BANK STATEMENT PROGRAM

Revised: January 10, 2025

BANK STATEMENT (12 & 24 Months) ALT INCOME DOCUMENTATION [2, 7, 8]

1-4 Unit Primary Residence [9] ; 1-Unit Second Home; 1-4 Unit Investment Property [6]

PRODUCT DESCRIPTION: Qualification is based on a 12 or 24 monthly average of deposits into a borrowers personal or business bank statements. At least one of the borrowers on the loan must derive their primary income through self employment (25% or greater ownership interest). Service & tip industry employees are also acceptable.

THIS IS A QUICK GUIDE FOR THE BANK STATEMENT PROGRAM. REFER TO FULL GUIDELINES FOR ACCESS WHICH SUPERSEDE THIS DOCUMENT.

Purchase and Rate/Term Refinance

<=$1,000,000 [1]			
	Owner Occupied	Second Home	Investment
FICO	Alt-Doc	Alt-Doc	Alt-Doc
740	90% [7]	85% [7]	80%
720	90% [7]	85% [7]	80%
700	90% [7]	85% [7]	80%
680	85% [7]	80%	80%
660	85% [7]	80%	80%
640	75%	75%	75%
620	70%	70%	70%
<=$1,500,000			
	Owner Occupied	Second Home	Investment
740	90% [7]	85% [7]	80%
720	90% [7]	85% [7]	80%
700	85% [7]	85% [7]	80%
680	85% [7]	80%	80%
660	80%	80%	75%
640	75%	75%	75%
620	70%	70%	70%
<=$2,000,000			
	Owner Occupied	Second Home	Investment
740	90% [7]	80%	80%
720	90% [7]	80%	80%
700	85%	80%	80%
680	80%	80%	80%
660	80%	75%	75%
640	70%	65%	65%
<=$2,500,000 [5]			
	Owner Occupied	Second Home	Investment
740	85% [7]	80%	80%
720	85% [7]	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	70%	70%	70%

Cash Out Refinance [3, 4, 8]

<=$1,000,000 [1]			
	Owner Occupied	Second Home	Investment
FICO	Alt-Doc	Alt-Doc	Alt-Doc
740	80%	80%	80%
720	80%	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	75%	75%	70%
640	70%	70%	65%
620	65%	65%	65%
<=$1,500,000			
	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	75%	75%	70%
640	65%	65%	65%
620	65%	65%	65%
<=$2,000,000			
	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	75%	75%
680	80%	75%	75%
660	70%	70%	70%
640	60%	55%	55%
<=$2,500,000 [5]			
	Owner Occupied	Second Home	Investment
740	80%	80%	75%
720	80%	80%	75%
700	80%	80%	75%
680	75%	75%	75%
660	65%	65%	65%

<=$3,000,000 [5]			
	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	75%	75%
680	75%	75%	75%
<=$3,500,000 [5]			
	Owner Occupied	Second Home	Investment
740	75%	60%	N/A
720	75%	60%	N/A
700	70%	N/A	N/A

<=$3,000,000 [5]			
	Owner Occupied	Second Home	Investment
740	75%	75%	75%
720	75%	75%	75%
700	75%	75%	75%
680	75%	75%	75%
<=$3,500,000 [5]			
	Owner Occupied	Second Home	Investment
740	65%	N/A	N/A
720	65%	N/A	N/A
700	60%	N/A	N/A

FOOTNOTES

1. Minimum loan amount $125,000
2. Max DTI is 50%
3. Max Cash Out Refinance Limits:
   - For LTVs 65% and lower, unlimited cash-out funds
   - For LTVs >65%, $1MM total cash-out funds
4. See Texas Cash Out Refinances a/k/a Texas Home Equity Loans for full details regarding Texas Home Equity Section 50(a)(6) eligibility
5. Loan amounts >$2MM require Credit Committee approval; **NO EXCEPTIONS TO MAX LOAN AMOUNTS**
6. Non-Warrantable Condo transactions limited to 80% Max LTV
7. Interest Only is capped at 85% LTV max up to $2M (80% over $2M) with min 700 FICO
8. Non-Permanent Resident Alien borrowers:
   - Max 80% LTV
   - Purchase & Rate-Term Refinances only; Cash-Out not eligible
9. 2-4 Unit Primary Residence Properties – Max 85% LTV

GUIDELINES

Credit Requirements	Use the middle score of the primary income earner. A borrower's documented income may not be excluded to determine the primary income earner on a file. Borrowers with only one (1) bureau reporting are not eligible. Each borrower must have three trade lines and a credit history covering 24 months. One trade line must have been open active within the last 6 months. At least one trade line must be seasoned for 24 months.
Age of Documents	Asset statements are generally valid for 120 days. Asset statements provided must cover at least 60 days. The title report/commitment/certification is valid for 60 days. The credit report is good for 120 days from report date to note date.
Qualifying Rates	Note that these requirements are superseded by any regulatory requirements such as HPML, unless exempt by definition. **Fixed Rate Loans:** Loans are qualified at the note rate **Fully-Amortized ARM Loans:** Qualified at the greater of the Note rate or the index plus margin, using the full term of the loan. **Interest Only Loan:** Interest-Only loans have a ten (10) year interest-only period and are fully amortized for the remaining term. The loan cannot be qualified at the interest-only payment. Determine a simulated fully amortizing payment for purposes of loan qualification based on the following: ○ For 30-year loan – use a 20-year term and the Note rate* to simulate the qualifying payment ○ For 40-year loan – use a 30-year term and the Note rate* to simulate the qualifying payment. *For IO ARMs, use the greater of the Note rate or fully-indexed rate (index + margin) Interest-Only loans will require a minimum 700 FICO. Interest Only is capped at max LTV of 85% or the max LTV defined by the eligibility matrix, whichever is less.

GUIDELINES	
Eligible Borrowers	Eligible Borrowers include United States Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens, First Time Home Buyers, and Non-Occupant Co-Borrowers. Non-Permanent Resident Aliens are eligible for purchase and Rate-Term Refinance transactions only with a maximum LTV of 80%. Cash-Out Refinances are not eligible. See full guidelines for eligible visa types and additional requirements. FTHB Eligible with one of the following: Document a 12-month rental history (documented via cancelled checks, paid by the borrower or an institutional VOR completed by a management company; private party/landlord VORs are not an acceptable form of documentation) within the 3 years prior to application showing 0x30. Payment shock cannot exceed 300%; if a FTHB is living rent-free or cannot document their 12mo housing history, the following eligibility criteria must apply in lieu of payment shock (80% max LTV, 680 minimum FICO, primary residence only, reserves must be borrower sourced, LOX from owner/leaseholder of borrower's current address verifying rent free status). Non-Occupant Co-Borrowers are eligible under the below guidelines. ▪ Primary Residence Only ▪ 1-Unit Only ▪ Purchase and Rate/Term Refinance Transactions Only ▪ Max Loan Amount $1,500,000 ($1,000,000 for ITIN transactions) ▪ Max 80% LTV ▪ LTV reduced by 5% ▪ This is exclusive of the 80% Max LTV. A loan which would be 85% must be reduced to 80% and would be acceptable. A loan which would be 80% must be reduced to 75% ▪ The occupant borrower must contribute 50% of the total income required to qualify and front-end HTI may not exceed 60%. Income and assets are fully blended to determine back-end DTI of 50%. Non-occupant co-borrower may contribute remaining funds to close and reserves
Ineligible Borrowers	▪ Borrowers with diplomatic immunity ▪ Borrowers without a social security number or a number that cannot be validated with the SSA. ▪ Life Estates ▪ Non-revocable trust – **no exceptions** ▪ Guardianships ▪ Borrowers previously convicted of mortgage fraud ▪ Broker company employees and owners
Eligible Properties	▪ 1-4 unit attached and detached properties (Max LTV of 85% for 2-4 unit properties) ▪ Attached and detached PUDs ▪ Attached and detached Condos which are warrantable under Fannie Mae/Freddie Mac criteria. ▪ Non-Warrantable Condos with one Non-Warrantable feature (see Non-Warrantable Condo section). Max 80% LTV. Pricing adjustments apply ▪ Properties with an Accessory Unit (ADU) must meet Fannie Mae/Freddie Mac criteria. SFR with 2 ADUs are permitted only if the following criteria are met: appraiser confirms compliance with local regulations, appraiser provides a minimum of 2 comparable properties with 2 ADUs, the value and/or income from only one unit may be used. ▪ TBD Properties (file must be resubmitted when property address is found – valid change of circumstance to add the property address is ineligible for this product) ▪ Rural properties are eligible as primary residence or second homes only. Investment properties are not eligible. Must be primarily for residential use. Property must not be agricultural or provide a source of income to the borrower. Lot size and acreage must be typical for the area and similar to the surrounding properties. Present use as per the appraisal must be the highest and best use for the property. Maximum 75% LTV/CLTV. See Agriculturally Zoned Properties section of full guides for exception cases.
Ineligible Properties	▪ Acreage greater than 20 acres (appraisal must include total acreage) ▪ Mixed Use Properties ▪ Log Homes ▪ Manufactured housing/Modular homes ▪ Properties subject to oil and/or gas leases ▪ Unique properties ▪ Working farms, ranches or orchards ▪ Hobby farms ▪ Co-ops ▪ Properties in Lave Zones 1 and 2 ▪ Properties with a condition rating of C5 or C6

GUIDELINES	
Geographic Eligibility	The Access product suite is eligible in ALL states. No state subprime or equivalent allowed. Loans that fall under the definition of New York Subprime Home Loan are not eligible for the product. In the event an appraisal indicates a property is located in a declining market, a 5% LTV reduction will be applied.
# of Properties Owned	Loan/Property restrictions per borrower are as follows: • Borrowers are collectively limited to eight (8) loans either issued or purchased by REMN/HBFS not to exceed \$10,000,000. If greater than four (4) loans, then REMN WS Credit Committee approval is required • Borrowers with > 15 properties are not eligible for any second home or investment property transaction (purchase, rate/term, or cash-out). This is an aggregate based on all borrowers, and includes commercial properties and properties owned free and clear • Borrowers may have REMN/HBFS financing on a maximum of 5% of the properties in a condominium project. Condo project will require upfront validation with the Project Standards group to ensure maximum exposure in the project has not been reached. • For projects ≤ 10 total units, financing on a maximum of 1 unit is allowed • Multiple simultaneous submissions require REMN management approval
Pre-Payment Penalties	Prepayment penalties may be placed on investment properties (all documentation types) where allowed and to the extent permitted by state and federal law. Except as otherwise specified or directed, the prepayment penalty placed shall be for a term of at least 1 year and permit the Borrower to pay down up to 20% of the original principal balance per 12 month period. Any pay downs (including complete payoff) which exceed 20% per year are penalized in an amount not less than six (6) months interest on the amount prepaid which exceeds 20% of the original principal balance, unless restricted by state/federal law. Any loan which has a prepayment penalty must be a business purpose loan as defined in 12 CFR 1026.3(a). This includes cash-out refinance transactions, where the cash-out proceeds must be used solely for business purposes. Prepayment penalties are available for terms up to five (5) years. Pricing implications may apply in the event that a PPP shorter than three years or no PPP is placed. Eligible states for PPP are AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, ME, MD*, MO, MT, NC, ND, NE, NH, NJ*, NV, NY, OK, OR, PA*, SC, SD, TN, TX, UT, VA, VT, WA*, WI, WY *State Specific Limitations Illinois – PPP permitted only when closing in an LLC Maryland – Note must include Choice of Law – Title 12, Subtitle 10 Credit Grantor provisions New Jersey – PPP permitted only when closing in an LLC Pennsylvania – Minimum loan balance of \$312,159 required to allow PPP on 1-2 unit properties Washington – PPP permitted only on fixed rate transactions
Reserves	Loan amount up to \$1.5MM – 6 months PITIA Loan amount above \$1.5MM up to \$2MM – 9 months PITIA Loan amount above \$2MM up to \$3.5MM – 12 months PITIA Bank Statement Loans with self-employment < 2yrs (no less than 1yr) – Additional 6 months PITIA over & above loan amount requirements Other real estate owned – 2 months of each property's PITIA
Gifts	A borrower of a mortgage loan may use funds received as a personal gift from an acceptable donor as a source of funds to close, closing costs, and funds to pay down debts. The gift donor must be a relative. A relative is any person related by blood, legal proceedings, marriage, or adoption and also includes a fiancé or domestic partner. Gift funds may not be used for reserves. The borrower must contribute 5% of the purchase price from their own funds, except as otherwise specified. A purchase of a primary residence with an LTV ≤80 does not require a borrower contribution, except as otherwise specified. Gift funds are eligible on primary, second, and investment properties. For second home and investment properties, the borrower must contribute 5% of the purchase price from their own funds if the LTV > 75%. No minimum borrower contribution is required for LTV ≤ 75%. For ITIN borrowers, gift funds are not permitted on investment properties.
Seller Concession	On a primary or second home, 9% up to 75 LTV and 6% to 90 LTV. On an investment property, 3%.

GUIDELINES	
Appraisals	Appraisals may not be more than 120 days old as of the note date. All transactions require a new appraisal. Appraisals must be ordered through a REMN approved Appraisal Management Company. **Determining Collateral Value** Collateral valuations impact the determination of the loan-to-value ratios, as well as approval and identification of exceptions. Loans wherein the best usage is as a "tear down and replace" are not eligible. The methods for determining collateral value are different for purchase versus refinance transactions (see below). In instances where two full appraisals are completed, utilize the lower of the two. *Purchase Transaction* The collateral value is based upon the lesser of the sales price (minus concessions or excess contributions) or the appraised value. *Rate/Term Refinance Transaction* For properties owned less than 12 months as of the application date, current value may be used provided the value is supported both by appraisal and a CDA with a variance <=10%. If value not supported, use lesser of purchase price plus documented improvements or market value. If more than 12 months, use market value *Cash-Out Refinance Transaction* For properties owned less than six months (Note to Note), the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraisal value. Proof of improvements are required. Proof of purchase is required as evidenced by final CD from the property purchase. For properties owned less than 12 months, but greater than or equal to six months as of the application date, current value may be used provided the value is supported both by appraisal and a CDA with a variance <=10%. If value not supported, use lesser of purchase price plus documented improvements or market value. If more than 12 months, use market value. In instances where one appraisal is required, the CU and/or LCA score must be reviewed. If the CU and/or LCA score is less than or equal to 2.5, no additional appraisal review products are required unless otherwise specified. If the CU and/or LCA score exceeds 2.5 or there is no CU and/or LCA score, a CDA with a variance less than 10% is required. If the variance between the CDA and the appraisal is greater than 10%, a field review must be performed. **NOTE**: The > 10% variance rule applies when the CDA variance is reflecting a lower value than the property appraisal. If the CDA variance is reflecting a higher value than the property appraisal, the property appraisal is fully supported, and a field review is not necessary If the value of the field review is within 5% of the value of the appraisal, utilize the lower of the two. If the value is outside of 5% of the appraised value, complete a second full appraisal. Loan amounts above $1.5MM and up to $2MM may not utilize the CU and/or LCA score in lieu of obtaining a CDA. In the event of two appraisals, the lower of the two values will be utilized and a CDA is not required unless otherwise specified in these guidelines. **For each transferred appraisal, the following criteria must be met:** ▪ A copy of the appraiser's current license, to be independently verified by REMN WS ▪ A copy of the appraiser's current E&O Policy with sufficient coverage name the appraiser as insured ▪ If the appraisal is a transferred appraisal, the AMC must provide an assignment of appraisal to REMN WS. In lieu of this requirement the AMC's business license must be independently verified by REMN WS. ▪ The AIR certificate confirming compliance with Dodd-Frank AIR requirements ▪ A Collateral Desktop Analysis (CDA) with a variance between 0% and positive 10%, inclusive **Appraisal Requirements:** Up to and including $2,000,000 – One Appraisal Above $2,000,000 – Two Appraisals HPML Loan with a Flipped Property* – Two Appraisals (Borrower is not permitted to pay for 2nd appraisal) **For HPML loans, the borrower must provide evidence of receipt of the appraisal(s) or 3 calendar days must have elapsed since delivery of the appraisal(s) report.*

GUIDELINES	
Product Eligibility	In order to be eligible for the Bank Statements product, at least one borrower on the file must derive their primary income source from a self-employed activity. Self-employed is defined as ownership interest of 25% or greater. Borrowers generally must have been self-employed for at least two years in the same business. Co-borrowers who are not self-employed may provide supplemental income from other income sources. Borrowers who have been self-employed less than two years, but not less than one year prior to application, are eligible with an additional six months of reserves and two years of previous experience in the same line of work. The borrower must provide at least 12 months of bank statements supporting their self-employment. Borrowers self-employed less than two years must be underwritten with 12 months of bank statements
Personal Bank Statements	**Personal**: Provide the most recent 12/24 months of personal bank statements dated within 60 days of the note date. Evaluate deposits to verify that they are part of the borrower's income stream. Any deposits that are abnormal to the borrower's typical deposits must be sourced/documented to be considered as part of income. Total all eligible deposits and divide by 12/24 to determine monthly income. Provide the most recent 3 months of business statements to verify that income is coming from borrower's business and the business is providing positive cash flow. Transfers coming from only one (1) business may be utilized to qualify. Transfers between personal accounts are not considered as part of a borrower's income stream. Transfers from a business account to a borrower's personal account may be utilized in the income calculation provided they meet the other requirements of this section. Significant and/or repeated transfers from a borrower's personal account to their business account should be scrutinized carefully as they may be indicators of poor financial health. Updated statements through funding may be required at underwriter's discretion. • A personal account that a borrower only utilizes for business activity will be treated as a business account for the purposes of determining income, provided that the borrower does not have an associated business account. • Co-mingling of personal and business accounts is not permitted. • Borrowers with personal accounts that have supporting business bank statements do not require a Uniform Expense Ratio to be deducted.
Business Bank Statements	**Business**: Provide the most recent 12/24 months of business bank statements dated within 60 days of the note date. Three options for evaluating business bank statements are available. The co-mingling of multiple accounts may not be utilized for calculating the business' cash flow to generate a full 12/24 months. However, if an account has been moved to a different bank, additional documentation may be obtained to evidence that the accounts are one and the same. Multiple businesses may also be used to determine qualification provided each is separately verified in accordance with these underwriting guidelines. Transfers between a borrower's business accounts are not considered deposits. Any abnormal deposits will need to be sourced and documented. Abnormal deposits will typically be those that are greater than 50% of the average monthly eligible deposits and that are out of the ordinary in form, amount, or frequency. The Borrower(s) combined must own 25% or more of the business to utilize business bank statements. Updated statements through funding may be required at underwriter's discretion. **Method One | Uniform Expense Ratio** Multiply eligible deposits received by a 50% expense ratio. Then multiply the result by borrower's ownership percentage and divide by 12 (if 24-months statements, divide by 24). As long as this expense ratio is reasonable to the borrower's line of work and the borrower qualifies, no further information is required. **Method Two | Profit and Loss Statement** Provide a CPA, EA, or licensed tax preparer prepared profit and loss statement covering the most recent 12-month period. As long as the deposits on the business statements support at least 75% of the gross receipts listed on the P&L, use the P&L for qualifying based on the borrower's pro-rate share of ownership. The resulting income should be reasonable to the borrower's line of work. **Method Three | CPA Letter for Expense Ratio** Provide a CPA, EA, or licensed tax preparer letter stating the business' expense ratio based on the most recent year's tax return. The CPA letter may not include any exculpatory language. Multiply the expense ratio by the business' total deposits over the 12-month period shown on bank statements. Deduct that figure from the total deposits. Multiply net deposits by the borrower's pro-rata ownership percentage and divide by 12 (if 24-months statements, divide by 24). The resulting income should be reasonable to the borrower's line of work.

GUIDELINES	
Non-Sufficient Funds (NSF's)	Non-Sufficient Funds (NSF) is a term used when a check cannot be honored due to insufficient funds in the account. A distinction is made between overdrafts that incur a penalty fee (NSF) and overdrafts covered with borrower's own funds (i.e., accounts tied to a savings account that covers the overdraft). The use of a line of credit or credit card accounts to cover overdrafts is considered an NSF. ▪ NSFs are counted on an "instance" basis. An instance is defined as one time that an account is overdrawn and subsequently brough current. One instance may have multiple NSFs; however, it is still the same instance until the account is brought current. ▪ If the account is brought current and becomes overdrawn again, the second time would be considered a second instance. ▪ A maximum of six (6) instances are allowed with twelve (12) months of statements and twelve (12) are allowed with 24 months. A significant number of NSFs in a single instance will be subject to scrutiny. ▪ Bank statements should show a stable or increasing trend of deposits. If the trend is declining and/or irregular, additional documentation should be provided to support the stability of the borrower's income (see guidelines for trend tolerances)
Full Documentation Supplemental Income Sources	Full Documentation Supplemental Income Sources Borrowers relying on bank statements to calculate DTI may supplement their income with the following sources: Social Security, Pension, Asset Utilization/Distribution (not eligible for Cash Out Refinance), Alimony, Child Support, and Second Job income. Utilize the full documentation guidelines for documentation requirements and calculation methods. Provide W-2's and 1099's as applicable, but do not provide tax returns. Self-Employed income as calculated via bank statements must still be the Borrower's primary income source. If other income sources are used to qualify the Borrower, the Borrower's primary income source (>50%) must be the income calculated based on the bank statements less expense ratio if applicable.