



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

PIVOT PLUS - FULL DOC MATRIX - PURCHASE/RT REFI

EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV/CLTV ¹	
No Credit Event Plus	SFR, Condo ⁵ , PUD, 2-Unit	Primary	Purchase/RT Refi	\$1,000,000	720	90 ^{3,4}	
					680	85	
					661	80	
				\$1,500,000	720	85 ³	
					680	80	
					680	75	
	\$2,500,000	700	75				
		\$1,000,000	700	80			
			680	70			
	\$2,000,000		700	70			
		SFR, Condo ⁵ , PUD, 2-4 Unit	Investor ²	Purchase/RT Refi	\$1,000,000	700	75
						680	70
\$1,500,000	720				75		
	700				70		

¹5% reduction in LTV for declining markets

⁴90% LTV permitted on purchases only

²Rural properties not permitted on 2nd Homes or Investor Properties

⁵Max 50% LTV/CLTV for Florida Condos

³Gifts not permitted on LTV > 85%

PIVOT PLUS - FULL DOC MATRIX - CASH OUT

EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV/CLTV ¹
No Credit Event Plus	SFR, Condo ⁴ , PUD, 2-Unit	Primary ²	Cash-Out ³ /Debt Consolidation	\$1,000,000	700	75
					680	70
				\$2,000,000	700	65
					SFR, Condo ⁴ , PUD	Second ²
	60	60				
	\$2,000,000	700	60			
		SFR, Condo ⁴ , PUD, 2-4 Unit	Investment ²	Cash-Out ³ /Debt Consolidation		
	55				55	
\$1,500,000	700				55	

¹5% reduction in LTV for declining markets

⁴Max 50% LTV/CLTV for Florida Condos

²Rural properties not permitted

³Cash out limited to 30% of the loan amount for LTV >70%, 40% for LTV > 50% up to 70%, and 100% for LTV < 50%

If the loan is eligible per the above matrix, please see below for above 43 DTI & IO requirements

Pivot Plus FD/Cash Out	Expanded DTI	Interest Only
	43-50 DTI	Interest Only
FICO	700 Min	
LTV / CLTV	80 Max	
Reserves	12 Months Minimum	
Occupancy	Primary Residence Only	
Ineligible Borrowers	Foreign Nationals	
Credit Event	Recent Credit Event/Serious DLQ not permitted	
Additional Requirements	N/A	10 Year IO Term with 20 year or 30 year Amortization Term 50% DTI Max

PIVOT PLUS - BANK STATEMENT & EXPRESS DOC MATRIX - PURCHASE/RT REFI

EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV/CLTV ¹	
No Credit Event Plus	SFR, Condo ⁵ , PUD, 2-Unit	Primary	Purchase/RT Refi	\$1,000,000	740	85 ^{3,4}	
					720	80	
					700	75	
				\$2,000,000	680	65	
					\$2,500,000	700	70
						720	70
	\$1,000,000	Second ²	Purchase/RT Refi	\$1,000,000		720	70
					720	65	
					720	65	
	SFR, Condo ⁵ , PUD, 2-4 Unit	Investor ²	Purchase/RT Refi	\$1,000,000	720	75	
					720	75	
					\$1,500,000	720	70

¹5% reduction in LTV for declining markets

³Gifts not permitted on LTV > 80%

²Rural properties not permitted on 2nd Homes or Investor Properties

⁴85% LTV permitted on purchases only

⁵Max 50% LTV/CLTV for Florida Condos

(continued)



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

PIVOT PLUS - BANK STATEMENT & EXPRESS DOC MATRIX - CASH OUT						
EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV/CLTV ¹
No Credit Event Plus	SFR, Condo ⁴ , PUD, 2-Unit	Primary ²	Cash-Out ³ /Debt Consolidation	\$1,000,000	700	70
				\$2,000,000	700	65
	SFR, Condo ⁴ , PUD	Second ²	Cash-Out ³ /Debt Consolidation	\$1,000,000	720	60
				\$2,000,000	720	55
	SFR, Condo ⁴ , PUD, 2-4 Unit	Investor ²	Cash-Out ³ /Debt Consolidation	\$1,500,000	720	60

¹5% reduction in LTV for declining markets

⁴Max 50% LTV/CLTV for Florida Condos

²Rural properties not permitted

³Cash out limited to 30% of the loan amount for LTV >70%, 40% for LTV > 50% up to 70%, and 100% for LTV < 50%

If a loan is eligible per the above matrix, please see below for above 43 DTI & IO requirements

Pivot Plus BS&ED/Cash Out	Expanded DTI	Interest Only
	43-50 DTI	Interest Only
FICO	700 Min	
LTV / CLTV	80 Max	75 Max
Reserves	12 Months Minimum	
Occupancy	Primary Residence Only	
Ineligible Borrowers	Foreign Nationals	
Credit Event	Recent Credit Event/Serious DLQ not permitted	
Additional Requirements	12 Mo. Bank Statements not permitted	10 Year IO Term with 20 year or 30 year Amortization Term 50% DTI Max

PIVOT CORE - PURCHASE/RT REFI						
EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV / CLTV ¹
No Credit Event/ Seasoned Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Purchase / RT Refi	\$1,000,000	680	90 ^{2,3,4}
					680	85
				\$2,000,000	580	80
					680	80
	SFR, Condo, PUD, Co-Op	Second ⁴	Purchase / RT Refi	\$1,000,000	640	75
					680	80
				\$1,500,000	600	70
					680	70
SFR, Condo, PUD, 2-4 Unit	Investor ⁴	Purchase / RT Refi	\$1,000,000	680	75	
				600	70	
			\$1,500,000	680	65	
				680	65	
Recent Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Purchase / RT Refi	\$1,000,000	580	80
				\$2,000,000	640	75

¹A 5% reduction in LTV for warrantable condos OR declining markets. See Non-Warrantable Project Review Matrix for restrictions

² 90 LTV permitted on purchase only

³ Gift funds not permitted on LTV > 85%

⁴ Rural properties not permitted on 90% LTV, Second Homes, or Investment Properties

PIVOT CORE - CASH OUT								
EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV / CLTV ¹		
No Credit Event/ Seasoned Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Cash-Out ^{2,3}	\$1,000,000	660	80		
					640	75		
				\$2,000,000	660	70		
		640			65			
		SFR, Condo, PUD, Co-Op		Second ³	Debt Consolidation ³	\$1,000,000	660	85
							640	80
	600		75					
					\$1,000,000	660	70	

¹ A 5% reduction in LTV for warrantable condos OR declining markets and a 10% reduction for non-warrantable condos (capped at 75% max)

² Cash out limited to 30% of the loan amount for LTV >70%, 40% for LTV >50% up to 70%, and 100% for LTV < 50%

³ Rural properties not permitted

If the loan is eligible per the above matrix, please see below for above 43 DTI & IO requirements

(continued)



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

Pivot Core/Cash Out	Expanded DTI		Interest Only
	43-50 DTI	50.01-55 DTI	Interest Only
FICO	640 Min	680 Min	640 Min
LTV / CLTV	85 Max	75 Max	85 Max
Reserves	12 Months Minimum		
Occupancy	Primary Residence Only		
Ineligible Borrowers	Foreign Nationals		
Credit Event	Recent Credit Event/Serious DLQ not permitted		
Loan Amount	N/A	\$1MM Max	N/A
Additional Restrictions	N/A		10 Year IO Term with 20 year Amortization Term 50% DTI Max

PIVOT CORE - BANK STATEMENT & EXPRESS DOC MATRIX - PURCHASE / RT REFI						
EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV / CLTV ¹
No Credit Event/ Seasoned Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Purchase / RT Refi	\$1,000,000	680	85 ^{2,3}
				\$2,000,000	620	80
				\$2,000,000	640	75
	SFR, Condo, PUD, Co-Op	Second ⁴	Purchase / RT Refi	\$1,000,000	680	75
				\$1,500,000	680	65
				\$1,000,000	660	70
SFR, Condo, PUD 2-4 Unit	Investor ⁴	Purchase / RT Refi	\$1,000,000	660	70	
			\$1,500,000	680	65	
			\$1,000,000	640	80	
Recent Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Purchase / RT Refi	\$1,000,000	640	80
				\$2,000,000	660	75

¹A 5% reduction in LTV for warrantable condos OR declining markets. See Non-Warrantable Project Review Matrix for restrictions

²85 LTV permitted on purchase only

³Gifts not permitted on LTV > 80%

⁴Rural not permitted on Second Homes or Investment Properties

PIVOT CORE - BANK STATEMENT & EXPRESS DOC MATRIX - CASH OUT						
EVENT	PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	FICO	LTV / CLTV ¹
No Credit Event/ Seasoned Credit Event	SFR, Condo, PUD, Co-Op, 2-Unit	Primary	Cash-out ^{2,3}	\$1,000,000	660	75
				\$1,000,000	640	70
				\$2,000,000	660	65
				\$2,000,000	640	60
	SFR, Condo, PUD, Co-Op	Primary	Debt Consolidation ³	\$1,000,000	660	80
					640	75
					620	70
	Second ³	Debt Consolidation ³	\$1,000,000	660	65	

¹A 5% reduction in LTV for warrantable condos OR declining markets and a 10% reduction for non-warrantable condos

²Cash out limited to 30% of the loan amount for LTV >70%, 40% for LTV > 50% up to 70%, and 100% for LTV < 50%

³Rural properties not permitted

If the loan is eligible per the above matrix, please see below for above 43 DTI & IO requirements

(continued)



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

Pivot Core BS&ED/Cash Out	Expanded DTI Restrictions		Interest Only Restrictions
	43-50 DTI	50.01-55 DTI	Interest Only
FICO	660 Min	680 Min	660 Min
LTV / CLTV	80 Max	75 Max	660 Min / 80 Max
Reserves	12 Months Minimum		
Occupancy	Primary Residence Only		
Ineligible Borrowers	Foreign Nationals		
Credit Event	Recent Credit Event/Serious DLQ not permitted		
Loan Amount	N/A	\$1MM Max	N/A
Additional Restrictions	12 Month Bank Statements not permitted	Bank Statements not permitted	10 Year IO Term with 20 year Amortization Term 50% DTI Max

RPF CREDIT GRADE DESIGNATION

- RPF defines housing events per property (including 1st & 2nd) as foreclosure, short sale, deed in lieu or default modification
- Bankruptcy ("BK") is not considered a housing event and is permitted in combination with a housing event
- Events include all occupancy types – Primary, 2nd Home & Investment Properties
- Single housing event only permitted in recent credit event
- Seasoning look back is from the date of discharge or property resolution (completion date), as of the note date
 - o Modification look back commences at inception
- Foreclosures included in bankruptcy permitted based on BK discharge date if the borrower has vacated the property

Program	Grade	Description	12 Month Housing History	Foreclosure/Short Sale/Deed-in- Lieu/Modification	BK ^{1,2}
PIVOT PLUS	No Credit Event Plus	No housing event or bankruptcy within 4 years permitted	0 X 30	48 Months	48 Months
	No Credit Event				
PIVOT CORE	Seasoned Credit Event/DLQ	Housing events permitted within 2-4 years	0 X 60	24 Months	12 Months
	Recent Credit Event/Serious DLQ	Single Housing event only permitted within 0-2 years	0 X 90 ^{3,4}	Settled	12 Months

¹BK events include Chapter 7, 11, and 13

²Multiple BK filings are not permitted

³Housing history must be paid as agreed since housing event completion date

⁴Does not include delinquencies related to the credit event

GENERAL	
PRODUCTS	<ul style="list-style-type: none"> • 30yr Fixed • 5/1, 7/1 ARM • Interest only available for 5/1 and 7/1 ARM • 30yr I/O Fixed Rate Mortgage • 40yr I/O Fixed Rate Mortgage - Pivot Plus only

PIVOT PLUS - ADJUSTABLE RATE CRITERIA

Product	Index	Margin	Initial	Periodic	Ceiling	Minimum Interest Rate Floor
5/1 ARM	1 year LIBOR	3.50%	2%	2%	5%	Margin
7/1 ARM	1 year LIBOR	3.50%	5%	2%	5%	Margin
Non QM Qualifying Rules				QM Qualifying Rules		
5/1s - greater of Note Rate or the Fully Indexed Rate				5/1s - Note Rate plus Initial Rate Cap		
7/1s - greater of Note Rate or the Fully Indexed Rate				7/1s - Note Rate		

For I/O's calculate the Non QM Rate described above, based on the original balance and remaining amortizing term at the end of the I/O period (i.e. 240 months or 360 months).

(continued)



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

PIVOT CORE - ADJUSTABLE RATE CRITERIA

Product	Index	Margin	Initial	Periodic	Ceiling	Minimum Interest Rate Floor
5/1 ARM	1 year LIBOR	5%	2%	2%	5%	Margin
7/1 ARM	1 year LIBOR	5%	5%	2%	5%	Margin
<u>Non QM Qualifying Rules</u> 5/1s - greater of Note Rate or the Fully Indexed Rate 7/1s - greater of Note Rate or the Fully Indexed Rate				<u>QM Qualifying Rules</u> 5/1s - Note Rate plus Initial Rate Cap 7/1s - Note Rate		
For I/O's calculate the Non QM Rate described above, based on the original balance and remaining amortizing term at the end of the I/O period (i.e. 240 months).						

RESERVES REQUIREMENTS

Occupancy	Loan Purpose	Property Type	Maximum Loan Amount	Reserves
Primary Residence	Purchase, Rate/Term Refinance, Cash-Out Refinance,	SFR, Condo, PUD, Co-op, 2-Unit	\$250,000	3 Months
			\$500,000	6 Months
			\$1,000,000	9 Months
			\$2,000,000	12 Months
			\$2,500,000	18 months
	Debt Consolidation	SFR, Condo, PUD, Co-op, 2-Unit	\$1,000,000	2 Months
Occupancy	Loan Purpose	Property Type	Maximum Loan Amount	Reserves
Second Home	Purchase, Rate/Term Refinance,	SFR, Condo, PUD	\$2,000,000	12 Months
			Debt Consolidation	SFR, Condo, PUD
Occupancy	Loan Purpose	Property Type	Maximum Loan Amount	Reserves
Non Owner Occupied	Purchase, Rate/Term Refinance	SFR, Condo, Townhouse, PUD 2-4 Unit	\$1,500,000	12 Months

- Borrowers with greater than 2 financed properties require 9 months or otherwise stated higher reserve amount above
The 3 months additional reserves are based on the PITI plus HOA fees of the other financed properties and an additional 3 months of reserves for each additional financed property.
- Interest Only loans require a minimum of 12 months reserves

MISCELLANEOUS RESERVE SOURCE REQUIREMENTS

Cash-out permitted to meet reserve requirements if loan-to-value is 5% below the matrix maximum LTV/CLTV and a minimum 680 representative FICO score

INTEREST ONLY TERMS/ RESTRICTIONS	<ul style="list-style-type: none"> Interest only term is 10 years 80% LTV/CLTV maximum 660 FICO minimum 12 months minimum reserves Non-Owner occupied and second homes not permitted Cash-Out and Debt Consolidation not permitted
MINIMUM LOAN AMOUNTS	The minimum eligible loan amount is \$100,000 for Primary residences, \$150,000 for 2 nd homes/NOO
BORROWER ELIGIBILITY	
CONTINUITY OF OBLIGATION	<p>Continuity of obligation occurs on a refinance transaction when at least one of the borrower(s) (or members of the LLC) on the existing mortgage is also a borrower/member on the new refinance transaction secured by the subject property. When an existing Mortgage will be satisfied as a result of a refinance transaction, the following requirements must be met:</p> <ul style="list-style-type: none"> At least one borrower on the refinance mortgage held title to for the most recent 6 month period and the mortgage file contains documentation evidencing that the borrower has been making timely mortgage payments, including the payments for any secondary financing, for the most recent 6-month period At least one Borrower on the refinance Mortgage inherited or was legally awarded the Mortgaged Premises by a court in the case of divorce, separation or dissolution of a domestic partnership.
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> U.S. Citizens Permanent Resident Aliens Non-Permanent Resident Aliens First Time Home Buyers Inter-Vivos Revocable Trust Non-Occupant Co-Borrowers Limited partnerships, general partnerships, corporations - Personal guarantor required.

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>ELIGIBLE OCCUPANCY</p>	<ul style="list-style-type: none"> • Primary Residence - Borrower may not own an additional SFR of equal or greater value than subject • Second Homes <ul style="list-style-type: none"> o Cash-Out transactions are not permitted (in Pivot Core) o The borrower(s) must have exclusive control over the property o Rural properties not permitted. o Gifts not permitted • Non-Owner Occupied <ul style="list-style-type: none"> o Cash-Out and Debt Consolidation transactions not permitted (in Pivot Core) o Borrowers with greater than 2 financed properties require an additional 3 months of reserves for each additional financed property. The 3 months additional reserves are based on the PITI plus HOA fees of the other financed properties • All loans must contain an occupancy affidavit certifying the non-owner occupied investment property. • Rural properties not permitted. • Gifts not permitted
<p>ELIGIBLE TRANSACTIONS</p>	<p>Purchase</p> <ul style="list-style-type: none"> • No property flipping, prior owners must have owned the property more than 6 months unless submitted to the RPFPC Scenario desk for approval. (Bank owned REO are eligible and not considered a flip transaction) • Maximum Interested Party Contributions permitted up to 3% for LTV >=80, 6% for LTV<80 <p>REFINANCE: Texas Refinances are limited to maximum LTV of 80%</p> <p>Rate/Term Refinance - when the new loan amount is limited to the payoff of the present first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaids, or a court ordered buyout settlement</p> <ul style="list-style-type: none"> • A seasoned non-first lien mortgage is a purchase money mortgage or a closed end or HELOC mortgage that has been in place for more than 12 months (and/or not having any draws greater than \$2,000 in the past 12 months for HELOC's. Withdrawal activity must be documented with a transaction history from the HELOC) • Limited cash to the borrower must not be greater than 1% of the principal amount of the new mortgage to be considered a Rate/Term refinance • If the property is owned less than 6 months at the time of application, the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraised value. The prior HUD-1 will be required for proof of purchase price. Proof of improvements is required • There is no waiting period if the lender documents that the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership). If the borrower acquired the property at any time as a gift, award, inheritance or other non-purchase transaction, the LTV will be based on the current appraised value. The lender must obtain appropriate documentation to verify the acquisition and transfer of ownership • Follow FNMA for Delayed Financing guidelines • Properties that have been listed for sale within the past 6 months from the loan application date are not eligible for a rate/term refinance transaction <p>Cash-Out Refinance</p> <ul style="list-style-type: none"> • A Cash-Out Refinance transaction allows the borrower to pay off the existing mortgage by obtaining new financing secured by the same property or allows the property owner obtain a mortgage on a property that is currently owned free and clear. The borrower can receive funds at closing as long as they do not exceed the program requirements • To be eligible for a Cash-Out Refinance the borrower must have owned the property for a minimum of 6months prior to the application date. Properties listed for sale within the last 12 months are ineligible for cash out • If the property is owned less than 12 months but greater than 6 months at the time of application, the LTV/CLTV will be based on the lesser of the original purchase price plus documented improvements, or current appraised value. The prior Settlement Statement will be required for proof of purchase price <p>Debt Consolidation Refinance - involves the repayment of an existing lien and other borrower debt from the proceeds of a new mortgage. A debt consolidation refinance may include the payoff of:</p> <ul style="list-style-type: none"> o First mortgage secured by the subject property o Junior liens secured by the subject property o Credit cards, installment loans, past due taxes, etc. • Direct evidence of debt payment at closing is required • Borrower must own property for a minimum of 12 months • Loan must produce a net tangible benefit to the borrower resulting in an increase in residual income and a reduction of borrower's total debt obligation payments • Existing resubordination not permitted • Cash to borrower at closing must not exceed 2% of the loan amount

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>FIRST TIME HOMEBUYER</p>	<ul style="list-style-type: none"> • First Time Homebuyers (FTHB) are individuals that have not owned a home or had a residential mortgage in the last 3 years • However, only borrowers with no prior mortgage history or homeownership ever are restricted to the following: <ul style="list-style-type: none"> o Recent Event not permitted o I/Os not permitted o 12 month 0 X 30 housing history required o Minimum FICO 660 o Primary Residence Only o Minimum of 6 months PITI reserves required o Maximum LTV/CLTV <ul style="list-style-type: none"> o 75% for FICO < 700 o 80% for FICO ≥ 700 o 85% for FICO > 720
<p>NON-OCCUPANT CO-BORROWER</p>	<p>Non-occupant co-borrowers are credit applicants who do not occupy the subject property as a principal residence. Non-occupant co-borrowers must meet the following requirements:</p> <ul style="list-style-type: none"> • Do not occupy the subject property as a principal residence • Must be an immediate relative, relationship letter is required • Must sign the mortgage or deed of trust • Must not have an interest in the property sales transaction, such as the property seller, builder, or real estate broker • Maximum LTV/CLTV 70% • Single unit only • Maximum DTI 43% • An additional 6 months reserves is required • Occupying borrower must have documented income equal to 75% of the required PITI • Recent Event not permitted • Cash-Out and Debt Consolidation not permitted • Primary Residence only
<p>NON-PERMANENT RESIDENT ALIENS</p>	<p>Non-Permanent Resident Aliens must meet the following requirements:</p> <ul style="list-style-type: none"> • Must have an unexpired passport from their country of citizenship containing INS form I-94 (or equivalent) which must be stamped Employment Authorized • An Employment Authorization Card along with a copy of the Petition for Non-Immigrant Worker form I-140 (or equivalent) in file • The borrower(s) must have a minimum of 2 years residency, with the likelihood of employment continuance. • Primary Residence only, No Cash-Out • Valid visas are required • Visa must have a minimum remaining duration of 1 year • Borrowers with diplomatic immunity are ineligible • 75% LTV/CLTV Maximum • Single unit only • Maximum 43% DTI • An additional 6 months reserves is required • No Credit Event only
<p>CREDIT</p>	
<p>CREDIT</p>	<p>Housing</p> <ul style="list-style-type: none"> • 12 months housing history is required. See applicable RPF Credit Grades for requirements • Rental history evidenced by 12 months proof of payment via cancelled checks or bank debits • A LOE is required when a 12 month housing history is not applicable. Rent free letters from spouses are not permitted. Housing history is required.

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>CREDIT (con't)</p>	<p>Credit Report Requirements - good for 120 days from application to closing</p> <ul style="list-style-type: none"> • Each Borrower's credit profile must include a minimum of 2 trade lines within the last 24 months that show a 12 month history, or a combined credit profile between borrower and co-borrower with a minimum of 3 tradelines. <ul style="list-style-type: none"> o Tradeline activity is not required. Eligible tradelines cannot have any derogatory history in previous 24 months • Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks/debits) • Borrower(s) not using income to qualify are not required to meet the minimum tradeline requirements listed above. • Prior bankruptcies are permitted. Chapter's 7, 11, and 13 require re-established credit history from discharge date. • Prior Foreclosure, Short Sales, Deed-in-Lieu and Modifications (due to default) are permitted • Borrowers currently enrolled in credit counseling or debt management plans are not permitted • All derogatory accounts require a full explanation • All Judgments or liens affecting title must be paid • Non-title charge-offs and collections within 3 years and exceeding \$3,000 (either individually or in aggregate) must be paid • Medical collections are not required to be paid • All past due accounts must be brought current prior to closing • No authorized user accounts will be used to satisfy minimum tradeline • Medical derogatory accounts, collections, and charge-offs permitted with letter of explanation • Disputed accounts require a LOE per Fannie Mae. An updated credit report not required • IRS tax payment plans are permitted if current and do not carry a lien on any property • All borrowers must be current on mortgage or rent at loan application • All derogatory accounts require a full explanation for any applicable extenuating circumstance • Housing history (primary residence) evidenced by Institutional VOM or 12 months proof of payment • Rental history evidenced by 12 months proof of payment via cancelled checks or bank statement debits
<p>CREDIT GRADE</p>	<ul style="list-style-type: none"> • RPF defines housing event per property (including 1st and 2nd) as foreclosure, short sale, deed in lieu or default modification <ul style="list-style-type: none"> o BK is not a housing event and is permitted in combination with a housing event o Events include all occupancy types – Primary, 2nd Home & Investment Properties o Single housing event only permitted in recent credit event o Seasoning look back is from the date of discharge or property resolution (completion date), as of the note date o Foreclosures included in bankruptcy permitted based on BK discharge date if the borrower has vacated the property o Multiple bankruptcy filings ineligible
<p>CREDIT REQUIREMENTS</p>	<ul style="list-style-type: none"> • All borrowers must be current on mortgage or rent at loan application • All derogatory accounts require a full explanation for any applicable extenuating circumstance • Housing history (primary residence) evidenced by Institutional VOM or 12 months proof of payment • Rental history evidenced by 12 months proof of payment via cancelled checks or bank statement debits • Seasoning look back is from the date of discharge or property resolution (completion date), as of the note date • Foreclosures included in bankruptcy permitted based on BK discharge date as long as the borrower had vacated the property • Multiple bankruptcy filings ineligible • IRS taxpayment plans are permitted if current and do not carry a lien
<p>CREDIT SCORES</p>	<ul style="list-style-type: none"> • Each borrower's 'Credit Score' is the middle of three or the lesser of two • Representative Credit Score – <ul style="list-style-type: none"> o Full Documentation and Component Income loans - Credit Score of the primary earner o Bank Statement and Express Doc loans - The lowest Credit Score among borrowers • No borrower can have a middle FICO score less than 580
<p>PAYMENT SHOCK</p>	<p>Payment shock is limited to 250% on primary residence transactions. Payment shock exceeding 250% must be preapproved by the RPF Scenario Desk for review with an LOE documenting underwriter's payment shock approval and applicable compensating factors.</p> <p>RPF Payment Shock Calculation – (Proposed PITI – Current PITI) / Current PITI X 100</p> <p>Payment is shock is not considered for borrowers who do not have a current housing payment, or own a home free and clear</p>

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

BANK STATEMENT ANALYSIS	<ul style="list-style-type: none"> • Eligible deposits from the bank statements should generally be within +/- 10% of the gross income (business accounts) or net income (personal accounts) as shown on the P&L or ES. • Transfers from other bank accounts into the business bank accounts will require conclusive evidence that the source of transfer is business related income • Income calculated via bank statement documentation should be consistent with income disclosed on the 1003 • Borrowers income on the 1003 should never be used for qualifying, even if it is less than the P&L income calculated • Any deposits into a personal account deemed to derive from a source other than the business (rents, SSI, joint account holder wage income, IRS refunds) must be excluded from the analysis • NSF's require a borrower LOE documenting they are not due to financial mishandling or insufficient income • NSF's should be covered with deposits shortly after they are incurred. • Unusually large deposits exceeding 50% of monthly income into personal accounts must be explained via LOE and must be consistent with the business profile. If LOE is sufficient, no sourcing required • Transaction history printouts are not acceptable. • Multiple bank accounts may be used. • Co-mingling of personal and business receipts and expenses in Personal Bank Accounts is not permitted. Evidence of comingling will require the loan to be submitted and qualified as a business bank statement loan. • If personal bank statements provided reflect payments being made on obligations not listed on the credit report, a thorough analysis must be performed and LOE provided from the borrower, as outlined below. • The above referenced guidance can be used in conjunction with the RPF Bank Statement Calculator. <p><i>Note: Bank statement loans submitted with tax return documentation or transcripts are ineligible for purchase.</i></p>
DTI/INCOME/ASSETS	
ASSETS	<p>ASSET DOCUMENTATION</p> <ul style="list-style-type: none"> • Full Asset Documentation is required for both funds to close and reserves. For most asset types, this would include all pages of the most recent 2 months statements or the most recent quarterly statement. All assets from the borrower(s) must be disclosed and verified by the lender • No business accounts may be used to meet down payment and/or reserve requirements unless the borrower(s) are 100% owners of the business and requires: <ul style="list-style-type: none"> o A letter from the businesses accountant OR o An underwriter cash flow analysis of the business balance sheet to confirm that the withdrawal will not negatively impact the business • Stocks/Bonds/Mutual Funds - 80% may be used for reserves • Vested Retirement Accounts – 70% may be considered for reserves (certain eligible plans can use 70% if borrower > 59 ½ - i.e. 401k) • Assets being used for dividend and interest income may not be used to meet reserve requirements • If needed to close, verification that funds have been liquidated (if applicable) is required • Gift of Equity is not allowed • Builder profits are not allowed • No employer assistance assets are allowed • Maximum Interested Party Contributions permitted up to 3% for LTV >=80, 6% for LTV<80
GIFT FUNDS	<p>GIFT FUNDS</p> <ul style="list-style-type: none"> • Gifts from family members, as defined by FNMA, are allowed • The borrower(s) must have a minimum of 5% of own funds available, (but may elect not to use own funds for the transaction if sufficient gift funds are available) • Gift funds cannot be counted towards reserves • Purchase transaction for Primary Residence only • Not permitted on loans with LTVs \geq 85% • Not permitted on asset utilization doc type • Not permitted on full doc loans with LTVs>85% and on bank statement/Express Doc loans with LTV>80%

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>INCOME</p>	<p>WAGE EARNERS</p> <p>(1) Most Recent Paystub w/ YTD earnings (covering min of 30 days), two years W2's and a WVOE (if needed for the analysis of overtime, bonus or commission). IRS 1040s are not required unless also using other sources on income to qualify i.e. interest dividends, capital gains, etc.</p> <p>(2) 4506-T W2 transcripts</p> <ul style="list-style-type: none"> • In the case where taxes have been filed and the wage transcripts are not available from the IRS, the IRS response to the request must reflect "No Record Found" and be present in the loan file • Evidence of any IRS filing extensions must also be present in the loan file <p>(3) VVOE required for all W2 borrowers and must be completed within 10 calendar days of the closing date.</p> <p>SELF-EMPLOYED BORROWERS</p> <p>(1) Two years personal and business tax returns (along with all schedules and K-1's) and YTD P&L from any businesses being used for qualification where the borrower has 25% or more ownership interest are required</p> <ul style="list-style-type: none"> • Additionally, loans designated as QM must include the following: <ul style="list-style-type: none"> • Tax returns for all businesses, not just those being used for qualification • All tax returns must be signed and dated by borrower • A year to date P&L and Balance sheet <p>(2) IRS form 1040 personal and business 4506-T tax transcripts</p> <ul style="list-style-type: none"> • In the case where taxes have been filed and the tax transcripts are not available from the IRS, the IRS response to the request must reflect "No Record Found" and be present in the loan file • Evidence of any IRS filing extensions must also be present in the loan file <p>(3) Verification of the business through a third party such as a CPA, regulatory agency or applicable licensing bureau</p> <p>(4) Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent</p>
<p>INCOME: ASSET UTILIZATION</p>	<p>ASSET UTILIZATION</p> <ul style="list-style-type: none"> • The utilization of financial assets will be considered as borrower income to qualify for their monthly payments. The unrestricted liquid assets can be comprised of stocks/bonds/mutual funds, vested amount of retirement accounts and bank accounts • If the assets or a portion of the assets are being used for down payment or costs to close, those assets should be excluded from the balance before analyzing a portfolio for income qualification. The monthly income calculation is as follows: Net documented assets (80% of the remaining value of stocks/bonds, 70% for all retirement assets) and utilization draw schedule of 10 years • Cash-Out and Debt Consolidation not permitted • Non-Owner Occupied is not eligible • Borrowers must have a minimum of the lesser of (i) 1.25 times the loan balance or (ii) \$1mm in qualified assets, both of which must be net of down payment and closing costs to qualify • Minimum FICO Score of 700 for 80% maximum LTV - 680 for 75% maximum LTV • Recent Event not permitted • Reserves not required • Assets used for qualifying must be seasoned 6 months unless pre-approved by RPF • Asset utilization will be qualified under the full doc program matrix/pricing • Gift funds not permitted
<p>INCOME: BANK STATEMENTS</p>	<p>DOCUMENT REQUIREMENTS</p> <p>(1) 12 or 24 months Personal or 24 months Business Bank statements</p> <ul style="list-style-type: none"> • Borrowers who own more than 3 businesses must use personal bank statements option • Bank statements must be most recent available at time of application and must be consecutive <p>(2) Profit & Loss Statement/ Earnings Summary ("ES")</p> <ul style="list-style-type: none"> • If submitting personal or business bank statements, a P&L or ES prepared and signed by the borrower covering the same calendar months as the bank statements provided • Borrower is required to provide separate P&L or ES for each business being used in qualifying <p>(3) Validation of a minimum of 2 years existence of the business from one of the following: Business License, Letter from Tax Preparer, Secretary of State Filing or equivalent</p> <p>(4) Ownership percentage must be documented via CPA letter, Operating Agreement or equivalent</p>

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>INCOME: BANK STATEMENTS (con't)</p>	<p>PROFIT & LOSS ANALYSIS/ANNUAL EARNINGS SUMMARY</p> <ul style="list-style-type: none"> • Net Income from the P&L or ES will be used as Qualifying Income for both personal and business bank statements • The P&L or ES being used for qualifying must be signed by the borrower • Declining Income requires an LOE • Any amounts on the P&L or AES representing salary/wages paid to the borrower/business owner can be added back and considered in the net income analysis • Expense line items that can be added back to the business net income include depreciation, depletion, amortization, casualty losses, and other losses or expenses that are not consistent and recurring • Borrowers utilizing business bank statements that own > 50% but < 100% of a business will be qualified at the P&L/AES net income multiplied by their ownership percentage • The P&L expense ratio (Gross Income minus Net Income, divided by Gross Income) should be reasonable for the profession. <ul style="list-style-type: none"> o <i>Example:</i> A home-based sole practitioner consultant can be expected to have a low expense ratio, while a retail business that has a full staff of employees, fleet of vehicles, and relies heavily on inventory to generate income will have a high expense ratio • If the file does not contain a CPA prepared P&L, steps must be taken by the underwriter to evaluate the reasonableness of the expenses listed by the borrower. • This requires the borrower to provide a business narrative which includes detail related to the size/scope and operating profile of the business, including the following: <ul style="list-style-type: none"> o Description of Business/Business Profile o Location & Associated Rent o Number of Employees / Contractors o Estimated Cost of Goods Sold (Does business involve sale of goods or just services?) o Materials/Trucks/Equipment o Commercial or Retail client base? o Business Analysis • Expenses listed on a borrower prepared P&L or Annual Earnings Summary should generally relate to the information provided below.
<p>INCOME: EXPRESS DOC</p>	<p>EXPRESS DOCUMENTATION - ONE YEAR TAX RETURN WITH P&L</p> <ul style="list-style-type: none"> • One year personal and business tax returns (along with all schedules and K-1's) plus a borrower prepared P&L covering time period since last tax filing. • If the P&L period covers more than 9 months, 3 months bank statements are required to validate continued positive cash flow of the borrower's business. Additional bank statements may be required if deemed necessary. • P&L monthly income limited to + 15% of the monthly tax return income • Borrower will be qualified on the lower of : <ul style="list-style-type: none"> - Monthly average of the net income from the tax return and P&L or - Monthly net income from tax return multiplied by 115% • All borrowers must also provide evidence that business has been in existence for at least 2 years via CPA/Tax preparer letter, confirmation from regulatory or state agency, or applicable licensing bureau. • Self-employed borrower income in a licensed profession (i.e. Medical, Legal, Accounting) will be considered from a business that's been in existence for less than 2 years, but greater than 1 year if the borrower has at least 2 years of documented previous experience in the same profession, or evidence of formal education in a related field. • IRS form 1040 personal and business 4506-T tax transcripts required for the tax return year used for qualifying.
<p>INCOME: MISC</p>	<p>MISCELLANEOUS INCOME SOURCE REQUIREMENTS</p> <ul style="list-style-type: none"> • Joint Accounts - A joint personal account with a non-borrowing spouse or domestic partner can be used for qualifying as follows: <ul style="list-style-type: none"> o If not contributing income/deposits, it must be validated by a borrower affidavit o If contributing income/deposits, source must be clearly identified (direct deposit, SSI, trust income) and amounts must be subtracted from the analysis o Relationship letter must be present in file • Retirement, Government Annuity, and Pension Income – RPF may recognize an ancillary income stream from employment-related assets as eligible for income qualification. Borrower must evidence a 12 month history of documented draws or interest/dividend income. If, based on that history, the income will continue for at least three years, the income may be used for loan qualification. One of the following types of income documentation is required: <ul style="list-style-type: none"> o Copy of award letter or letters from the organizations providing the income o Most recent personal income tax return with all schedules o Most recent W2 or 1099 o Most recent 2 months bank statements showing deposit of funds <p>If the income being used for qualifying represents at least 50% of the borrower's total income, a 5 yr continuance is required. The borrower must have unrestricted access, and available to the borrower without penalty.</p> • Restricted Stock Income – RPF will only consider restricted stock that was awarded in prior 2 years and became unrestricted (vested) in the current year. The Vesting Schedule must indicate the income will continue for a minimum of 3 years at a similar level to the prior 2 years. Continuance is based on the vesting schedule using a stock price based on the 52 week low for the most recent 12 months reporting at the time of closing. A 2 year average of prior income received from RSU's or stock option will be used. The following documentation is required: <ul style="list-style-type: none"> o Copy of the vesting schedule o Most recent W2 and pay stub o Private Stock not eligible

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

<p>INCOME: MISC (con't)</p>	<ul style="list-style-type: none"> • Component Sources of Income - A borrower who has a self-employed business and also receives income from other sources is eligible for the bank statement program. Income sources include but are not limited to rental properties, trust & investment, alimony, etc. These income sources should be separately documented on the 1003 and should be separately supported by bank statement deposits. <ul style="list-style-type: none"> o Rental Income <ul style="list-style-type: none"> - A current lease is required for all REO income properties - Must provide proof of ownership - Must provide rental payments of 2 months via cancelled checks, deposits clips, or bank records - If lease is not available, market rent should be reduced by a vacancy/expense factor of 25% o Trust Income <ul style="list-style-type: none"> - Income from trusts may be used if constant payments will continue for at least the first 3 years of the mortgage term as evidenced by trust income documentation - Trust Agreement required confirming amount, distribution frequency, and duration of payments o Alimony Income <ul style="list-style-type: none"> - Final Divorce decree or legal separation agreement required - Must provide payment evidence of 6 months via cancelled checks, deposit slips, or bank records o Note Receivable Income <ul style="list-style-type: none"> - Copy of the note confirming amount and length of payment - Must provide payment evidence of 12 months via cancelled checks, deposit slips, or bank records • Self Employed/Wage Earner Combination - Joint borrowers with 1 wage earner and 1 self-employed business owner can verify income separately, with the self-employed borrower utilizing bank statements and the wage earner providing pay stubs/W-2s. The wage earner 4506T should include W-2 transcripts only. Combination scenario must be qualified and priced as a bank statement loan
<p>RESIDUAL INCOME</p>	<ul style="list-style-type: none"> • If the loan is an HPML, or if the DTI exceeds 43%, borrowers must have a minimum monthly residual income that is 2X the requirement of the VA • For bank statement loans, the underwriter should apply an estimated income tax payment of 28% of net income <p>The above reference guidance can be used in conjunction with RPF VA Residual Income Worksheet</p> <ul style="list-style-type: none"> • Not required for non-owner occupied properties or Asset Utilization
<p>PROPERTY</p>	
<p>AGRICULTURALLY ZONED</p>	<p>Agriculturally zoned properties may be eligible when all of the following exist:</p> <ul style="list-style-type: none"> • Highest and best use of the subject property is residential • Subject property is used as a residence and is typical for the neighborhood or market area • The appraiser adequately demonstrates that the subject neighborhood is residential in nature • Residential use is permissible under the zoning and land use regulations • Property adheres to the maximum acreage standards <p>The appraiser must also provide detail of any outbuildings on the property:</p> <ul style="list-style-type: none"> • Size of the outbuildings • Are the outbuildings being used for a special purpose • Do the comparable sales have similar outbuildings • Is the property residential in nature – no agricultural or commercial use <p>No value should be given to any auxiliary buildings.</p>
<p>APPRAISAL</p>	<ul style="list-style-type: none"> • All appraisals must comply with and conform to USPAP and the Appraisal Independence Requirements, and any requirement for HPMLs, if applicable • The appraiser must not have a direct or indirect interest, financial or otherwise, in the property or in the transaction. • An appraisal prepared by an individual who was selected or engaged by a borrower, property seller, real estate agent or other interested party is not acceptable • Assigned appraisals are acceptable • Two appraisals are required to be delivered for loan amounts > \$1,500,000 and HPML flip transactions as defined by the CFPB. Interior photos are required • Appraisals are good for 120 days. Any appraisal seasoned greater than 120 days will require a recertification of value completed by the original licensed appraiser. A recertification of value will be permitted up to 180 days • Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed • Form 1007 Schedule of Rents is required for all Non-Owner Occupied loans on Single Family residences • For 2-4 unit properties, a FNMA 1025 Small Residential Income Property Appraisal Report is required • A 1004MC is required for all loans • Negative property influences must be disclosed and adjusted accordingly by appraiser • Properties with unpermitted additions should be sent to the RPFPCP Scenario Desk for an eligibility review • Solar panel agreements are permitted in accordance with FNMA guidelines • Loans with appraisals that predate a FEMA disaster area require investor review prior to purchase • Appraisal requires submission to investor for review. <ul style="list-style-type: none"> - The vendor appraisal review final opinion of value must be within 10% above or below the lowest origination appraisal or sales price <ul style="list-style-type: none"> • LTVs > 85% must be within 5% • Desk review is not required for loans with 2 appraisals

(continued)

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

DECLINING MARKETS	A 5% reduction in LTV/CLTV will be required for all properties identified to be in a declining market as designated by the appraiser.
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • 20 acres max • 1 unit • 2-4 Unit Properties <ul style="list-style-type: none"> o 3-4 unit eligible for investment properties only • PUDs (Attached and Detached) • Coops - not permitted in Pivot Plus • Warrantable Condo <ul style="list-style-type: none"> o A project review is required to be performed by sellers to document FNMA eligibility o RPF condo questionnaire required to be completed • Non-Warrantable Condos (not permitted in Pivot Plus) <ul style="list-style-type: none"> o RPF condo questionnaire required to be completed. o Maximum LTV of 75% on primary residence o Maximum LTV of 65% on seconds homes and investment properties o Minimum of 12 months reserves required o Must meet Fannie Mae warrantability requirements, with the exception of permitted variances as described in the chart below
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • Manufactured Homes • Log Homes • Condotels • Unique Properties • Mixed Use properties • Builder Model Leaseback • Boarding Houses • Fractional Ownership/Time Shares • Assisted Living/Continuing Care Facilities • Mandatory Country Club Memberships • Zoning violations • Properties under construction • Working Farms • C5 or C6 property condition grades • Live/Work Condos • Geodesic Domes
MISCELLANEOUS	
COMPENSATING FACTORS	<p>COMP FACTORS</p> <ul style="list-style-type: none"> • FICO score above minimum by 20 points or higher • DTI below max by 5% or greater • PITIA reserves above minimum by 6 months or higher • Reduction in housing payment by 10% or greater • Increase in residual income by 10% or greater • Residual income greater than 3X the VA • 0 X 30 X 24 month housing history • 5 years minimum in subject property • Job stability of 5 years or more • Additional borrower income sources not being used for qualifying
ESCROWS	• Escrows for taxes and insurance will be required for all HPMLs and Debt Consolidation Refinances
INELIGIBLE TRANSACTIONS	<ul style="list-style-type: none"> • Construction Loans • Non Arm's length • Texas Equity Loans • Temporary Buydowns • Builder Bailout • Conversion Loans • Lease Options/Rent-to-Own unless preapproved by the RPF Scenario Desk. • Irrevocable or Blind Trusts
MAXIMUM FINANCED PROPERTIES	The maximum number of financed properties to any one borrower is limited to 6. Additional reserves are required for borrowers with greater than 2 financed properties; please see reserves section for requirements

(continued)



Let's FUND!

Pivot Plus/Pivot Core - Full Doc and Bank Statement Programs

Amended 3/21/2018

SUBORDINATE FINANCING	<ul style="list-style-type: none"> • New subordinate financing (institutional) allowed for purchase transactions only • Primary residences only • If a HELOC is present the CLTV must be calculated by dividing the sum of the original loan amount of the first mortgage, the amount of the HELOC (whether or not there have been any draws), and the unpaid principal balance of all other subordinate financing by the lower of the property's sales price or appraised value. • All subordinate loan obligations must be considered, verified, and taken into account when calculating the Borrower's DTI. • If the subordinate financing is a HELOC secured by the subject property, monthly payments equal to the minimum payment required under the HELOC terms considering all draws made on or before closing of the subject transaction. • For closed-end fixed rate, fully amortizing simultaneous loans, the qualifying payment is the monthly payment. • Fixed Rate Mortgage and 7/1 ARM transactions only • Existing subordination is permitted on refinances
------------------------------	---

NON-WARRANTABLE PROJECT REVIEW

	Eligible	CONSIDERED for EXCEPTION	Ineligible
Characteristic	(No Pre-Approval Required)	(Pre-Approval Required)	(N/A)
	Presale - at least 30% of units must sold or under bonafide contract.	Non-Material Litigation - slip and fall/single unit complaints/3rd party claims with adequate reserves	Material Litigation - Structural/Functional litigation against developer
	Investor Owned - Up to 55% of units can be tenant occupied	Insurance Coverage -Exceptions to Fannie Mae minimum coverage requirements	Delinquent HOA - in excess of Fannie Mae 15% limit
	Single Entity Ownership - A single entity can own up to 30% of units	Reserves - <10% replacement, maintenance, and/or deductible	Newly Converted - Non full gut rehabs
	Seller Concessions - permitted up to 1% in excess of Fannie limits	(N/A)	Environmental hazards
	Commercial Use - Up to 55% non-residential use	(N/A)	(N/A)