

JUMBO MATRIX TERMS	AGGRESSIVE JUMBO JF30G & JF15G
PRODUCT DESCRIPTION	*Conventional Jumbo Fixed Rate *15 & 30 years
TEMPORARY BUYDOWNS	Not permitted
QUALIFYING RATE AND RATIOS	<p>QUALIFYING RATE Qualify at Note rate using the fully amortized payment PITIA (Principal, Interest, Taxes, Insurance, Association Dues)</p> <p>RATIOS Primary Residence: 45% DTI Second Home: 40% DTI</p>
TYPES OF FINANCING	<p>PURCHASE MORTGAGES</p> <p>RATE AND TERM REFINANCES</p> <ul style="list-style-type: none"> * No Seasoning on first mortgage * If owned less than 12 months, LTV must be based on lower of appraised value or original sales price plus cost of any documented improvement. If the value has increased greater than 15%, photographs of improvements are required. * If owned more than 12 months, LTV is based on current appraised value. HUD-1 or Deed must be provided to verify ownership. * Cash out not to exceed the lesser of 1% or \$2000 of the principal amount of the new loan * One year seasoning on junior liens from funding unless documented is provided to verify it was acquired as part of acquisition or for home improvements. This does not apply to draws of 1% or less of the new loan amount or a maximum of \$2,000 within the past 12 month period. * Properties listed for sale in the last 6months (on or before application date) are not eligible for refinance transactions. <p>EQUITY REFINANCES</p> <ul style="list-style-type: none"> * Primary Residence Only * All borrowers must have held title to subject property for a minimum of 6months (note date to application date) * If owned less than 12 months, LTV Must be based on the lower of appraised value or original sales price plus cost of any documented improvements. If the value has increased greater than 15%, photographs of improvements are required. * If owned more than 12 months. LTV is based on current appraised value. HUD-1 or Deed must be provided to verify ownership * Properties listed for sale in the last 6months (on or before application date) are not eligible for equity refinance transactions * Cash out limitations-Includes payoff of unseasoned second mortgages, HELOCs and/or non-mortgage debt <p>ELIGIBLE PROPERTY TYPES</p> <ul style="list-style-type: none"> * Single Family Residence * Modular, Pre-Cut Home, Panelized Home * Multifamily (2 to 4 units) * Site Condo (1unit)
PROPERTY TYPES	

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PROPERTY TYPES CONTINUE	<ul style="list-style-type: none"> * Planned Unit Development (PUD) INELIGIBLE PROPERTY TYPES *Assisted Living Projects *Cantilevered Property *Common Interest Apartments *Condo *Condo-Hotel *Cooperative *House Boats *Investment Securities *Manufactured Homes *Mixed Used Property *Mobile Homes *Multifamily dwelling more than 4 units *Multifamily Condo dwelling with ownership of >1 unit evidenced by a single deed and mortgage (includes lock-out units) *Projects. with non-incidentual business operations owned or operated by the HOA such as, but not limited to a restaurant, spa, health club, etc. *Property or project with pending structural litigation. Non-structural litigation may be considered on a case-by-case basis *Property that restricts the owner's ability to occupy the unit have mandatory rental pools or guaranteed rent-backs *Property that represents a legal, but Non-Conforming use if zoning regulations prohibit rebuilding the improvements to current density in the event of full or partial destruction. *Property without full kitchen *Non-warrantable condominium *Planned Unit Development (PUD) with pending structural litigation *Property with more than 10 acres *Property without full utilities installed to meet all local health and safety standards; Continuing supply of potable water; public sewer or certified septic system; Public electricity; Natural or LP Gas *Property Zoned and used for commercial or industrial purposes *Tax-sheltered syndicate *Time Share units/projects *Unimproved land *Working farm, ranch or orchard
OCCUPANCY	<ul style="list-style-type: none"> * Primary Residence * Second Home
GEOGRAPHIC LOCATIONS/ RESTRICTIONS	Continental US, Alaska and Hawaii

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STATE SPECIFIC REQUIREMENTS	No State Specific restrictions for the State of California
ASSUMPTIONS	Not Permitted
ESCROW WAIVER	<ul style="list-style-type: none"> * Permitted for one unit primary residence only * Property tax and insurance escrows may be waived with the following criteria: ** <=90% LTV
UNDERWRITING	<ul style="list-style-type: none"> * Program Investor's overall exposure with a borrower exceeding \$1,000,000 must be submitted to Investor * Refer to Limitations on other Real Estate Owned for Multiple Loans to the same borrower * Corporate 2nd Signature Required, Once all PTDs have been Signed off by the Original Underwriter <li style="background-color: yellow;">*Corporate will send the file to the Investor once the 2nd Signature has been completed. MANUAL UNDERWRITE IS REQUIRED FOR ALL LOANS: * Each loan is to be underwritten manually to the product and policy guidelines * Refer to, AUS Requirements for additional guidance *** INVESTOR PRIOR APPROVAL REQUIRED ON ALL LOANS AFTER PBM INITIAL UNDERWRITE ***
DOCUMENTATION TYPE	FULL DOC ONLY
BORROWER ELIGIBILITY	<p><u>U.S. Citizen</u></p> <p><u>Permanent Resident Alien</u> Verify Alien Restrictions Card Must provide valid Social Security number</p> <p><u>No-Permanent Resident</u> Primary residence only Maximum LTV/CLTV for 1-2 units: 75% Maximum LTV/CLTV for 3-4 units: 70%</p> <p>** A non-permanent resident is a non-US who lawfully enters the United States for a specific time-periods (typically up to six years) under the terms of a Visa. A non-permanent resident status may or may not permit employment. Non-permanent residents, who are permitted employment and meet the guidelines listed below, are eligible for a primary residence or second home. Asylees and Refugees may also be eligible under this classification. Verification that the Borrower has all the following is required:</p> <ul style="list-style-type: none"> * A Valid Social Security Card * Documentation to support that the Borrower is eligible to work in the U.S. as evidenced by an unexpired work Authorization document issued by the United States Citizenship and Immigration Services (USCIS). Investor will accept one of the following Visa categories: H series, L, E-1, G series and TN Visa. For more information, see website www.uscis.gov <p><u>First Time Homebuyer</u> Primary residence only * For all loans, verification of 12months Rental payments is required. The loan file must contain 12 months cancelled</p>

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BORROWER ELIGIBILITY CONTINUE	<p>checks or bank statements to evidence eligibility for mortgage/housing history for the loan program under which the loan is submitted. Written Verification of rent via the credit report not permitted. Direct written verification of rent is acceptable in lieu of of cancelled checks when the landlord is a large professional management company.</p> <ul style="list-style-type: none"> * First-Time Homebuyers require 12 month reserves * Borrower living rent free, requires 12 months Reserves (excluding retirement accounts). This is only to be used when the borrower's are living rent free. <p><u>Non-occupant Co-Borrower, guarantor, and co-signor</u></p> <ul style="list-style-type: none"> * An Established relationship with the Borrower exists * A party with an interest in the property sales transaction (including but not limited to the builder, property seller, or real estate broker) is not eligible as a non-occupant Co-Borrower, guarantor or co-signor * Primary residence only * A non-occupant Co-Borrower, guarantor, or co-signor must provide verification of income * Maximum LTV/CLTV for 1-2 units: 75% * Maximum LTV/CLTV for 3-4 units: 70% * Qualifying total debt ratio for the occupant borrower may not exceed 45% ***A non-occupant Co-Borrower is a credit applicant that has an ownership interest in the property securing the mortgage and who signs the Note but does not occupy the subject property. ***A Guarantor or co-signer is a credit applicant who does not have ownership interest in the property, but who signs the Note and thus has joint and several liabilities for the Note with the occupant Borrower, who is the owner of the property ***All individuals who hold title to the subject property are required to sign the security instruments (i.e., mortgage, deed of trust), but are not required to sign the loan application or the Note unless their income is used for qualifying purposes. ***Non-occupant Co-Borrowers who are not Borrowers on the current mortgage and do not hold title cannot be added to a Cash Out Refinance as a means to qualify for the loan. <p><u>Foreign National</u> Not permitted</p> <p><u>Trust Agreements</u> Client must review the trust agreement (or the summary or certification of the trust agreement if applicable) to ensure that the intervivos revocable trust meet all of the following requirements:</p> <ul style="list-style-type: none"> * The trust is established by a written document during the lifetime of the individual establishing the trust, to be effective during his or her lifetime * The individual establishing the trust has reserved the right to revoke or alter the trust during his or her lifetime. * The trustee has the power to mortgage the Mortgaged Premises for the purpose of securing a Loan to the revocable intervivos trust revocable intervivos trust. * The primary beneficiary of the trust is the individual establishing the trust. If more than one individual establishes the trust jointly, there may be more than one primary beneficiary. * The consent of the beneficiaries is not required for the trust to borrow money, or if such consent is required, the consent must be granted in writing for purposes of the transaction. * There are no unusual risks or impairments of lender's rights.

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BORROWER ELIGIBILITY CONTINUE	<ul style="list-style-type: none"> * The trust is valid under law. * The individual establishing the trust is the trustee or one of the co-trustees. <p>If the trust agreement requires more than one trustee to borrow money or to purchase, construct or encumber realty, that the requisite number of trustees has signed the loan documents.</p>
CREDIT	<p><u>Housing payment History</u></p> <ul style="list-style-type: none"> * 0x30 mortgage/rental delinquency in past 12 months * No 60+ mortgage/rental delinquency in past 24 months * Subject mortgage must be current at closing <p><u>Bankruptcy, Foreclosure, Pre-Foreclosure, Deed-In-Lieu and Restructured Loan/Short Payoff</u></p> <ol style="list-style-type: none"> 1. Bankruptcy <ul style="list-style-type: none"> * A minimum seven years must have elapsed since the date of discharge or dismissal of bankruptcy * Chapter 7 bankruptcy is measured from discharge date * Chapter 13 bankruptcy is measured from discharge date 2. Foreclosure <ul style="list-style-type: none"> * A minimum seven years must have elapsed since the date of foreclosure completion 3. Restructured Loan/Short Payoff <p>A restructured loan or short payoff is a mortgage loan in which the terms of the original transaction have been changed resulting in either absolute forgiveness of debt or a restructure of debt through either a modification of a new loan that results in:</p> <ul style="list-style-type: none"> * Forgiveness of a portion of principal and/or interest on either the first or second mortgage; * Application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness; * Conversion of any portion of the original mortgage debt to a "soft" subordinate mortgage; or * Conversion of any portion of the original mortgage debt from secured or unsecured debt <p>If the existing loan being paid off is a restructured loan or short payoff, the loan <u>is not eligible for a Rate/Term Refinance transaction.</u></p> <p>If the Borrower has had a prior restructured loan or short payoff, the new loan is eligible for financing subject to compliance with all foreclosure guidelines.</p>
ASSETS	<p><u>Borrower Investment</u></p> <ul style="list-style-type: none"> * <u>Primary Residence</u> <ul style="list-style-type: none"> * A minimum down payment of 5% must be paid from the borrower's own funds. The balance may be paid from any of the acceptable asset sources. (borrowers funds, gift funds or secondary financing) * <u>Second Home</u> <ul style="list-style-type: none"> * The entire down payment must be paid from the borrowers own funds. Gifts are not permitted. <p><u>Seller Contributions</u></p> <ul style="list-style-type: none"> * The Maximum contribution is 3% <p><u>Gifts</u></p> <ul style="list-style-type: none"> * Acceptable on loans up to \$1million provided minimum borrower investment requirements are met. * The Minimum borrower investment is waived on primary residences when gift reduces the LTV <= 80% and the borrower pays owns closing costs and no secondary financing exists. * No gifts acceptable on loans over \$ 1million

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ASSETS CONTINUE	<p>Reserves Reserves must come from borrower's own funds. Must be verified PITI (inclusive of HOA fees, if apply) reserves remaining after closing, exclusive of closing costs, cash out received, and proceeds from home equity transactions:</p> <p>Loan Amount/Combined Loan Amount >=to \$1 million</p> <ul style="list-style-type: none"> * Minimum 12 months reserves(inclusive of HOA fees,if apply)and exclusive of cash out funds, business assets(other than Schedule C) *Minimum 6months liquid reserves *Maximum 6 months reserves permitted from retirement accounts. See Reserves below. <p>Loan Amount/Combined Loan Amount <\$1 million</p> <ul style="list-style-type: none"> * DTI >=35% *Minimum 12months reserves(inclusive of HOA fees, if apply)and exclusive of cash out funds, business assets(other than Schedule C) *Minimum 6 months liquid reserves *Maximum 6 months reserves permitted from retirement accounts *DTI <35% *Minimum 6months liquid reserves inclusive of HOA fees, if apply) *Exclusive of 401k/SEP accts, c/o funds, business assets (other than schedule C) See below for other ineligible reserves *The borrower's primary residence is for sale, but will not close before the Note Date of the Mortgage on the new primary residence *The borrower is converting their primary residence to a second home or investment property *Proposed rent is being used for income <p>Ineligible sources for reserves include</p> <ul style="list-style-type: none"> * Business Assets (other than Schedule C) * Cash out Proceeds * Bridge Loans * Loans secured by other assets * Proceeds from the sale of non-real estate assets <p>First Time Homebuyers</p> <ul style="list-style-type: none"> * <i>Refer to Borrower Eligibility for additional reserve requirement</i> <p>Retirement Account Funds</p> <ul style="list-style-type: none"> * Borrower of retirement age (generally 59 1/2): Subtract 30% from vested amount less any outstanding loans * Borrowers not of retirement age: Subtract 50% from the vested amount less any outstanding loans when retirement accounts only allow for withdrawal in connection with the Borrower's employment termination, retirement, or death, the vested funds should not be considered as reserves. The most recent retirement account statement identifying the Borrower's vested amount and the terms for fund withdrawals or loans is required.
MULTIPLE PROPERTIES OWNED/FINANCED	<p>Multiple loans to the same borrower</p> <ul style="list-style-type: none"> * Maximum 20% concentration in any one project or subdivision * Up to 4 financed properties, including the subject property, Maximum of \$2Million exposure to PBM and its affiliates of this product.

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MULTIPLE PROPERTIES OWNED/FINANCED CONTINUE	<p>**An affiliate financed property is a property secured by either a first or a second by the Investor for this product. **When the property has both a first and second Mortgage financed with our Investor this is considered a single financed property</p> <ul style="list-style-type: none"> * All new loans submitted for the same Borrower must be underwritten simultaneously as the impact of each transaction upon the other need to be evaluated. * Partial or joint ownership is considered the same as total ownership in the property. Ownership in commercial properties, multi-family (five or more units) properties, lots and properties owned free and clear are not included in the limitation * Refer to Underwriting Section
APPRAISAL REQUIREMENTS AND APPRAISAL REVIEWS	<p>PBM PRE-REGISTRATION FORM MUST BE COMPLETED PRIOR TO APPRAISAL ORDER</p> <p>Appraiser must have current license Appraisals must be ordered through the <u>Veros Portal</u> The loan amounts <= \$1,000,00.00</p> <ul style="list-style-type: none"> * Loan Amounts <= \$1,500,000.00 * One full appraisal with interior photos * Loan Amounts >= \$1,500,000.00 * Two full appraisals with interior photos <p>Maximum Number of Acres 15</p>
MORTGAGE INSURANCE	<p>N/A</p>
AUS REQUIREMENTS	<p>All loans must be submitted thru a DU/DO report to receive appropriate fraud alerts and contributory messages prior to performing a manual underwriting review.</p> <ul style="list-style-type: none"> * DU decision is not applicable to the loan review or underwriting decision. It is not acceptable to apply the level of documentation identified via the AU system for credit, income, assets or appraisal review- FULL DOC ONLY <p>All Loans must be submitted to the Market Indicator Portal (declining market indicator) and if applicable, follow declining market policy restrictions. Refer to Loan Amount and LTV Matrix JF30G & JF15G for additional guidance</p>
SPECIAL REQUIREMENTS/ RESTRICTIONS	<p>Form 4506-T must be processed prior to closing A new IRS form 4506T is required to be signed with the closing package as well as at application even when the form has been processed.</p>