



SmartEdge Product Summary: Correspondent

ELIGIBILITY MATRIX				
Transaction Type	Units	Loan Amount	Credit Score	LTV/CLTV ¹²
Primary Residence				
Purchase	1-4	\$1,500,000	720	90%
Purchase Rate & Term Refi	1-4	\$3,000,000	740	75%
		\$2,000,000	700	80%
		\$1,500,000	700	85%
		\$1,000,000	660	80%
Cash out Refi	1-4	\$2,000,000	720	80%
		\$1,500,000	700	80%
		\$1,000,000	680	75%
		\$1,000,000	660	70%
¹ Condotels <ul style="list-style-type: none"> Cash out Refi: Maximum 75% LTV/CLTV or the maximum based on loan amount ² Cooperatives – Non Delegated Only <ul style="list-style-type: none"> Maximum LTV/CLTV 70% 				

ELIGIBILITY MATRIX				
Transaction Type	Units	Loan Amount	Credit Score	LTV/CLTV ¹²
Second Home				
Purchase Rate & Term Refi	1-2	\$2,000,000	740	80%
		\$1,500,000	720	80%
		\$1,000,000	680	75%
		\$1,000,000	660	70%
Cash out Refi	1	\$1,500,000	740	80%
		\$1,000,000	720	80%
		\$1,000,000	700	75%
		\$1,000,000	680	70%
¹ Condotels <ul style="list-style-type: none"> Maximum 75% LTV/CLTV for cash out refi or the maximum based on loan amount ² Cooperative – Non-Delegated Only				

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- Maximum LTV/CLTV 70%

The following are not permitted

- First time homebuyers
- Non-permanent residents

ELIGIBILITY MATRIX				
Transaction Type	Units	Loan Amount	Credit Score	LTV/CLTV ¹
Investment Property				
Purchase Rate & Term Refi	1-4	\$2,000,000	740	70%
		\$1,500,000	720	80%
		\$1,000,000	720	85%
		\$1,000,000	660	75%
Cash out Refi	1-4	\$1,500,000	720	65%
		\$1,000,000	720	75%
		\$1,000,000	700	70%
		\$1,000,000	680	65%

¹Condotels

Maximum 75% LTV/CLTV for cash out refi or the maximum based on loan amount

Not permitted

- First time homebuyers
- Non-permanent residents

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ASSET QUALIFIER ELIGIBILITY MATRIX				
Transaction Type	Units	Loan Amount	Credit Score	LTV ¹
Primary Residence				
Purchase Rate & Term Refi	1-4	\$2,000,000	700	80%
Second Home				
Purchase Rate & Term Refi	1	\$2,000,000	720	80%
¹ Cooperative – Non-Delegated Only <ul style="list-style-type: none"> • Maximum LTV/CLTV 70% <p>The following are not permitted on second homes</p> <ul style="list-style-type: none"> • First time homebuyers • Non-permanent residents 				

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Product Highlights									
1. Product Description	<p>The SmartEdge Product is designed for strong credit quality borrowers seeking flexible financing options. Borrower may have had a credit event or other isolated lapse in their credit performance that may preclude qualification for another program. Credit events include, without limitation, bankruptcy, foreclosure, short sale, or any other isolated instance of breach in an otherwise acceptable credit pattern. Other isolated lapses in credit performance would be characterized as a period of slow payments on their credit report, such as 30-day delinquencies resulting from isolated circumstances.</p> <p>All borrowers must exhibit an acceptable recent credit history (as defined within this product profiles) and provide a written explanation for derogatory credit events. Multiple credit events that are not a result of the same cause are not permitted. (Ex: borrower who filed bankruptcy on multiple occasions).</p> <p>Asset Qualifier is for high-net-worth borrowers who may choose to use their assets for qualification rather than using their income to qualify for the mortgage.</p>								
2. Loan Terms	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period • 40-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 30-year amortization period 								
3. Loan Products	<table border="1"> <thead> <tr> <th>Product</th> <th>Product Description</th> </tr> </thead> <tbody> <tr> <td>1499</td> <td>Smart Edge 30 Yr Fixed</td> </tr> <tr> <td>1590</td> <td>Smart Edge 30 Yr Fixed IO</td> </tr> <tr> <td>2034</td> <td>Smart Edge 40 Yr Fixed IO</td> </tr> </tbody> </table>	Product	Product Description	1499	Smart Edge 30 Yr Fixed	1590	Smart Edge 30 Yr Fixed IO	2034	Smart Edge 40 Yr Fixed IO
Product	Product Description								
1499	Smart Edge 30 Yr Fixed								
1590	Smart Edge 30 Yr Fixed IO								
2034	Smart Edge 40 Yr Fixed IO								
4. Prepayment Penalty	Not permitted								
5. Employment/Income	Employment and income are not disclosed for Asset Qualifier								

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<p>6. Temporary Buydown</p>	<p>Permitted for the following</p> <ul style="list-style-type: none"> • Purchase transactions • Primary residence or second homes <p>Not permitted with the following</p> <ul style="list-style-type: none"> • Investment properties • Refinance transactions • Interest Only Products <p>Eligible Buydown Plans</p> <ul style="list-style-type: none"> • 1-0: payment will be calculated at 1.00% below the Note rate for payments 1-12 • 1-1: payment will be calculated at 1.00% below the Note rate for the first two years • 2-1: payment will be calculated at 2.00% below the Note rate for payment 1-12 and 1.00% below the Note rate for months 13-24 • 3-2-1: payment will be calculated at 3.00% below the Note rate for payments 1-12, 2.00% below the Note rate for months 13-24 and 1.00% below the Note rate for months 25-36
<p>7. Required Disclosures</p>	<ul style="list-style-type: none"> • <u>Notice to Borrower: Ability to Repay Disclosure</u> signed by the borrowers • Ability to Repay (ATR) Certification completed by underwriter • <u>Borrower’s Affirmation of Information Provided to Establish Ability to Repay (ATR)</u> signed by the borrower • Asset Qualifier requires a letter of explanation from the borrower certifying their intent to liquidate the assets to pay current expenses
<p>8. Minimum Loan Amount</p>	<p>Minimum loan amount is \$100,000</p>
<p>9. Maximum Cash Out</p>	<ul style="list-style-type: none"> • Maximum cash out <ul style="list-style-type: none"> ○ LTV ≤ 60%: \$750,000 ○ LTV > 60%: \$500,000 • Maximum cash out amount is: <ul style="list-style-type: none"> ○ Determined by the amount of cash out reflected on the Final Closing Disclosure (after any debt payoff)

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	<ul style="list-style-type: none"> ○ Cumulative for all properties being simultaneously financed with Newrez, not each individual loan ● For cash out refinance transactions, the amount of cash out proceeds from any Smart Series cash out refinance loans within 6 months of the note date must be included in the cumulative cash out limitation ● Cash out is not permitted for Asset Qualifier
10. Underwriting	<ul style="list-style-type: none"> ● Non-Delegated Clients: <ul style="list-style-type: none"> ○ All loans must be underwritten by Newrez ○ Loans must be submitted to LoanScoreCard or to LoanNEX for approved clients ● Delegated Clients: <ul style="list-style-type: none"> ○ Delegated Clients must be approved by Newrez. Contact your Regional Sales Manager ● Loan must be submitted to DU/LPA but loan must be manually underwritten and documented according to the Smart Series Underwriting Guidelines. DU/LPA documentation level cannot be followed. ● If receiving an Approve/Eligible or Accept, seller must document, and file must support the reason for a Non-QM Product being selected and must be manually underwritten per standard policy ● Submission to DU is not required for the following: <ul style="list-style-type: none"> ○ Asset Qualifier ○ Interest Only loans
11. Qualifying Rate	<ul style="list-style-type: none"> ● Fixed Rate: Note rate ● Interest Only Fixed Rate : Greater of the Fully Indexed rate or the Note rate based on the remaining loan term after the Interest Only period has expired
12. Qualifying Ratios	<ul style="list-style-type: none"> ● Maximum 50% DTI <ul style="list-style-type: none"> ○ If the DTI is > 43%, residual income requirements must be met ○ If the DTI is > 45%, residual income and three months reserves are required in addition to product requirement ● Asset Qualifier: No DTI

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13. Types of Financing	<ul style="list-style-type: none"> • Purchase Mortgage • Rate & Term Refi (Limited Cash out Refi) • Cash out Refi
14. Incidental Cash Back	<ul style="list-style-type: none"> • Cash out amount on a rate and term refinance not to exceed the lesser of \$2,000 or 2% of the loan amount • Texas homestead properties with a lien subject to 50(a)(6) may not receive any (\$0) cash back at closing unless in a Texas 50(a)(6) program
15. Texas Owner-Occupied Properties	<ul style="list-style-type: none"> • Owner occupied properties with a first mortgage or second lien subject to Texas Section 50(a)(6) is not permitted • A copy of the current mortgage or note is required to determine if the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)
16. Properties Listed for Sale	<p>Rate and Term Refi</p> <ul style="list-style-type: none"> • Subject property must not be currently listed for sale • If listed for sale, must be taken off the market prior to the Note date <p>Cash out Refi</p> <ul style="list-style-type: none"> • Properties listed for sale in the six months prior to the Note date are limited to the lesser of 70% LTV/CLTV or product requirements • Properties must be taken off the market prior to the Note date
17. Eligible Subordinate Financing	<ul style="list-style-type: none"> • Existing subordinate financing • New subordinate financing
18. Ineligible Subordinate Financing	<p>Subordinate financing is not permitted for the following</p> <ul style="list-style-type: none"> • Asset Qualifier • Condotels • When gift funds are used
19. Occupancy	<ul style="list-style-type: none"> • Primary residences • Second homes <ul style="list-style-type: none"> ○ 2-unit second homes

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	<ul style="list-style-type: none"> ▪ Purchase and Rate & Term Refi only ▪ Permitted when one unit is available for the borrower’s exclusive use; no rental or time-sharing arrangements of the borrower’s exclusive unit ▪ Must be suitable for year-round use ▪ Must be a reasonable distance from borrower’s current owner-occupied property <ul style="list-style-type: none"> ○ 2-unit second homes are not permitted for Asset Qualifier • Investment properties <ul style="list-style-type: none"> ○ Borrowers living rent free (who are not first time homebuyers) are not eligible for cash out on an investment property ○ Investment properties are not permitted for Asset Qualifier
<p>20. Eligible Property Types</p>	<ul style="list-style-type: none"> • 1-4 units • Condos <ul style="list-style-type: none"> ○ Warrantable and non-warrantable condos permitted ○ Must be reviewed by PRD • Condotels • Cooperative (Co-op) – Non-Delegated Clients ONLY <ul style="list-style-type: none"> ○ New York – 5 Boroughs (Bronx, Brooklyn, Manhattan, Queens, Staten Island) ○ Must be reviewed by Project Review Department • Leasehold estates • Modular home • PUDs
<p>21. Ineligible Property Types</p>	<ul style="list-style-type: none"> • Co-ops – Investment Properties • Factory built homes • Manufactured housing • More than 20 acres • Properties with a C5 and C6 condition rating • Unique properties (e.g., log homes, berm homes, dome homes)
<p>22. State Restrictions</p>	<p>Connecticut</p> <ul style="list-style-type: none"> ○ When the loan is an HPML primary residence refinance transaction with a loan amount ≤ \$417,000, homeownership counseling from an independent third-party

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	<p>nonprofit organization approved by the HUD is required when refinancing a Special Mortgage, defined as an FHA, VA, USDA loan, or a bond loan provided by a Housing Finance Agency</p> <p>New York</p> <p>Loans meeting the definition of NY Subprime are not eligible</p>
23. Eligible Borrowers	<ul style="list-style-type: none"> • U.S. citizens • Permanent resident • Non-permanent resident • Inter vivos revocable trust
24. First Time Homebuyer (FTHB)	<p>A first time homebuyer is a borrower who has had no ownership interest (sole or joint) in a residential property during the three-year period prior to application. If one borrower meets homeownership requirements, FTHB requirement do not apply</p> <ul style="list-style-type: none"> • Primary residence only • Maximum loan amount of \$1,500,000 • Must have a 0x30x12 consecutive housing payment history • Borrowers living rent free for more than two months but no more than 12 months prior to the application date are permitted if: <ul style="list-style-type: none"> ○ The borrower has a 12-month payment history within the last three years ○ A letter of explanation confirming the borrower is living rent free with a relative and has no monthly rent (LOE signed by borrower and relative) ○ Purchase transaction ○ Primary residence ○ Maximum 43% DTI ○ Additional three months reserves ○ Residual income requirements must be met, regardless of DTI ratio
25. Non-Occupant Co Borrower	<p>Non-occupant co-borrowers may be eligible subject to the following:</p> <ul style="list-style-type: none"> • 1-unit • 5% reduction in maximum LTV • Occupying borrower must contribute to qualifying income • Must be an immediate relative

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	<p>Non-occupant co-borrower income is not permitted for the following:</p> <ul style="list-style-type: none"> • Asset Qualifier • Cash out refinance 												
26. Housing Payment History	<ul style="list-style-type: none"> • Housing Payment History <ul style="list-style-type: none"> ○ 1x30x12 permitted except for the following, which requires 0x30x12 <ul style="list-style-type: none"> ▪ Asset Qualifier ▪ Borrower has had any previously modified mortgage within the past 24 months ▪ First time homebuyer ▪ Non-warrantable condos ○ 12 months may include a combination of mortgage and/or rental payment history to meet housing payment history requirements, if applicable ○ See First Time Homebuyer • Applies to all mortgages on all financed properties • Inclusive of all liens regardless of position 												
27. Significant Derogatory Credit	<p>Bankruptcy/Foreclosure/Short Sale/DIL/Pre-foreclosure /Mortgage Charge-off/Notice of Default/Delinquency of 120 days</p> <ul style="list-style-type: none"> • ≥ 4 years from discharge or dismissal date • ≥ 2 years and < 4 years from discharge or dismissal date <ul style="list-style-type: none"> ○ 0x30x12 housing payment history <p>SmartEdge Asset Qualifier</p> <ul style="list-style-type: none"> • ≥ 5 years from discharge or dismissal date 												
28. Residual Income Table	<ul style="list-style-type: none"> • Residual income requirements must be met if DTI is > 43% • Residual income = Gross Qualifying Income - Monthly Debt 												
	Residual Income												
	<table border="1"> <thead> <tr> <th>Family Size</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Amount</td> <td>\$2,000</td> <td>\$2,500</td> <td>\$3,000</td> <td>\$3,300</td> <td>\$3,500</td> </tr> </tbody> </table>	Family Size	1	2	3	4	5	Amount	\$2,000	\$2,500	\$3,000	\$3,300	\$3,500
	Family Size	1	2	3	4	5							
	Amount	\$2,000	\$2,500	\$3,000	\$3,300	\$3,500							
<table border="1"> <tbody> <tr> <td>Over 5 Family Members</td> <td>Add \$150 for each additional family member up to a family of seven</td> </tr> </tbody> </table>	Over 5 Family Members	Add \$150 for each additional family member up to a family of seven											
Over 5 Family Members	Add \$150 for each additional family member up to a family of seven												
29. Residual Income	<ul style="list-style-type: none"> • Residual income requirements must be met if DTI is > 43% • Residual income = Gross Qualifying Income - Monthly Debt 												

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	<ul style="list-style-type: none"> When required, monthly residual income must meet or exceed the family size requirement in the Residual Income Table above See below for Asset Qualifier product 																
<p>30. Residual Income for Asset Qualifier</p>	<p>Residual Income Calculation for Asset Qualifier</p> <ul style="list-style-type: none"> Monthly Residual Income = Total Monthly Income – Total Monthly Debt Expenses Monthly residual income must meet or exceed the family size requirement in the Residual Income Table above <p>Total Usable Assets</p> <ul style="list-style-type: none"> Total Qualified Liquid Assets Minus the cash to close Divided by 60 months reserves on monthly debt expenditure <table border="1" data-bbox="462 919 1541 1299"> <thead> <tr> <th colspan="2" style="text-align: center;">Example</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Qualified Liquid Assets</td> <td>+ \$2,500,000</td> </tr> <tr> <td style="text-align: right;">Down Payment</td> <td>- \$ 150,000</td> </tr> <tr> <td style="text-align: right;">Closing Cost (cash to close)</td> <td>- \$ 20,000</td> </tr> <tr> <td style="text-align: right;">Usable Assets from above</td> <td>= \$2,330,000</td> </tr> <tr> <td style="text-align: right;">Usable Assets divided by 60</td> <td>= \$38,833.33</td> </tr> <tr> <td style="text-align: right;">Total Monthly Debt</td> <td>- \$ 7,000</td> </tr> <tr> <td style="text-align: right;">Residual Income</td> <td>= \$31,833.33</td> </tr> </tbody> </table>	Example		Qualified Liquid Assets	+ \$2,500,000	Down Payment	- \$ 150,000	Closing Cost (cash to close)	- \$ 20,000	Usable Assets from above	= \$2,330,000	Usable Assets divided by 60	= \$38,833.33	Total Monthly Debt	- \$ 7,000	Residual Income	= \$31,833.33
Example																	
Qualified Liquid Assets	+ \$2,500,000																
Down Payment	- \$ 150,000																
Closing Cost (cash to close)	- \$ 20,000																
Usable Assets from above	= \$2,330,000																
Usable Assets divided by 60	= \$38,833.33																
Total Monthly Debt	- \$ 7,000																
Residual Income	= \$31,833.33																
<p>31. Asset Qualifier</p>	<p>Asset Qualifier product allows eligible assets to be used in the determination of the Ability to Repay by performing a loan qualification calculation and a residual income calculation.</p> <p>Monthly Income Calculation</p> <ul style="list-style-type: none"> Total Monthly Income = Total Qualifying Assets - Cash to Close ÷ 60 months See Income Calculation Workbook <p>Bank Statement Requirements</p> <ul style="list-style-type: none"> The borrower’s personal bank account and funds must be sourced and seasoned for a minimum of six months. The following is required: 																

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	<ul style="list-style-type: none"> ○ Most recent bank statement(s) reflecting the ending balance of the bank account ○ A statement from the same accounts dated six months ago ● There is no limit to the number of bank accounts that can be provided to use for income ● Business bank statements are not permitted 	
	<p>Total Liquid Assets</p> <p>Must document assets to cover all of the following:</p> <p>Down payment, Closing cost and prepaids</p> <p>Cash proceeds from real estate sold prior to the subjects closing may be applied as an offset to the cash to close requirements on the subject’s transaction</p> <ul style="list-style-type: none"> ○ Five years (60 months) of monthly debt expenses ● Rents received may not be used to offset monthly mortgage payment for properties ● A minimum of \$500,000 “Net Assets” is required to cover the Total Liquid Assets 	
	<p>Monthly Debt Expenses</p> <p>Documentation is required to show the borrower has at minimum 60-months of their total monthly debts, including but not limited to:</p> <ul style="list-style-type: none"> ● Monthly debts reported on the credit report ● Monthly PITIA on the subject property ● Other real estate owned <ul style="list-style-type: none"> ○ Each additional property owned must qualify using the full PITIA ○ Rental income received is not eligible to be used to reduce, omit, and/or offset the payment ● Debts being paid off or paid down for qualifying purposes is not permitted 	
	Qualifying Assets	Percentage
Checking, savings, CDs	100%	
U.S. government receivables (T-bills, treasuries, etc.)	100%	
Publicly traded stocks, bonds, mutual funds (non-retirement)	85%	

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	Retirement accounts (401(k), IRA, 403(b): retirement age 59 ½)		
	Retirement account (401(k), IRA, 403(b)): not retirement age (must be fully vested)		50%
	<p>Ineligible Qualifying Assets</p> <ul style="list-style-type: none"> • 529 or similar college fund • Annuity • Business assets • Cash value of life insurance • Equity in real estate including current home • Funds held in foreign accounts or investments • Gift funds • Gift of equity • Irrevocable trust • Private securities or any non-publicly traded assets • Restricted stock units, stock options, non-vested stock • Sale of personal assets • Stocks and bonds not publicly traded • The following trusts <ul style="list-style-type: none"> ○ Blind trusts ○ Irrevocable trust ○ Land trusts ○ Life estates 		
32. Seller Contributions	Occupancy	LTV/CLTV	Max IPC
	Primary residence	≤ 75%	9%
	Second home	75.01% to 90%	6%
	Investment property	All LTV/CLTVs	3%
33. Reserves	Loan Amount	≤ \$1,000,000	3 months
		> \$1,000,000 & ≤ \$2,000,000	6 months

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	> \$2,000,000 & ≤ \$3,000,000	9 months
	Additional financed properties, including pending sales	Additional 2 months per financed property
	<ul style="list-style-type: none"> • Maximum required reserves is the lesser of total required or 15 months • The maximum 15 months reserves is based off of the subject property PITIA • Cash proceeds from the transaction may be used for reserves • Rate and Term Refinance transactions do not require reserves if the following are met: <ul style="list-style-type: none"> ○ Loan amount is ≤ \$1,500,000 ○ Primary residence or second home ○ Mortgage history is 0x30x12 on all mortgages <ul style="list-style-type: none"> ▪ Must have a full 12-month payment history making current housing payment ○ Subject property housing payment is decreasing ○ Borrowers who own additional real estate must have additional two months reserves ○ Borrower does not have a prior bankruptcy, foreclosure, short-sale, DIL, pre-foreclosure, or mortgage charge-off 	
34. IRS Form 4506-C	<ul style="list-style-type: none"> • A signed and dated 4506-C for all borrowers must be signed at application and closing • Not required for Asset Qualifier 	
35. Tax Transcripts	<p>The following is required to validate two years' income prior to closing:</p> <ul style="list-style-type: none"> • IRS Tax Return Transcripts (1040) and a Record of Account for each year individual income tax returns are provided <ul style="list-style-type: none"> ○ If the most recent years' 1040 transcripts is not available or is reported as "No Record Found," all of the following are required: <ul style="list-style-type: none"> • IRS stamped tax returns or proof of e-filing for the most recent year; and • The most recent previous two years' 1040 transcripts, and • Proof of payment of any tax due or receipt of refund for the most recent year • As an alternative, when only W-2 income is used to qualify, one or more of the following is required: <ul style="list-style-type: none"> ○ Validation of income through a third-party company (e.g., The Work Number (TWN); and /or 	

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	<ul style="list-style-type: none"> ○ W-2 transcripts: If the most recent years' W-2 transcripts is not available or is reported as "No Record Found" provided the prior two years' W-2 transcripts ● Tax Return and W-2 transcripts are not required for SmartEdge Asset Qualifier
<p>36. Multiple Financed Properties</p>	<ul style="list-style-type: none"> ● Borrower may own up to 15 financed properties, including the subject property <ul style="list-style-type: none"> ○ Non-warrantable condos: maximum 10 financed properties, including the subject property ● Borrower limited to eight loans with Newrez not to exceed \$3,000,000 in aggregate ● Borrower may own a maximum 10% of properties in a PUD or condo project with Newrez financing <ul style="list-style-type: none"> ○ For projects ≤ 10 total units, maximum one unit
<p>37. Appraisals</p>	<ul style="list-style-type: none"> ● Appraisal Requirements <ul style="list-style-type: none"> ○ ≤ \$1,500,000: One appraisal ○ > \$1,500,000: Two appraisals ○ A Single-Family Comparable Rent Schedule is required for investment property when rental income is used to qualify <p>Secondary Valuation Requirement:</p> <p>One of the following is required as a secondary valuation to the appraisal to support the value but is not used to determine the actual value:</p> <ul style="list-style-type: none"> ○ Collateral Desktop Analysis (CDA) from Clear Capital ○ Appraisal Risk Review (ARR) from Stewart Valuation Intelligence ○ Consolidated Collateral Analysis (CCA) from Consolidated Analytics <p>If any of these secondary valuations returns a value that is "Indeterminate" or lower than the appraised value and exceeds a 10% tolerance, a second full appraisal must be provided</p> <p>Two Appraisals Required</p> <ul style="list-style-type: none"> ● Appraisals must be completed by two independent companies but can be from the same AMC

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	<ul style="list-style-type: none"> The LTV will be determined by the lower of the two appraised values as long as the lower appraised appraisal supports the value conclusion Any inconsistencies between the two appraisal reports must be addressed and reconciled If the two appraisals are completed “subject to,” only one 1004D is required based on the appraisal being used to determine value A secondary valuation is not required <p>HPML Loans</p> <ul style="list-style-type: none"> Refer to the Smart Guide for second appraisal requirements 									
38. Declining or Soft Markets	<p>If the appraiser notes the market is soft or declining, a 5% reduction to the maximum LTV is required</p> <p>A market will be deemed “declining” if:</p> <ul style="list-style-type: none"> Appraiser indicates in Neighborhood Section that market is declining Appraiser indicates anywhere in comments that market is declining 									
39. Escrow Waivers	<table border="1"> <thead> <tr> <th>Primary Residence</th> <th>Second Home</th> <th>Investment Property</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Max LTV ≤ 80% <ul style="list-style-type: none"> CA LTV ≤ 90% NM LTV <80% </td> <td>Max LTV ≤ 80%</td> <td>Max LTV ≤ 80%</td> </tr> <tr> <td colspan="3">HPML loans require escrows to be held for a minimum of five years</td> </tr> </tbody> </table>	Primary Residence	Second Home	Investment Property	<ul style="list-style-type: none"> Max LTV ≤ 80% <ul style="list-style-type: none"> CA LTV ≤ 90% NM LTV <80% 	Max LTV ≤ 80%	Max LTV ≤ 80%	HPML loans require escrows to be held for a minimum of five years		
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HPML loans require escrows to be held for a minimum of five years										
40. Mortgage Insurance	Not required									

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41. Revision History		
Section	Update	Date
Non-Occupant Co-Borrower	Removed: <ul style="list-style-type: none"> Maximum 45% DTI based on all borrower's income 	01.18.2024 v24.1
Matrix	Expended eligibility grid	02.08.2024
Maximum Cash Out	Previous: <ul style="list-style-type: none"> For cash out refinance transaction the application date must be dated at least six months after the previous Note date of the last Smart Series cash out refinance loan with the company New: <ul style="list-style-type: none"> For cash out refinance transactions, the amount of cash out proceeds from any Smart Series cash out refinance loans within 6 months of the note date must be included in the cumulative cash out limitation 	v24.2
Reserves	Loan amount > \$2,000,000 & < \$3,000,000- 9 months reserves	
Underwriting	Previous: Loan must be submitted to DU/LPA, and receive an Approve/Ineligible or Accept/Ineligible Now: Loan must be submitted to DU/LPA	
Underwriting	Removed: <ul style="list-style-type: none"> Delegated Underwriting is not permitted Updated:	03.04.2024 v24.3

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	<ul style="list-style-type: none"> For Non-Delegated Clients only-Loans must be submitted to LoanScorecard or to LoanNEX for approved clients 	
Underwriting	<p>Updated section:</p> <ul style="list-style-type: none"> Loan must be submitted to DU/LPA but loan must be manually underwritten and documented according to the Smart Series Underwriting Guidelines. DU/LPA documentation level cannot be followed. 	03.28.2024 v24.4
32. Seller Contributions	Updated the Seller Contributions for Investment property from 2% to 3%	04.29.2024 v24.5
Product Summary	<p>Previous:</p> <p>Cash-out First-time</p> <p>New:</p> <p>Cash out First time</p>	07.11.2024 v24.6
Eligibility Matrix	<p>Primary Residence Purchase and Rate & Term Refi Added: \$1,500,000 / Fico 700/ LTV 85%</p>	08.22.2024 v24.7
Housing Payment History	<p>Added:</p> <p>has had any previously modified mortgages within the past 24 months</p>	09.19.2024 v24.8
Appraisals	<p>Previous:</p> <p>Appraisal Risk Review (ARR) from Pro Teck</p> <p>New:</p> <p>Appraisal Risk Review (ARR) from Stewart Valuation Intelligence</p>	

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Cooperatives	Updated Matrix to allow Co-ops with Max LTV/CLTV 70% for Primary and Second Home. Updated Eligible Property types to allow Co-ops in 5 Boroughs of NY and must be reviewed by PRD – Updated Co-op as ineligible property type for investment properties	10.17.2024 V24.9
Underwriting	Fixed missing bullet – added a bullet below Delegated Clients to show the statement is for both Delegated and non delegated clients to submit loans to DU/LPA	

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