

## Prime Jumbo (AUS)

### Owner Occupied

	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Minimum Reserves Subject Property
Purchase and Rate Term	1-Unit	1,500,000	89.99%	700	The greater of 3 months PITIA or per the AUS
		2,000,000	89.99%	720	The greater of 3 months PITIA or per the AUS
		2,500,000	80%	720	18 months PITIA
		3,000,000	80%	740	18 months PITIA
		3,500,000	75%	740	24 months PITIA
	2-Unit	1,500,000	84.99%	720	The greater of 3 months PITIA or per the AUS
		2,000,000	84.99%	740	The greater of 3 months PITIA or per the AUS
		2,000,000	80%	720	The greater of 3 months PITIA or per the AUS
		2,500,000	75%	720	18 months PITIA
		3,000,000	75%	740	18 months PITIA
Cash-Out	1-Unit	1,000,000	80%	700	The greater of 6 months PITIA or per the AUS
		1,500,000	80%	720	The greater of 6 months PITIA or per the AUS
		2,000,000	80%	740	The greater of 6 months PITIA or per the AUS
		3,000,000	70%	740	18 months PITIA
	2-Unit	1,500,000	70%	700	The greater of 6 months PITIA or per the AUS
		2,000,000	70%	740	The greater of 6 months PITIA or er the AUS

### Second Home

	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Minimum Reserves Subject Property
Purchase and Rate Term	1-Unit	1,500,000	80%	700	The greater of 3 months PITIA or per the AUS
		2,000,000	80%	720	The greater of 3 months PITIA or per the AUS
		3,000,000	75%	740	18 months PITIA
Cash-Out	1-Unit	1,500,000	70%	720	The greater of 6 months PITIA or per the AUS
		2,000,000	70%	740	The greater of 6 months PITIA or per the AUS

Investment Property					
	Units	Maximum Loan Amount	Maximum LTV/CLTV/HCLTV	Minimum Credit Score	Minimum Reserves Subject Property
Purchase and Rate Term	1-Unit Purchase	1,000,000	80%	700	The greater of 3 months PITIA or per the AUS
		1,500,000	80%	720	The greater of 3 months PITIA or per the AUS
		2,000,000	80%	740	The greater of 3 months PITIA or per the AUS
		2,500,000	75%	740	18 months PITIA
	1-Unit Rate Term	1,000,000	75%	700	The greater of 3 months PITIA or per the AUS
		1,500,000	75%	720	The greater of 3 months PITIA or per the AUS
		2,500,000	75%	740	18 months PITIA
	2-Units	1,500,000	70%	700	The greater of 3 months PITIA or per the AUS
2,500,000		70%	740	18 months PITIA	
Cash-Out	1-Unit	1,500,000	70%	740	The greater of 6 months PITIA or per the AUS
	2-Unit	1,500,000	65%	740	The greater of 6 months PITIA or per the AUS

Follow applicable AUS agency guidelines for any issue not addressed below. Guidance in blue font indicates alignment with AUS Agency guidelines and is subject to change.	
Ability to Repay and Qualified Mortgage Rule	<ul style="list-style-type: none"> <li>All loans must meet the Ability to Repay and Qualified Mortgage standards set forth in General QM Loan Definition of Reg Z, effective April 1, 2022, including the Safe Harbor Verification provisions, as codified in the official commentary to Regulation Z, comment 43(e)(2)(v)(B)-3.</li> </ul>
Age of Documents	<ul style="list-style-type: none"> <li>For new and existing construction, credit documents must be more than 4 months old (DU) or 120 days (LPA) on the date the note is signed, including credit reports and employment, income and asset documents.</li> <li>Preliminary Title Policies must be no more than 180 days old on the date the note is signed.</li> </ul>
Appraisals	<ul style="list-style-type: none"> <li>All appraisals must comply with applicable regulations and standards, including but not limited to USPAP, FIRREA, AIR, and HVCC compliance.</li> <li>Purchase Transactions: <ul style="list-style-type: none"> <li>One full appraisal for loan amounts <math>\leq</math> \$3,000,000</li> <li>Two full appraisals for loan amounts <math>&gt;</math> \$3,000,000 <ul style="list-style-type: none"> <li>Must use the lower of the purchase price and the two values to determine LTV</li> </ul> </li> </ul> </li> <li>Refinance Transactions: <ul style="list-style-type: none"> <li>Two full appraisals for refinance transactions on loan amounts <math>&gt;</math> \$2,000,000 <ul style="list-style-type: none"> <li>Must use the lower of the two values to determine LTV</li> </ul> </li> </ul> </li> <li>All single appraisal transactions (purchase and refinance) must have a secondary valuation assessment completed prior to the note date with one of the following conditions satisfied: <ul style="list-style-type: none"> <li>A Fannie Mae Collateral Underwriter® (CU) Score of <math>\leq</math> 2.5 and a Freddie Mac Loan Collateral Advisor® (LCA) score of <math>\leq</math> 2.5 is required <ul style="list-style-type: none"> <li>If CU returns no score (999), an LCA <math>\leq</math> 2.5 is sufficient. If LCA returns no score (99), a CU score <math>\leq</math> 2.5 is sufficient</li> <li>If two scores are obtained and either score is <math>&gt;</math> 2.5, another assessment option referenced below is required</li> </ul> </li> <li>Clear Capital or Ameritrust Home Value Estimator (HVE) AVM with an estimated value that is <math>\geq</math> 90% of the appraised value and FSD <math>&lt;</math> 13% <ul style="list-style-type: none"> <li>If the Clear Capital or Ameritrust HVE AVM supports the appraised value, a copy or screenshot of the AVM result, including the date, property address, estimated value, and FSD must be retained in the file</li> </ul> </li> </ul> </li> </ul>

<p>Appraisals (continued)</p>	<ul style="list-style-type: none"> <li>○ Clear Capital Collateral Desktop Analysis (CDA) with a value that is &gt; 90% of the appraised value <ul style="list-style-type: none"> <li>▪ If the CDA supports the appraised value, a report must be retained in the loan file</li> </ul> </li> <li>○ Field Review with a value that supports the original appraised value <ul style="list-style-type: none"> <li>▪ If the field review supports the original appraised value, the report must be retained in the loan file</li> </ul> </li> <li>○ If none of the secondary valuations conditions above can be met, an exterior appraisal or second full appraisal is required <ul style="list-style-type: none"> <li>▪ The lower of the first (original) and second (exterior or full) appraisal values must be used as the appraised value in the LTV calculation</li> <li>▪ If both an exterior and second full appraisal are obtained, the lower of the second full appraisal value and the original appraisal value must be used as the appraised value to determine LTV</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>● Property inspection waivers are not eligible</li> <li>● Unpermitted additions are not eligible</li> <li>● Accessory units are acceptable (SFR only) when fully permitted and comply with zoning. Similar comps must be provided. Refer to the applicable AUS/GSE Selling Guide for complete requirements.</li> </ul> <p><u>Other Appraisal Considerations</u></p> <ul style="list-style-type: none"> <li>● Properties zoned agricultural are eligible if all of the following are met: <ul style="list-style-type: none"> <li>○ The property is &lt;= 5.00 acres</li> <li>○ No presence of barns, pole barns, stables, horse stalls, livestock, chicken coops, grain silos, crops (other than a few fruit trees, grapevines, etc. for personal household consumption), or any agricultural related outbuilding</li> <li>○ Subject property and the surrounding area must be non-agricultural</li> </ul> </li> </ul> <p>Subject property may not have an underlying affiliation with other land used for agricultural purposes</p>
<p>AUS</p>	<ul style="list-style-type: none"> <li>● Loans must be underwritten through DU or LPA</li> <li>● <a href="#">Agency High Balance/Super Conforming loan amounts require a DU Approve/Eligible or LPA Accept/Eligible</a></li> <li>● Jumbo loan amounts require DU Approve/Ineligible or LPA Accept/Ineligible (ineligible due to loan amount only)</li> <li>● Completed 1008 required</li> <li>● Manual UW is not permitted</li> </ul>
<p>Borrower Eligibility</p>	<ul style="list-style-type: none"> <li>● Maximum number of borrowers is four</li> <li>● U.S. citizens</li> <li>● Permanent resident aliens, with proof of lawful permanent residence</li> <li>● Nonpermanent resident alien immigrants with proof of lawful residence <ul style="list-style-type: none"> <li>○ There must be documented employment and income history including, but not limited to, two years of US tax returns, a history of visa renewals and no reason to believe employment will cease</li> </ul> </li> <li>● See Ameritrust Non-US Citizen for Documentation Requirements</li> <li>● Foreign Nationals are not eligible</li> <li>● Borrowers who are a party to a lawsuit are ineligible</li> <li>● All borrowers must have a valid Social Security Number</li> <li>● Non-occupant co-borrowers must share a relationship meeting gift donor under applicable Agency guidelines</li> <li>● <a href="#">Inter Vivos revocable trusts are eligible (follow applicable AUS Agency guidance)</a></li> <li>● <a href="#">Blind trusts and irrevocable trusts are ineligible</a></li> <li>● <a href="#">Title vested in a life estate, including enhanced life estates (aka lady bird deeds and transfer on death deed), are ineligible</a></li> </ul>
<p>CEMA</p>	<ul style="list-style-type: none"> <li>● Refinance Only</li> <li>● Lost Note Affidavits (LNAs) are not allowed for prior or current notes</li> </ul>

Condominiums

- Condominium projects must be Agency warrantable
- All project documentation needed to demonstrate that the project meets Agency eligibility requirements, including any documentation relied upon to enter information into CPM or CPA must be retained in the loan file
- In accordance with the Fannie Mae and Freddie Mac Selling Guides CPM or CPA must be checked to ensure the project is not “unavailable” or “ineligible” regardless of the project review process used in underwriting the loan (this includes Limited/Streamline project reviews)
- Fannie Mae DU v12.0 and CPM integration flexibilities are ineligible. Condo project eligibility must be underwritten in accordance with standard Fannie Mae Selling Guide requirements, including project approval expiration dates and confirmation the project retained its approved status as of the note date is required
- Condominium projects with a status of CPM “unavailable” or CPA “ineligible” are ineligible
  - The CPM or CPA certificate must be retained in the loan file
- Florida Condos are allowed in accordance with the underlying AUS/GSE Selling Guide requirements
- New condo projects are eligible if the project is Fannie Mae or Lender CPM approved or Freddie Mac CPA approved
  - For all transactions: new projects in Florida are not eligible unless Fannie Mae PERS approved (“Approved by Fannie Mae” status designation in CPM)
- Limited/Streamline condominium project reviews are eligible for Agency High Balance loan amounts only and must be documented in accordance with the underlying AUS Agency requirements
- Jumbo loan amounts require a full project review
  - Fannie Mae Condo Project Manager (CPM) or Freddie Mac Condo Project Advisor (CPA) must be used to assist in the full review of the project
  - Fannie Mae DU Loans: Use CPM
  - Freddie Mac LPA loans: Use CPA. A reciprocal review from CPM is eligible; however, CPA must also be checked to ensure the project is not “ineligible”
    - FHA reciprocal reviews are ineligible
- Projects in which the HOA is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project are ineligible
- Projects with pending litigation that involve minor matters with no impact on the safety, structural soundness, habitability, or functional use of the project, may be eligible if the litigation meets applicable Agency requirements for minor matters
- Refer to the applicable Agency guidelines for complete guidance on condominium eligibility and project standard requirements

Credit

- Fraud Report (e.g. DataVerify or FraudGuard) required
  - Any potential findings must be satisfactorily cleared prior to close
- No credit bureaus may be frozen. Borrowers must unfreeze all bureaus and the AUS rerun with updated credit.
- IRS Installment Agreements – must meet the following requirements:
  - IRS approved: The payment associated with the installment agreement must be included in the calculation of the borrower’s debt payment-to-income ratio if there are more than 10 months of payments remaining under the agreement
    - The loan file must include a copy of the installment agreement approved by the IRS verifying the payment terms, including the monthly payment amount and balance
    - The loan file must contain documentation verifying that the borrower is *not* past due under the terms of the installment agreement
    - There must be no indication, and the lender must have no knowledge that the IRS has filed a Notice of Federal Tax Lien for the taxes owed under the installment agreement
  - Pending IRS approval: When a borrower has applied for an installment agreement and it is pending IRS approval, the following requirements must be met:
    - The application for the installment agreement reflecting the amount of taxes owed and requested payment terms must be documented in the loan file

Credit (continued)	<ul style="list-style-type: none"> <li>▪ The greater of the monthly payment amount requested by the borrower or the amount of taxes owed divided by 72 must be included in the DTI ratio</li> <li>▪ There must be no indication, and the lender must have no knowledge that the IRS has filed a Notice of Federal Tax Lien for the taxes owed under the installment agreement</li> <li>○ No more than two years may be on a tax repayment plan</li> <li>• Contingent liabilities may only be excluded from the DTI with proof the borrower is not the primary obligor</li> <li>• <b>Installment debt may be excluded from the DTI if there are 10 months or less remaining</b> <ul style="list-style-type: none"> <li>○ Borrowers may not pay down installment debts to less than 10 months to exclude, <b>the debt must be paid in full to be excluded</b></li> <li>○ <b>The borrower's history of credit use should be a factor in determining whether the appropriate approach is to include or exclude debt for qualification</b></li> </ul> </li> <li>• Mortgage Payment History <ul style="list-style-type: none"> <li>○ The mortgage payment history reflected on the credit report can be used to meet mortgage payment history requirements. Refer to the applicable AUS/GSE Selling Guide for complete requirements <ul style="list-style-type: none"> <li>▪ Private mortgages may be verified with canceled checks or bank statements</li> </ul> </li> <li>○ If there is evidence the subject loan being refinanced, or any other mortgage the borrower is obligated to, is currently in forbearance the loan is ineligible (e.g., reflected on the credit report, mortgage statement, payoff statement, in SSE, etc.)</li> <li>○ <b>For Fannie Mae DU loans only:</b> As a reminder, Fannie Mae requires the following: On the date of the loan application, the borrower's existing mortgage(s) must be current, which means that no more than 45 days have elapsed since the last paid installment. If the credit report does not reflect the above, proof the additional loan payments were paid on time is required. Refer to Fannie Mae Selling Guide for complete requirements</li> </ul> </li> </ul> <p>Second Home / Investment Properties / Non-Occupant Borrowers</p> <p>Current Housing Payment</p> <ul style="list-style-type: none"> <li>• Borrowers must document their current housing expense with one of the following when they do not currently own a primary residence: <ul style="list-style-type: none"> <li>○ Six months canceled checks or equivalent payment source;</li> <li>○ Six months bank statements reflecting a clear and consistent payment to an organization or individual</li> <li>○ Direct verification of rent from a management company or individual landlord, supported by two months cancelled checks; or</li> <li>○ A copy of a current, fully executed lease agreement and two months canceled checks (or equivalent payment source) supporting the rental payment amount</li> </ul> </li> <li>• For second home transactions where the borrower is living rent-free, the borrower's rent-free status must be documented. A rent-free letter from a third-party verification source may be acceptable</li> <li>• Non-occupant borrowers <ul style="list-style-type: none"> <li>○ Non-occupant co-borrowers must share a relationship meeting gift donor under applicable Agency guidelines</li> <li>○ Non-occupant co-borrowers must have a reasonable housing payment. Rent free is not acceptable</li> </ul> </li> </ul>
Derogatory Credit	<ul style="list-style-type: none"> <li>• Minimum 7-year seasoning on all major derogatory credit events including bankruptcy (7, 11, 13) multiple bankruptcies, foreclosures, Deed-in-Lieu of Foreclosure, Pre-foreclosure Sale (Short Sale), Mortgage Charge-Off</li> <li>• Forbearance: 6 months timely consecutive payments post forbearance required</li> <li>• Modifications: 6 months timely consecutive payments post forbearance required. The trial payment plan may be included in seasoning if the final modification payment is the same as the trial</li> </ul>
Disaster Policy	<ul style="list-style-type: none"> <li>• Ameritrust may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster</li> </ul>
Documentation: Income and Assets	<ul style="list-style-type: none"> <li>• Follow AUS/GSE used for income and asset documentation, and verification requirements</li> </ul>

- Written verification documents including but not limited to, Verification of Employment (VOE), Verification of Mortgage (VOM), or Verification of Rents (VOR), are not eligible.
  - A written VOE (WVOE) is acceptable provided that W-2s and paystubs are also obtained in accordance with the AUS
- Fannie Mae Day 1 Certainty/DU Validation Service or Freddie Mac Asset Income Modeler (AIM) relief is not applicable
  - Rent payment history utilizing borrower provided documentation in the Freddie Mac LPA assessment is ineligible.

#### Income

- Capital gains income is not allowed. Capital gains losses do not need to be included
- Income derived from the production or sale of marijuana is ineligible
- Income derived from Bitcoin and other virtual currencies is ineligible
- Non-taxable Income
  - Social Security Income (SSI)
    - Document regular receipt per requirements outlined in the Fannie Mae Selling Guide
    - 15% of Social Security Income (SSI) may be treated as non-taxable without having to provide documentation evidencing the nontaxable status. That amount can then be grossed-up by 25%
      - Example:
        - Social Security Benefit amount: \$1,500
        - Non-taxable amount:  $\$1,500 \times 15\% = \$225$
        - Gross-up amount:  $\$225 \times 25\% = \$56$  (rounded to the nearest dollar)
        - Qualifying income:  $\$1,500 + \$56 = \$1,556$  (does not require additional documentation)
    - Note: If more than 15% of SSI is grossed-up, documentation to verify the income is non-taxable is required. Follow the requirements for the AUS/GSE used
- VA Disability: VA disability can be documented via the Certificate of Eligibility (COE) for the veteran and surviving spouses
  - a copy of the COE must be retained in the file,
  - the disability income must be reflected in the conditions section of the COE, and
  - the COE must be dated within 120 days of the note date.
  - If the surviving spouse receives additional benefits for dependent children, verification of the children's ages is required to establish continuance for a minimum of 3 years
- Fannie Mae DU:
  - When using employment related assets to qualify, the net documented assets must be discounted by 30%
  - RSU income is eligible in accordance with Fannie Mae guidelines
- Freddie Mac LPA:
  - RSU income is eligible in accordance with Freddie Mac guidelines
- Trust income is eligible, the following requirements apply regardless of GSE
  - If any assets from the trust are being used for down payment, closing costs, or reserves, those assets must be subtracted from the total amount before determining if the trust income meets continuity of income requirements
  - A copy of the trust agreement or the trust's federal tax returns confirming the amount, frequency, and type of income being received (variable or fixed)
  - Follow the fixed or variable income requirements outlined in the table below

Documentation:  
Income and Assets  
(continued)

Trusts with Fixed Payments	Trusts with Variable Payments
<p>Use the fixed payment amount from the trust agreement as the borrower's qualifying income, converting it to a monthly amount, as applicable.</p> <ul style="list-style-type: none"> <li>• One month's bank statement or other equivalent required documenting current receipt of trust income</li> <li>• Payments must have been received for the past 12 consecutive months or longer to be considered stable monthly income</li> <li>• Document 3-year continuance after the note date               <ul style="list-style-type: none"> <li>○ Evidence sufficient assets are available in the trust to support the qualifying income (e.g., bank statements, letter from trustee, CPA, or an attorney letter in lieu of a trustee letter). When the borrower is the trustee, a letter from the trustee is not acceptable documentation.</li> </ul> </li> </ul>	<p>A minimum of two years receipt is required. Determine the frequency of payments (weekly, monthly, quarterly, annually, etc.).</p> <ul style="list-style-type: none"> <li>• A minimum 24-month history of trust income is required evidence by the borrower's signed federal income tax returns for the most recent two years, and</li> <li>• Current receipt of trust income with one month's bank statement or other equivalent document</li> <li>• Document 3-year continuance after the note date               <ul style="list-style-type: none"> <li>○ Evidence sufficient assets are available in the trust to support the qualifying income (e.g., bank statements, letter from trustee, CPA, or an attorney letter in lieu of a trustee letter). When the borrower is the trustee, a letter from the trustee is not acceptable documentation.</li> </ul> </li> </ul>
<p>Assets</p> <ul style="list-style-type: none"> <li>• VODs are not acceptable for asset documentation</li> <li>• Business assets are eligible for down payment and closing costs in accordance with Agency guidelines</li> <li>• Follow the gift requirements for the AUS/GSE used           <ul style="list-style-type: none"> <li>○ Gift funds are ineligible on an investment property transaction</li> <li>○ Gifts of equity are ineligible</li> <li>○ Gifts must be from a related party as defined by the applicable GSE</li> <li>○ Wedding gifts may not be used to qualify</li> <li>○ Gift funds are ineligible if the donor is also the seller of the subject property</li> </ul> </li> <li>• Assets derived from the production or sale of marijuana are ineligible</li> <li>• Virtual currency may be used as funds for closing and reserves, only if it has been exchanged into U.S. dollars and is held in a U.S. or state regulated financial institution. There must be sufficient documentation to verify that the funds originated from the borrower's virtual currency account. Acceptable documentation to use those funds includes the following:           <ul style="list-style-type: none"> <li>○ Documentation from a virtual currency exchange account verifying the borrower as the legal owner and not the nickname of the account, and</li> <li>○ Previous borrower bank statement showing funds going into the same virtual currency exchange account that the large deposit came from; or</li> <li>○ 1099-B/MISC from the same virtual currency exchange account that the large deposit came from, plus the borrower's tax returns reflecting the 1099 gain/loss</li> </ul> </li> <li>• Assets held solely in the name of a non-borrowing purchaser are considered a gift and must follow published gift fund requirements of the AUS/GSE used           <ul style="list-style-type: none"> <li>○ Large deposits sourced back to a non-borrowing purchaser are considered a gift and must follow published gift fund requirements of the AUS/GSE used</li> </ul> </li> <li>• Follow the large deposit requirements of the AUS/GSE used           <ul style="list-style-type: none"> <li>○ On refinance transactions, the documentation explanation for large deposits is not required; however, any borrowed funds including any related liability must be considered</li> </ul> </li> </ul> <p><i>Note: Regardless of AUS documentation requirements, all documentation submitted with the loan file is subject to review and may be used for qualification purposes.</i></p>	

Down Payment Assistance

- Employer assistance is acceptable in accordance with Agency guidelines
- Other forms of down payment assistance are ineligible

Eligible and Ineligible Mortgage Products and Features

Eligible

- Fixed Rate 15 and 30 years
  - LTV/CLTV >80% are limited to a 30-year fixed rate loan term
- ARMs: 5/6, 7/6 and 10/6 SOFR ARMs are eligible (30-day average NY Fed)
  - General Requirements:
    - Primary residence and second homes only
    - One-unit properties only
    - Maximum LTV/CLTV 80.00%
    - Maximum DTI 45.0%
    - Maximum loan amount \$2.5M
    - Temporary buydowns ineligible
    - Fully indexed rate is the sum of the index, plus margin, rounded to the nearest .125%
    - 30-year amortization only
    - 5/6 ARMs: An “Approve or Accept/Ineligible” (ineligible for loan amount only) AUS finding may differ from the eligibility requirements for the purpose of meeting QM
      - The APR calculation requires the use of the maximum interest rate that would apply during the first five years as the interest rate for the full term of the loan
      - All loans must also meet QM requirements regardless of the AUS determination
    - Assumable and convertible ARMs are ineligible
    - The rate floor may never be less than the margin
  - SOFR ARM requirements
    - Margin 2.75%
    - Adjustment period, 6 months
    - Cap Structure
      - 5/6 ARM: 2/1/5
      - 7/6 and 10/6: 5/1/5
    - Lookback period, 45 days
  - Qualifying Rate
    - 5/6 ARM: The greater of the fully indexed rate or note rate + 2%
    - 7/6 and 10/6 ARM: No less than the note rate
      - State based restrictions: IL, MD, MA, MN, NM, and PA must qualify at the greater of the note rate or fully indexed rate
    - DU Loans: If the fully-indexed rate is the required qualifying rate, a lender ARM plan must be used in DU and the qualifying rate input in the qualifying rate field. Standard Fannie ARM plans will not work in this scenario and are ineligible (DU ARM plans qualify at the note rate and cannot be changed).
    - LPA Loans: The qualifying rate must be manually adjusted in LPA (LPA defaults to the note rate)
- Note to first payment date may not exceed 60 days

Ineligible

- All specialty Agency programs are not eligible, including but not limited to any renovation program, one-time close construction program, low to moderate income programs, etc.

eMortgages & eNotarization	<ul style="list-style-type: none"> <li>eMortgages and eNotarization are ineligible</li> </ul>
Employment/Income Verification	<ul style="list-style-type: none"> <li>For salaried employees the verbal verification of employment must be completed within 10 business days <i>prior to the note date</i> <ul style="list-style-type: none"> <li>Third-party employment verification vendors are eligible (e.g., The Work Number, Truework, etc.). The written verification of the borrower's employment status must be within the same timeframe per investor (AUS used) verbal VOE requirements <ul style="list-style-type: none"> <li>YTD paystub is ineligible</li> <li>Written VOE (Form 1005) is ineligible</li> <li>Bank statement is ineligible</li> </ul> </li> </ul> </li> <li>For self-employed borrowers the verbal verification of employment must be completed within 120 days <i>prior to the note date</i></li> <li>For borrowers in the military, a military Leave and Earnings Statement dated within 30 days <i>prior to the note date</i> is acceptable in lieu of a verbal verification of employment</li> </ul>
Employment Offers or Contracts	<ul style="list-style-type: none"> <li>Employment offers or contracts for future employment are not eligible</li> </ul>
Escrow Holdbacks	<ul style="list-style-type: none"> <li>Escrow holdbacks are ineligible</li> </ul>
Escrow/Impounds	<ul style="list-style-type: none"> <li>Escrow for taxes and insurance are required above 80% LTV (90% in CA), or as required by applicable state law</li> </ul>
Financing Concessions	<ul style="list-style-type: none"> <li>Financing concessions for primary residences and second homes must be within the following allowable percentages: <ul style="list-style-type: none"> <li>9% of value with LTV/CLTV ratios less than or equal to 75%</li> <li>6% of value with LTV/CLTV ratios greater than 75% up to and including 90%</li> </ul> </li> <li>The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio</li> <li>Value is the lesser of the sales price or appraised value</li> </ul>
Hazard Insurance	<p>Policies must provide for claims to be settled on a replacement cost basis. Insurance policies that provide for claims to be settled at actual cash value or limit, depreciate, reduce, or otherwise settle losses for less than a replacement cost basis are not eligible.</p> <p><b>1-4 Unit Properties</b></p> <ul style="list-style-type: none"> <li>The insurance limits must equal the lesser of: <ul style="list-style-type: none"> <li>100% of the replacement cost of the improvements as of the current property insurance policy effective date, or</li> <li>The unpaid principal balance of the mortgage, provided it equals no less than 80% of the replacement cost value (RCV) of the improvements as of the current property insurance policy effective date</li> </ul> </li> <li>The replacement cost value must be verified in order to complete the calculation above (refer to Validating Property Insurance Sufficiency requirements outlined below)</li> </ul> <p><b>Master Property Insurance for Condominium and PUD<sup>1</sup> Projects</b></p> <ul style="list-style-type: none"> <li>The master policy coverage limits for condominium and PUD projects must be at least equal to 100% of the replacement cost value of the project's improvements, including common elements and residential structures, as of the current insurance policy effective date</li> <li>Verification the project insurance coverage is not less than the minimum required as described above is required (refer to Validating Property Insurance Sufficiency requirements outlined below)</li> </ul> <p>Note: An HO-6 policy cannot be utilized to satisfy insufficient master property insurance coverage. Building Ordinance or Law Coverage cannot be utilized to offset insufficient master property insurance coverage.</p>

<p>Hazard Insurance (continued)</p>	<p><b>Validating Property Insurance Sufficiency</b></p> <ul style="list-style-type: none"> <li>• Replacement cost sufficiency may be determined using one of the following: <ul style="list-style-type: none"> <li>○ A replacement cost estimator provided by the insurer; or</li> <li>○ A recent property risk appraisal; or</li> <li>○ A statement from the insurer affiliated with the property confirming the cost of improvements, as of the current property insurance policy effective date, such that the insurance limits meet the limits specified above; or</li> <li>○ The presence of a guaranteed replacement cost endorsement.</li> <li>○ A statement from an insurer or insurance industry professional not affiliated with the property insurer, or the HOA if applicable, is not acceptable evidence.</li> </ul> </li> </ul> <p><sup>1</sup> Applies to PUD projects where the project’s legal documents provide for a master property insurance policy that covers both the common elements and residential structures.</p> <p>Refer to the Selling Guide of the AUS used for complete property insurance requirements.</p>
<p>High Cost / Higher Priced</p>	<ul style="list-style-type: none"> <li>• Ameritrust will not purchase High-Cost Loans</li> <li>• Higher Priced Mortgage Loans (HPML) transactions are ineligible</li> <li>• Higher Priced Covered Transactions (HPCT) are ineligible</li> </ul>
<p>Ineligible Transactions</p>	<ul style="list-style-type: none"> <li>• Intra-family purchases as a means to obtain cash-out for the seller while avoiding cash-out qualifications and pricing are not eligible transactions. These types of transactions may seem to meet Agency guidelines, they are not bonafide purchase transactions and therefore not eligible for purchase by Ameritrust. Unacceptable transactions of this type may have some or all of the following characteristics: <ul style="list-style-type: none"> <li>○ Gift of equity from the seller</li> <li>○ Large amount of seller credits</li> <li>○ Family member remaining in the home and on title after the “purchase”</li> <li>○ Seller unable to qualify for a cash-out transaction of their own</li> </ul> </li> </ul>
<p>Loan Purpose: Purchase</p>	<ul style="list-style-type: none"> <li>• Purchase transactions are eligible</li> </ul>
<p>Loan Purpose: Refinance Transactions</p>	<p><b>Fannie Mae DU Refinance</b></p> <ul style="list-style-type: none"> <li>• <b>Rate and term refinance</b> (limited cash out): <ul style="list-style-type: none"> <li>○ Cash out to the borrower cannot exceed \$2,000</li> <li>○ Fannie Mae ownership requirements must be met. <b>Note:</b> Ownership in an LLC does not meet Fannie Mae requirements for a limited cash out refinance</li> <li>○ Limited cash out refinance to buy out an owner’s interest is eligible</li> <li>○ Paying off a subordinate mortgage lien (including prepayment penalties) used to purchase the subject property is eligible</li> <li>○ Paying off the construction loan and documented construction cost overruns for a two-closing construction-to-permanent loan is eligible</li> <li>○ Paying for construction costs to build a home for a single-closing construction-to-permanent transaction, which may include paying off an existing lot lien is not eligible</li> <li>○ Pools, or other features, constructed by a third-party builder/contractor are not eligible for pay off with loan proceeds on a limited cash out refinance</li> <li>○ Paying off the unpaid principal balance of PACE loans and other debt used for energy-related improvements is not eligible</li> <li>○ Refer to Fannie Mae Selling Guide for complete requirements</li> </ul> </li> <li>• <b>Cash out refinance:</b> <ul style="list-style-type: none"> <li>○ Maximum cash-out is \$500,000 which includes <ul style="list-style-type: none"> <li>▪ The payoff of any unsecured debt</li> </ul> </li> </ul> </li> </ul>

Loan Purpose:  
Refinance  
Transactions  
(continued)

- Unseasoned liens
- Debt not secured by the subject property
- Non-purchase money seconds secured by the property, and
- Any cash on hand
- Fannie Mae ownership requirements must be met. **Note:** Ownership prior to closing by a limited liability corporation (LLC) that is majority-owned or controlled by the borrower(s) is eligible and may be counted towards meeting the borrower's six-month ownership requirement. In order to close the refinance transaction, ownership must be transferred out of the LLC and into the name of the individual borrower(s)
- Delayed financing meeting Fannie Mae requirements is eligible when the subject property was purchased by a borrower for cash within 180 days of the loan application
- Fannie Mae Student Loan Cash-Out Refinances are not eligible
- Refer to Fannie Mae Selling Guide for complete requirements

#### Freddie Mac LPA Refinance

- **Rate and term refinance** (no cash-out):
  - Cash out to the borrower cannot exceed \$2,000
  - Freddie Mac ownership requirements must be met. **Note:** Ownership in an LLC does not meet Freddie Mac requirements for a no cash out refinance
  - Pay off the principal and interest due, including a balance deferred under a loss mitigation plan, for the first mortgage, regardless of its age, used to acquire the property is eligible
  - Pay off the principal and interest due, including a balance deferred under a loss mitigation plan, for the first mortgage, originated as a refinance transaction, with a note date no less than thirty days prior to the note date of the "no cash-out" refinance mortgage, as documented in the mortgage file is eligible
  - For construction conversion mortgages (two-time close), the amount of the interim construction financing secured by the mortgaged premises is considered an amount used to pay off the first mortgage and is eligible. Payoff of a renovation mortgage or one-time close construction loan is not eligible.
  - Pools, or other features, constructed by a third-party builder/contractor are not eligible for pay off with loan proceeds on a no cash-out refinance
  - Pay off a Property Assessed Clean Energy (PACE) or PACE-like obligation is not eligible
  - Refer to Freddie Mac Selling Guide for complete requirements
- **Cash out refinance:**
  - Maximum cash-out is \$500,000 which includes
    - The payoff of any unsecured debt
    - Unseasoned liens
    - Debt not secured by the subject property
    - Non-purchase money seconds secured by the property, and
    - Any cash on hand
  - Freddie Mac ownership requirements must be met. **Note:** For cases in which title to the property is held by a limited liability company (LLC) or limited partnership (LP), the time the property was titled in the name of the LLC or LP may be included in the six-month requirement provided:
    - At least one Borrower must have been the majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP, and
    - Title must be transferred from the LLC or LP into the Borrower's name on or before the Note Date
  - Freddie Mac seasoning requirements for a cash-out refinance used to pay off a first lien mortgage must be met

<b>Loan Purpose: Refinance Transactions (continued)</b>	<ul style="list-style-type: none"> <li>○ Delayed financing meeting Freddie Mac requirements is eligible when the subject property was purchased by a borrower for cash within 180 days of the loan application</li> <li>○ Special purpose cash-out refinance where the owner of the subject property uses the proceeds of the refinance transaction to buy out the equity of a co-owner is eligible</li> <li>○ Refer to Freddie Mac Selling Guide for complete requirements</li> </ul>
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>● Fixed Rate: \$1 above the conforming standard limit</li> <li>● ARMs: Minimum loan amount is \$500,000</li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>● Mortgage Insurance is not required</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>● Primary residence - 1-2 units</li> <li>● Second homes - 1-unit only <ul style="list-style-type: none"> <li>○ See Credit section for when borrowers do not currently own a primary residence</li> </ul> </li> <li>● Investment - 1-2 unit: <ul style="list-style-type: none"> <li>○ See Credit section for when borrowers do not currently own a primary residence</li> </ul> </li> </ul>
<b>Power of Attorney (POA)</b>	<ul style="list-style-type: none"> <li>● Specific Power of Attorney meeting all State, Federal, Agency requirements allowed</li> <li>● An individual employed by or affiliated with any party to the loan transaction e.g., title insurer, settlement agent, etc., is not eligible as a POA</li> </ul>
<b>Property: Eligible Types</b>	<ul style="list-style-type: none"> <li>● Single family attached/detached single unit</li> <li>● 2-unit attached/detached</li> <li>● PUDs</li> <li>● Low-rise and high-rise condominiums (must be Agency eligible)</li> <li>● Properties in communities with age-based resale restrictions.</li> <li>● Rural properties (in accordance with Agency Guidelines, properties must be residential in nature)</li> </ul>
<b>Property: Ineligible Types</b>	<ul style="list-style-type: none"> <li>● 3-4 unit properties</li> <li>● Manufactured homes or any dwelling built on a permanent chassis <ul style="list-style-type: none"> <li>○ Manufactured homes as an accessory dwelling unit are eligible. Refer to the applicable AUS/GSE Selling Guide for complete requirements</li> </ul> </li> <li>● Mobile homes</li> <li>● Cooperatives</li> <li>● New condos, unless PERS approved</li> <li>● Condotels</li> <li>● Non-warrantable condos</li> <li>● Hotel Condominiums</li> <li>● Timeshares</li> <li>● Working Farms and Ranches</li> <li>● Hobby farms</li> <li>● Leaseholds</li> <li>● Unimproved Land</li> <li>● Property currently in litigation</li> <li>● Properties with deed restrictions or resale restrictions (except properties in communities with age-based resale restrictions)</li> <li>● Geodesic or berm homes</li> </ul>

<p>Property: Ineligible Types (continued)</p>	<ul style="list-style-type: none"> <li>• Land Trust, including community land trusts</li> <li>• Condition Rating of C5/C6 or a <a href="#">Quality Rating of Q6</a></li> <li>• Turn-key investment properties. See Property Turn-key Investments section for additional details</li> <li>• <a href="#">Properties located in Lava Zone 1 or 2</a></li> <li>• Properties zoned commercial, agricultural (&gt;5 acres), or mixed use</li> <li>• <a href="#">Properties with evidence of commercial production of marijuana, including but not limited to grow rooms, or hydroponic equipment</a></li> <li>• <a href="#">Properties with PACE or HERO liens (unless paid off prior to or at closing)</a></li> </ul>
<p>Property: Multiple Financed Properties</p>	<ul style="list-style-type: none"> <li>• Borrowers with 7-10 financed properties use the more restrictive of 720 FICO or Jumbo AUS FICO requirement</li> <li>• For financed properties other than the subject, additional reserves must be determined by applying the aggregate of the outstanding unpaid balance (UPB) for all mortgages and HELOCS. The following requirements apply: <ul style="list-style-type: none"> <li>○ Aggregate balances &lt;=\$1,000,000 follow applicable Agency guidelines for reserve requirements</li> <li>○ Aggregate balances &gt; \$1,000,000 <ul style="list-style-type: none"> <li>▪ 1-6 financed properties use 6 months of the monthly PITIA amount of each additional property (includes primary residence if not the subject property).</li> <li>▪ 7-10 financed properties use 8 months of the monthly PITIA amount of each additional property (includes primary residence if not the subject property).</li> </ul> </li> </ul> </li> </ul>
<p>Property: Turn-key Investments</p>	<ul style="list-style-type: none"> <li>• Purchase or refinance transactions involving turn-key investment, or other similar arrangements, are <u>not eligible</u> for origination by Ameritrust. Characteristics of a Turn-key property include but are not limited to: <ul style="list-style-type: none"> <li>○ The property seller is an LLC (or other entity) that purchases distressed properties and re-sells to borrowers at a non-distressed valuation</li> <li>○ Property seller or a related entity enters into an agreement to manage the property on behalf of the buyer including marketing, tenant screening, rent collection, maintenance, etc.</li> <li>○ Buyer frequently lives out-of-the-area from the subject property.</li> </ul> </li> </ul>
<p>Property Flipping Policy</p>	<ul style="list-style-type: none"> <li>• Properties that involve a re-sale that occurred within the last 180 days that have a non-arm's length relationship between the buyer and seller and an increase in value are prohibited. Time frame is established by seller's date of acquisition as the date of settlement on the seller's purchase of that property and the execution of a sales contract to another party</li> </ul>
<p>Ratios</p>	<ul style="list-style-type: none"> <li>• Maximum DTI of 50.00% with an AUS approve/accept is eligible for the following: <ul style="list-style-type: none"> <li>○ <b>Fixed rate only</b></li> <li>○ Primary residence</li> <li>○ Maximum CLTV 80.00%</li> <li>○ Maximum loan amount \$2,000,000</li> </ul> </li> <li>• Scenarios not meeting the above criteria have a maximum DTI of 45.00% with an AUS approve/accept</li> </ul>
<p>Recently Listed Properties</p>	<ul style="list-style-type: none"> <li>• No Cash-Out Transaction <ul style="list-style-type: none"> <li>○ The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date.</li> <li>○ Borrowers must confirm their intent to occupy the subject property (for principal residence transactions)</li> </ul> </li> <li>• Cash-Out Transaction <ul style="list-style-type: none"> <li>○ Properties listed for sale in the six months preceding the application date for new financing are limited to 70% LTV/CLTV</li> <li>○ Properties that were listed for sale must be taken off the market on or before the disbursement date</li> </ul> </li> </ul>
<p>Rental Income</p>	<ul style="list-style-type: none"> <li>• <a href="#">Follow applicable AUS/GSE Selling Guide requirements for rental income, including calculation and amounts eligible for use</a></li> <li>• <a href="#">Note: When using rental income to qualify from a subject property, the borrower must own a primary residence (DU or LPA); or</a></li> <li>• <a href="#">Document a reasonable current housing expense (DU only)</a></li> </ul>

Reserves	<ul style="list-style-type: none"> <li>• Refer to the eligibility matrices above</li> <li>• If the borrower owns other financed properties, additional reserves must be calculated and documented for financed properties other than the subject property and the borrower’s principal residence (refer to the Property: Multiple Finance Properties section above).</li> <li>• Business assets cannot be used as reserves.</li> </ul>
State Restrictions	<ul style="list-style-type: none"> <li>• Illinois Land Trust Vesting’s are not eligible</li> <li>• Texas 50(a)(6) refinance mortgages are not eligible</li> </ul>
Tax Transcripts	<ul style="list-style-type: none"> <li>• When tax returns are used for qualification purposes, tax transcripts for the most recent one year’s personal returns are required</li> <li>• Tax transcripts will be ordered for any income type when red flags are present or at Ameritrust’s discretion</li> <li>• If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing “No record of return filed” is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received), and <b>all</b> of the following: <ul style="list-style-type: none"> <li>○ Evidence of receipt of a tax refund, if applicable; or</li> <li>○ Evidence taxes owed, if any, have been paid in full; and</li> <li>○ If the asset statements in the file do not reflect the tax payment, the full amount of the tax payment must be deducted from the verified assets</li> </ul> </li> <li>• When tax transcripts are provided, they must support the income used to qualify</li> <li>• A properly executed 4506-C for personal and business returns is required for all transactions except when the loan file contains tax transcripts</li> </ul>
Temporary Interest Rate Buydowns	<p>Allowed subject to the following:</p> <ul style="list-style-type: none"> <li>• Maximum loan amount \$1,500,000</li> <li>• Minimum 740 FICO</li> <li>• Owner Occupied only</li> <li>• Purchase transactions only</li> <li>• <b>Fixed rate only</b></li> <li>• Borrower paid buydowns are ineligible</li> <li>• Maximum total interest rate reduction of 2%, max increase per year of 1% (e.g., 1/0, 1/1, and 2/1)</li> <li>• Maximum 2 years to reach standard note rate</li> <li>• Must qualify at the standard note rate without benefit of the buydown</li> <li>• Must meet all other applicable Fannie Mae or Freddie Mac requirements, including but not limited to qualification, IPC limits, documentation of buydown, and funding of buydown</li> </ul>
Title	<ul style="list-style-type: none"> <li>• <a href="#">Follow applicable AUS for title requirements</a></li> <li>• <b>Transactions receiving DU Message ID 3719 are ineligible to be originated without a lender’s title policy. A title policy is required.</b></li> <li>• Attorney opinion letters are ineligible</li> <li>• <a href="#">PACE/HERO liens must be paid off</a> and removed at or prior to closing. Subordination is not acceptable</li> <li>• <a href="#">Solar liens or leases must be subordinated to the subject transaction</a> <ul style="list-style-type: none"> <li>○ <a href="#">UCC filings must be removed or subordinated</a></li> </ul> </li> </ul>
<p>Ameritrust will originate in accordance with the applicable underlying Agency (Fannie Mae Single Family Selling Guide or Freddie Mac Single-Family Seller/Servicer Guide) unless otherwise noted in the Ameritrust guidelines.</p>	