



DENALI JUMBO						
Owner Occupied						
Loan Purpose	Max Loan Amount	Property Type	Credit Score	LTV / HCLTV	DTI	Reserves*
Purchase / Rate & Term	\$1,000,000	SFR, PUD, and Condo	680	80%	45%	6 Months
	\$2,000,000		680	80%		12 Months
	\$2,500,000		740	75%		12 Months
	\$2,500,000	2 - 4 Units	740	65%		12 Months
Cash-Out	\$2,000,000	SFR, PUD and Condo	720	65%		6 Months
2nd Home						
Loan Purpose	Max Loan Amount	Property Type	Credit Score	LTV / HCLTV	DTI	Reserves*
Purchase / Rate & Term	\$2,500,000	SFR, PUD and Condo	740	70%	45%	12 Months
Investment Property						
Loan Purpose	Max Loan Amount	Property Type	Credit Score	LTV / HCLTV	DTI	Reserves*
Purchase / Rate & Term	\$2,500,000	SFR, PUD and Condo	740	65%	45%	18 Months
	\$2,000,000	2 - 4 Units		60%		

\* Additional Reserves are required for REO and FTHB



DENALI JUMBO						
	Product	Qualifying Rate	Term	Margin	Caps	Index
Available Products	30 Year Fixed	Note Rate	360	N/A	N/A	N/A
	20 Year Fixed	Note Rate	240	N/A	N/A	N/A
	15 Year Fixed	Note Rate	180	N/A	N/A	N/A
Secondary Financing	Allowed - See LTV/HCLTV grid Only existing subordinate financing may be re-subordinated. New simultaneously subordinate financing is not allowed.					
Minimum Loan Amount	\$726,201 minimum loan amount					
PACE / HERO	Payoff of a pace hero lien seasoned 12 months or more is considered a rate/term. These liens cannot be subordinated.					
Property Type	Single Family Residence (Detached & Attached) PUD Condo (All condo's must meet FNMA warrantable condo requirements) 2- 4 Units (Primary and Investment property only)					
Rate Term Refi	If property is owned 9 months or less, as measured from the acquisition date to doc date, use lesser of purchase price or appraisal value. Incidental cash back is allowed up to 1%. Proceeds from the 1% cannot be used to retire consumer debt.					
Cash-Out	Primary residence only. If property is owned 9 months or less, as measured from the acquisition date to doc date, use lesser of purchase price or appraisal value. Max equity withdrawal is \$500,000					
Delayed Financing	Not allowed					
Flips	If property is owned by the seller less than 180 days, and there is an increase in the seller's acquisition price, then transaction is ineligible. 180 days is measured by seller's acquisition date to contract date.					



Borrower Requirements	
Eligible Borrowers	<p>Four borrowers max</p> <ul style="list-style-type: none"> <li>- US Citizens</li> <li>- Permanent Resident Alien</li> <li>- Non-Permanent Resident Alien</li> </ul>
Non-Permanent Resident	<p>Non-Permanent Resident Aliens are eligible to maximum 75% LTV/HCLTV, max DTI 38, primary residence only, and two years uninterrupted employment. A non-permanent resident alien is someone who is:</p> <ul style="list-style-type: none"> <li>- Not a U.S. Citizen</li> <li>- 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)</li> <li>- Only H1B and L1 visas are allowed.</li> </ul>
Multiple Properties Owned	<p>The maximum number of residential 1-4 unit properties personally financed is four (4). Properties owned free and clear are NOT included in this limitation.</p> <p>Max exposure to Newfi for any one (1) borrower is five (5) loans or \$5,000,000 UPB</p>
Non-Occupant Co-Borrowers	Not allowed
First Time Home Buyer	<p>Primary residence only:</p> <ul style="list-style-type: none"> <li>- 40 max DTI</li> <li>- 740 min credit score</li> <li>- 12 months reserves</li> <li>- 1 unit property only</li> <li>- Max loan amount of \$2,000,000</li> <li>- 24 months rental history with no late payments</li> <li>- Only property ownership in the USA is used in the FTHB determination</li> </ul>
Trust vesting	1-2 Units Primary residence only
Tenants in Common Vesting	Title held as tenants in common with unequal ownership is ineligible
Power of Attorney	<p>Follow Fannie Mae.</p> <p>If one borrower, POA acceptable,</p> <p>If two borrowers, then the POA must be one of the two borrowers.</p>



Continuity of Obligation	At least one borrower on the new loan must also be obligated on the current Note; or Borrower has been on title to the subject property for the previous 12 months; occupied the subject property for the previous 12 months; and can demonstrate having made the payments in the previous 12 months.
Exceptions to Continuity of Obligation	The borrower acquired the subject property through an inheritance or was legally awarded the property through a court ordered agreement. This scenario requires no minimum waiting period for continuity of obligation.
<b>Credit and Liabilities</b>	
AUS	Must follow and meet all requirements of the DU or LP Loan may be "ineligible" for loan amount, LTV, cash out amounts allowable in accordance with the jumbo underwriting guidelines, and cash-out amounts resulting from non-purchase money second lien payoffs as a rate and term refinance.
Credit Score	See matrix When multiple borrowers apply, the lowest middle score is the qualifying credit score minimum two credit scores required per borrower
Recent Derogatory Credit	Any late payments which occurred in the previous 12 months require an acceptable letter of explanation
Age of Documentation	Income, Assets, Credit, Title & Appraisal - 120-days
Housing Payment History	0x30x12 0x30x24 for FTHB  All transactions: Any mortgage or rent late payment in months 13 to 24 must be explained and evaluated for acceptability
Major Credit Events	Seven (7) years seasoning is required for the following credit events: - Bankruptcy (Chapter 7, 11 or 13), Short Sale / Short Refi, Deed-in-Lieu, NOD, and foreclosure - Multiple Bankruptcies not allowed
Modifications	Refinance of a restructured loan is ineligible
Collections & Charge Offs	- Liens impacting title must be satisfied prior to closing. - All collections and charge-offs must be paid if an individual collection or charge-off is equal to or greater than \$250.00 or if the cumulative total of collections and charge-offs is greater than \$1000.00.



Minimum Trade Lines	<p>All loans require a credit score based on the following minimum credit history and trade line requirements:</p> <ul style="list-style-type: none"> <li>- The score for each borrower must be generated from a minimum of three traditional trade lines evaluated for at least 12 months. The three trade lines must reflect an acceptable payment history.</li> <li>- Trade lines for closed accounts may be used to meet this requirement provided the payment history is acceptable.</li> <li>- Authorized user accounts may not be used to satisfy this requirement unless the borrower can provide written documentation (such as canceled checks or payment receipts) proving that he or she has been the actual and sole payer of the monthly payment on the account for at least 12 months preceding the date of the application.</li> <li>- A trade line for which a payment has never been made may not be used to satisfy this requirement (for example, a deferred student loan).</li> <li>- Borrowers who do not meet the above requirements would be viewed as having a “thin file” credit history and would be ineligible.</li> </ul>
Business Liabilities	<p>Business debt in borrowers name can be excluded following FNMA guidance:</p> <ul style="list-style-type: none"> <li>- The account does not have history of delinquency</li> <li>- 12-months canceled checks or bank statements showing debt paid by the business are provided</li> <li>- The cash flow analysis of the business takes payment of the obligation into consideration</li> <li>- Excluding business debt in borrower's name when business type is schedule C is not allowed</li> </ul>
Forbearance - Mortgage Accounts	Only cured forbearance allowed. Borrowers who enter lender modification plans are not allowed
Paying Off Revolving Debt	Allowed. Accounts made remain open
Paying Off Installment Debt	<p>Allowed.</p> <p>Accounts with less than 10 payments can be excluded provided borrower has additional reserves to cover the remaining balance</p>
Non Subject Mortgage Liabilities	Mortgages on other REO must be qualified at a fully amortized payment
Co-Owned REO	<p>Borrower is responsible for 100% of the PITI.</p> <p>Rental income is based on what is reported on the Schedule E.</p>
Alimony and Child Support	Must be treated as an obligation. Cannot be deducted from income. Must be counted regardless of number of months remaining.
Open Accounts	Follow FNMA
Departure Property Converted to Rental	<p>25% equity position must be documented with an appraisal no less than 6 months old</p> <ul style="list-style-type: none"> <li>- 12 month lease required, must be arms length</li> <li>- receipt of security deposit and/or 1st month's rent is required</li> <li>- Net cash flow: 25% of the rent minus PITI will be applied to income, or treated as liability as appropriate</li> </ul>
Living Rent Free	<p>Borrowers living rent-free must meet the following requirements:</p> <ul style="list-style-type: none"> <li>- The rent-free period must be the months directly preceding or during the loan purchase application process</li> <li>- The rent-free period is consecutive and does not exceed 12 months</li> <li>- The lender obtains an acceptable 12 or 24 months rental history (based on specific program requirements) for the time-frame immediately prior to the rent-free period, and;</li> <li>- The file contains an acceptable letter of explanation from the borrower</li> </ul>



Income	
Debt to Income Ratio	Max 45% DTI Maximum for FTHB is 40% Maximum with gift is 43%
Tax Transcripts	Required on all income used to qualify, 1040 transcripts only Business transcripts not required if business income is reported on 1040
Rental Income	Two years' IRS Form 1040 Schedule E (One-year IRS Form 1040 Schedule E will be considered when rental history is less than 24-months. Current lease is required
Rental Property with Split Ownership	Income is based on schedule E. 100% of the PITI will apply
Declining Income	Must be reasonable and supported with documentation to show trend is stable or increasing
Foreign Income	Not allowed
RSU Income	Not allowed
Date of Income Docs	Must be dated prior to consumption date
Cannabis Income	Borrowers with Cannabis related income are not allowed; Either as W2 or Self-Employed
Employment Gaps	Borrowers with gaps of 6 months or more in the most recent 2 years requires 6 months on the current job



Assets	
Business Funds	<p>Business assets are eligible for the borrower's down payment and closing costs. The percentage of business assets withdrawn from an account (for use in the transaction) should be equal to or less than the borrower's percentage of ownership in said business.</p> <p>Business assets are not eligible as reserves.</p> <p>Evidence of the following must be included in the file:</p> <ul style="list-style-type: none"> <li>- Evidence supporting the borrower has full access to their percentage of the funds.</li> <li>- A cash-flow analysis or CPA letter stating the withdrawal of said funds will not negatively impact the business.</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>- Source of gifts: relatives, fiancés, domestic partners only</li> <li>- primary residence only: SFR, Condo, PUD only</li> <li>- max DTI 43%</li> <li>- max DTI 40% for first time home buyers</li> <li>- must provide proof of donor's ability to gift</li> <li>- gift of equity is not allowed</li> <li>- allowed for funds to close only, not allowed to use for reserves or for paying off debt to qualify</li> </ul>
Reserves	<p>See matrix plus additional as per below:</p> <ul style="list-style-type: none"> <li>- 6 months PITIA or TIA (if applicable) on all REO</li> <li>- 12 months for FTHB</li> </ul>
Source of Reserves	<p>Funds in non-cash holdings, like stocks, bonds &amp; mutual funds must be discounted to 70%.</p> <p>Life insurance surrender value</p> <p>Company sponsored retirement accounts i.e.: 401k (TOW required)</p>
Paycheck Protection Plan	These loans cannot be included in assets or counted as income
Minimum Borrower Contribution	Borrowers required to make a minimum 5% down payment from his or her assets
Interested Party Contributions	<p>Primary and Second Home, max 3%, NOO max 2.0%</p> <p>% based on the lesser of the appraised value or purchase price</p>
Privately Funded loans	Private bridge or home equity loans are not allowed as source of funds



Property / Appraisal Information	
Acreage	No more than fifteen (15) acres
Recently Listed Properties	Property must be off the market at application date. (Refi)
Condos	All condominiums must meet FNMA warrantable condo requirements Condo review type: Full review only Detached Condos and small projects (2-4 units) do not require condo review
Ineligible Properties	Non-Warrantable Condos Manufactured Homes Condotels & resort style condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches Mixed Use Property Properties with deed restrictions other than for age or resale that meet Fannie Mae Modular/ prefab Properties on leased land Log home
Rural Properties	Allowed with adequate comps
Solar Panels	Follow FNMA Guidance
Appraisal Requirements	One (1) appraisal and CDA are required. Up to 10% tolerance on the CDA is allowed, use appraised value. If the CDA value is more than 10% below the appraisal value, a third valuation is required. A third valuation can be second appraisal or field review. 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%, a second full appraisal is required. If the second appraisal is within 10% of the original appraisal, then the lower of the two values will be used. If the second appraisal is outside the 10% variance, then the lower value is used and must be supported by a secondary valuation product (CDA or field review, as per above).
Appraisal Age	Appraisal must be dated within 120 days of the note date, a recert by the original appraiser is allowed
Transferred Appraisals	No transfers or assignments allowed
Declining Property Value	Reduce maximum LTV/CLTV by 5% for any property located in an area of declining property values as noted on the appraisal. Declining value not allowed on cash out transactions
Assigned sales contracts	Not allowed
Installment Land Contracts	Not allowed