

Program Description – Substantial Liquid Assets as an Alternate Qualification

Method

Signature Expanded offers loans to Applicants utilizing accumulated liquid assets as a basis for qualification rather than through traditional income documentation. Loans in this program must meet ATR as defined in section 1026.43. This program is designed for Applicants who are sound credit risks based on a common sense approach to underwriting.

Highlights include the following:

- Loan amounts up to \$3MM
- Interest only available with 30 or 40 year term
- DTI up to 50 allowed
- Credit scores down to 620
- Recent Credit Events Allowed
- All occupancy types allowed
- 5/6, 7/6 and 10/6 ARM, 15, 30, and 40 FRM (40 year term IO only)
- Multiple financed properties allowed

LTV and Loan Amount Requirements

PURCHASE/RATE & TERM REFINANCE											
Primary Residence				Second Home				Investment Property			
FICO	LTV*	CLTV*	Loan Amount	FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount
740	90%	90%	\$ 1,000,000	720	75%	75%	\$ 2,500,000	720	75%	75%	\$ 2,500,000
720	80%	80%	\$ 3,000,000	680	70%	70%	\$ 2,500,000	680	70%	70%	\$ 2,500,000
	85%	85%	\$ 1,500,000		80%	80%	\$ 2,000,000		80%	80%	\$ 2,000,000
700	75%	75%	\$ 3,000,000	660	70%	70%	\$ 2,000,000	660	70%	70%	\$ 2,000,000
	85%	85%	\$ 1,000,000		75%	75%	\$ 1,000,000		75%	75%	\$ 1,000,000
680	75%	75%	\$ 2,500,000	640	60%	60%	\$ 1,500,000	640	60%	60%	\$ 1,500,000
	80%	80%	\$ 2,000,000		65%	65%	\$ 1,000,000		65%	65%	\$ 1,000,000
660	80%	80%	\$ 1,500,000								
640	70%	70%	\$ 2,000,000								
620	65%	65%	\$ 1,500,000								
	75%	75%	\$ 1,000,000								

*Rate and Term Refi: Max 80 LTV

CASH-OUT REFINANCE													
Primary Residence				Second Home				Investment Property					
FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount		
720	70%	70%	\$ 2,500,000	680	720	75%	75%	\$ 2,000,000	680	720	75%	75%	\$ 2,000,000
	75%	75%	\$ 2,000,000		65%	65%	\$ 2,500,000	65%		65%	\$ 2,500,000		
	80%	80%	\$ 1,500,000		70%	70%	\$ 2,000,000	70%		70%	\$ 2,000,000		
680	65%	65%	\$ 2,500,000	660	75%	75%	\$ 1,000,000	660	75%	75%	\$ 1,000,000		
	70%	70%	\$ 2,000,000		65%	65%	\$ 2,000,000		65%	65%	\$ 2,000,000		
	75%	75%	\$ 1,000,000		70%	70%	\$ 1,000,000		70%	70%	\$ 1,000,000		
660	65%	65%	\$ 2,000,000	640	65%	65%	\$ 1,000,000	640	65%	65%	\$ 1,000,000		
	70%	70%	\$ 1,000,000										
620	60%	60%	\$ 1,500,000										
	65%	65%	\$ 1,000,000										

Max CO Proceeds: No limit up to 70 LTV, \$500k above 70 LTV

Eligibility Types	
Applicants	<ul style="list-style-type: none"> • US Citizen • Permanent Resident Alien • Non-Permanent Resident Alien with the following visas: E, G, H, L, O, P, and TN • First time home buyer-see Housing Payment History guideline below • Non-Occupant Co-Applicants-see Underwriting Guidelines
Ineligible Applicants	<ul style="list-style-type: none"> • Irrevocable Trust • Diplomatic immunity • Applicants with any ownership in a business that is Federally illegal, regardless of if the income is not being used for qualifying may be considered on exception basis
Eligible Occupancy	<ul style="list-style-type: none"> • Primary, Second Home, and Investment Properties
Property Types	<ul style="list-style-type: none"> • 1-4 unit attached and detached properties • Warrantable Condos • Non-Warrantable Condos allowed with a pricing adjustment-see Underwriting Guidelines for permissible NW features (max 75 LTV) • PUDs • Mixed use properties-see Underwriting Guidelines
Ineligible Property Types	<ul style="list-style-type: none"> • Properties with more than 10 acres • See Underwriting Guidelines for full list of unacceptable property types
Eligible Transactions	<p>Purchase, including non-arm's length transactions-see Underwriting Guidelines</p> <p>Rate and Term Refinance</p> <ul style="list-style-type: none"> • No title seasoning required • Payoff of first and second, where the second is seasoned >6 months and not drawn >\$5,000 in 12 months preceding application date unless the second was used in full to purchase the property • Buyout accompanied by an executed buyout agreement • If loan being paid off was closed in the 12 months preceding the application date and was a cash out transaction, the loan will be treated as cash out. • Recoupment of funds expended to purchase a property acquired for cash within the 6 months prior to application date is considered to be a Technical Refinance: <ul style="list-style-type: none"> ○ Recoupment of gift funds is not allowed under this guideline. ○ Cash out may not exceed Applicant's documented investment ○ See Underwriting Guidelines for additional details and limitations <p>Cash-Out Refinance</p> <ul style="list-style-type: none"> • Refinances which do not fit into the rate and term guidelines are deemed to be cash out • A refinance of a loan which was a cash out in the preceding 12 months will be considered a cash out refinance • Six months title seasoning required for cash out refinances. • No limit to maximum cash out with LTV up to 70, \$500K for LTV above 70 • Value to be utilized must be supported-see Underwriting Guidelines
Credit Requirements	
Trade Lines	<p>Each Applicant must have three trade lines and a credit history covering 24 months. One trade line must have been active within the last 6 months. At least one trade line must be seasoned 24 months. The same trade line may be used to cover both the 24 month history and active requirement. The trade lines do not need to be open. If an Applicant's spouse is the only Co-Applicant listed, only one Applicant is required to meet this guideline. See Underwriting Guidelines for more details and alternatives.</p>

Credit Score	<ul style="list-style-type: none"> • Credit scores allowed down to 620, subject to loan amount and LTV restrictions • Use the lowest middle score for pricing and guideline purposes. In the case of multiple Applicants where one Applicant solely provides at least 75% of the funds being utilized to meet the transaction's total requirements, utilize their middle score.
Housing Payment History	<p>Housing payment history no greater than 1x30x12 for all mortgages/rental verifications. Note that 1x30x12 may carry a pricing adjustment and is limited to max 80 CLTV.</p> <p>First Time Home Buyer (FTHB) For standard guideline eligibility, Applicant must be able to document a complete 12 month rental history within the last three years preceding the application showing 0x30 over the 12 month period. The payment history must be documented in accordance with the Underwriting Guidelines. Applicants who cannot document an acceptable and complete 12 month rent payment history as described above are allowed on primary residence transactions at a maximum 80 LTV. Gifted funds are allowed up to 70 LTV and when gifted funds are used the Applicant must contribute 10% of the purchase price from own funds. Any payment history the Applicant does have must be documented in accordance with the Underwriting Guidelines.</p>
Significant Credit Events	<p>Applicants with any of the following major credit events (bankruptcy, foreclosure, short sale, modification, short pay, or deed in lieu of foreclosure) are subject to the below requirements, measured from event completion date or discharge/dismissal date to the note date:</p> <p>Credit Event other than a Foreclosure:</p> <ul style="list-style-type: none"> • 0-2 years removed: Not Eligible • 2-4 years removed: Max 75 LTV, max \$1.5MM loan size • >4 years removed: Standard Guidelines <p>Foreclosure:</p> <ul style="list-style-type: none"> • 0-2 years removed: Not Eligible • 2-4 years removed: Max 70 LTV, max \$1.5MM loan size • >4 years removed: Standard Guidelines <p>Additional Guidelines:</p> <ul style="list-style-type: none"> • Active NOD or Lis Pendens not allowed. An historic NOD or Lis Pendens is not against guidelines, however the underlying event will be evaluated against the Significant Credit Event and Housing Payment History requirements guidelines. • Judgment/Tax Lien: May remain open under certain circumstances-see Underwriting Guidelines • Collections/Charge-Offs: May be excluded if individually less than \$2,500 or in aggregate less than \$10,000. Any that are greater which may affect title must be paid off prior to or at closing. Medical collections are excluded from this requirement regardless of amount.
DTI	<p>No DTI is developed for this product. Qualification is based on assets only. Each file must meet a residual income test. Residual income is calculated based on qualifying assets divided over 48 months less monthly obligations. The residual income of the file must meet requirements-see Underwriting Guidelines</p>
Documentation Requirements	<p>The following are required:</p> <ul style="list-style-type: none"> • Six months of statements for accounts which are being used towards funds to close and the post-closing reserve requirement. Balances must be verified with 120 days of the note date. • Two months of statements for accounts which are being used solely for funds to close
Calculation Method	<p>Qualification is determined solely based on the Applicant's liquid assets and assets that they can liquidate without restriction.</p>

	<p>Method 1 Mortgage Only Total post-closing assets must meet 125% of the balance of all outstanding mortgage debt for which the Applicant has personal liability, including the proposed mortgage(s) on the subject property.</p> <p>Method 2 Simplified Total post-closing assets must meet 110% of the proposed mortgage(s) on the subject property plus 25% of all other outstanding debt (mortgage and consumer).</p> <p>Method 3 Traditional Total post-closing assets must meet the sum of the below:</p> <ul style="list-style-type: none"> • 100% of loan amount • 36 months of total debt service (do not include subject property's PITIA or PITIA on rented properties with documented rental income) • 36 months of net rental losses on rental properties (do not include subject property's PITIA) <p>Rental Calculation (Method 3 Only) Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed \$0 for determining impact. For example, a property with a lease of \$1,600 and PITIA of \$1,500 would have a \$300 per month added to debt service ($\\$1,600 * 75\% - \\$1,500 = \\$300$). Other owned properties require additional reserves.</p> <p>Asset Calculations (All Methods) Assets are determined based on the below calculation:</p> <ul style="list-style-type: none"> • Cash and cash equivalents: 100% of face value • Marketable securities (excludes unvested RSUs and Stock options): 80% • Retirement funds: 70% unless if Applicant is of retirement age, then use 80%. If utilizing retirement account, document Applicant's ability to access the funds. • Cash surrender value of life insurance/annuity: 100% • Cryptocurrency: 100% if liquidated-see Underwriting Guidelines for limitations • To meet asset requirements up to 10% of assets utilized may come from cash out proceeds <p>The balance of any loans secured against financial assets being used for asset qualification will be netted against the asset's value before application of the discount.</p>
<p>Asset Accounts</p>	<ul style="list-style-type: none"> • See above requirements for utilizing cash, marketable securities, and retirement funds as funds to close, post-closing reserves, and asset qualification • If Applicant is liquidating funds, document liquidation and end balance • 1031 exchanges eligible for investment properties. See Underwriting Guidelines for more detail. • Business funds may be used for funds to close provided the Applicant(s) own(s) a minimum of 51% combined ownership of the business. The amount funds that may be utilized is based on the Applicant's percentage of ownership. One of the following must be provided: <ul style="list-style-type: none"> ○ A letter from Applicant's CPA, EA, or licensed tax preparer stating that the Applicant(s) may access the business funds and that the withdrawal will have no adverse impact; or ○ A cash flow analysis completed by underwriting - <u>see Underwriting Guidelines</u> • Cash out proceeds may not be used to meet the reserve requirement • Eligible cryptocurrency may be used but requires liquidation of proceeds for reserves or funds to close. <u>See Underwriting Guidelines</u> for allowable types of cryptocurrency and requirements <p>Technical Refinance funds can be used as eligible assets and maximum cash out limits do not apply</p>

Gifted Funds	<ul style="list-style-type: none"> • Gift funds are allowed for funds to close. A 5% contribution from Applicant's own funds is required on primary or second homes and a 10% on investment properties). No minimum Applicant contribution is required for primary residences with an LTV <=80 except as otherwise specified. • Gifts must be documented in compliance with FNMA requirements and be from immediate family members-see Underwriting Guidelines. • Gifts of equity are allowed, max 75 LTV. No applicant contribution is required on a primary residence or a second home. Not allowed on investment properties.
Liabilities	
Alimony/Child Support	Alimony and child support are included part of the Applicant's debt service.
Installment Debt	<p>Installment loans must be included in the debt service. Installment debt with less than 10 months' worth of payments remaining may be excluded from debt service, as long as the Applicant has the assets to make the remaining payments. Applicants may pay down the debt such that the remaining balance is less than the sum of 10 months' worth of payments. The assets used must be sourced. Loans secured by financial assets (margin loan, 401(K) loan, etc.) do not need to be included in the debt service provided the asset balance exceeds the loan balance.</p>
Other Highlights	
Appraisal / Valuation	<p>Purchases:</p> <ul style="list-style-type: none"> • Loan amount up to \$2MM, one appraisal required • Loan amount over \$2MM, two appraisals required <p>Refinances:</p> <ul style="list-style-type: none"> • Loan amount up to \$1.5MM, one appraisal required • Loan amount from \$1.5MM to \$2MM with <=70 LTV, one appraisal required • Loan amount from \$1.5MM to \$2MM with >70 LTV, two appraisal required • Loan amount over \$2MM, two appraisals required <p>In instances where one appraisal is required, said appraisal must have a CU score less than or equal to 2.5. If the CU score exceeds 2.5 or is unavailable, a CDA with a variance less than 10% is required. Loan amounts above \$1.5MM and up to \$2MM may not utilize the CU score in lieu of obtaining a CDA. A CDA is required if LTV > 80 regardless of CU score. Additional appraisal due diligence may be required at the discretion of underwriting.</p> <ul style="list-style-type: none"> • <u>Purchase</u>: lesser of purchase price or appraised value • <u>Refinance (all types)</u>: For all transactions where the property is owned less than six months as of the application date, use the lesser of purchase price plus documented improvements or market value. For properties owned six to twelve months as of the loan's application date, the current value may be utilized provided the increase in value over the period of ownership is acceptably justified and supported by the appraiser and by a CDA. Increases >25% of the purchase price plus documented improvements must be acceptably explained by the Applicant. If owned more than 12 months as of the application date, use market value.
Geographic Eligibility	Based on originator's licensure. NY subprime loans allowed provided the loan's APR does not exceed the applicable benchmark rate by more than 250 basis points. See Underwriting Guidelines for additional information.

Voltage

Asset Qualifier



	<p>Restrictions:</p> <ul style="list-style-type: none"> • Texas CO Refinances-see Underwriting Guidelines • Puerto Rico is not eligible at this time
Reserves Required	No reserves needed apart from the post-closing liquidity outlined in Calculation Method above.
Title Vesting	<ul style="list-style-type: none"> • Individual names as joint tenants, community property, or tenants in common • Living trusts meeting FNMA's requirements • Blind Trusts-see Underwriting Guidelines for requirements • Limited Liability Corporations-see Underwriting Guidelines for requirements • Partnerships/Corporations-see Underwriting Guidelines
ARM Terms	<ul style="list-style-type: none"> • Margin = 4.250% • Index = 30 Day Average of SOFR • Caps = 2/1/5 • Floor Rate = Note Rate • Adjustment Period = 6 Months
Interest Only	Interest Only features are allowed on ARMs and FRMs. The IO period is 10 years. Maximum LTV of 80 and min FICO of 680 for a loan with an IO feature. 40 year term is not eligible on 5/6 ARM
Qualifying Payment	<p>To determine the P&I component of the Qualifying Payment, utilize the below (except as otherwise specified):</p> <ul style="list-style-type: none"> • Fixed Rate: Utilize the start rate over the amortizing term • Amortizing ARM: Utilize the greater of the start rate or the index plus margin, amortized over full term of the loan • FRM/ARM with IO Feature: Utilize the greater of the start rate or the index plus margin, with a payment calculated based on the remaining term of the loan after the end of the IO period.
Prepayment Penalty	Prepayment penalties may be placed on investment properties where allowed by state and federal law. See the Prepayment Penalty Supplement for information on requirements and allowances.
Min/Max Loan Amounts	<p>Minimum: \$100,000</p> <p>Maximum: \$3MM (Purchase/Rate and Term Refinance), \$2.5MM (Cash Out Refinance)</p>