

**Wholesale – Maxex Express – Fixed
High Balance, Second Home, Investment, Jumbo
(Not A Replacement for Reading the Maxex Guides*)**

Program Description

This is a Delegated Underwriting program that offers loan amounts from \$647,201 (1 unit) up to \$1.5mm based on LTV and credit score combinations shown below and, on the table included on the last pages. This program may provide better pricing for 2nd homes, investment properties, high balance and jumbo loans.

Loan amounts from \$647,201 to the Agency count limit must use the conforming (High Balance) product. Loan amounts above the Agency county limit must use the Non-Conforming (Jumbo) product.

General Eligibility

| Product Channel | Wholesale and Non-Delegated Correspondent (NDC) | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---------|----------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|--|-------------------------------------|---|-------------------------------------|---|-------------------------------------|---|-------------------------------------|---|-------------------------------------|---|
| Term | 15 & 30-year Fixed Rate | | | | | | | | | | | | | | | | | | | | | | | | |
| Loan Purpose | Purchase, Rate/Term Refinance/Cash-out Refinance | | | | | | | | | | | | | | | | | | | | | | | | |
| Name | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">OB Name</th> <th style="width: 50%; text-align: center;">Encompass Name</th> </tr> </thead> <tbody> <tr> <td>Wholesale MAXEX High Balance 1 30 Yr Fixed</td> <td>WHL MAXEX Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX High Balance 2 30 Yr Fixed</td> <td>WHL MAXEX Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX High Balance 5 30 Yr Fixed</td> <td>WHL MAXEX Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX High Balance 1 15 Yr Fixed</td> <td>WHL MAXEX Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX High Balance 2 15 Yr Fixed</td> <td>WHL MAXEX Conforming 15/30-yr Fixed</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Wholesale MAXEX JUMBO 1 30 yr Fixed</td> <td>WHL MAXEX Non-Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX JUMBO 2 30 yr Fixed</td> <td>WHL MAXEX Non-Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX JUMBO 5 30 yr Fixed</td> <td>WHL MAXEX Non-Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX JUMBO 1 15 yr Fixed</td> <td>WHL MAXEX Non-Conforming 15/30-yr Fixed</td> </tr> <tr> <td>Wholesale MAXEX JUMBO 2 15 yr Fixed</td> <td>WHL MAXEX Non-Conforming 15/30-yr Fixed</td> </tr> </tbody> </table> | OB Name | Encompass Name | Wholesale MAXEX High Balance 1 30 Yr Fixed | WHL MAXEX Conforming 15/30-yr Fixed | Wholesale MAXEX High Balance 2 30 Yr Fixed | WHL MAXEX Conforming 15/30-yr Fixed | Wholesale MAXEX High Balance 5 30 Yr Fixed | WHL MAXEX Conforming 15/30-yr Fixed | Wholesale MAXEX High Balance 1 15 Yr Fixed | WHL MAXEX Conforming 15/30-yr Fixed | Wholesale MAXEX High Balance 2 15 Yr Fixed | WHL MAXEX Conforming 15/30-yr Fixed | | | Wholesale MAXEX JUMBO 1 30 yr Fixed | WHL MAXEX Non-Conforming 15/30-yr Fixed | Wholesale MAXEX JUMBO 2 30 yr Fixed | WHL MAXEX Non-Conforming 15/30-yr Fixed | Wholesale MAXEX JUMBO 5 30 yr Fixed | WHL MAXEX Non-Conforming 15/30-yr Fixed | Wholesale MAXEX JUMBO 1 15 yr Fixed | WHL MAXEX Non-Conforming 15/30-yr Fixed | Wholesale MAXEX JUMBO 2 15 yr Fixed | WHL MAXEX Non-Conforming 15/30-yr Fixed |
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| Geographic Limitations | Fixed rate: All states where UHM is licensed are eligible | | | | | | | | | | | | | | | | | | | | | | | | |
| Occupancy | Primary, Second Home, Investment | | | | | | | | | | | | | | | | | | | | | | | | |
| Maximum Loan Amount | Refer to table. Loan amounts from \$647,201 to the Agency count limit must use the conforming product. Loan amounts above the Agency county limit must use the Non-Conforming product. | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum Loan Amount | Agency baseline loan amount 1 unit: \$647,201 2 Unit: \$828,701 3 Unit: \$1,001,651 4 Unit: \$1,244,851 | | | | | | | | | | | | | | | | | | | | | | | | |
| Fees | \$1195 on Wholesale Underwriting \$900 on Purchase Advise for NDC <ul style="list-style-type: none"> • UW Fee Buy-out option available on Wholesale Only (refer to UHMGO Quick Pricer) | | | | | | | | | | | | | | | | | | | | | | | | |
| Pricing/Lock Period | 35, 50, 65 available | | | | | | | | | | | | | | | | | | | | | | | | |
| Maximum LTV/CLTV/HCLTV | Refer to table | | | | | | | | | | | | | | | | | | | | | | | | |
| Eligible Property Types | <ul style="list-style-type: none"> • 1-4 Unit • Attached and Detached warrantable Condos | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <ul style="list-style-type: none"> • PUD |
| Ineligible Transactions & Loan Attributes | <ul style="list-style-type: none"> • Temporary Buydowns • Texas Section 50(a)(6) • Leasehold • IL Land Trusts • UHM's Construction to Permanent • Property TBD or Lock 'n Shop • Recasting or re-amortizing • Land contract/contract for deed • Non-Arm's length transactions |
| Interested Party Contributions (IPC) | Follow Agency Guidelines. |
| Borrower Eligibility | |
| Borrower Eligibility | <p>Eligible Borrower Type. All Borrowers on the loan must meet the eligibility requirements.</p> <ul style="list-style-type: none"> • US Citizens • Borrower on the Loan must have a valid Social Security number. • All borrowers must have a credit score (agency requirement) • Non-Occ Co-Borrower allowed per AUS • Acceptable VISA types: • E Series (E-1, E-2, E-3) • G Series (G-1, G-2, G-3, G-4, G-5) • H Series (H-1B, H-1C) • L Series (L-1, L-1A, L-1B, Spouse L-2 with EAD) • NATO Series (NATO 1 – 6) • O Series (O-1) • TN-1, Canadian NAFTA visa • TN-2, Mexican NAFTA visa • IL Land • First time Homebuyer limitations: <ul style="list-style-type: none"> • First-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date. Owner-occupied only. • Maximum of four borrowers per loan |
| Ineligible Borrowers | <ul style="list-style-type: none"> • Borrowers with only an ITIN (Individual Taxpayer Identification Number). • Irrevocable trusts. • Corporations, limited partnerships, general partnerships, and limited liability companies. • Borrowers who are party to a lawsuit. • Borrowers with Diplomatic Immunity. • Foreign Nationals |
| Identity of Interest and Non-Arm's Length Transactions | Loans for transactions with identity of interest or non-arm's length characteristics are not eligible under this Program. This includes sales between family members, business associates, entities where a borrower is a principal or officer, involves the builder/developer of the subject and employee or affiliate of the builder/developer. |
| Assignment of Sales Contract | Not eligible |

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| Continuity of Obligation | For a refinance transaction to be eligible for purchase there must be a continuity of obligation of the outstanding lien that will be paid through the refinance transaction. See section 7.4 for full requirements. |
| Appraisal/ Property Eligibility | |
| Appraiser Requirements | <ul style="list-style-type: none"> • Full interior and exterior inspection URAR required irrespective of DU findings • PIW (Property Inspection Waiver) not allowed, even if noted on the AUS feedback • Two full appraisals required for loan amounts >\$1.5mm • Condition ratings C5 or C6 or Q6 are not allowed unless the issues that caused the ratings are cured prior to loan delivery. |
| Appraisal Third Party review | <ul style="list-style-type: none"> • UHM requires a CDA on all loan amounts over the Agency loan limit • CDA required for all CU scores greater than 2.5 • If the desk review produces a value in excess of a 10% negative variance to the appraised value, the loan is not eligible for purchase; provided, the seller has the option to then ask the Exchange to order a Field Review to support the appraised value. If the field review also produces a value in excess of a 10% negative variance to the appraised value, then the loan will remain ineligible for purchase. |
| Eligible Condo Reviews | <ul style="list-style-type: none"> • UHM responsible for determining project meets Fannie Mae eligibility requirements • Must be Fannie Mae or Freddie Mac Warrantable based on AUS used • Low/mid/high-rise new and established agency warrantable condominiums. • Condominiums with HOA in litigation are ineligible. • Minimum square footage 400. |
| Ineligible Property Types | <ul style="list-style-type: none"> • More than 20 acres • Rural property zoning • Manufactured Homes • Co-Ops (UHM) • Rural or agricultural properties • Condotel, B&B, timeshares, log homes, unique properties, etc • Properties with an Oil and gas lease • Property site not compatible with neighborhood • Refer to full list in guide |
| Underwriting & Compliance Requirements | |
| AUS | DU and LP are acceptable. Must have an approve/accept Eligible. Must have an approve/accept Eligible. Approve Ineligible due only to the loan amount exceeding the Agency loan limit for the subject property count and number of units or LTV exceeding maximum allowed on C/O refinance. |
| Qualifying Ratios | Maximum DTI is 45% |
| Income | <ul style="list-style-type: none"> • Foreign income not acceptable • Restricted stock units not acceptable as income • Income must be from a legal source. |

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| | <ul style="list-style-type: none"> • If a discrepancy exists between the DU or LP feedback and their guide, the guide requirements must be followed. • Commission income must be documented with a written VOE breaking down the bonus or commission income for the past 2 years or a year-to-date paystub and W-2's supporting the income. • Self Employed: If the tax return for the previous tax year is not filed a 12-month P&L and <u>balance sheet</u> for this period is required. • Unacceptable income • Any source that cannot be verified. <ul style="list-style-type: none"> • Restricted stock income (RSU). • Income that is temporary. • Rental Income (Boarder Income) received from the borrower's primary residence. • Expense account payments. • Retained earnings • Automobile allowance |
| Assets | Gift of equity are ineligible |
| Reserves | <p>The greater of the AUS reserve requirements or the reserve requirements in the Product Matrix.</p> <p>Reserves must be verified and comprised of liquid assets that borrower can readily access. Equity lines of credit, gift funds, business assets and cash out from the subject property on refinance transactions are not acceptable sources to meet the reserve requirement</p> |
| Credit | <p>Refer to table for min credit scores.</p> <p>IMPORTANT NOTE: Credit rescues are not permitted unless the rescore is correcting erroneous line items or disputed accounts.</p> |
| Housing Payment History | <ul style="list-style-type: none"> • A minimum of twenty-four (24) months verified housing history is required with 0 x 30 payment history. • For rental verification, a standard VOR completed by a professional management company or 24 months bank statements or canceled checks are required. • Borrowers with no mortgage/rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation. • If primary residence housing history reflects a forbearance arrangement, the payment history must reflect 0 x 30 in the most recent 24 months since exiting forbearance. The payment history must be provided by the lender/servicer. |
| Foreclosure, DIL, BK, Short Sale | At least seven (7) years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale or deed in-lieu measured from the date of completion to the date of application. |
| Tax & Insurance Escrow | <ul style="list-style-type: none"> • When flood insurance is required, an escrow/impound account must be established for payment of the flood insurance premiums on all Loans delivered to UHM, regardless of the LTV and/or federal exemptions. |

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| | <ul style="list-style-type: none"> • Otherwise, escrows for taxes and insurance are required for all Loans with LTVs greater than 80%, except as prohibited or required by Applicable law in certain states. |
| <p>Investment Property TILA Compliance</p> | <p>For cash-out refinance transactions of an investment property a borrower signed Business Purpose & Occupancy Affidavit indicating the loan purpose is for the acquisition, improvement or maintenance of a rental property is required. See Appendix B for form of Affidavit. Loans delivered without the affidavit will be subject to TILA compliance.</p> <p>Cash out loan proceeds used for any personal use are not eligible as a Business Purpose loan and will be subject to TILA compliance.</p> |

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| Delayed Financing | Delayed financing refinances in which the borrowers purchased the subject property for cash must be within 90 days of application date. A Closing Disclosure is required to document no mortgage financing was used to obtain the subject property. |
| Closing Requirements | |
| Loss Payee & Mortgagee Clause | At time of closing use UHM: Insurance & Title: Union Home Mortgage Corp, ISAOA/ATIMA, 8241 Dow Circle West, Strongsville, OH 44136 |
| Power of Attorney | In certain situations, a specific, special, military, or limited Power of Attorney (POA) may be acceptable. <ul style="list-style-type: none"> • Use of Power of Attorneys is not allowed for transactions with any of the following characteristics (not all characteristics may be applicable to this program): cash-out refinance; non-owner occupied (investment) properties; title taken as trust; identity of interest or non-arm's length transactions; non-occupant Borrowers. • The Settlement Agent must not act as the attorney-in-fact or sign documents on behalf of any party to the transaction. |
| UHM Closing Document Prep | All closing packages must be prepared by UHM, regardless of a correspondent's ability/approval to fund loans |
| Production Channel | Wholesale and Non-Delegated Correspondent (NDC) |
| Training | Review Product Matrixes in UHMGO |
| Compensation Selection | Borrower or Lender Paid Only (BPO or LPO) |
| Broker Compensation | Max Compensation is LPO Selection |

LTV/CLTV AND CREDIT SCORE Fixed EXPRESS

| PRIMARY RESIDENCE | | | | |
|---------------------------------|----------|--------------|------------------|---|
| Purchase, Rate & Term Refinance | | | | |
| Property Type | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1 Unit, SF, PUD, Condo | 80% | \$1.0mm | 700 | 6 |
| | 65% | \$1.0mm | 680 | 6 |
| | 60% | \$1.0mm | 660 | 6 |
| | 80% | \$1.5mm | 700 | 12 |
| | 65% | \$1.5mm | 680 | 12 |
| | 60% | \$1.5mm | 660 | 12 |
| 2 Unit | 70% | \$1.0mm | 700 | 6 |
| | 70% | \$1.5mm | 700 | 12 |
| 3-4 Unit | 65% | \$1.0mm | 700 | 12 |
| | 65% | \$1.5mm | 700 | 15 |
| Cash Out Refinance* | | | | |
| Property Type | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1-Unit, SFR, PUD, Condo | 80% | \$1.0mm | 700 | 6 |
| | 65% | \$1.0mm | 680 | 6 |
| | 80% | \$1.5mm | 700 | 12 |
| | 65% | \$1.5mm | 680 | 12 |
| 2 Unit | 70% | \$1.0mm | 700 | 6 |
| | 70% | \$1.5mm | 700 | 12 |
| 3-4 Unit | 65% | \$1.0mm | 700 | 12 |
| | 65% | \$1.5mm | 700 | 15 |

| SECOND HOME | | | | |
|---------------------------------|----------|--------------|------------------|---|
| Purchase, Rate & Term Refinance | | | | |
| Property Type | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1-Unit, SFR, PUD | 80% | \$1.0mm | 700 | 12 |
| | 65% | \$1.0mm | 680 | 12 |
| | 60% | \$1.0mm | 660 | 12 |
| | 80% | \$1.5mm | 700 | 18 |
| | 65% | \$1.5mm | 700 | 18 |
| | 60% | \$1.5mm | 700 | 18 |
| Condo | 65% | \$1.0mm | 720 | 12 |
| Cash Out Refinance* | | | | |
| | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1- Unit, SFR, PUD | 75% | \$1.0mm | 700 | 12 |
| | 70% | \$1.5mm | 700 | 18 |

* Maximum Cash out for Primary and second homes is \$500,000. Maximum for investment properties is \$350,000.

LTV/CLTV AND CREDIT SCORE Fixed EXPRESS

| INVESTMENT | | | | |
|--|-----------------|---------------------|-------------------------|---|
| Purchase, Rate & Term Refinance | | | | |
| | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1- Unit, SFR, PUD, Condo | 75% | \$1.0mm | 700 | DU/LPA |
| | 75% | \$1.5mm | 700 | 3 |
| 2-4 Unit | 75% | \$1.0mm | 700 | DU/LPA |
| | 75% | \$1.5mm | 700 | 3 |
| Cash Out Refinance* | | | | |
| | LTV/CLTV | Maximum Loan | Min Credit Score | Minimum Months Reserves Greater of DU/LPA or |
| 1- Unit, SFR, PUD | 60% | \$1.0mm | 700 | DU/LPA |
| | 60% (Condo) | \$1.0mm | 720 | DU/LPA |
| | 60% | \$1.5mm | 700 | 3 |
| | 60% (Condo) | \$1.5mm | 720 | 3 |
| 2-4 Unit | 70% | \$1.0mm | 680 | DU/LPA |
| | 70% | \$1.5mm | 720 | 3 |
| | 65% | \$1.5mm | 680 | 3 |

* Maximum Cash out for Primary and second homes is \$500,000. Maximum for investment properties is \$350,000.