



Olympic Rainforest						
CLTV MATRIX						
Standalone Close Closed End 2nd						
Loan Purpose	Occupancy	Property Type	Credit Score	CLTV	Max Loan Amount	Max DTI
Rate & Term / Cash-Out	Primary	1 Unit	740	85%	\$250,000	45%
			700		\$150,000	
			740	80%	\$300,000	
			700		\$250,000	
			740	75%	\$350,000	
			700		\$300,000	
			680		\$250,000	
			760	70%	\$500,000	
			740		\$400,000	
			700		\$350,000	
			680		\$300,000	
			660		\$150,000	
	2nd Home	1 Unit	760	80%	\$350,000	
			720	75%	\$250,000	
			700	70%	\$150,000	



Fixed Rate Closed End 2nd	
Term	10, 15, 20, 25, & 30 Year Fixed
QM Points and Fees	3% Limit
Value Determination	Value determination: <ul style="list-style-type: none"> <li>- Owned &gt;= 12 months, use current appraised value</li> <li>- Owned &lt; 12 months, use the lower of current appraised value or acquisition cost</li> </ul>
Min Loan Amount	\$150,000
Max Loan Amount	\$500,000
Max Combined Loan Amount	\$3,000,000
Occupancy	<ul style="list-style-type: none"> <li>- Owner Occupied</li> <li>- Second Home</li> </ul>
Geographic Restrictions	2nd Liens Not Available in the following states: HI, MA, MN
Texas 50 (a)(6)	<ul style="list-style-type: none"> <li>- 12 month waiting period from the note date to refinance an existing Closed End Second</li> <li>- Maximum LTV/CLTV: the lesser of 80% or program maximum</li> </ul> <b>Eligible Property Types:</b> <ul style="list-style-type: none"> <li>- 1-unit principal residence designated as the borrower's homestead under Texas law, attached or detached unit</li> <li>- Condo</li> <li>- PUD</li> </ul> <ul style="list-style-type: none"> <li>- When the new home equity second lien is used to payoff of an existing second lien, either closed-end or a HELOC, the existing second lien must be closed and reconveyed. The subject transaction must close in second lien position</li> <li>- An owner may have only one equity loan at a time, regardless of the aggregate total outstanding debt against the homestead. Existing first liens that are considered an equity loan, make an equity second ineligible</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>- U.S. Citizens</li> <li>- Permanent Resident Aliens</li> </ul>
Ineligible Borrowers	<p>The following are NOT allowed:</p> <ul style="list-style-type: none"> <li>- Non-occupying co-borrowers</li> <li>- Foreign Nationals</li> <li>- Borrowers with diplomatic immunity or otherwise excluded from US jurisdiction</li> <li>- Non Permanent Resident Aliens</li> </ul>



Vesting	Individual or Revocable Trust
Ineligible 1st Liens	<ul style="list-style-type: none"> <li>- HELOC</li> <li>- Fannie Mae Homestyle, HFA, Refi Now, HomeReady, Affordable Refi and Down Payment Assistance Programs</li> <li>- Loans with a negative amortization feature</li> <li>- Outstanding term greater than 30 years</li> <li>- Loans in active forbearance or deferment</li> <li>- Reverse Mortgages</li> <li>- Private first liens</li> <li>- Balloon loans with a maturity date before the maturity date of the second subject lien</li> <li>- Interest-only feature</li> </ul>
Max Number of Financed Properties	Maximum of four 1-4 family financed properties
Eligible Properties	<ul style="list-style-type: none"> <li>- Single Family Dwelling</li> <li>- Condo, Fannie Mae warrantable only</li> <li>- PUD</li> <li>- Properties with up to 10 acres</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>- 2-4 unit properties</li> <li>- Non-warrantable Condo</li> <li>- Manufactured Homes</li> <li>- Agricultural property (working farm or ranch)</li> <li>- Mixed use properties</li> <li>- Greater than 10 acres</li> <li>- Properties on Indian Reservations</li> <li>- Properties in litigation</li> <li>- SFRs &amp; PUDs with less than 750 square feet</li> <li>- Condos with less than 400 square feet</li> <li>- Properties with HERO or PACE loan</li> <li>- Properties with income producing attributes</li> <li>- Unique properties</li> <li>- Log Homes/Log Style</li> <li>- Leasehold</li> <li>- Lava zones 1 and 2</li> </ul>
Recently Listed Properties	Properties listed for sale within the 6 months prior to the application date are not eligible



Credit & Liabilities	
Housing History	<ul style="list-style-type: none"> <li>- 0x30x24</li> <li>- Borrower's mortgage history is less than 24 months, prior rental housing history required</li> <li>- Borrowers without a 24 month housing payment history are ineligible</li> </ul>
Credit	<ul style="list-style-type: none"> <li>- Past Due Accounts: must be brought current</li> <li>- Collection Accounts or Charge-Offs: must be paid off at, or prior to closing if account is &gt;\$1,000 or if aggregate of accounts exceed \$2,500</li> <li>- Judgments, Garnishments &amp; Liens (including tax liens): must be paid off at, or prior to closing if subject lien will be adversely impacted by not paying the debt</li> </ul>
Disputed Tradelines	<ul style="list-style-type: none"> <li>- All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation authenticates the dispute</li> <li>- Derogatory accounts must be considered in analyzing the borrower's willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded</li> </ul>
Frozen Credit	Credit reports with bureaus identified as "frozen" are required to be unfrozen and a current credit report with all bureaus unfrozen is required.
Minimum Tradeline Requirements	<p>For a credit report and credit score to be considered valid, all of the following requirements must be met for each borrower contributing income:</p> <ul style="list-style-type: none"> <li>- Minimum 3 open tradelines, with at least 1 tradeline open for a minimum 24 months from the application date.</li> <li>- 1 tradeline must have had activity in the past 12 months from the application date.</li> <li>- The minimum of 3 tradelines must have had no significant adverse credit, such as charge offs or collections.</li> <li>- Authorized user accounts, and self-reported or other non-traditional credit ratings are ineligible for use in developing or supporting a credit score</li> </ul>



<p>Seasoning on Major Credit Events</p>	<p>The following all require seasoning of 7 years as measured from event date to application date:</p> <ul style="list-style-type: none"> <li>- Bankruptcy (chapter 7, 11, or 13)</li> <li>- Foreclosure</li> <li>- Deed-in-Lieu, Pre-foreclosure sale, or Charge-Off of Mortgage</li> <li>- Modification and Forbearance (COVID related included)</li> <li>- NOD</li> </ul>
<p>Age of Credit Docs</p>	<p>Age of credit report, employment, income, and asset documentation may not exceed 90 days from note date</p>
<p>Revolving Debt</p>	<ul style="list-style-type: none"> <li>- The monthly payment on revolving accounts with a balance must be included in the borrower’s DTI, regardless of the number of months remaining</li> <li>- If the credit report does not reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of \$10 or 5% of the account balance</li> <li>- Payments reflected on a credit report may only be excluded if the account is documented as paid in full and closed</li> <li>- Revolving debt may be paid off to qualify before closing. Documentation that the revolving debt has been paid off and the account is closed is required</li> <li>- Gift funds may not be used to pay off accounts for qualifying</li> </ul>
<p>Installment Debt</p>	<ul style="list-style-type: none"> <li>- Installment debts with less than 10 months remaining can be excluded from the DTI unless the amount of debt affects the borrower’s ability to pay the mortgage during the months immediately after closing</li> <li>- Lease payments must be included in the DTI regardless of months remaining</li> <li>- Real estate owned by the borrower where the borrower is not on the Note may be excluded from the DTI with 12 months canceled checks showing another party is making the payments. Property tax, insurance and HOA dues on the property must be documented and the full amount included in the DTI</li> <li>- PITIA on real estate owned pending sale must be included in the DTI except as noted in the Departing Residence Pending Sale section</li> <li>- Payments related to a 401(K) loan do not need to be included in total debt obligation</li> <li>- For alimony payments, where the divorce was finalized before January 1, 2019, in lieu of including the debt in the DTI, the alimony payment can be deducted from qualifying income. For divorces finalized on or after January 1, 2019, alimony payments must be treated as a debt</li> <li>- Child support payments with less than 10 months remaining do not need to be included in the DTI</li> <li>- Installment debt may be paid off to qualify at or before closing</li> <li>- Gift funds may not be used to pay off debt to qualify</li> </ul>



Student Loans	<ul style="list-style-type: none"><li>- For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the DTI</li><li>- If a monthly payment is reflected on the credit report, the reported monthly payment must be used for qualifying</li><li>- If the credit report does not reflect a monthly payment, or if it shows \$0 as the monthly payment, the monthly payment may be documented as follows:<ul style="list-style-type: none"><li>- Loan payment indicated on student loan documentation verifying monthly payment is based on an income driven plan</li><li>- For deferred loans or loans in forbearance:<ul style="list-style-type: none"><li>- 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment), or</li><li>- A fully amortizing payment using the documented loan repayment terms</li></ul></li></ul></li></ul>
Income Tax Payment Plans	<p>If the most recent federal tax return, tax extension, or tax transcripts indicate a borrower owes money to the IRS, the following are required:</p> <ul style="list-style-type: none"><li>- Evidence of payment of taxes due in the form of a cancelled check, credit card statement, bank statement, or screenshot of the receipt from the taxing authority if paid online</li><li>- If taxes due have not been paid, sufficient liquid assets to pay the debt must be documented. When a borrower has entered into an installment agreement with the taxing authority to repay delinquent income taxes, the monthly payment amount may be included in the DTI in lieu of requiring payment in full if:<ul style="list-style-type: none"><li>- There is no indication on the credit report, preliminary title commitment, or other loan file documentation that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located</li><li>- The following documentation must be obtained:<ul style="list-style-type: none"><li>o An approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due, and:<ul style="list-style-type: none"><li>- At least one payment must have been made prior to closing, and</li><li>- Evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date</li></ul></li></ul></li></ul></li></ul>



Income & Assets	
Income	<p>Two year full doc only:</p> <ul style="list-style-type: none"> <li>- Salaried, variable, and secondary employment income:               <ul style="list-style-type: none"> <li>- The borrower's recent paystub and IRS W-2 forms or transcripts covering the most recent 2 year period, AND</li> <li>- VVOE or Paystub dated within 10 business days of close</li> <li>- Variable and secondary income to be documented per agency guidelines</li> </ul> </li> <li>- Self-employed:               <ul style="list-style-type: none"> <li>- 2 years signed tax returns</li> <li>- Proof of active self-employment dated within 10 business days of close</li> </ul> </li> <li>- In all cases of employment, a 2 year history should be verified</li> <li>- Where silent, FNMA guidelines apply</li> </ul>
Ineligible Income	<ul style="list-style-type: none"> <li>- Non-occupying co-borrowers</li> <li>- Income produced, or in relation to, cannabis or hemp</li> <li>- Income produced, or in relation to, the adult entertainment industry</li> <li>- Projected income</li> </ul>
Employment Gaps	<ul style="list-style-type: none"> <li>- Gaps of employment &gt;30 calendar days during the most recent 2-year period, based on the application date, must be explained by the borrower in writing</li> <li>- Extended gaps of employment, 6 months or greater, require a documented 2-year work history prior to the absence, and</li> <li>- The borrower must be employed with their current employer for a minimum of 6 months to include the income for qualifying purposes</li> </ul>



Transcripts	<p>Transcripts are required for all borrowers whose income is used to qualify</p> <ul style="list-style-type: none"><li>- Tax transcripts for personal tax returns for the most recent 2 years are required. Borrower obtained tax transcripts are not allowed</li><li>- W2 transcripts for 2 years are required to validate W2 wages if tax transcripts are not provided, and the borrower does not have any other income source or loss</li><li>- Tax and W2 Transcript Alternative Documentation</li><li>- When the most recent year's tax returns or W2s have been filed, and where the IRS has not processed the forms, the following alternative documentation is required:</li></ul> <p>For Tax Transcripts:</p> <ul style="list-style-type: none"><li>- Two prior years' tax transcripts<ul style="list-style-type: none"><li>- Example:<ul style="list-style-type: none"><li>- Borrower provided 2021 &amp; 2022 tax returns</li><li>- 2022 tax returns have been filed but the IRS has not yet processed the returns</li><li>- Required transcripts will be for 2020 &amp; 2021</li></ul></li><li>- For the most recent year's tax return, provide proof of e-filing with the IRS. This is generally an e-file receipt, or a screen shot from the borrower's online IRS account that confirms receipt of the tax returns, and</li><li>- Proof of payment in full of tax liability or receipt of refund, as applicable, and</li><li>- A processed 4506-C that confirms "no record of return found" with the IRS</li></ul></li></ul> <p>For W2 Transcripts:</p> <ul style="list-style-type: none"><li>- Two prior years' W2 transcripts<ul style="list-style-type: none"><li>- Example:<ul style="list-style-type: none"><li>- Borrower provided 2021 and 2022 W2s</li><li>- 2022 W2s have not yet been processed by the IRS</li><li>- Required transcripts will be for 2020 and 2021</li></ul></li><li>- A processed 4506-C that confirms "no record found" with the IRS. Please note, this option is only available through June 30th of each year. After June 30th, the prior year W2 transcript is required</li></ul></li></ul>
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<p>VVOE's Wage Earner</p>	<p>VVOE should cover at least the most recent 2 years of borrower's employment/income history.</p> <ul style="list-style-type: none"> <li>- If the borrower has had multiple employers over the past 2 years, a VVOE with all employers is required</li> <li>- If an employer affirmatively states that a borrower's employment is likely to cease, the loan is ineligible for purchase</li> <li>- VVOE must be performed within 10 days prior to the Note date. If the VVOE is completed more than 10 days before the Note date, a post closing VVOE is acceptable if it supports the information used to qualify the borrower</li> <li>- The VVOE should include the following information:             <ul style="list-style-type: none"> <li>- Date of contact</li> <li>- Name and title of person contacting the employer</li> <li>- Name of employer</li> <li>- Start date of employment</li> <li>- Employment status and job title</li> <li>- Name, phone number, and title of contact person at employer</li> <li>- Independent source used to obtain employer phone number</li> </ul> </li> <li>- If the employer uses a third-party employment verification vendor, the Seller must obtain written verification from the vendor of the borrower's current employment status within the same time frame as the VVOE requirements</li> </ul> <p>Note: Because third-party vendor databases are typically updated monthly, the verification must evidence that the information in the vendor's database was no more than 35 days old as of the Note date</p>
<p>VVOE's Self-Employed</p>	<ul style="list-style-type: none"> <li>- Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than 30 calendar days prior to the Note date. If the verification is completed more than 30 calendar days before the Note date, a post-closing verification is acceptable if it supports the information used to qualify the borrower</li> <li>- Third party verification requirements:             <ul style="list-style-type: none"> <li>- Third party verification can be from a CPA, regulatory agency, or applicable licensing bureau. If a CPA letter is utilized, it must indicate that the borrower has been self-employed for a minimum of 2 years</li> <li>- Listing and address of the borrower's business</li> <li>- Name and title of person completing the verification and date of verification</li> </ul> </li> <li>- If the foregoing option is not possible then:             <ul style="list-style-type: none"> <li>- Evidence of current work (executed contracts or signed invoices that indicate the business is operating on the day the Seller verifies self-employment)</li> <li>- Evidence of current business receipts within 10 days of the loan closing date (payment for services rendered)</li> <li>- Seller certification that the borrower's business is open and operating (Seller confirmed through a phone call or other means); or</li> <li>- Business website demonstrating activity supporting current business operations (timely appointments for estimates or service can be scheduled)</li> </ul> </li> </ul>



Assets	Eligible assets must be held in a U.S. financial institution and sourced and seasoned for a minimum 60 days
Reserves	CLTV >80% - 3 months PITIA required
Unacceptable Reserves	<p>In addition to the unacceptable source of assets previously listed, the following cannot be counted as part of the borrower's reserves:</p> <ul style="list-style-type: none"> <li>- Gift funds</li> <li>- Business funds</li> <li>- Cash proceeds from subject transaction</li> <li>- Proceeds from a home equity loan or line of credit, bridge loan or cash out from any other property</li> </ul>
Unacceptable Sources of Funds	<ul style="list-style-type: none"> <li>- Gift Funds</li> <li>- Proceeds from a personal or unsecured loan</li> <li>- A cash advance on a revolving charge account or unsecured line of credit</li> <li>- Foreign assets</li> <li>- Non-marketable securities</li> <li>- Profit sharing plans</li> <li>- Salary Advances</li> <li>- Funds in a custodial or "in trust for" account</li> <li>- Cryptocurrency (unless it meets the requirements for conversion to U.S dollars as noted in the Fannie Mae Selling Guide)</li> <li>- Cash on hand</li> <li>- Loans from non-institutional lenders</li> </ul>
Joint Accounts	For joint accounts, when an account owner is a non-borrowing individual, an access letter is required. The access letter must specify the percentage or amount of assets the borrower is entitled to.



Valuation Requirements	
Valuation Requirements	<p>For transactions designated HPML, a full interior/exterior appraisal is required by a licensed appraiser</p> <p>Loan amount ≤\$250,000:</p> <ul style="list-style-type: none"> <li>- AVM with exterior property inspection (min. 90% confidence score),</li> <li>- 1004 Desktop Appraisal,</li> <li>- Exterior-only appraisal (Form 2055), or</li> <li>- Full interior/exterior appraisal (Form 1004/1073)</li> </ul> <p>Loan amount &gt;\$250,000:</p> <ul style="list-style-type: none"> <li>- Full interior/exterior appraisal (Form 1004/1073)</li> </ul>
Secondary Valuation Requirements	<ul style="list-style-type: none"> <li>- A secondary valuation product is required with a value within 10% of primary valuation product value</li> <li>- Acceptable secondary valuation products:           <ul style="list-style-type: none"> <li>- When primary valuation is an AVM or BPO:               <ul style="list-style-type: none"> <li>- AVM (from a different provider than first, if applicable) is acceptable</li> <li>- BPO</li> </ul> </li> <li>- When primary valuation is an appraisal product:               <ul style="list-style-type: none"> <li>- AVM (min. 90% confidence score)</li> <li>- BPO</li> <li>- CU or LCA Score ≤2.5</li> <li>- CDA:                   <ul style="list-style-type: none"> <li>- A Collateral Desktop Analysis report (CDA) from Clear Capital. The CDA must be completed within 120 days that precede the date of the closing of the subject transaction</li> <li>- If the CDA returns a value that is “indeterminate” or if the CDA indicates a lower value than the appraised value and exceeds a 10% tolerance, then a field review or 2nd appraisal is required</li> </ul> </li> </ul> </li> <li>- Field review: If a field review product value is more than 10% below the appraised value, a second appraisal is required</li> <li>- Second appraisal: When two appraisals are obtained, the value will be based on the lesser of the original appraisal or second appraisal</li> </ul> </li> </ul>
Appraisal Age	<ul style="list-style-type: none"> <li>- Appraisal must be dated within 120 days of note date</li> <li>- Re-certs of value are acceptable if original appraisal was completed within 180 days of note date, cannot indicate value declined, re-cert needs to be within 120 days of note date</li> <li>- AVM age cannot exceed 60 days</li> </ul>
Appraisals from a Previous Transaction	Not allowed
Transferred Appraisals	Not allowed
Declining Markets	Not allowed
Condo Reviews	Follow FNMA