credit Score	Purchase Rate & Term	Cash-Out
≤ \$1,000,000	740	80%	75%
	720	80%	75%
	700	80%	70%
≤ \$2,000,000	740	80%	75%
	720	80%	75%
	700	80%	70%
≤ \$2,500,000	740	80%	70%
	720	80%	70%

Rainier				
Available Products	Product	Qualifying Rate	Term	I.O. Term
	30 Year Fixed I.O.	Note Rate	360	120
	40 Year Fixed I.O.	Note Rate	480	120
Minimum Loan Amount	\$100,000			
Second Homes	Loan Amounts <= \$2.5MM the following LTV restrictions apply: Purchase / Rate & Term - Max 80% LTV/CLTV Cash Out - Max 75% LTV/CLTV			
Prepayment Penalty	Prepayment penalties allowed on Non-Owner occupied properties only. Prepayment penalty is equal to 6 months interest on 80% of unpaid principal balance PPP Not Allowed in the following states: - DC, Illinois, Maryland, Michigan, Minnesota, New Jersey, Ohio, South Carolina PPP Allowed in the following states w/ restrictions: - North Carolina: Allowed for loan amounts > \$150,000			
Secondary Financing	Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae			
Paying-Off Junior Financing	Junior financing used for purchase or fixed 2nd's seasoned for 12 months can be paid off for transaction to be considered rate & term If junior financing is a HELOC, total draws within previous 12-months cannot exceed the lesser of 2% or \$5,000 to be considered rate & term			
PACE / HERO Loans	Follow FNMA Any energy efficiency-based liens, like PACE or HERO, when paid off through loan proceeds, the transaction is treated like a rate & term Cannot be subordinated			
Property Type	Single Family (attached and detached) PUD Warrantable Condo - Follow FNMA Requirements Non-Warrantable Condo - Not Allowed 2 - 4 Units			

<p>Maximum Cash-Out</p>	<p>For Owner-Occupied properties up to \$1,000,000 allowed For 2nd Home properties up to \$750,000 allowed For Non-Owner occupied properties up to \$500,000 allowed</p>
<p>LTV Determination</p>	<p>Rate & Term - use current appraised value Cash-Out seasoning is defined as the difference between the note date of the new loan and the property acquisition date Properties owned \geq 6-months use current appraised value Cash-Out when property is owned $<$ 6-months is only allowed under the following conditions: - Borrower acquired the property through an inheritance or was legally awarded the property through divorce, separation, or dissolution of a domestic partnership - Delayed Financing (see delayed financing below)</p>
<p>Delayed Financing</p>	<p>Properties purchased with cash within the past 6-months (defined as the difference between the note date of the new loan and the property acquisition date) are eligible for a cash-out refinance Follow Fannie Mae requirements Cash-Out pricing applies Cash-Out equity withdrawal limits do not apply</p>

Borrower Requirements	
Eligible Borrowers	US Citizens Permanent Resident Alien Non-Permanent Resident Alien
Non-Permanent Resident	<p>Option 1: Borrower with the following visa types are eligible with no restrictions: 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, H-2, H-4), L Series (L-1B, L-2), NATO Series (NATO 1=6), O Series (O-1), TN-1 Canadian NAFTA Visa, TN-2 Mexican NAFTA Visa</p> <p>Option 2: Any residency status that meets FNMA guidelines is allowed provided the requirements listed below are met:</p> <ul style="list-style-type: none"> - Must have a minimum of two (2) years residency and employment history in the U.S. and qualifying income is based on the two (2) years income, the two (2) year history is measured by note date. - Must have a two (2) year U.S. credit history and must meet program credit profile, the two (2) year history is measured from note date. - The requirement for residency, credit, employment may be reduced to one (1) year with AUS Approve/Ineligible (Ineligible for loan amount, DTI, and/or reserves)
First Time Home Buyer	Defined as borrowers who have not owned residential property in the past three (3) years If one (1) borrower is an FTHB and the other borrower is not, then FTHB guidance does not apply Property owned outside of the US is not considered in the FTHB determination FTHB Restrictions: Primary Residence Only Max Loan Amount \$2,000,000 45% Max DTI > 40% DTI requires 300% max payment shock, <= 40% DTI, payment shock does not apply
Multiple Properties Owned	The maximum number of residential 1-4 unit properties owned (financed or free and clear) is six (6) Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB
Non-Occupant Co-Borrowers	Non-occupant income is allowed Cash-Out transactions are not allowed Blended Ratios are allowed using one of the two following options: Option 1: Occupying borrower must have a DTI <= 60% AND a minimum of 5% of the down payment must come from occupying borrower's own funds AND occupant borrower is responsible for 50% of the reserve requirement Option 2: True blended ratios are allowed at <= 70% LTV/CLTV - No occupant contribution required for down payment or reserves

Credit	
Credit Score	Refer to Matrices for eligibility When multiple borrowers apply, the lowest middle score is the qualifying credit score
Age of Credit Docs	Appraisal and title valid for 120-days from note date Credit, Income, and Assets valid for 90-days from note date YTD P&L age limit is 90-days
Housing Payment History	Maximum of 0x30x12
Major Credit Events	Seven (7) year seasoning is required on all major credit events Seasoning is measured from date of credit event to note date and includes: Bankruptcy, Foreclosure, Deed-in-Lieu, Short-Sale / Short-Refinance, Modification with principal forgiveness, NOD
Forbearance	Forbearance allows for borrower experiencing financial hardship to pause making mortgage payments. A recent forbearance, due to COVID-19, may be eligible based upon the following: 1. Borrowers who entered into forbearance but continued to make timely payments and remained employed without income disruption, are eligible without any other requirements. 2. Borrowers who participated in forbearance and missed payments have two options: a) Pay loan current by making all missed payments from borrower verified funds. b) Make three monthly payments in lender modification plan after exiting forbearance. Third payment must be made prior to note date. Evidence the borrower has exited forbearance or entered the modification plan is required. A forbearance related modification is not considered a housing event with a required waiting period
Credit Report Security Freeze	1 frozen bureau is acceptable
Collections & Charge Offs	Collection and charged-off accounts that do not impact title do not need to be paid off if: Individual accounts less than \$500 and cumulative balance \$2,500 or less AND/OR Medical collections up to \$10,000 cumulative AND/OR Collections and charge-offs that have passed the individual state statute of limitations

<p>Required Credit History</p>	<p>If the primary wage earner has 3 credit scores, the minimum tradeline requirement is met. If the primary wage earner has only 2 scores, one of the following four (4) options must be met. Multiple borrowers with the same income need to meet either the 3 credit score threshold or meet one (1) of the minimum tradeline requirements listed below.</p> <p>Primary wage earner ONLY must meet tradeline requirement Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline Student loans can be counted in credit depth as long as they are in repayment and not being deferred</p> <p>Option #1 - 3 of 12: At least three (3) tradelines reporting for a minimum of 12 months, with all three (3) having activity in the last 12 months, accounts can be open or closed Option #2 - 2 for 24: At least two (2) tradelines reporting for a minimum of 24 months, with both having activity in the last 12 months, accounts can be open or closed Option #3 - 8 for 8: No fewer than eight (8) tradelines are reporting, one (1) of which must be a mortgage or a rental history. - At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months. - The borrower has an established credit history for at least eight (8) years. Option #4 - AUS 4 for 4: AUS approval and no fewer than four (4) tradelines are reporting, one (1) of which must be a mortgage or a rental history. - At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months. - There is an established credit history of at least four (4) years. - Requirements can be met by primary borrower or 2 combined borrowers on same application.</p>
<p>Paying Off Debt to Qualify</p>	<p>Revolving accounts may be excluded if paid to zero - Account does not need to be closed Installment debt may be excluded if paid off and closed Paying down an installment loan to ten (10) months is allowed - Max DTI 40%</p>
<p>Income</p>	
<p>Debt to Income Ratios (DTI)</p>	<p>50% DTI Max</p>
<p>Max # of Business Entities</p>	<p>No limit on the number for Schedule C A transaction may have up to two (2) 1065 and/or 1120 entities between all the borrowers REO held inside an entity is generally not considered an entity for this purpose provided the entity's sole activity is to hold real estate An entity with a percentage of ownership that does not require business returns is not considered in this calculation for max number of entities</p>
<p>Tax Transcripts</p>	<p>Required on all income used to qualify. Transcripts can match income type. Business transcripts not required if business income is reported on 1040 Signed 1040's are not required 3rd party WVOE can be used in lieu of W2 transcripts</p>

Earning Trends	Year to year earnings must be considered in accordance with Appendix Q Part 1026 of regulation Z - Standards for determining Monthly Debt and Income	
	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
Long Term Rental Income	<p>1-Year 1040 required</p> <p>Leases not required on REO if income is reported on schedule E</p> <p>Leases are required on subject property</p> <p>Transcripts not required for subject property non-owner income</p>	
Short Term Rental Income	<p>Qualifying income can be used for property that is rented on a short-term basis through services like Airbnb and VRBO. The borrower must document a minimum of one tax year of income and expenses to use as a qualifying income source.</p> <p>2-Year Rental History:</p> <ul style="list-style-type: none"> - In lieu of current leases the borrower must document the property has been subject to short term rental for a minimum of two (2) years. - Income of this type must be averaged over a two (2) year period unless the income trend is declining. A current YTD ledger of rental payments received must also be included and support the two (2) year average. - A host report or equivalent service provider pay history and proof of property listing on website. <p>Less than 2-year Rental History:</p> <p>For a rental property with less than two (2) tax year history but at least one (1) tax year reporting, short term rental income may still be used provided that the following requirements are met:</p> <ul style="list-style-type: none"> - A current YTD ledger of rental payments received included to support the income reported on Schedule E. - Airbnb host report or equivalent service provider pay history and proof of property listing on website. - Rental survey (1007) is required, gross income limited to 125% of market rents. <p>Less than 1-Year: NOT ELIGIBLE</p>	
Assets		
Funds to Close	If funds to close are in non-cash holdings (stocks, bonds, mutual funds), verification of liquidation is required, however, proof of liquidation is waived if holdings are equal to 120% of funds to close	
Business Funds	<p>Business funds allowed for down payment, closing costs, and reserves</p> <p>Must meet cash flow analysis of three (3) months of business bank statements</p>	
Gift Funds	<p>Min 5% Borrower contribution required for Primary Residence & 2nd Home with LTV > 75%</p> <p>Minimum 10% Borrower contribution required for NOO</p> <p>Follow FNMA Guidance - Gift funds must be from a family member, fiancé, or domestic partner</p> <p>Gift funds not acceptable for reserves</p>	

Reserves	<p>All reserve requirements are based on subject property PITI If transaction fits 2 categories listed below, only the larger requirement applies. 6 months PITI required for LTV <= 85% 12 months PITI required for LTV > 85% 9 months PITI required for loan amounts > \$1.5mm 12 months PITI required for loan amounts > \$2.5mm</p> <p>Other REO (Additional reserves is a one-time addition to requirement): 6 months additional subject property PITI if subject property loan amount is <= \$1.0mm</p>
Transactions Not Requiring Reserves	<p>All must apply: Rate & Term ONLY 10% or more reduction in P&I (based on amortizing payment on I.O. loans) >= 720 Credit Score 45% DTI Max</p>
Source of Reserves	<p>Funds in non-cash holdings, like stocks, bonds & mutual funds are not required to be discounted Life insurance surrender value 529 accounts Business funds Company sponsored retirement accounts i.e.: 401k</p>
Retirement Accounts Used for Reserves	<p>Do not need to be discounted Employer sponsored savings plans (like a 401k) require TOW from employer which allow for hardship withdrawal</p>
Property / Appraisal Information	
Acreage	No more than ten (10) acres
Rural Properties	<p>Purchase or Rate & Term Refi ONLY Owner-Occupied & 2nd Homes - 80% LTV Max Non-Owner Occupied - Not Allowed</p> <p>Considered Rural when 2 of the 3 listed below are present or the appraiser has designated the property as rural:</p> <ul style="list-style-type: none"> - Non paved service road - 2 or more comps are > 5 miles away from the subject property - Subject surrounding area is less than 25% built up

Property Flips	The following requirements apply to properties acquired within 90-days prior to the date of sales contract: property seller on the purchase contract is the owner of record, second full appraisal is required, increases in value should be documented with commentary from appraiser
Recently Listed Properties	Properties listed at the time of application are not eligible Properties listed in the past six (6) months prior to the application date are not eligible for cash-out transactions Properties listed in the period between three (3) and six (6) months from app date may be eligible for rate & term refinances
Warrantable Condos	Established projects ONLY Detached units and small projects (2-4 condos) follow FNMA guidance (No HOA review required) HOA Review Type: follow FNMA requirements
Ineligible Properties	Condotels & resort style condos Non-Warrantable Condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches
Appraisal Requirements	A second appraisal is required when any of the following exist: - The loan amount is greater than \$1,500,000 and LTV is greater than 75% - The loan amount is greater than \$2,000,000 - The transaction is a flip (see Property Flipping section) When a second appraisal is required, the value is based on the lower of the two (2) values. The second appraisal must be from a different company and appraiser than the first appraisal.
Appraisal Review	An appraisal review product is required on every loan unless a second appraisal is obtained, one of the three options below is acceptable: - CDA from Clear Capital OR - Collateral Underwriter (CU Score) less than 2.5 OR - A field review or a second appraisal is also acceptable – These must be from a different company and appraiser than the first appraisal If the CDA reflects a value of more than 10% below the appraised value, a field review or a second appraisal is required
Appraisal Age	Appraisal must be dated within 120 days of the note date Re-certs of value allowed one time and is valid for 120-days
Transferred Appraisals	Allowed When two (2) appraisals are required, only one (1) appraisal can be transferred
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