

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			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
TRADELINES	3 reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO.			ENTITY VESTING	INV Properties permitted Business Purpose loans may be vested in LLC, LP, GP, CORP & S CORP Foreign Entities not permitted
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. 			CONCESSIONS	Seller Concessions - PR & 2nd HM MAX 6% INV MAX 3%
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.				
NARRATIVE	Business Narrative required for all S/E 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)				
BORROWERS	U.S. Citizens, & Non-Perm Res Alien, Perm Res Alien eligible - Foreign Nationals not permitted				
LOAN AMTS	Loan amounts ≥\$2MM a second signature is 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				

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, DC, HI, MO, NE, NY, RI	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

BANK STATEMENTS - ALL	PERSONAL BANK STATEMENTS - PBS (12/24 MONTHS)	BUSINESS BANK STATEMENTS - BBS (12/24 MONTHS)		
SELF-EMPLOYED	BUSINESS OWNERSHIP/MULTIPLE ACCOUNTS	BUSINESS OWNERSHIP		
<ul style="list-style-type: none"> • Borrowers same line of work - MIN 2 YRS • Business existence - MIN 1 YR. 	Borrower must be MIN 25% owner. MAX 1 account may be used to determine qual income.	Borrower must be MIN 25% owner.		
NSF'S	BUSINESS BANK STATEMENT	STANDARD	P&L	EXPENSE STATEMENT
<ul style="list-style-type: none"> • NSF past 12 MO. resulting in a bank fee. • Borrower LOE required, and UW evaluation required. 	<ul style="list-style-type: none"> • 2 MO. BBS required reflecting business activity & transfers to personal account. • When BBS is not provided refer to program specifics. 	50%	MIN 10%	MIN 10%
LARGE DEPOSITS	QUALIFYING INCOME	CPA/EA/Tax preparer P&L Gross receipts on P&L w/10% of total bank statement income CPA/EA/Tax preparer Expense Statement		
Deposits >50% of the total income requires a borrower LOE and UW evaluation or amounts excluded.	100% of eligible deposits ÷ 12/24 MO.			
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			
		QUALIFYING INCOME		
		Eligible deposits, less expense factor, X the % of ownership		

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SHARP S FULL/ALT DOC

Occupancy	Units	PURCHASE					Occupancy	Units	PURCHASE				
		Loan Amount	FICO	MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV			Loan Amount	FICO	MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O 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%
		<=\$2.0MM	660	80%	75%	75%			<=\$2.0MM	660	80%	75%	75%
			720+	85%	80%	80%				720+	85%	80%	75%
			700	85%	75%	70%				700	85%	75%	70%
			680	80%	75%	70%				680	80%	75%	70%
		<=\$2.5MM	660	75%	70%	65%			<=\$2.5MM	660	75%	70%	65%
			720+	80%	75%	75%				720+	80%	75%	75%
			680	75%	70%	65%				680	75%	70%	65%
		<=\$3.0MM	660	70%	65%	65%			<=\$3.0MM	660	70%	65%	65%
			720+	75%	70%	70%				720+	75%	70%	70%
		<=\$3.5MM	700	75%	70%	65%			<=\$3.5MM	700	75%	70%	65%
			680	70%	65%	65%				680	70%	65%	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
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 & Condotel 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 less than 1 year; same line of work 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.
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%
NON-OCCUPANT CO-BORROWERS	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	R/T	C/O	Occupancy	Units	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	<=\$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	FIXED 30 YR INTEREST ONLY 30/40 YR FIXED
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
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
NON-OCCUPANT CO-BORROWERS	Permitted – 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%	60%			
	<=\$3.0MM	680	70%	70%	60%		<=\$3.0MM	660	65%	65%					
		720+	75%	75%	70% ³			<=\$3.5MM	720+	60%	60%				
		700	70%	70%	65% ⁴			<=\$1.0MM	700+	85%	85%	75%			
	<=\$3.5MM	680	65% ²	65% ²			<=\$1.5MM	660	80%	80%	70%				
		740+	65%	65%				720+	80%	80%	70%				
		720	60%	60%				660	75%	75%	70%				
	Investment						<=\$2.0MM	700+	80%	80%	70%				
								680	75%	75%	65%	660	70%	70%	60%
660								70%	70%	60%	700+	75%	75%	65%	
<=\$2.5MM							700+	75%	75%	65%	<=\$2.5MM	680	70%	70%	
							680	70%	70%	65%		660	65%	65%	
							660	70%	70%	60%		<=\$3.0MM	700+	70%	70%

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 30 YR, 40 YR FIXED
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
GIFT FUNDS	Permitted – PR only – MIN borrower contribution 5%
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
< 12 MO HOUSING	MIN FICO 680 LTV >80%
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 less than 1 year; same line of work 2 years.

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ESCROW WAIVERS | Flood insurance – not permitted | Permitted – non-HPMI loans, DTI <43%, MIN FICO 700, MIN Reserves 6 MO. (excluding C/O proceeds) | TV/CLTV < 70%

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 30 YR, 40 YR FIXED
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% Condo/Hotel 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: 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 less than 1 year; same line of work 2 years.
PERSONAL BANK STMT	When business bank statements are not provided a 10% expense factor must be applied
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%
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%