

REM N HELOC OVERVIEW

Product Description	<p>The REM N HELOC is a standalone product. It requires a minimum 75% draw at closing and has no prepayment penalties:</p> <ul style="list-style-type: none"> • Available in all 50 states and DC <ul style="list-style-type: none"> ✓ Broker must be licensed in the subject property state • Minimum Loan Amount \$25,000 • Maximum loan amount \$350,000 (2nd lien), \$500,000 (1st lien) • Maximum 80% CLTV • Minimum 640 FICO • Maximum 50% DTI <ul style="list-style-type: none"> ✓ Installment debt may be paid off for qualifying • 5 Year I/O draw period + 25 Year Amortization* • 1-4 Unit properties eligible (SFR, Condo or PUD) <p><i>*state exceptions apply. Refer to section titled <u>State Specific Information</u>.</i></p>
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	OWNER OCCUPIED	2ND HOME	INVESTMENT PROPERTY
Minimum FICO	Maximum CLTV	Maximum CLTV	Maximum CLTV
780+	80%	75%	70% + 50bps
740-799	80%	75%	70% + 50bps
700-739	75%	70%	70% + 100bps
680-699	75%	65%	N/A
660-679	70%	60%	N/A
640-659	70%	55%	N/A

ELIGIBILITY CRITERIA

General Application Requirements	<ul style="list-style-type: none"> • Co-borrowers are permitted; must occupy the subject property and must be vested on title • Changes are allowed after the loan application is completed in certain instances via contacting Broker Support.
Eligible States	<ul style="list-style-type: none"> • Eligible in all states and District of Columbia • Brokers must be licensed in the state where the subject property is located • Refer to the State Specific Information section for state specific details
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens (with established U.S. credit) <ul style="list-style-type: none"> ❖ Individuals classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced Departure or Humanitarian Parole are not eligible
Credit	<ul style="list-style-type: none"> • Experian FICO 8 is utilized • Minimum 640 FICO • Eligibility is determined by the primary wage earner's Experian FICO 8 score • Credit report may not be more than 90 days old at the time of closing

ELIGIBILITY CRITERIA (continued)

<p>Late Payments, Collections & Derogatory Events</p>	<ul style="list-style-type: none"> • Mortgage/rent history requires 0 X 30 in past 6 months and maximum 1 X 30 in last 12 months • Past-due consumer debt can be no more than 90 days past due at closing. Debts > 90 days must be paid off prior to or at closing • Bankruptcies (7, 11, 13) must be four (4) years from discharge or four (4) years from dismissal • No foreclosure proceedings in the last 7 years • No charge-off, short payoff, DIL, short sale, pre-foreclosure of any mortgage in last 4 years • Judgments and tax liens must be paid off prior to or at closing • Collections may remain open as follows: <ul style="list-style-type: none"> ❖ < 24 months old with a maximum balance of \$2,000 ❖ 24 months old with a maximum balance of \$2,500 per occurrence ❖ Charge-offs and collections that exceed the above balances must be paid in full prior to or at closing • Medical collections may remain open regardless of balance
<p>Employment</p>	<ul style="list-style-type: none"> • Employment verified via Plaid and Truv (Third-Party Vendors)
<p>Income</p>	<ul style="list-style-type: none"> • Maximum 50% DTI • Wage earner or self-employed income eligible • Borrowers may validate income using one of the following options: <ul style="list-style-type: none"> ❖ Wage Earner Borrowers (W2/Paystub) <ul style="list-style-type: none"> ✓ Link your payroll system (automatically brings W-2 and Paystub information, OR) ✓ Link or upload most recent W-2 / Paystub ❖ Self-employed Borrowers (Sole Proprietor, C/S Corporations, Partnerships) <ul style="list-style-type: none"> ✓ Upload prior two year's tax returns (personal returns only are permitted) ✓ An unaudited full year P&L and or unaudited YTD P&L may be required (depending on when the last tax document was filed) <ul style="list-style-type: none"> ○ Bank income may be used in lieu of a P&L if the borrower is able to link via Plaid and the bank statements support the tax return income ✓ For corporations/partnerships, only the W2/1099 portion is used for qualifying. <ul style="list-style-type: none"> ○ Bottom line income/loss from any business is not considered. ✓ For sole proprietors, the net income of Schedule C will be used. Only depreciation may be added back for qualification purposes ✓ A 2-year average will be developed for qualification <ul style="list-style-type: none"> ○ If income is declining >10%, income cannot be used
<p>Occupancy</p>	<ul style="list-style-type: none"> • Primary residence (owner-occupied) • Second homes • Investment properties (limited to 15 financed properties)
<p>Property</p>	<ul style="list-style-type: none"> • SFR, 2-4 units, PUDs, Condos • Fee Simple or Inter Vivos Revocable Trust eligible as Title Holder; LLC ineligible as Title Holder • Transactions which require an ADV or Appraisal: The Borrower is required to pay the appraisal fee upfront • Appraisal reviews/rebuttals are permitted on a case-by-case basis • Properties located in a FEMA disaster declaration area require a Property Condition Report

ELIGIBILITY CRITERIA (continued)

Appraisal Requirements	<ul style="list-style-type: none"> • Loan amounts ≤ \$350,000 utilize an AVM for property value (if supported) <ul style="list-style-type: none"> ✓ If the AVM is unacceptable, an alternative valuation may be ordered • Loan amounts > \$350,001 utilize an ADV (\$160) or Appraisal (\$500-\$900) • Note: All loans in the state of TX > 70% CLTV require ADV or Appraisal
Draw Terms and Structure	<ul style="list-style-type: none"> • Minimum 75% initial draw disbursed at closing • 5-year interest-only draw period; 25-year repayment period (fully amortizing) • NOTE: Tennessee Exception: 5-year interest-only; 15-year repayment period (fully amortizing) • Interest rate is indexed to Wall Street Journal Prime Rate plus the Margin
Lien Position	<ul style="list-style-type: none"> • The REMN HELOC can be in a first or second lien position
Rate	<ul style="list-style-type: none"> • Rates are published each Monday in the Portal • The rate is based on Prime plus variable Margin
Prepayment Penalty	<ul style="list-style-type: none"> • No prepayment penalty applies
State Specific Information	<ul style="list-style-type: none"> • Minnesota <ul style="list-style-type: none"> ❖ Minimum Loan Amount: \$100,000 • New York <ul style="list-style-type: none"> ❖ CLTV cap dependent on credit score • Tennessee <ul style="list-style-type: none"> ❖ CLTV cap dependent on credit score ❖ Draw Terms and Structure: 5-year interest-only; 15-year repayment period • Texas <ul style="list-style-type: none"> ❖ Property Valuation: ADV or Appraisal required ❖ There is a required a minimum 12 day “cooling off” period between signing the initial disclosures to the closing date ❖ 2.00% max origination fee to the consumer ❖ If the borrower pulled out cash via a 50(a)(6) then we cannot do a loan as borrowers / owners can only have one 50(a)(6) at a time ❖ The property MUST be less than 10 acres ❖ Primary residences only and must be a Homestead ❖ The borrower cannot have had a home equity loan in the last 12 months
Title Requirement	<ul style="list-style-type: none"> • HELOCs (1st or 2nd lien) \$25,000-\$250,000 require legal and vesting report only • 1st lien HELOCs require a full ALTA policy when loan amount is over \$250,000
Vesting	<ul style="list-style-type: none"> • Fee Simple • Leasehold in individual name • Inter Vivos Revocable Trust • All individuals who hold title to the subject property are required to sign the Security Instrument but are not required to sign the mortgage application or Note unless their income is used for qualifying purposes • Ineligible vesting types: LLC or other entities prohibited