



Program Eligibility Guide

EPM Non-QM

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ASPIRE Guidelines



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Expanded Full Income Documentation Eligibility Matrix				
Fixed Rate(20, 25, 30,40year) - and Interest Only (IO) ³				
Primary Residence¹				
Maximum FICO	Maximum Loan Amount¹	Purchase Max LTV/CLTV/HCLTV	R/T Refinance Max LTV/CLTV/HCLTV	Cash - Out⁴ Max LTV/CLTV/HCLTV
700	\$1,500,000	90%	85%	80%
	\$2,000,000	85%	80%	75%
	\$3,000,000	75%	70%	70%
680	\$1,500,000	85%	80%	75%
	\$2,000,000	80%	75%	70%
	\$3,000,000	70%	65%	65%
660	\$1,000,000	80%	80%	75%
	\$1,500,000	80%	75%	70%
	\$2,000,000	70%	70%	65%
640	\$1,000,000	80%	75%	70%
	\$1,500,000	70%	70%	65%
	\$2,000,000	65%	65%	N/A
620	\$1,000,000	70%	70%	N/A

Second Home				
Maximum FICO	Maximum Loan Amount¹	Purchase Max LTV/CLTV/HCLTV	R/T Refinance Max LTV/CLTV/HCLTV	Cash - Out⁴ Max LTV/CLTV/HCLTV
680	\$2,500,000	80%	80%	75%
660	\$1,500,000	75%	75%	70%
640	\$1,000,000	70%	70%	65%

Investment Property²				
Maximum FICO	Maximum Loan Amount¹	Purchase Max LTV/CLTV/HCLTV	R/T Refinance Max LTV/CLTV/HCLTV	Cash - Out⁴ Max LTV/CLTV/HCLTV
680	\$2,000,000	80%	70%	65%
660	\$1,500,000	75%	75%	70%

Expanded Alternative Income Documentation Eligibility Matrix						
Fixed Rate(20, 25, 30,40year) - and Interest Only (IO) ³						
Primary Residence ¹						
FICO	Purchase		R/T Refinance		Cash - Out ⁴	
	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount
720	70%	\$4,000,000	70%	\$4,000,000	70%	\$3,000,000
700	90%	\$1,500,000	90%	\$1,500,000	80%	\$1,500,000
	85%	\$2,000,000	85%	\$2,000,000	80%	\$2,000,000
	75%	\$3,000,000	75%	\$3,000,000	65%	\$3,000,000
680	90%	\$1,000,000	90%	\$1,000,000	N/A	N/A
	80%	\$2,000,000	80%	\$2,000,000	75%	\$2,000,000
	75%	\$2,500,000	75%	\$2,500,000	70%	\$2,500,000
	70%	\$3,000,000	70%	\$3,000,000	65%	\$3,000,000
660	80%	\$1,500,000	80%	\$1,500,000	75%	\$1,500,000
	70%	\$2,000,000	70%	\$2,000,000	65%	\$2,000,000
620	70%	\$1,000,000	70%	\$1,000,000	N/A	N/A
Second Home						
FICO	Purchase		R/T Refinance		Cash - Out ⁴	
	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount
700	85%	\$2,000,000	85%	\$2,000,000	N/A	N/A
680	80%	\$2,500,000	80%	\$2,500,000	75%	\$2,500,000
660	80%	\$2,000,000	80%	\$2,000,000	75%	\$1,500,000
640	65%	\$1,000,000	65%	\$1,000,000	60%	\$1,000,000
Investment Property ²						
FICO	Purchase		R/T Refinance		Cash - Out ⁴	
	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount	Maximum LTV	Maximum Loan Amount
720	85%	\$2,000,000	N/A	N/A	N/A	N/A
	80%	\$3,000,000	N/A	N/A	N/A	N/A
700	80%	\$2,000,000	75%	\$2,000,000	70%	\$2,000,000
680	70%	\$1,500,000	70%	\$1,500,000	65%	\$1,500,000

1 See Eligible Borrower section for specific requirements for First-Time Homebuyers.

2 The following requirements apply for Investment Property Purchase, Rate and Term Refinance and Cash-Out Refinance transactions:

- Florida attached condominiums limited to 50% LTV/CLTV/HCLTV
- Transaction must be arm's length
- Gift funds not allowed
- First-Time Homebuyers not allowed

3 (IO) Interest Only minimum Fico is 660, Maximum LTV/CLTV/HCLTV 80%

4 Maximum cash in hand is limited to \$1,000,000 for alt doc and manually underwritten loans.

Aspire Expanded Notes:

- Condotels max loan amount is \$1,500,000
- First Time Homebuyers maximum loan amount is \$2,000,000
- See Alternative Income methods for LTV and or credit score restrictions
- Alternative income calculation methodologies
- Minimum loan amount is \$100,000.
- Loans in New York state must be \$1 over current conforming/high balance limit set by FHFA.
- Texas 50 (a) (6) refinance (Texas Equity Loans) only allowed on 20, 25 and 30-year fixed rate only. Additional restrictions-apply, please see Jumbo Program Eligibility Supplement.
- Exceptions may be granted on a case-by-case basis.
- Exceptions are not allowed on loans closing with DU.

Aspire Expanded Underwriting Guidelines	
Eligible Products	<ul style="list-style-type: none"> • Fixed Rate: 20, 25, 30 and 40-year term fully amortizing and IO • Interest Only: <ul style="list-style-type: none"> ○ 30 year, 10-year IO period. Qualify based on Note rate with a 20-year amortization. ○ 40 year, 10-year IO period. Qualify based on Note rate with a 30-year amortization.
Ineligible Products	<ul style="list-style-type: none"> • High-Cost Loans (Federal, State or Local) • Non-Standard to Standard Refinance Transactions (ATR Exempt) • Balloons • Graduated Payments • Temporary Buy Downs • Illinois Land Trusts • Loans with bridge financing by third party, ie: Knock, Homelight or Opendoor • Loans with pre-payment penalties • Points and Fees exceeding 3% see eligibility supplement section 6.E
Underwriting	<ul style="list-style-type: none"> • QM Designation must be provided in the loan file: <ul style="list-style-type: none"> • QM designation is QM Safe Harbor- APOR (or similar name i.e. Price Based) • QM Rebuttable Presumption-Refer to Jumbo Eligibility Supplement for allregulatory testing requirements. • Non-QM designation is Non-QM -APOR (or similar name i.e. Price Based) • 40-year term, Interest Only and departure residence feature are Non-QM designation • In all cases, the loan file must document the eight (8) ATR rules.

Aspire Expanded Underwriting Guidelines	
Underwriting	<ul style="list-style-type: none"> • In some cases, exceptions to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Prior exception approval required from EPM. • Loans must be fully underwritten to the applicable Fannie Mae guidelines. • Full manual underwrite is required if not using DU findings. <ul style="list-style-type: none"> • Follow Fannie Mae Selling Guide subject to EPM overlays. • Full doc requirements <ul style="list-style-type: none"> • DU findings with an Approve Eligible/Ineligible due to loan amount are acceptable or full manual underwrite is required to FNMA seller guide. • Alt doc requirements <ul style="list-style-type: none"> • Full manual underwrite required, DU findings not applicable.
Eligible Borrowers	<ul style="list-style-type: none"> • First-Time Homebuyer is defined as a borrower who has not owned a home in the last three(3)years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, first-time homebuyer requirements do not apply. <ul style="list-style-type: none"> • Maximum loan amount is \$2,000,000 • Gift Funds allowed with 5% of borrowers own funds into transaction. • US Citizens • Permanent Resident Aliens with evidence of lawful residency <ul style="list-style-type: none"> • Must be employed in the US for the past twenty-four (24) months. • Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions: <ul style="list-style-type: none"> • Primary residence only. • Credit tradeline requirements must be met, no exceptions. • History of one Visa renewal • Borrower must have a current twenty-four (24) month employment history in the US. • Documentation evidencing lawful residency must be met (see Eligibility Supplement for requirements). • Non-Occupant Co-Borrowers are allowed with the following restrictions: <ul style="list-style-type: none"> • Primary residence – One (1) Unit Property. • Purchase and rate & term refinance transactions only. • Max loan amount \$1,000,000; • Max LTV/CLTV 80%. • Non-occupant co-borrower must be a family member. • Blended ratios allowed with a maximum 43% DTI. • Transaction must be an arm's length transaction. • Inter Vivos Revocable Trust (see Eligibility Supplement for requirements). • All borrowers must have a valid Social Security Number.

Aspire Expanded Underwriting Guidelines	
Ineligible Borrowers	<ul style="list-style-type: none"> • Foreign Nationals • ITIN borrowers • DACA borrowers • Borrowers with diplomatic status • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, including Illinois Land Trusts • Borrowers with any ownership in a business that is federally illegal, regardless if the income is not being considered for qualifying
Eligible Occupancy Types	<ul style="list-style-type: none"> • Primary residences for 1-4 units • Second home residences for one (1) unit properties <ul style="list-style-type: none"> • Must be a reasonable distance away from borrower's primary residence. • Must be occupied by the borrower for some portion of the year. • Must be suitable for year-round use. • Must not be subject to a rental agreement and borrower must have exclusive control over the property. • Any rental income received on the property cannot be used as qualifying income. • Investment properties for 1-4 units
Documentation	<ul style="list-style-type: none"> • Documentation waivers based on DU recommendations permitted if using DU findings subject to EPM overlays. No Property Inspection or Drive-By Appraisal Waivers allowed. • Income calculation worksheet or 1008 with income calculation. Current FNMA Form 1084, FHLMC Form 91 or equivalent is required for self-employment analysis. • All credit documents, including title commitment must be no older than 120 days from the Note date. • NON-QM/QM designation must be provided in the loan file. For the Expanded program; <ul style="list-style-type: none"> ➤ QM designation is Exempt for investment property transactions when the transaction is exclusively for business purposes. (Refer to §1026.3(a) and the Official Interpretation to §1026.3(a)) <ul style="list-style-type: none"> ○ Investment property transactions require an attestation from the borrower stating the property is used 100% of the time for business purposes in order for the designation to be Exempt. ○ Cash-out refinances of investment properties must also contain an attestation regarding the proceeds from the cash-out refinance. If 100% of the proceeds are not used for business purposes, the loan is subject to ATR and QM testing. • Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (Regulation Z). • If subject transaction is paying off a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed. • If the 1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral.

Aspire Expanded Underwriting Guidelines	
Debt-to-Income Ratio (DTI)	<ul style="list-style-type: none"> • FTHB: 50% DTI • 55% DTI
LTV/CLTV/HCLTV Calculation for Refinances	<ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU findings
Refinance Transactions	Rate and Term Refinance & Cash Out Refinance Requirements: <ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU findings subject to EPM overlays.
	Delayed Purchase Refinancing <ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU findings <ul style="list-style-type: none"> • LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas.
	Continuity of Obligation: When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements has been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible: <ul style="list-style-type: none"> • The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> • Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or • Is related to the borrower on the mortgage being refinanced. • The borrower on the new refinance transaction was added to title twenty-four (24) months or more prior to the disbursement date of the new refinance transaction. • The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership. • The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> • Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer. • The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan. <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.</p>

Aspire Expanded Underwriting Guidelines	
Secondary Financing	<ul style="list-style-type: none"> • Institutional Financing only. Seller subordinate financing not allowed. • Subordinate liens must be recorded and clearly subordinate to the first mortgage lien. • If there is or will be an outstanding balance at the time of closing, the monthly payment for the subordinate financing must be included in the calculation of the borrower's debt-to-income ratio. • Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms. The following are acceptable subordinate financing types: <ul style="list-style-type: none"> • Mortgage terms with interest at market rate. • Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization. • Employer subordinate financing is allowed with the following requirements: <ul style="list-style-type: none"> • Employer must have an Employee Financing Assistance Program in place. • Employer may require full repayment of the debt if the borrower's employment ceases before the maturity date. • Financing may be structured in any of the following ways: <ul style="list-style-type: none"> o Fully amortizing level monthly payments o Deferred payments for some period before changing to fully amortizing payments o Deferred payments over the entire term. o Forgiveness of debt over time o Balloon payment of no less than five (5) years, or the borrower must have sufficient liquidity to pay off the subordinate lien. • LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing.
Texas 50 (a)(6) & Texas 50 (f) (2) Refinances	<ul style="list-style-type: none"> • Texas 50 (a) (6) & Texas 50 (f) (2) refinances (Texas Equity Loans) only allowed on 20, 25 and 30-year fixed rate only. • Maximum 80% LTV/CLTV/HCLTV • See Eligibility Supplement for additional requirements
Construction-To-Permanent Financing	<ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU findings One -Time Close Transactions not allowed.
Credit	<p>Tradeline Requirements:</p> <ul style="list-style-type: none"> • Minimum two (2) tradelines are required. The following requirements apply: <ul style="list-style-type: none"> • Two (2) tradelines must be open for twenty-four (24) months and active within the most recent twelve (12) months. -OR- • Three (3) tradelines reporting twelve (12) months recent activity. Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not contributing income for qualifying purposes are not subject to minimum tradeline requirements. • Authorized user accounts are not allowed as an acceptable tradeline. • Non-traditional credit is not allowed as an acceptable tradeline.

Aspire Expanded Underwriting Guidelines

Credit

Disputed Tradelines:

- Follow FNMA Seller Guide or DU findings

Mortgage History Requirements:

- If the borrower(s) has a mortgage history in the most recent twenty-four (24) months, a mortgage rating must be obtained. The mortgage rating may be on the credit report or a VOM. Applies to all borrowers on the loan.
- No more than 1X30 in the last twelve (12) months Mortgage lates must not be within the most recent three (3) months of the subject transaction. 0X60 and 0X90 required in the most recent twelve (12) months. A satisfactory explanation letter from the borrower(s) must be provided for any mortgage lates within the most recent twelve (12) months.
- If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required.

Rental History Requirements:

- If the borrower(s) has a rental history in the most recent twelve (12) months, a VOR must be obtained. Applies to all borrowers on the loan.
- No more than 1X30 in the last twelve (12) months. 0X60 and 0X90 required in the most recent twelve (12) months.
 - Rental lates must not be within the most recent three (3) months of the subject transaction. A satisfactory explanation letter from the borrower(s) must be provided for any rental lates within the most recent twelve (12) months.
- If the landlord is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory rent history is required; otherwise, if not related or a party to the transaction a satisfactory VOR can be provided.

Derogatory Credit:

- Bankruptcy, Chapter 7, 11, 13 –Two (2) years since discharge / dismissal date
- Foreclosure –Two (2) years since completion date
- Short Sale/Deed-in-Lieu –Two (2) years since completion / sale date
- Mortgage accounts that were settled for less, negotiated or short payoffs –Two (2) years since settlement date
- Credit events seasoned more than 10 years do not need to be considered.
- Loan Modification – Two (2) years since modification date with no mortgage lates on any mortgage in the last twenty-four (24) months.
- A forbearance that results in a loan modification (moving payments to the end of the mortgage) is a credit event and will be considered “due to hardship.”
- Notice of Default – Two (2) years
- A satisfactory explanation letter from the borrower(s) must be provided addressing any of the above derogatory credit events if the event occurred in the last two (2) years.

Aspire Expanded Underwriting Guidelines	
Credit	<ul style="list-style-type: none"> Multiple derogatory credit events not allowed, regardless if seasoned over two (2) years. However, credit events seasoned more than seven (7) years do not need to be considered. <ul style="list-style-type: none"> A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event. A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event. Medical collections – Follow Fannie Mae Selling Guide or DU findings Past Mortgage Forbearances: Allowable six months after the end of the forbearance period, and only if the borrower made all the monthly payments during forbearance and did not utilize the forbearance terms to skip any payments. <ul style="list-style-type: none"> Payoff statements and mortgage statements must not reflect any deferred principal balances or any indication of current forbearance Outstanding Judgments/Tax Liens/Charge-offs/Past Due Accounts: <ul style="list-style-type: none"> Follow FNMA Seller Guide or DU Findings Credit Inquiries: <ul style="list-style-type: none"> If the credit report indicates inquiries within the most recent 90 days of the credit report, the seller must confirm the borrower did not obtain additional credit that is not reflected in the credit report or mortgage application. In these instances, the borrower must explain the reason for the credit inquiry. If additional credit was obtained, a verification of that debt must be provided, and the borrower must be qualified with the monthly payment. Confirmation of no new debt may be in the form of a new credit report, pre-close credit report or gap credit report. Credit Reports-Frozen Bureaus: <ul style="list-style-type: none"> Credit reports with bureaus identified as “frozen” are required to be unfrozen and a current credit report with all bureaus unfrozen is required. Credit Refreshes/Rescores: EPM will allow for Credit Score refreshes; however, the closed loan file must include all documentation to support the change in score and still meet sufficient assets as required by the program guidelines.
Liabilities	<p>Follow FNMA Seller Guide or DU findings for the following:</p> <ul style="list-style-type: none"> Liability Requirements Contingent Liabilities Departure Residence Pending Sale Departure Residence Subject to Guaranteed Buy-out with Corporation Relocation Contingent Liabilities Departure Residence Subject to Guaranteed Buy-out with Corporation Relocation <p>Departure Residence Feature</p> <ul style="list-style-type: none"> QM status using this feature must be Non-QM <ul style="list-style-type: none"> To exclude the departure residence payment on a primary residence, the following requirements must be met: <ul style="list-style-type: none"> See departure residence to be rented -or- departure residence to be sold guidelines below.

Aspire Expanded Underwriting Guidelines		
	Departure Residence to be Rented	
Liabilities	Option 1 (No lease)	Option 2 (Lease required)
	<ul style="list-style-type: none"> No lease required. Signed letter of intent from borrower indicating they intend to rent the departure residence within ninety (90) days of closing on the subject transaction. 	<ul style="list-style-type: none"> Copy of current lease agreement. Copy of security deposit and evidence of deposit into borrower's account.
	<ul style="list-style-type: none"> Departure residence must have a minimum of 20% equity after deduction of outstanding liens to use rent to offset the payment. If less than 20% equity, the full payment with no benefit of rent must be included in the DTI. Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction. 	<ul style="list-style-type: none"> Departure residence must have a minimum of 20% equity after the deduction of outstanding liens to use rent to offset the payment. If less than 20% equity, the full payment with no benefit of rent must be included in the DTI. Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction.
	<ul style="list-style-type: none"> Market Rent Survey is required by a licensed appraiser. Rent calculation is 75% of the market rent less PITIA. Any negative amount must be included in the DTI. Any positive rental income is disregarded for the income calculation and can only be used to offset the payment. 	<ul style="list-style-type: none"> Rental calculation is based on 75% of the lease amount less PITIA. Any negative amount must be included in the DTI. Any positive income is included as rental income.
	Required reserves for departure residence = 6 months PITIA	Required reserves for departure residence = 3 months PITIA
	Maximum LTV/CLTV/HCLTV on the subject transaction is 80%	No limit on LTV/CLTV/HCLTV, refer to program maximum

Aspire Expanded Underwriting Guidelines		
	Departure Residence to be Sold	
Liabilities	Option 1 (Not under contract)	Option 2 (Under contract)
	<ul style="list-style-type: none"> No contract required for departure residence. Departure residence may be listed for sale or intent to list for sale. Signed letter of intent from borrower indicating they intend to list the departure residence for sale within ninety (90) days of closing on subject transaction. If listed for sale, provide copy of current listing. 	<ul style="list-style-type: none"> A copy of an executed sales contract for the property pending sale and confirmation all contingencies have been cleared/-satisfied. The departure transaction must be closing within 30 days of the subject transaction. The pending sale transaction must be arm's length.
	<ul style="list-style-type: none"> Equity in the departure residence must be documented with a 2055 exterior appraisal or full appraisal dated within six (6) months of subject transaction Note date. Departure residence must have a minimum of 20% equity after deduction of outstanding liens to exclude the payment from the DTI. If less than 20% equity, the full payment must be included in the DTI. The lower of the appraised value or current listing (if listed) should be used to determine 20% equity. 	<ul style="list-style-type: none"> No appraisal required for departure residence. The borrower must be netting a positive number from the sale of the property or assets must be accounted for to cover any funds the borrower may have to bring to closing on the sale of the departure residence.
	<p>Required reserves for the departure residence are based on the marketing time indicated by the departure residence appraisal:</p> <ul style="list-style-type: none"> If appraisal indicates marketing time of six (6) months or less = 12 months PITIA. If departure residence has been on the market >6 months = 24 months PITIA. If appraisal indicates marketing time over six (6) months = 24 months PITIA. 	<p>Required reserves for the departure residence = 6 months PITIA</p>
	<p>Maximum LTV/CLTV/HCLTV on the subject transaction is 80%.</p>	<p>No limit on LTV/CLTV/HCLTV, refer to program maximum.</p>

Aspire Expanded Underwriting Guidelines

Assets	<p>Asset Requirements: Follow FNMA Seller Guide or DU Findings</p> <p>Beyond the minimum reserve requirements based on EPM's overlays and to fully document the borrowers' ability to meet their obligations, borrowers should disclose all liquid assets.</p> <ul style="list-style-type: none"> • Eligible assets must be held in a US account. • Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs. • Lender is responsible for verifying large deposits did not result in any new undisclosed debt. • Asset verification by a Fannie Mae approved asset validation provider is allowed. <p>Asset documentation is based on DU requirements if using DU findings.</p> <p>For full manual underwriting approach assets may be documented using one (1) or two (2) months bank statements, refer to FNMA seller guide.</p>		
	Asset Type	% Eligible for Calculation of Funds	Additional Requirements
	Gift Funds	<ul style="list-style-type: none"> • Gift funds not allowed for reserves. • Gift funds allowed on LTVs >80% with 5% of borrowers own funds into transaction • Gift funds not allowed on investment properties. • Gift Funds not allowed to pay off debts to qualify • First Time Home-buyers require 5% own funds into transaction if using gift funds. 	<p>Donor must be family member, future spouse or domestic partner.</p> <ul style="list-style-type: none"> • Executed gift letter with gift amount and source, donor's name, address, phone number and relationship. • Seller must verify sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account. • Acceptable documentation includes the following: <ul style="list-style-type: none"> • Copy of donor's check and borrower's deposit slip. • Copy of donor's withdrawal slip and borrower's deposit slip. • Copy of donor's check to the closing agent. • A settlement statement/CD showing receipt of the donor's gift check.

Aspire Expanded Underwriting Guidelines		
Assets	Reserve Requirements (# of Months of PITIA) **Full Documentation	
	LTV/CLTV/HCLTV	
	# of Months	
	≥ 80%	
	6	
	< 80%	
	3	
	< 65%	
	0	
	Reserve Requirements (# of Months of PITIA) **Alternative Income Method	
	LTV/CLTV/HCLTV	
	# of Months	
≥ 80%		
12		
< 80%		
6		
< 65%		
0		
Additional 1-4 Unit Financed REO		
Additional two (2) months reserves PITIA for each property is required based on the PITIA of the additional REO. If eligible to be excluded from the count of multiple financed properties, reserves are not required.		
** Borrowed funds (secured or unsecured) are not allowed for reserves. **		
Note: Cash out proceeds may be used to satisfy reserve requirements.		
Departure Residence Requirements – please see requirements under Liabilities Departure Residences for specific reserve requirements.		
Financing Concessions	• Follow FNMA Seller Guide or DU Findings	
Seller Concessions	• Follow FNMA Seller Guide or DU Findings	
Personal Property	• Follow FNMA Seller Guide or DU Findings	
Income / Employment	Stable monthly income must meet the following requirements to be considered for qualifying: • Stable - two (2) year history of receiving the income • Verifiable • High probability of continuing for at least three (3) years When the borrower has less than a two (2) year history of receiving income, the lender must provide a written analysis to justify the determination that the income used to qualify the borrower is stable. Declining Income: When the borrower has declining income, the most recent twelve (12) months should be used.	

Aspire Expanded Underwriting Guidelines

Income / Employment

In certain cases, an average of income for a longer period may be used when the decline is related to a one-time capital expenditure and proper documentation is provided.

In all cases, the decline in income must be analyzed to determine if the rate of decline would have a negative impact on the continuance of income and the borrower's ability to repay.

The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying.

Residual Income Requirement- DTI > 45% ≤ 55%

- Residual Income Calculation required for DTI exceeding 45% and not to exceed 55%.

All loans must meet the residual income requirements below. Residual income equals Gross Qualifying Income less Monthly Debt (as included in the debt-to-income ratio)

# in Household	1	2	3	4	5
Required Residual	\$1550	\$2600	\$3150	\$3550	\$3700

Gaps in Employment: Refer to FNMA seller guide or DU Findings

General Documentation Requirements

- 4506-C/Form 8821 must be signed and completed for all borrowers. IRS will require the latest form completed in full.
- Taxpayer consent form signed by all borrowers.
- Income calculation worksheet or 1008 with income calculation. The Fannie Mae 1084, or Freddie Mac Form 91 or equivalent is required for self-employment analysis. The most recent Form 1084 or Form 91 should be used based on application date. Instructions per Form 1084 or Form 91 must be followed.
 - Copy of liquidity analysis must be included in the loan file if the income analysis includes income from boxes 1, 2 or 3 on the K-1 that is greater than distributions indicated on the K-1.
- If a liquidity analysis is required and the borrower is using business funds for down payment or closing costs, the liquidity analysis must consider the reduction of those assets.
- Paystubs must meet the following requirements:
 - Clearly identify the employee/borrower and the employer.
 - Reflect the current pay period and year-to-date earnings.
 - Computer generated.
 - Paystubs issued electronically via email or internet, must show the URL address, date and time printed and identifying information.
 - Year-to-date pay with most recent pay period at the time of application and no earlier than 120 days prior to the Note date.
- W-2 forms must be complete and be a copy provided by the employer.
- Verification of Employment Requirements:

Requirements below apply when income is positive and included in qualifying income:

 - Verbal Verification of Employment (VVOE) must be performed no more than ten (10) business days prior to the Note date. The Verbal VOE should include the following information for the borrower:
 - Date of contact
 - Name and title of person contacting the employer

Aspire Expanded Underwriting Guidelines

Income / Employment

- Name of employer
- Start date of employment
- Employment status and job title
- Name, phone #, and title of contact person at employer
- Independent source used to obtain employer phone number
- Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than thirty (30) calendar days prior to the Note date.
 - Third party verification can be from a CPA, regulatory agency or applicable licensing bureau. A borrower's website is not acceptable third-party source.
 - Listing and address of the borrower's business
 - Name and title of person completing the verification and date of verification.
- Fannie Mae Verification of Employment alternatives allowed for non-self-employed borrowers.
- Written Verification of Employment may be required for a borrower's income sourced from commissions, overtime and or other income when the income detail is not clearly documented on W-2 forms or paystubs.

Written VOEs cannot be used as a sole source for verification of employment, paystubs and W-2s are still required.

Tax Returns must meet the following requirements when used for qualifying:

- Personal income tax returns (if applicable) must be complete with all schedules (W-2 forms, K-1s etc.) and must be signed and dated. In lieu of a signature, personal tax transcripts for the corresponding year may be provided
- Business income tax returns (if applicable) must be complete with all schedules and must be signed. In lieu of a signature, business transcripts for the corresponding year may be provided.
- For unfiled tax returns for the prior year's tax return, please see the Eligibility Supplement.

Unacceptable Sources of Income:

- Any unverified source
- Deferred compensation
- One-time occurrence income
- Rental income from primary residence – One (1) unit property or one (1) unit property with accessory unit
- Rental income from second home
- Retained earnings
- Education benefits
- Trailing spouse income
- Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying:
 - Foreign shell banks
 - Medical marijuana dispensaries
 - Any business or activity related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law.
 - Businesses engaged in any type of internet gambling.

Aspire Expanded Underwriting Guidelines	
Full Income Documentation Requirements	Full Documentation Income Requirements
	Non-Self Employment Requirements:
	Follow FNMA Seller Guide or DU Findings for the following income types:
	<ul style="list-style-type: none"> • Alimony/Child Support/Separate Maintenance • Capital Gains • Commission Income • Disability Income – Long Term (Private policy or employer-sponsored policy) • Dividends and Interest Income • Foreign Income • K-1 Income/Loss on Schedule E • Non-Taxable Income (Child support, military rations / quarters, disability, foster care, etc.) • Note Income • Overtime and Bonus Income • Part-Time Income • Projected Income • Rental Income • Rental Income - Departing Primary Residence • Retirement Income (Pension, Annuity, 401(k), IRA Distributions) • Salaried/Hourly Income • Social Security Income • Temporary Leave Income
	Asset Depletion Full Documentation
	<ul style="list-style-type: none"> • Eligible assets must be held in a US account. • Calculate the depletion of assets using a 3% rate of return over the life of the loan; the same as calculating a P & I payment for a mortgage. <ul style="list-style-type: none"> • For borrowers >59 ½ years of age, all post-closing retirement and liquid assets may be used in the calculation if the assets are fully vested and unrestricted. • For borrowers <59 ½, all post-closing liquid (non-retirement) assets can be included in the calculation. <ul style="list-style-type: none"> ▪ Minimum liquid post-closing assets of \$500,000 required to include asset depletion for qualifying income. • Business funds are not allowed for income calculation.
	Borrowers Employed by Family
	<ul style="list-style-type: none"> • YTD paystub • Two (2) years W-2s and • Two (2) years personal tax returns with two (2) years tax transcripts. • VVOE • Borrower's potential ownership in the business must be addressed.

Aspire Expanded Underwriting Guidelines	
Full Income Documentation Requirements	Restricted Stock and Stock Options
	<ul style="list-style-type: none"> • May only be used as qualifying income if the income has been consistently received for two (2) years and is identified on the paystubs, W-2s as income and the vesting schedule indicates the income will continue for a minimum of two (2) years at a similar level as prior two (2) years. • A two (2) year average of prior income received from RSUs or stock options should be used to calculate the income, with the continuance based on the vesting schedule using a stock price based on the lower of the current stock price or the 52-week average for the most recent twelve (12) months reporting at the time of application. The income used for qualifying must be supported by future vesting based on the stock price used for qualifying and vesting schedule. • Additional awards must be similar to the qualifying income and awarded on a consistent basis. • There must be no indication the borrower will not continue to receive future awards consistent with historical awards received. • Borrower must be currently employed by the employer issuing the RSUs/stock options for the RSUs/stock options to be considered in qualifying income. • Stock must be a publicly traded stock. • Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify. <p>NOTE: RSU income is capped at 50% of qualifying income.</p>
	Trust Income
	<ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU Findings • Copy of trust agreement or trustee statement showing: <ul style="list-style-type: none"> • Total amount of borrower designated trust funds. • Terms of payment. • Duration of trust. • Evidence the trust is irrevocable.
	Self-Employment
	<p>Follow FNMA Seller Guide or DU Findings</p> <ul style="list-style-type: none"> • Self-Employed borrowers are defined as having 25% or greater ownership or receive 1099 statement to document income. <p>The requirements below apply for Self-Employed borrowers.</p> <ul style="list-style-type: none"> • Income calculations should be based on the Fannie Mae Form 1084 or Freddie Mac Form 91 or equivalent income calculation form. • Year-to-date financials (profit and loss statement) is not required if the income reporting is positive, not declining and not counted in qualifying income. <p>Two-year history is generally required.</p> <ul style="list-style-type: none"> • 12-24 months self-employment history may be considered as long as the borrowers most recent tax returns reflect income at the same or greater level in a field that provides the same products or services as the current business or in an occupation in which he or she had similar responsibilities to those in connection with the current business. • 1-2 years signed 1040s and K-1's depending if using DU findings.

Aspire Expanded Underwriting Guidelines	
Full Income Documentation Requirements	<ul style="list-style-type: none"> • Signature requirement may be waived if tax transcripts are obtained to support the 2 years of 1040s. • If one year is required per DU findings the following requirements apply: <ul style="list-style-type: none"> • Signed 1040s and Business Tax Returns for the most recent year. • Confirm the tax returns reflect at least 12 months of self-employment income. • Verification of Self-Employment Income: <ul style="list-style-type: none"> • Verify the existence of the client's business within 120 calendar days prior to the note date. • Year-To-Date Profit & Loss Statement: <ul style="list-style-type: none"> • Year-to-Date Profit & Loss is only required if self-employment income is the primary income source used to qualify. <ul style="list-style-type: none"> o Profit and Loss is not required for Secondary Self Employment. • Year-to-date is defined as the period ending as of the most recent tax return through the most recent quarter ending one (1) month prior to the Note date. <ul style="list-style-type: none"> o For tax returns on extension the entire unfiled year is also required • If the Year-to-Date profit & loss statements reflects a downward income trend the lower • May be either audited or unaudited. CPA prepared, or borrower prepared is acceptable. • YTD P&L is required for current year to date if Note date is on or after April 30th. • YTD P&L may be omitted if the following criteria are met: <ul style="list-style-type: none"> • Two (2) years tax returns are provided, and no declining income is present. • If Note date is after April 15th, P&L may only be omitted if most recent tax year return is filed. If extension is filed, then YTD P&L for prior year is required and depending on Note date, current YTD P&L may also be required. • Secondary Self-Employment Income: <ul style="list-style-type: none"> • Follow FNMA Seller Guide or DU Findings • Income from Self-Employed Co-Borrower: <ul style="list-style-type: none"> • When co-borrower income is derived from self-employment is not being used for qualifying purposes, the lender is not required to document or evaluate the co-client's self-employment income. • Co-borrower self-employment losses reporting on 1040 tax transcripts greater than 5% of borrowers total qualifying income must be deducted from qualifying income. Additional self-employment documentation is not required.
	Self - Employment Requirements
	Follow FNMA Seller Guide or DU Findings for the following income types:
	<ul style="list-style-type: none"> • Corporation • Partnership/S-Corporation • Sole Proprietorship (Includes Schedule C and Schedule F)

Aspire Expanded Underwriting Guidelines	
Alternative Income Documentation Requirements	Refer to the Alternative Documentation Matrix for LTV/CLTV requirements
	Alternative Income Methods
	DU Findings are not allowed for Alt Doc, full manual underwrite required
	1099 Only
	<ul style="list-style-type: none"> Allowed for borrowers that are independent contractors or earning 100% commission <ul style="list-style-type: none"> 1 or 2 year of 1099s required (1099 transcripts are acceptable) Minimum 2-year self-employment history is required Qualify the borrower with 12- or 24-month average from the total of 1099s minus the expense factor Expense factor of 10% must be applied or a CPA/Third Party Profit and Loss can be used to establish the expenses (no borrower prepared Profit and Loss is allowed) Year to date earnings must be documented if 90 days or more have passed since most recent 1099. YTD must be within 10% or greater than earnings used for qualification. (examples to document include, earnings register from employer, WVOE, bank statements or recent checks that support YTD earnings)
	Asset Depletion – Alternative Documentation
	<ul style="list-style-type: none"> Eligible assets must be held in a US account Asset statements used cannot be used in any other income source Assets are to be seasoned 6 months to use in calculation Maximum LTV/CLTV/HCLTV is 80% Calculation is the “Eligible assets / 84 months = Qualifying Income” <p>Eligible Assets:</p> <ul style="list-style-type: none"> 100% of checking, savings, and money market accounts 80% of the remaining value of stocks & bonds 70% of retirement assets (Borrowers younger than 59 ½ use 60%) Trust assets eligible if funds are held in revocable trust, borrower is trustee If the funds are held in an irrevocable trust, the borrower is the beneficiary and the borrower has immediate access to the assets of the trust. Trust funds must meet eligible asset requirements

Aspire Expanded Underwriting Guidelines	
Alternative Income Documentation Requirements	Asset Utilization – Alternative Documentation
	<p>Eligibility is based entirely on the applicant's assets that are liquid or can be liquidated without restriction.</p> <ul style="list-style-type: none"> • No income or employment verification is required. • No Supplemental income • Debt-to-Income (DTI) ratio is not calculated under this program. • Funds required to close must be properly documented in accordance with standard guideline requirements. <p>Eligible Assets:</p> <ul style="list-style-type: none"> • 100% of checking, savings, and money market accounts • 80% of the remaining value of stocks & bonds • 70% of retirement assets (Borrowers younger than 59 ½ use 60%) • Trust assets eligible if funds are held in revocable trust, borrower is trustee • If the funds are held in an irrevocable trust, the borrower is the beneficiary and the borrower has immediate access to the assets of the trust. • Trust funds must meet eligible asset requirements <p>Calculation: Total post-closing assets must be the greater of either of the following, whichever is greater:</p> <ul style="list-style-type: none"> • 150% of all personally liable mortgage balances, including the subject property. • \$1,000,000 in post-closing assets.
	Bank Statement Alternative Documentation Personal / Business General Requirements
	<ul style="list-style-type: none"> • When reviewing the Bank Statements, ensure the borrower's percentage of ownership is verified within the closed loan file. Acceptable forms to document the borrower's self-employment: <ul style="list-style-type: none"> • Business license • Signed written statements from a CPA or Third-Party Tax Preparer • Partnership Agreement • Business Certificate filed with a governmental agency

Aspire Expanded Underwriting Guidelines

Alternative Income Documentation Requirements

- EPM requires a Business Narrative for the Bank Statement Program. This assists the underwriter to review the reasonableness of the expenses by the borrower. The business narrative should include details related to the size/scope of business, including:
 - Detailed explanation of the business/business profile
 - Where is business located and any associated obligations (ie; mortgages/rent)
 - Number of employees, full time/part time or contractors
 - Does business involve sales of goods or just services? If goods, provide estimated costs of goods and types of goods sold.
 - Any large trucks or materials or equipment
 - Any other details that would assist in the analysis of business to tie to expenses

The following requirements apply to both Personal and Business Bank statement documentation types:

Personal History

- Borrowers must have two years history of self-employment.
 - The borrower's business is required to be in existence for the past two (2) years.
- Ensure third party evidence of the business is in existence and in good standing is provided within the closed loan file.
- All parties listed on a personal bank account that is included in qualifying income, must be included as borrowers on the application.
- Statements must be consecutive and reflect the most recent months available.
- The statements should always support stable and generally predictable deposits; large and unusual deposits must be sourced and addressed, if not able to be sourced, they will be excluded.
- Any decline in earnings should be properly evaluated as that can result in a loan being declined.
- If the bank statements support consistent withdrawals greater than deposits, that will be considered declining cashflow/income.
- All bank statement files must meet EPM's policy on Non-Sufficient Funds (NSF)..
- ***Bank statements reflecting Non-Sufficient Funds (NSF) checks and overdraft protection transfers may indicate cash flow problems and each event or occurrence must be considered. In all cases, their financial strength of the self-employed borrower's business must be satisfactory.***
 - NSFs should be covered with deposits shortly after they are incurred.
 - NSFs require an acceptable letter of explanation from the borrower to evaluate that they are not due to financial mishandling and/or indicative of insufficient income.
 - The following tolerance for NSFs and overdrafts is allowed:
 - o No occurrences in the most recent three (3) months
 - o Each NSF is considered an occurrence (i.e. there may be multiple NSFs in each month that must be counted toward the cumulative total)
 - o More than three (3) NSF occurrences in personal or business accounts within the past 12 months will be deemed frequent and require an underwriter's letter of explanation in the file. The underwriter will evaluate the pattern, timing, any corrective actions, and the nature of the borrower's business to determine potential impact on ATR.

Aspire Expanded Underwriting Guidelines

Alternative Income Documentation Requirements

The NSF occurrences may only be excluded from the tolerances above if one of the following is met:

- Overdraft protection from another depository account (a personal account must be used when using personal bank statements and a business account must be used when using business bank statements) when the statements for the linked account confirm all of the following:
 - o The account balance at the time of the transfer exceeded the amount of the overdraft transfer.
 - o The accounts balance did not report as zero or negative at any point during the statement period of transfer.
 - o The account did not itself receive overdraft protection proceeds during the statement period of the transfer.
- Overdraft protection from a business line of credit (a personal line of credit cannot be used for overdraft protection) when the statements for the linked account confirm that the lines credit limit was not exceeded during the statement period of transfer.
- Transfers should also be excluded unless it is a wire transfer in from another company for services rendered.
- EPM will allow the use of other sources of income used together with the Bank Statement program including W-2 income, or fixed income such as Social Security Benefits. Follow FNMA seller guide for additional independent income sources.
 - Supplemental income cannot exceed 50% of the total qualifying income for the borrower.
 - Co-borrower wage earner income coming from self-employed borrower business is not allowed.
- Signed and dated 3rd party P&L covering the same dates as the bank statements from a CPA or a Third-Party Tax Preparer. **UNLESS** the fixed expense ratio is used for qualifying as listed in Business Bank Statement section. (Expense factor can never be less than 25%)
- Verification of Deposits and/or DU/ vendors statements are ineligible for income qualification. **1003 Initial Disclosed Income:**
 - Income disclosed on the initial signed application should be reviewed. If income calculated is significantly higher than income stated on the 1003, the underwriter should request an explanation from the borrower to determine acceptability of the income.
- Rental Income:**
 - Borrowers utilizing the bank statement program with rental income from investment properties not associated with a business, may do so as long as they provide a current active lease, proof of payments for the most recent 12 or 24 months (to match the bank statements used). Qualifying income will be gross rents x75%.

Personal Bank Statement Documentation Requirements:

Personal Bank Statement Documentation Requirements:

- 12 or 24 months complete personal bank statements. (Multiple accounts are acceptable)
 - The bank statements must be dated within thirty (30) days of the application: and three (3) months business bank statements (used to support that the borrower maintains a separate business account).

Aspire Expanded Underwriting Guidelines	
Alternative Income Documentation Requirements	<ul style="list-style-type: none"> • If business bank statements cannot be provided, then the personal bank statements must be used solely for business use and must be documented using “business bank statements documentation requirements.” • Transaction histories are not acceptable • Initial URLA/1003 income must be disclosed - Income disclosed on the initial signed application should be reviewed. <ul style="list-style-type: none"> • If income calculated is significantly higher than income stated on the 1003, the underwriter should request an explanation from the borrower to determine acceptability of the income. • EPM Business Narrative prepared by borrower explaining at minimum the nature of the business, operations and must include the number of Full-Time employees and or contractors. • Bank statements reflecting other individuals who are not applicants on the loan are not eligible. <p>The following apply when analyzing personal bank statements:</p> <ul style="list-style-type: none"> • 100% of personal bank account deposits. • Large deposits (defined as 50% of qualifying monthly income) must be sourced. • Transfers will be excluded unless they are from a documented business account. • Qualifying income will be the total net deposits divided by 12/24 months- (If no business bank statements provided, this will result in a reduction by applicable expense ratio below)
	Business Bank Statement Documentation Requirements
	<p>Business Bank Statement Documentation Requirements:</p> <ul style="list-style-type: none"> • Twelve (12) or twenty-four (24) months of complete business bank statements from the same account. (If an account has been moved to a different Bank and is shown to be one and the same, that will be acceptable). • Co-mingling of multiple accounts to generate a full 12 or 24 months is not permitted. • Each loan requires a CPA or borrower prepared and signed EPM Business Narrative that includes at minimum details related to the description, nature, size (full-time employees and or contractors) and scope of the business. The underwriter will evaluate the reasonableness of the expenses listed by the borrower. Initial 1003 with monthly income disclosed (Signed). • A 3rd Party Tax Preparer or CPA prepared P&L that covers the same time frame as the bank statements, is required UNLESS the fixed expense ratio is used for qualifying as listed below. (Expense factor can never be less than 25%) <p>The following apply when analyzing business bank statements:</p> <ul style="list-style-type: none"> • Reasonable and Customary Eligible Business Expenses from personal bank accounts: • Personal bank accounts that are addressed to a DBA. • Personal bank accounts that can evidence use for business expenses.

Aspire Expanded Underwriting Guidelines	
Alternative Income Documentation Requirements	<ul style="list-style-type: none"> • Wire transfers from other accounts must be either documented or excluded. • Declining balances will require an LOE. • Transaction histories are not acceptable. • Borrower must be at least 25% owner of the business. If multiple owners, then the income used will be based on ownership percentage(s). • Third-Party verification of business existence. • Business Bank Statements must be consecutive and from the most recent period. <p>Qualifying Income will be determined based on one of the following calculations below:</p> <ul style="list-style-type: none"> • Percentage of Gross deposits as calculated using a fixed expense ratio factor of 50% or expense ratio provided by a CPA/Third Party Tax Preparer --OR-- • Percentage of Gross deposits as calculated using a fixed expense ratio factor as provided by a CPA/Third Party Tax Preparer. CPA/licensed tax preparer must attest that they have audited the business financial statements or reviewed working papers provided by the borrower. CPA/licensed tax preparer must attest that they are not related to the borrower or associated with the borrower's business. (Expense factor can never be less than 25%)
Multiple Financed Properties	<ul style="list-style-type: none"> • The borrower(s) may own a total of ten (10) financed, 1-4 unit residential properties including the subject property and regardless of the occupancy type of the subject property. <ul style="list-style-type: none"> • If the borrower owns up to four (4) financed properties: <ul style="list-style-type: none"> o Max financing for the subject transaction is allowed o Additional financed 1-4 unit residential properties require two (2) months reserves for each property • If the borrower owns between five (5) and ten (10) financed properties: <ul style="list-style-type: none"> o The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two) o Subject property requires the greater of six (6) months reserves or required reserves per guidelines as indicated in the Asset Section of this guide o Additional financed 1-4 unit residential properties require six (6) months reserves for each property • The borrower may own an unlimited number of financed 1-4 unit residential properties when the subject transaction is a primary residence with the following requirements met: <ul style="list-style-type: none"> • The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two). • Additional financed 1-4 unit residential properties require six (6) months reserves for each property. • 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage. • Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation.

Aspire Expanded Underwriting Guidelines	
Properties Listed For Sale	<ul style="list-style-type: none"> • Properties currently listed for sale (at the time of application) are not eligible. • Properties listed for sale within six (6) months of the application date are not acceptable for refinance transactions. • Cash-out refinances are not eligible if the property was listed for sale within twelve (12) months of the application date.
Eligible Properties	<ul style="list-style-type: none"> • 1-4 Unit Owner Occupied Properties • 1 Unit Second Homes • 1-4 Unit Investment Properties • Condominiums – Attached – Warrantable-- Follow Fannie Mae Condo Warrantability requirements. <ul style="list-style-type: none"> • Limited review allowed for attached units in established condominium projects: <ul style="list-style-type: none"> o Eligible transactions as per Fannie Mae guidelines. o Projects located in Florida are not eligible for limited review. • CPM or PERS allowed • Florida attached condominiums limited to 50% LTV/CLTV/HCLTV on investment transactions. • Condominium documents to support condominium eligibility review must be no older than 120 days from Note date. • Condominiums – Non-Warrantable (see Non-Warrantable Condominiums section below) • Modular homes • Planned Unit Developments (PUDs) • Properties with ≤20 Acres <ul style="list-style-type: none"> • Properties >10 acres ≤20 acres must meet the following: <ul style="list-style-type: none"> o No income producing attributes. o Maximum LTV/CLTV/HCLTV is 80% • Properties Subject to Existing Oil/Gas Leases must meet the following: <ul style="list-style-type: none"> • Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease. • No active drilling. Appraiser to comment or current survey to show no active drilling. • No lease recorded after the home construction date. Re-recording of a lease after the home was constructed is permitted. • Must be connected to public water. <p>NOTE: Properties that fall outside these parameters may be considered on an exception basis.</p> <p>Miscellaneous:</p> <ul style="list-style-type: none"> • Properties with leased solar panels must meet Fannie Mae requirements. <p>Acceptable Forms of Ownership:</p> <ul style="list-style-type: none"> • Fee Simple with title vesting as: <ul style="list-style-type: none"> • Individual • Joint Tenants • Tenants in Common • Leaseholds must meet Fannie Mae requirements. • Deed/Resale Restrictions must meet Fannie Mae requirements.

Aspire Expanded Underwriting Guidelines

Non-Warrantable Condominiums

Only two (2) non-warrantable features are allowed and LTV/CLTV must be 5% below product/program maximum for a purchase or refinance

For example, if borrower qualifies for a loan at 80% LTV based on transaction, FICO score, loan amount and reserves, then the maximum allowed would be 75%:

- **Maximum LTV/CLTV/HCLTV is 80%**
- **Commercial Space** - Commercial space includes space above and below grade. Commercial space must be compatible with the residential use of the project. For example, restaurants, small shops, business offices, small market/grocery store that complement the neighborhood.
 - Maximum 50% commercial space allowed.
- **Maximum ownership by one (1) entity** is 35% for projects with more than ten (10) units.
 - Units owned by the developer, sponsor, or succeeding developer that are vacant and being actively marketed for sale are not included in the calculation.
 - Units currently leased must be included in the calculation.
 - For projects with ten (10) units or less, Fannie Mae guidelines apply for the number of units owned by one (1) entity and would not be considered non-warrantable.
- **Presale** - New projects or converted projects (as defined by Fannie Mae) must have at least 30% of the units sold or under contract to owner occupants or second home purchasers for the subject phase; common areas/amenities must be complete for the subject phase.
- **Budget** – for projects with line item for replacement reserves of less than 10%
 - Less than 10% but greater than 7% replacement reserves allowed if current reserve balance exceeds 10% of operating expenses
 - Less than 7% replacement reserves allowed if current reserve balance exceeds 20% operating expenses
 - Project balance sheet must be provided and within 120 days of the Note date.
- **Investor Concentration**- For investment property transactions in established projects at least 50% of the total units in the project must be conveyed to primary residence or second home purchasers. This requirement does not apply if the subject mortgage is for a principal residence or second home. Exceptions allowed case by case to this percentage.

The subject legal phase and any other prior legal phases in which units have been offered for sale are substantially complete (common elements complete and units complete subject to selection of buyer upgrades/preference items).

- All other Fannie Mae condo requirements met
- Loan must be locked as a non-warrantable condominium with applicable pricing adjustments applied.

Loans outside of these parameters with strong compensating factors may be considered on an exception basis.

Aspire Expanded Underwriting Guidelines

Non-Warrantable Condotels	<p>Condotel Projects - LTV/CLTV must be 10% below product/program maximum. <i>For example, if borrower qualifies for a loan at 80% LTV based on FICO score, loan amount and reserves, then the maximum allowed would be 70%:</i></p> <p>Maximum loan amount is \$1,500,000</p> <p>Maximum LTV/CLTV/HCLTV is 80%</p> <ul style="list-style-type: none"> • Rental income may not be used for qualifying • If subject unit appears on Schedule E of the borrower's tax returns, there must be a minimum of thirty (30) days the unit is used for personal use • No fractional ownership allowed in the project • Subject unit must not be subject to a mandatory rental pool; it must be for the borrower's exclusive use and enjoyment • Project must have no more than 50% investor concentration • Commercial space limited to 50% <ul style="list-style-type: none"> • Commercial space does not need to include square footage from parking garage • Commercial space including the units that are part of a rental pool, max 75% commercial space • Minimum square footage of 500 square feet and unit must have a fully functioning kitchen • Housekeeping, front desk, card key access and daily rentals allowed • When there is a membership included as part of the purchase, the membership dues must be included in the qualifying DTI. Membership dues can be for public or private and include dues for common area, golf course, pool and club house maintenance. • Primary residence and second homes only • Appraisal must include similar condotel comps • All other Fannie Mae condominium requirements met. • Loan must be locked as a condotel with applicable pricing hits applied.
Ineligible Properties	<ul style="list-style-type: none"> • 2-4 unit second home properties • Co-Ops • Manufactured Homes/Mobile Homes • Mixed-use properties • Model Home Leasebacks • Properties with condition rating of C5/C6 • Properties with construction rating of Q6 • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained • Properties >20 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties

Aspire Expanded Underwriting Guidelines	
Non-Arm's Length Transactions	<p>A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party.</p> <p>The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> • Family sales or transfers • Property seller acting as their own real estate agent • Relative of the property seller acting as the seller's real estate agent • Borrower acting as their own real estate agent • Relative of the borrower acting as the borrower's real estate agent • Borrower is the employee of the originating lender, and the lender has an established employee loan program. Evidence of employee program to be included in loan file. • Originator is related to the borrower • Originator is a current subsidiary of the builder • Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord). <p>Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity.</p> <p>Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations.</p> <p>Investment property transactions must be arm's length. Other non-arm's length transactions may be acceptable on an exception basis.</p>
Disaster Policy	<ul style="list-style-type: none"> • See Eligibility Supplement for requirements.
Escrow Holdbacks	<ul style="list-style-type: none"> • Not allowed
Appraisal Requirements	<ul style="list-style-type: none"> • Transferred Appraisals allowed with the following requirements: <ul style="list-style-type: none"> • Copy of appraiser's license • Copy of appraiser's E&O insurance declaration page • AIR Certification from the appraisal management company who facilitated the order • Assignment letter from previous lender • Appraisals must be completed for the subject transaction. Use of a prior appraisal, regardless of the date of the prior appraisal, is not allowed. • Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged but less than 180 days aged from Note. <ul style="list-style-type: none"> • The appraiser must inspect the exterior of the property and provide a photo. • Appraiser must review current market data to determine whether the property as declined in value since the date of original appraisal. If the value has declined since original appraisal, a new full appraisal is required. • The appraisal Update (1004D) must be dated within 120 days of the Note date. • Investment properties must contain a rent comparable schedule.

Aspire Expanded Underwriting Guidelines

Appraisal Requirements

Collateral Underwriter (CU) score in lieu of a CDA or CCA.

- The use of the Collateral Underwriter (CU) score in lieu of a CDA is allowed with the following requirements:
 - UCDP SSR included in loan file with a Fannie CU score of 2.5 or less
 - **Note:** *(CU score cannot be used if a CDA or CCA has been pulled and value is not supported within 10% tolerance, further value support is required by either a Value Reconciliation from Clear Capital, Field Review, or 2nd full appraisal)*
- Collateral Desktop Analysis (CDA) ordered from Clear Capital, or a Consolidated Collateral Analysis (CCA) ordered from Consolidated Analytics is required to support the value of the appraisal. The Seller is responsible for ordering the CDA.
 - If the CDA or CCA returns a value that is “Indeterminate” or if the CDA or CCA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met:
 - A Clear Capital BPO or Consolidated Analytics BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation or a Consolidated Analytics Value Reconciliation (of Three Reports) is required.
 - The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital or Consolidated Analytics.
 - A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal.
 - If two (2) full appraisals are provided, a CDA is not required.
- For properties purchased by the seller of the property within 90 days of the fully executed purchase contract the following requirements apply:
 - Second full appraisal is required.
 - Property seller on the purchase contract is the owner of record.
 - Increases in value should be documented with commentary from the appraiser and recent paired sales.

The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed-in lieu.
- Higher-Priced Mortgage Loans (HPML)
 - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt.
 - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 20% then a second full appraisal is required. Bank owned properties are not exempt.

If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals.

Aspire Expanded Underwriting Guidelines

Appraisal Requirements

Appraisal requirements based on loan amount:	
First Lien Amount	Appraisal Requirements
≤\$2,000,000	1 Full Appraisal
> \$2,000,000	2 Full Appraisals

- When two (2) appraisals are required, the following applies:
 - Appraisals must be completed by two (2) independent companies.
 - The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion.
 - Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled.
 - If the two appraisals are done “subject to” and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon.