

SHARP NON-QM PRODUCT SUITE

GENERAL PROGRAM GUIDANCE

REFER TO PROGRAM SPECIFIC REQUIREMENTS FOR OVERLAYS

MAX DTI	50%	OCCUPANCY	PR, 2 nd HM & INV	HOUSING HISTORY	1 X 30 X 12
CREDIT SCORE	Primary Wage Earner - 3 scores lowest MID score 2 scores - lowest score				
TRADELINES	3 tradelines reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO.				
COLLECTIONS	<ul style="list-style-type: none"> Amounts remaining open non-MED past 24 MO - \$2K Medical <\$15K. All items affecting title must be paid prior to or at closing. 				
CASH-OUT SEASONING	<ul style="list-style-type: none"> MIN >6 MO >12 MO - Appraised Value ≤12 MO Lesser of PUR price + improvements or Appraised Value 				
FIRST TIME HOMEBUYER	Borrowers who have had no homeownership in the past 3 YRS. MAX DTI 43% I/O ineligible DTI >36%; Payment shock limited to 300%				
TRANSCRIPTS	Full Doc – Required ATL Doc - Required on non-self-employment income (e.g. W2) used to determine the qualifying income.				
BUSINESS NARRATIVE	Business Narrative required for all S/E and 1099 borrowers.				
INTEREST ONLY	I/O period 10 YRS. Qualifying PITIA payment using the fully amortization term (e.g. 30 YR FX – 10 YR I/O = 20 YR Qual Term)				
ELIGIBLE BORROWERS	U.S. Citizens, & Non-Perm Res Alien, Perm Res Alien eligible – Foreign Nationals not permitted				
ENTITY VESTING	INV Properties permitted Business Purpose loans may be vested in LLC, LP, GP, CORP & S CORP Foreign Entities not permitted				
SECOND SIGNATURE	Loan amounts ≥\$2MM a second signature is required.				
SUBORDINATE FINANCING	New subordinate financing not permitted. Re-subordinated liens subject to MAX LTV Second lien may not be privately held, HELOC or Reverse Mortgage.				
NON-ARMS	Non-Arm's Length transactions not permitted				
CONCESSIONS	Seller Concessions - PR & 2nd HM MAX 6% INV MAX 3%				

APPRAISAL REQUIREMENTS

APPRAISAL	<ul style="list-style-type: none"> LN AMTS <\$2.0 MM - 1 Full Appraisal LN AMTS ≥\$2.0MM - 2 Full Appraisals 	CDA	CDA > 10% of appraised value full second appraisal required	CU	CU of 2.5 or less CDA not required.
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STATES

INELIGIBLE	AK, HI, MO, NE, NY	TX 50 (a) (6) and (a) (4) Ineligible
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COMPLIANCE

Escrows required for HPML; must follow all federal and state laws	High cost or Section 32 loans not permitted
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DOCUMENTATION TYPES

FULL DOCUMENTATION

WAGE EARNER	1 or 2 YRs W-2, Paystubs w/YTD earnings
SELF-EMPLOYED	1 or 2 YRs Tax Returns (Personal & Business as applicable) YTD P&L

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BANK STATEMENTS - ALL								
SELF-EMPLOYED	Borrowers must be in the same line of work for a MIN 2 YRS Business must be in existence of a MIN of 1 YR.							
NSF'S	NSF only need to be considered when resulting in a bank fee All NSFs require a LOE from the borrower and UW evaluation required							
LARGE DEPOSITS	Deposits >50% of the total income requires a borrower LOE and UW evaluation or amounts excluded.							
BUSINESS OWNERSHIP	Borrower must be MIN 25% owner.	TAX TRANSCRIPTS/RETURNS				Not Required		
PERSONAL BANK STATEMENTS (12/24 MONTHS) INCOME								
ACCOUNTS	MAX 1 account may be used to determine qual income.							
SUPPORTING DOCUMENTS	2 MO. Business bank statements required reflecting business activity & transfers to personal account. When Business bank cannot be provided refer to program specifics for exceptions, where applicable							
QUALIFYING INCOME	100% of the eligible deposits ÷ 12/24 MO.							
BUSINESS BANK STATEMENTS (12/24 MONTHS) INCOME								
EXPENSE FACTOR	Standard – 50% - less than 50% may be considered using one of the 2 options:							
PROFIT & LOSS STATEMENTS	1. MIN 10% - CPA/EA/Tax preparer- P&L covering the same period as bank statements. Gross receipts must be within 10% of the bank statement qualifying income.							
EXPENSE STATEMENTS	2. MIN 10% - CPA/EA/Tax preparer Expense Statement covering the same time period as the bank statements.							
QUALIFYING INCOME	Eligible deposits, less expense factor, X the % of ownership							
PROFIT AND LOSS (12 MONTHS) INCOME								
FICO/LTVS/TERMS	MIN FICO	660	MAX LTV/CLTV PUR/R&T	80%	C/O	70%	TERMS	30 YR Fixed only
BORROWERS	Borrower must be self-employed MIN 2 YRS Business existence MIN 1 YRS Business Ownership ≥25%							
DOCUMENTATION	Most recent 3 rd party prepared Profit & Loss Statement - CPA/EA/Tax Attorney only PTIN not eligible							
BUSINESS BANK STATEMENTS	Most recent 2 MO Business Bank Statements required. Total deposits must be within 35% of gross receipts on P/L							
TAX PREPARED	3RD party preparing must attest to filing the borrowers most recent tax returns Borrowers who file their own tax returns are ineligible							
QUALIFYING INCOME	Net income from P&L, X percent of ownership/12 MO			TAX TRANSCRIPTS/RETURNS		Not required		
1099 (12 MONTHS) INCOME								
FICO/LTVS/TERMS	Follow bank statements MINs and MAXs		TERMS	30 YR Fixed only				
BORROWERS	100% Commission, gig workers or Independent Contractors 1 YR receipt of 1099 required, 2 YRS same line of work 1099 cannot come from a borrower owned entity							
EVIDENCE OF RECEIPT	Most recent 30 days paystub w/YTD earnings or 3 MO. bank statements evidencing deposits,							
EXPENSE FACTOR	Standard 10% or WVOE from employer stating the borrower is not required to pay for any un-reimbursed business expenses.							
TAX TRANSCRIPTS/RETURNS	4506-C wage/income transcripts required. Tax Returns – Not Required							
QUALIFYING INCOME	Most recent year 1099 AVG over 12 MO, less expense factor, if applicable							
ASSET AS INCOME								
FICO/LTVS/TERMS	MIN FICO	680	MAX LTV/CLTV	80%	TERMS	30 YR Fixed only		
UTILIZATION	Assets may be used as sole income source (Asset Utilization) or used in combination with other income (Asset Supplementation).							
TRANSACTIONS	Cash-out not permitted			GIFT FUNDS		Not permitted		
ELIGIBLE ASSETS	100% checking/savings/money market 70% stocks/bonds/mutual funds Retirement ≥ 59 1/2 70% - < 59 1/2 60%							
MIN ASSETS	Lesser of 1.5x the loan amount of \$1MM							
QUALIFYING INCOME	Refer to program specific			TAX TRANSCRIPTS/RETURNS		Not required		

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SHARP S FULL/ALT DOC

Occupancy	Units	Loan Amount	FICO	PURCHASE	R/T	C/O	Occupancy	Units	Loan Amount	FICO	PURCHASE	R/T	C/O
				MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV					MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV
Primary Residence	1	<=\$1.0MM	680+	90%	85%	75%	Second Home & Investments	1	<=\$1.0MM	680+	85%	80%	75%
			660	80%	80%	75%				660	80%	80%	75%
		<=\$1.5MM	700+	90%	85%	80%			<=\$1.5MM	700+	85%	80%	75%
			680	85%	80%	75%				680	85%	80%	75%
			660	80%	75%	75%				660	80%	75%	75%
		<=\$2.0MM	720+	85%	80%	80%			<=\$2.0MM	720+	85%	80%	75%
			700	85%	75%	70%				700	85%	75%	70%
			680	80%	75%	70%				680	80%	75%	70%
			660	75%	70%	65%				660	75%	70%	65%
		<=\$2.5MM	720+	80%	75%	75%			<=\$2.5MM	720+	80%	75%	75%
			680	75%	70%	65%				680	75%	70%	65%
			660	70%	65%	65%				660	70%	65%	65%
		<=\$3.0MM	720+	75%	70%	70%			<=\$3.0MM	720+	75%	70%	70%
			700	75%	70%	65%				700	75%	70%	65%
			680	70%	65%	65%				680	70%	65%	65%
		<=\$3.5MM	720+	70%	70%				<=\$3.5MM	720+	70%	70%	
			700	70%	65%					700	70%	65%	

PROGRAM SPECIFIC REQUIREMENTS

LOAN AMOUNTS	MIN \$150K MAX \$3.5MM
TERMS	FIXED 15 YR, 30 YR, 40 YR INTEREST ONLY 30 YR, 40 YR Fixed
	P&L, ASSET UTILIZATION, 1099 30 YR Fixed only
INTEREST ONLY	MIN 660 FICO, MAX LTV 90%
PROPERTY TYPES	Eligible: SFD, SFA, 2-4 Units & Condos 2-4 Units & Warrantable Condo MAX 85% Non-Warrantable Condo & Condo MAX 85% LTV & MAX LN AMT. \$2.5MM Ineligible: Manufactured, Co-ops, Mixed use
RURAL PROPERTIES	Properties may not be zoned or indicated by appraisal as rural or AG. MAX Acres 20 Greater than 10 acres MAX LTV/CLTV 80%
CASH-OUT	MAX Cash-in-hand: Unlimited Payoff of delinquent R.E. Taxes 60+ days delq. is considered C/O C/O may be used to meet reserve requirements
S/E BORROWERS	Self-employment MIN 1 year; same line of work MIN 2 years MAX LTV 80% MAX DTI 43%
PERSONAL BANK STMT	Borrowers who cannot provide 2 MO. business bank statements will be required to be evaluated under business bank with an applied expense factor.
ASSETS AS INCOME	QUALIFYING INCOME Eligible assets, less down payment, closing costs, reserves ÷ 84 Months
CREDIT EVENTS	BK 7 & 13 - 48 MO discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late 48 MO.
RESERVES	PITIA - ≤85% 6 Mo. LTV > 85% 12 Mo. - Cash-Out may be used to meet reserve requirements.
GIFT FUNDS	Permitted - MIN borrower contribution, PR & 2 nd HM 5%, INV 10% Funds may not be used to meet reserve requirements.
< 12 MO HOUSING	Borrowers with less than 12 MO. Housing history or rent free - MAX DTI 43% & MAX LTV/CLTV 80%
NOCB	NON-OCCUPANT CO-BORROWER - Purchase only Full Doc only Occupying borrower must have a DTI <60%. NOCB must be on title.
FLORIDA CONDO'S	Greater than 5 stories AND over 30 YRS old; OR 25 YRS if within 3 miles of the coast a structural inspection required. Unacceptable reports - ineligible.
BORROWERS	VISA Waivers in lieu of residency documents will not be accepted. Foreign Nationals not permitted.
DECLINING VALUES	Appraisal indicated declining market or subject property is located on the Sharp S Depreciating Market List Purchase MAX 85% Refinance MAX 80% & MAX LN AMT \$2MM
ESCROW WAIVERS	Flood insurance - not permitted Taxes & Insurance - permitted when LTV ≤80%, MIN FICO 720, MIN 12 MO. Reserves

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SHARP N							FULL/ALT DOC						
Occupancy	Units	MAX Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV	Occupancy	Units	MAX Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV
Primary Residence	1	<=\$1.5MM	740+	90%	90%	75%	Second Home & Investments	1	<=\$1.5MM	740+	80%	80%	75%
			680	85%	85%	75%				680	80%	80%	75%
			660	80%	80%	70%				660	75%	75%	70%
		<=\$2.0MM	700+	80%	80%	70%			<=\$2.0MM	700+	75%	75%	70%
			680	75%	75%	65%				680	70%	70%	65%
		<=\$2.5MM	720+	80%	80%	70%			<=\$2.5MM	720+	75%	75%	70%
			680	75%	75%	65%				680	70%	70%	65%
		<=\$3.0MM	720+	75%	75%	70%			<=\$3.0MM	720+	70%	70%	65%
			700	70%	70%	65%				700	70%	70%	65%
		<=\$3.5MM	700+	70%	70%				<=\$3.5MM	700+	70%	70%	

PROGRAM SPECIFIC REQUIREMENTS									
LOAN AMOUNTS	MIN \$100K \$3.5MM								
TERMS	<table border="1"> <tr> <td>FIXED</td> <td>30 YR</td> <td>INTEREST ONLY</td> <td>30/40 YR FIXED</td> </tr> <tr> <td colspan="2">P&L, ASSET UTILIZATION, 1099</td> <td colspan="2">30 YR Fixed only</td> </tr> </table>	FIXED	30 YR	INTEREST ONLY	30/40 YR FIXED	P&L, ASSET UTILIZATION, 1099		30 YR Fixed only	
	FIXED	30 YR	INTEREST ONLY	30/40 YR FIXED					
P&L, ASSET UTILIZATION, 1099		30 YR Fixed only							
INTEREST ONLY	MAX LTV 80%								
PROPERTY TYPES	Eligible: SFD, SFA, 2-4 Units & Condos Warrantable Condo MAX 90% LTV Non-Warrantable Condo MAX 80% LTV 2-4 Units MAX 80% Ineligible: Ineligible: Condotels, Manufactured, Co-ops, Mixed use								
PROPERTIES LISTED FOR SALE	<ul style="list-style-type: none"> Must be taken off the market prior to the application date. C/O - If the property was listed in the 6 MO. Prior to application a 10% LTV reduction is required. 								
RURAL PROPERTIES	MAX LTV/CLTV 80% PR and 2 nd HM, MAX 20 Acres INV Ineligible								
CASH-OUT	MAX \$1MM Amounts >\$500k MIN FICO 720, MAX LTV/CLTV ≤ 60% C/O amounts may be used to meet reserve requirements								
PERSONAL BANK STMT	When business bank statements are not provided a 10% expense factor must be applied								
ASSETS AS INCOME	<table border="1"> <tr> <td>QUALIFYING INCOME</td> <td>Eligible assets, less down payment, closing costs, reserves ÷ 84 Months Supplemental Assets - Not available</td> </tr> </table>	QUALIFYING INCOME	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months Supplemental Assets - Not available						
QUALIFYING INCOME	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months Supplemental Assets - Not available								
CREDIT EVENTS	BK 7 & 13 - 48 MO discharge/dismissal date FC, DIL, SS and BK seasoning 48 MO.								
RESERVES	PITIA - ≤85% 6 Mo. LTV > 85% 12 Mo. Cash-Out may be used to meet reserve requirements								
GIFT FUNDS	PR only MIN borrower contributions 5%								
< 12 MO HOUSING	Allowed - PR only MAX DTI 43% 6 MO. Reserves								
NOCB	NON-OCCUPANT CO-BORROWERS - Purchase & R/T only MAX LTV 80% MAX DTI Occ borrower 60%, Combined 43% MAX LN AMT \$1MM								
STATE SPECIFIC	Texas - 2 nd home is ineligible for C/O								
DECLINING VALUES	Appraiser indicated declining market - 5% LTV Reduction								
ESCROW WAIVERS	Not permitted, unless otherwise specified by applicable state law or loan is non-HPML. Flood insurance must be escrowed.								

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SHARP C FULL/ALT DOC

Occupancy	MAX Loan Amount	MIN FICO	PURCHASE	R/T	C/O	Occupancy	MAX Loan Amount	MIN FICO	PURCHASE	R/T	C/O
			MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV				MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV
Primary Residence	<=\$1.0MM	740+	90% ¹	90% ¹	80%	Second Home	<=\$1.0MM	700+	85%	85%	75%
		700	90% ¹	90% ¹	75%			660	80%	80%	70%
		660	80%	80%				700+	80%	80%	75%
	<=\$1.5MM	700	85%	85%	75%		<=\$1.5MM	680	80%	80%	70%
		680	80%	80%	80% ⁶			660	75%	75%	70%
		660	75%	75%	70%			700+	80%	80%	70%
	<=\$2.0MM	740+	85%	85%	75%		<=\$2.0MM	680	75%	75%	65%
		700	80%	80%	75% ⁵			660	70%	70%	60%
		680	75%	75%	65%			700+	75%	75%	65%
	<=\$2.5MM	660	75%	75%	60%		<=\$2.5MM	680	70%	70%	
		720+	80%	80%	70%			660	65%	65%	
		700	75%	75%	65%			<=\$3.0MM	700+	70%	70%
	<=\$3.0MM	680	70%	70%	60%	<=\$3.0MM	720+	60%	60%		
		660	70%	70%			<=\$3.5MM	720+	60%	60%	
		720+	75%	75%	70% ³		<=\$1.0MM	700+	85%	85%	75%
	<=\$3.5MM	700	70%	70%	65% ⁴	Investment	660	80%	80%	70%	
		680	65% ²	65% ²			<=\$1.5MM	720+	80%	80%	75%
		740+	65%	65%			660	75%	75%	70%	
	720	60%	60%		<=\$2.0MM		700+	80%	80%	70%	
							660	70%	70%	60%	
							<=\$2.5MM	700+	75%	75%	65%
							680	70%	70%		
							660	65%	65%		
							<=\$3.0MM	700+	70%	70%	60%

¹ 2-4 Units MAX LTV/CLTV 85%
² 1-Unit only
³ 2-4 Units MAX LTV 65%
⁴ 2-4 Units MAX LTV/CLTV 60%
⁵ 2-4 Units MAX LTV/CLTV 70%
⁶ 2-4 Units MAX LTV/CLTV 70%

PROGRAM SPECIFIC REQUIREMENTS

LOAN AMOUNTS	MIN \$125K MAX \$3.0MM		
TERMS	FIXED	15 YR, 30 YR	INTEREST ONLY
	P&L, ASSET UTILIZATION, 1099	30 YR Fixed only	
PROPERTY TYPES	Eligible: SFD, SFA, 2-4 Units & Condos MAX LTV/CLTV 85% Warrantable Condo MAX LTV/CLTV 85% Non-Warrantable Condo & Condotels MAX LTV/CLTV 80% Rural MAX 75% Ineligible: Ineligible: Manufactured, Co-ops, Mixed use		
CASH-OUT	LTV <= 60% Unlimited >60% MAX \$750K C/O may be used to meet reserve requirements		
PERSONAL BANK STMT	When business bank statements are not provided a 10% expense factor must be applied		
ASSETS AS INCOME	QUALIFYING INCOME	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months	
GIFT FUNDS	Permitted – PR only – MIN borrower contribution 5%	< 12 MO HOUSING	MIN FICO 680 LTV >80%
CREDIT EVENTS	BK 7 & 13 Seasoning 24 MO. discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late 24 MO. Forbearance		
RESERVES	PITIA - ≤85% 6 Mo. LTV > 85% 12 Mo. Cash-Out may be used to meet reserve requirements		
NOCB	NON-OCCUPANT CO-BORROWERS MAX LTV 80% Full doc loans only PR, 1-unit only Occupant borrower DTI MAX < 50% Combined DTI MAX 45%		
S/E BORROWERS	Self-employment MIN 1 year; same line of work MIN 2 years.		
ESCROW WAIVERS	Flood insurance must be escrowed Permitted – non-HPML loans, DTI ≤43%, MIN FICO 700, MIN Reserves 6 MO. (excluding C/O proceeds) LTV/CLTV ≤ 70%, CA ≤ 90%		

SHARP NON-QM PRODUCT SUITE

SHARP I FULL/ALT DOC

Occupancy	MAX Loan Amount	MIN FICO	PURCHASE	R/T	C/O	Occupancy	MAX Loan Amount	MIN FICO	PURCHASE	R/T	C/O
			MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV				MAX LTV/CLTV	MAX LTV/CLTV	MAX LTV/CLTV
Primary Residence & Second Home	< \$1.5MM	720+	85% ¹	85% ¹	80%	Investment	< \$1.5MM	740+	80%	80%	80%
		700	80%	80%	80%			700	75%	75%	75%
		680	80%	80%	75%			680	70%	70%	70%
		660	70%	70%	70%			660	70%	70%	70%
	< \$2.0MM	720+	80%	80%	75%		< \$2.0MM	740+	80%	80%	75%
		700	80%	80%	75%			700	75%	75%	70%
		680	80%	80%	75%			680	70%	70%	65%
		660	70%	70%	70%			660	70%	70%	65%
	≤ \$3.0MM	700+	75%	75%	75%		≤ \$3.0MM	700+	75%	75%	65%
		680	75%	75%	75%			680	75%	75%	65%

¹2nd Home MAX LTV/CLTV 80%

PROGRAM SPECIFIC REQUIREMENTS			
LOAN AMOUNTS	MIN \$125K MAX \$3.0MM		
TERMS	FIXED	30 YR, 40 YR	INTEREST ONLY
INTEREST ONLY	MIN FICO 680 LN AMTS ≤ \$2.0MM - MAX LTV 80%, > \$2.0MM - MAX LTV 70%, > \$2.5MM MAX LTV 65%		
PROPERTY TYPES	Eligible: SFD, SFA, 2-4 Units & Condos Warrantable Condo MAX LTV 85% Non-Warrantable Condo MAX LTV 80% Condotel MIN LN AMT. \$150K - MAX LN AMT. \$1.5MM, Purchase MAX LTV 75%, C/O MAX LTV 65% 2-4 Units MAX LTV 80% Ineligible: Ineligible: Manufactured, Co-ops, Mixed use		
RURAL PROPERTIES	Up to 20 acres permitted		
CASH-OUT	MAX C/O AMTS, LTV >65%, \$1.0 MM LTV ≤65% Unlimited C/O amounts may be used to meet reserve requirements		
S/E BORROWERS	Self-employment MIN 1 year; same line of work MIN 2 years.		
BORROWERS	Non-Permanent Resident Aliens – Not permitted		
PERSONAL BANK STMT	When business bank statements are not provided a 10% expense factor must be applied		
ASSETS AS INCOME	QUALIFYING INCOME	Eligible assets, less down payment, closing costs, reserves ÷ 60 Months Supplemental Assets – Not available	
HOUSING HISTORY	Borrowers with a 1 X 30 X 12, MAX LTV/CLTV 80%		
DTI	>45% MAX LTV/CLTV 80%		
CREDIT EVENTS	SS, DIL, FC, BK, Mortgage Charge-off 36 MO. From the date of application		
RESERVES	PITIA - ≤85% 6 Mo. LTV > 85% 12 Mo. C/O may be used to meet reserve requirements		
RESIDUAL INCOME	\$1,500 required		
GIFT FUNDS	PR 100% gift funds permitted 2 nd HM & INV borrower contribution MIN 10%		
< 12 MO HOUSING	MAX DTI - 45%		
NOCB	NON-OCCUPANT CO-BORROWER Permitted Occupant ratios not required		
DECLINING MARKETS	LTVs > 65% and in a declining market – 5% LTV reduction required		
ESCROW WAIVERS	Flood insurance – not permitted Taxes & Insurance – permitted when LTV ≤80%		