

SHARP DSCR PRODUCT SUITE

GENERAL PROGRAM GUIDANCE

REFER TO PROGRAM SPECIFIC REQUIREMENTS FOR OVERLAYS

| | | | | | | |
|-------------------------------|---|------------------|---|--------------------------------------|--|--|
| MIN DSCR | Refer to program specifics | OCCUPANCY | Investment Only | HOUSING HISTORY | <ul style="list-style-type: none"> 0 x 30 x 12 PR Housing & all mortgages reporting on credit report Mortgages on other REOs (non-subject & non-PR) not reporting on credit, do not need to be verified. | |
| CREDIT SCORE | <ul style="list-style-type: none"> 3 scores - Lowest MID score amongst all borrowers 2 scores - Lowest score amongst all borrowers | | | | | |
| TRADELINES | 3 reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO. | | | PRIMARY HOUSING | Borrower must currently maintain a primary residence (Own or Rent) Rent free not permitted. | |
| COLLECTIONS | <ul style="list-style-type: none"> Items not impacting title do not need to be considered. Open judgements/garnishments must be paid off prior to or at closing. | | | CASH-OUT SEASONING | <ul style="list-style-type: none"> Refinance of a previous cash-out within past 6 MO. ineligible C/O for personal purposes not permitted. | |
| FIRST TIME HOMEBUYER | Borrowers who have not had homeownership in the past 3 years are not eligible. | | | ENTITY VESTING | Business Purpose loans may be vested in LLC, LP, GP, CORP & S CORP. Foreign Entities not permitted. | |
| TRANSCRIPTS | Not required | | | RESERVES | Loan Amounts ≤\$1.5MM 6 MO. >\$1.5MM 9 MO. | |
| CONCESSIONS | Seller Concessions - MAX 5% | | | INSURANCE | 6 MO. Rental Insurance required. | |
| INTEREST ONLY | I/O Period 10 YRs Amortization period 20 YRs Maturity 30 YRs | | | I/O QUALIFYING | Using the ITIA payment | |
| BORROWERS | U.S. Citizens, & Non-Perm Res Alien, Perm Res Alien eligible – Foreign Nationals not permitted | | | | | |
| ADU'S | <p>Permitted: Refinance, 1007 rents, copy of current lease and evidence of 2 MO. Receipt. Purchase, Use the lower of 1007 rents or actual.</p> <p>Appraisal must indicate legal/conforming use, zoning permits ADU, ADU typical for area, MIN 1 comp w/ADU, MAX 1 ADU per property, Multi units not permitted, ADU market rents listed on 1007, copy of current lease and evidence of 2 MO. Receipt.</p> | | | | | |
| LOAN AMTS | Loan amounts ≥\$2.0MM a second signature required. | | | | | |
| 2ND LIENS | 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 | | | | | |
| DSCR CALCULATIONS | | | | | | |
| ANNUAL | <ul style="list-style-type: none"> Occupied Properties – Use the lower of leases or market rents. If actual lease amounts are higher, lease amounts may be used up to 120% of Market rents w/3 MO. Receipt. Gross rents/PITIA (Fully Amortizing) Interest Only, Gross rents/ITIA (Interest Only) Vacant/Unleased Properties – Purchase only – Use rents from 1007 | | | SHORT TERM | <ul style="list-style-type: none"> 5% LTV Reduction MIN DSCR 1.0 Lesser of 12 MO Rental History or Market Rents 12 MO history provided from on-line rental service Evidence of active listing. Gross rents X 80% ÷ PITIA (Fully Amortizing) Interest Only, Gross rents X 80% ÷ ITIA (Interest Only) | |
| APPRAISAL REQUIREMENTS | | | | | | |
| APPRAISAL | 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. | |
| STATES | | | | | | |
| INELIGIBLE | AK, RI, VT | | | TX 50 (a) (6) and (a) (4) Ineligible | | |

SHARP DSCR PRODUCT SUITE

SHARP S

DSCR

| Occupancy | DSCR >=1.0 | | | | | | DSCR <1.0 | | | | | |
|------------|------------|-------------|----------|--------------|-----|-----|-----------|-------------|----------|--------------|-----|-----|
| | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | |
| | | | | Purchase | R/T | C/O | | | | Purchase | R/T | C/O |
| Investment | 1 | <=\$1.0MM | 700+ | 80% | 75% | 75% | 1 | <=\$1.0MM | 700+ | 75% | 70% | 70% |
| | | | 660 | 75% | 75% | 70% | | | 680 | 70% | 65% | |
| | | | 640 | 75% | 70% | | | | 660 | 65% | | |
| | | <=\$1.5MM | 700+ | 80% | 75% | 75% | | <=\$1.5MM | 700+ | 75% | 70% | 70% |
| | | | 660 | 75% | 70% | 70% | | | 680 | 70% | 65% | |
| | | | 640 | 65% | 65% | | | | 660 | | | |
| | | <=\$2.0MM | 700+ | 75% | 70% | 70% | | <=\$2.0MM | 700+ | 70% | 65% | 65% |
| | | | 660 | 70% | 65% | 65% | | | 680 | 65% | 60% | |
| | | | 640 | 65% | | | | | 660 | | | |
| | | <=\$2.5MM | 700+ | 70% | 65% | 65% | | <=\$2.5MM | 700+ | 65% | | |
| | | | 660 | 70% | 65% | 65% | | | 680 | 60% | | |
| | | | 640 | 60% | | | | | 660 | | | |
| | | <=\$3.0MM | 700+ | 70% | 65% | | | <=\$3.0MM | 700+ | 60% | | |
| | | | 660 | | | | | | 680 | 60% | | |
| | | | 640 | | | | | | 660 | | | |
| | | <=\$3.5MM | 700+ | 70% | 65% | | | | | | | |

PROGRAM SPECIFIC REQUIREMENTS

| | | | |
|-----------------------------------|---|-----------------|--|
| LOAN AMOUNTS | MIN \$100K MAX \$3.5MM | MIN DSCR | Less than 1.0 allowed. A DSCR factor is required. |
| TERMS | FIXED 15YR, 30 YR, 40 YR | ARMs | SOFR 5/6, 7/6, 10/6 |
| INTEREST ONLY | MIN 680 FICO, Purchase, R&T MAX LTV/CLTV 75% C/O MAX LTV/CLTV 70% | | INTEREST ONLY 30 YR, 40 YR Fixed 5/6, 7/6, 10/6 |
| QUALIFYING - ARMS | The note rate is used to determine the qualifying payment. | | |
| CREDIT EVENTS | BK 7 & 13 – 36 MO discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late 36 MO. 24 MO. Permitted, Purchase MAX 75% - Refinance MAX 70% | | |
| FIRST TIME INVESTOR | Borrowers with history of owning or managing investment properties for MIN 12 Mo. Within the past 3 YRS. 680 MIN FICO Reported mortgage history 0 X 30 X 36 Owns a PR for MIN 1 YR. Credit event seasoning MIN 36 MO. Purchase/R&T only | | |
| PROPERTY TYPES | Eligible: SFD, SFA, 2-4 Units & Condos 2-4 Units & Warrantable Condo, Purchase MAX LTV/CLTV 75%, Refinance (all) MAX LTV/CLTV 70% Non-Warrantable Condo & Condotel Purchase MAX LTV/CLTV 75%, Refinance (all) MAX LTV/CLTV 65% & MAX LN AMT. \$1.5MM Ineligible: Manufactured, Co-ops, Mixed Use | | |
| RURAL PROPERTIES | Not permitted MAX acreage 2 – property may not be zoned or indicated by appraisal as rural or AG. | | |
| 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. | | |
| VACANT PROPERTIES | Vacant or Unleased Properties: Purchase MAX 75% Refinance MAX 70% Use market rents established by 1007. | | |
| 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 | | |
| CASH-OUT | May be used to meet reserve requirements MAX Cash-in-hand: LTV/CLTV ≥ 65% - \$500k, LTV/CLTV <65% \$1MM | | |
| GIFT FUNDS | Permitted – MIN borrower contribution 5% Funds may not be used to meet reserve requirements. | | |
| 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 | | |

SHARP DSCR PRODUCT SUITE

SHARP N

DSCR

| Occupancy | DSCR >=1.0 | | | | | | DSCR >=0.75 | | | | | |
|------------|------------|-------------|----------|--------------|-----|-----|-------------|-------------|----------|--------------|-----|-----|
| | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | |
| | | | | Purchase | R/T | C/O | | | | Purchase | R/T | C/O |
| Investment | 1 | <=\$1.0MM | 740+ | 80% | 80% | 75% | 1 | <=\$1.0MM | 740+ | 65% | | |
| | | | 700 | 80% | 80% | 75% | | | 700 | 65% | | |
| | | | 680 | 75% | 75% | 70% | | | 680 | | | |
| | | | 660 | 75% | 75% | 60% | | | 660 | | | |
| | | <=\$2.0MM | 700 | 75% | 75% | 70% | | | 700 | 60% | | |
| | | | 680 | 70% | 70% | 65% | | | 680 | | | |

PROGRAM SPECIFIC REQUIREMENTS

| | | | |
|-----------------------------------|--|-----------------|----------------------|
| LOAN AMOUNTS | MIN \$100K MAX \$2.0MM | MIN DSCR | 0.75 |
| TERMS | FIXED | 30 YR | ARMS |
| INTEREST ONLY | MAX 75% LTV/CLTV MIN DSCR 1.00 | SOFR 5/6 | INTEREST ONLY |
| QUALIFYING - ARMS | The note rate is used to determine the qualifying payment. | | |
| CREDIT EVENTS | BK 7 & 13 - 36 MO discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late 36 MO. | | |
| FIRST TIME INVESTORS | Borrowers who have not owned at least 1 investment property in the past 12MO. - MAX LTV 75% | | |
| PROPERTY TYPES | Eligible: SFD, SFA, 2-4 Units & Condos Non-Warrantable Condo MAX LTV 75% Ineligible: Manufactured, Co-ops, Condotels, Mixed Use | | |
| RURAL PROPERTIES | MAX acreage 5, including road frontage & subject property. SFR & Condo only At least 2 recent sales & rental comps within 5 miles of subject. Agricultural - Not permitted. | | |
| 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. | | |
| CASH-OUT | MAX \$500k C/O amounts may be used to meet reserve requirements. | | |
| GIFT FUNDS | Permitted - MIN borrower contribution 10% | | |
| 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. | | |

SHARP DSCR PRODUCT SUITE

| SHARP C | | | | | | | DSCR | | | | | | |
|------------|-------|-----------------------------|------------------|------------------|------------------|-----|-----------------|---------------|----------|--------------|-----|-----|--|
| Occupancy | Units | Loan Amount | DSCR ≥ 1.00 | | | | DSCR $\geq .75$ | | | | | | |
| | | | MIN FICO | MAX LTV/CLTV | | | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | | |
| | | | | Purchase | R/T | C/O | | | | Purchase | R/T | C/O | |
| Investment | 1 | $\leq \$1.0MM$ | 700 | 80% ¹ | 75% | 70% | 1 | $\leq \$750K$ | 680 | 70% | 70% | | |
| | | | 680 | 80% ¹ | 75% | 65% | | | | | | | |
| | | | 660 | 70% ² | 70% ² | 65% | | | | | | | |
| | | | 640 ³ | 70% ² | 70% ² | | | | | | | | |
| | | $\leq \$1.5MM$ | 720+ | 75% | 75% | 75% | | | | | | | |
| | | | 700 | 75% | 75% | | | | | | | | |
| | | | 680 | 70% | 70% | | | | | | | | |
| | | | 660 | 65% | 65% | | | | | | | | |
| | | $\leq \$2.0MM$ | 740 | 75% | 75% | 70% | | | | | | | |
| | | | 720 | 75% | 75% | | | | | | | | |
| | | | 700 | 70% | 70% | | | | | | | | |
| | | | 680 | 65% | 65% | | | | | | | | |
| | | $\leq \$2.5MM$ ³ | 740+ | 70% | 70% | | | | | | | | |

¹ Purchase only | Warrantable condo MAX LTV 75% | Non-Warrantable Condo MAX LTV 75% | Rural MAX LTV 75%

² 1-Unit only | 2-4 Units MAX LTV 65%

³ MIN DSCR 1.25

| PROGRAM SPECIFIC REQUIREMENTS | | | | | | | |
|-------------------------------|--|--------------|-------------|-----------------|---------------|----------------------|--|
| LOAN AMOUNTS | LTV $> 75\%$ MIN \$200K – LTV $\leq 75\%$ MIN \$125K MAX \$2.5MM | | | MIN DSCR | | 0.75 | |
| TERMS | FIXED | 15 YR. 30 YR | ARMS | | SOFR 5/6, 7/6 | INTEREST ONLY | |
| INTEREST ONLY | MIN DSCR 1.0 | | | | | | |
| QUALIFYING – ARMS | The greater of the note rate or the fully indexed rate is used to determine the qualifying payment. | | | | | | |
| FIRST TIME INVESTORS | Borrower who has not owned/managed 1 investment property in past 12 MO. Purchase only MIN DSCR 1.0 | | | | | | |
| PROPERTY TYPES | Eligible: SFD, SFA, 2-4 Units Warrantable Condos MAX 75% Non-Warrantable Condo & Condotels PUR/R&T MAX 75%, C/O MAX 70% Ineligible: Manufactured, Co-ops, Mixed Use | | | | | | |
| RURAL PROPERTIES | Permitted – MAX 2 acres MAX LTV 75%, 6 MO. Reserves, 0x30x12 payment history. | | | | | | |
| PROPERTIES FOR SALE | C/O Only – Properties listed for sale within the past 6 MO. Of application date – 10% LTV reduction required | | | | | | |
| RESERVES | MIN 3 MO. LN AMTs $> \$1MM$ 6 MO. PITIA DSCR < 1.0 6 MO. PITIA R&T $\leq 65\%$ No MIN required | | | | | | |
| CASH-OUT | LTV/CLTV $> 60\%$ - MAX \$500K, LTV/CLTV $\leq 60\%$ - Unlimited Cash-out may be used to meet reserve requirements | | | | | | |
| GIFT FUNDS | Permitted – MIN borrower contribution 5% | | | | | | |
| DECLINING MARKETS | 5% LTV reduction required | | | | | | |
| ESCROW WAIVERS | Flood insurance – not permitted Permitted – non-HPML loans, DTI $\leq 43\%$, MIN FICO 700, MIN Reserves 6 MO. (excluding C/O proceeds) LTV/CLTV $\leq 70\%$, CA $\leq 90\%$ | | | | | | |

SHARP DSCR PRODUCT SUITE

SHARP I

DSCR

| Occupancy | DSCR >=1.00 | | | | | | DSCR >=.80 | | | | | |
|------------|-------------|-------------|----------|--------------|-----|----------|------------|-------------|----------|--------------|-----|-----|
| | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | | Units | Loan Amount | MIN FICO | MAX LTV/CLTV | | |
| Purchase | | | | R/T | C/O | Purchase | | | | R/T | C/O | |
| Investment | 1 | <=\$1.0MM | 740+ | 80% | 80% | 75% | 1 | <=\$1.0MM | 740+ | 75% | 75% | 70% |
| | | | 700 | 75% | 75% | 75% | | | 700 | 75% | 75% | 70% |
| | | <=\$1.5MM | 740+ | 75% | 75% | 65% | <=\$1.5MM | 720+ | 75% | 75% | | |
| | | | 700 | 75% | 75% | 65% | | | | | | |
| <=\$2.0MM | 700+ | 70% | 70% | 65% | | | | | | | | |

PROGRAM SPECIFIC REQUIREMENTS

| | | | |
|-----------------------------|--|----------------------|--|
| LOAN AMOUNTS | MIN \$100K MAX \$3.0MM | MIN DSCR | 0.80 |
| TERMS | FIXED | 30 YR | ARMS |
| INTEREST ONLY | SOFR 5/6, 7/6 | INTEREST ONLY | 30 YR, 40 YR Fixed SOFR 5/6, 7/6 ARM |
| QUALIFYING - ARMS | MIN DSCR 1.0, MIN FICO 700, MAX LN AMT \$3MM MAX LTV 80% | | |
| QUALIFYING - ARMS | The greater of the note rate or the fully indexed rate is used to determine the qualifying payment. | | |
| FIRST TIME INVESTORS | Borrower who has not owned/managed 1 investment property in past 12 MO. Purchase only MIN DSCR 1.0 MAX LTV 75% 12 MO. Reserves required | | |
| HOUSING HISTORY | 1 X 30 X 12 MAX LTV 75% | | |
| RESERVES | MIN 3 MO. LN AMTs >\$1MM 6 MO. PITIA DSCR <1.0 6 MO. PITIA R&T ≤ 65% No MIN required | | |
| PROPERTY TYPES | Eligible: SFD, SFA, 2-4 Units & Warrantable Condos MAX 80% Non-Warrantable Condo MAX LTV 75% Condotel – MAX LN AMT \$1.5MM, Purchase MAX LTV 75%, Refinance (all) MAX LTV 65% MIN DSCR 1.0 Ineligible: Ineligible: Manufactured, Co-ops, Mixed Use | | |
| RURAL PROPERTIES | Permitted – MAX 20 acres | | |
| PROPERTIES FOR SALE | C/O Only – Properties listed for sale within the past 6 MO. Of application date – 10% LTV reduction required | | |
| CASH-OUT | LTV/CLTV > 65% - MAX \$1.0 MM, LTV/CLTV ≤ 65% - Unlimited C/O may be used to meet reserve requirements | | |
| GIFT FUNDS | Permitted – MIN borrower contribution 10% | | |
| NON-ARMS LENGTH | Not permitted | | |
| 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% | | |