

## HELOC - Home Equity Line of Credit

(The information shown below is specific to the product listed on this page. Refer to the Spring EQ underwriting guidelines for additional information and requirements)

Release Date: 11/20/2023

HELOC - Home Equity Line of Credit					
(The information shown below is specific to the product listed on this page. Refer to the Spring EQ underwriting guidelines for additional information and requirements)					
Release Date: 11/20/2023					
3-Year Draw FICO / HCLTV / Occupancy Maximums	Minimum FICO		Max HCLTV		
			Owner Occupied	2 <sup>nd</sup> Home	Investment
	700+		95%	80%	70%
	680-699		90%		70%
660-679		80%			
10-Year Draw FICO / HCLTV / Occupancy Maximums	Minimum FICO		Max HCLTV		
			Owner Occupied	2 <sup>nd</sup> Home	Investment
	700+		85%	80%	
	680-699		85%		
Product Terms	<ul style="list-style-type: none"> <li>30 Year HELOC with 3 Year Draw Period                             <ul style="list-style-type: none"> <li>30-year variable term (Index plus a margin)</li> <li>3-year draw period and 10-year interest only payment period with a 20-year fully amortizing repayment period</li> </ul> </li> <li>30 Year HELOC with 10 Year Draw Period                             <ul style="list-style-type: none"> <li>30-year variable term (Index plus a margin)</li> <li>10-year interest only draw period with a 20-year fully amortizing repayment period</li> </ul> </li> </ul>				
Initial Draw	<ul style="list-style-type: none"> <li>Minimum \$50k</li> </ul>				
Additional Draws	<ul style="list-style-type: none"> <li>Prohibited during the first 90 days following closing date</li> <li>Minimum \$1000 not to exceed credit limit</li> </ul>				
Index	<ul style="list-style-type: none"> <li>Prime Rate as published in the WSJ on the 1st of the month, if there is a range published the highest rate will be used</li> </ul>				
Lifetime Rate Cap / Floor	<ul style="list-style-type: none"> <li>Lifetime Cap = 18.00% unless prohibited by law</li> <li>Floor Rate = 4.00%</li> </ul>				
Debt to Income	<ul style="list-style-type: none"> <li><b>Maximum Line amounts greater than or equal to \$250,000</b> – Max 43% DTI</li> <li><b>Maximum Line amounts less than \$250,000 with CLTV less than 90%</b>– Max 50% DTI with Minimum 700 FICO Score and \$3,500 of Monthly Residual Income                             <ul style="list-style-type: none"> <li>Monthly Residual Income = Total Monthly Income – Total Monthly Mortgage and Non-Mortgage Obligations listed in the Underwriting Guidelines</li> </ul> </li> <li><b>Maximum Line amounts less than \$250,000 with CLTV greater than or equal to 90%</b>– Max 45% DTI</li> <li>30 year, fully amortized payment based on start rate + 2% and the total credit limit used to qualify</li> </ul>				
Line Amount	<ul style="list-style-type: none"> <li>Minimum Line Amount- \$50,000</li> <li>Maximum Line Amount- \$500,000</li> </ul>				
Maximum Total Financing	<ul style="list-style-type: none"> <li>Single Borrower - \$500,000 in aggregate (principal balance of Spring EQ originated loans)                             <ul style="list-style-type: none"> <li>Aggregate is defined as the sum of all outstanding closed end loans and the max available credit on a HELOC</li> </ul> </li> <li>Owner-Occupied - Limited to \$3,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> <li>Second Homes - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> <li>Investment Properties - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)                             <ul style="list-style-type: none"> <li>Limited to 10 Financed Properties</li> </ul> </li> </ul>				
Ineligible Senior Lien	<ul style="list-style-type: none"> <li>Senior liens with high-risk features which can include, but are not limited to:                             <ul style="list-style-type: none"> <li>Tax and judgement liens</li> <li>Loans in active forbearance or deferment</li> <li>Negative amortization mortgages (this does not include language in the mortgage note warning Borrower's that the lack of payment may result in negative equity and negative amortization is not a feature of the product)</li> <li>Balloon mortgages, (balloon terms resulting from a loan modification are acceptable subject to the terms in modification requirement. The Spring EQ mortgage term cannot exceed the balloon payment due date)</li> <li>Partial claim as a result of a loan modification</li> <li>Reverse Mortgages</li> <li>Construction loans (this does not include construction loans that have been modified to permanent financing as evidenced by all pages of the fully executed loan documents detailing the terms of the permanent financing and the most recent mortgage statement showing fully amortizing loan terms)</li> <li>Private Mortgages opened within the past 12 months</li> <li>Texas 50(a)(6)</li> <li>HELOC in the draw period</li> </ul> </li> </ul>				
Assumptions	<ul style="list-style-type: none"> <li>Spring EQ originated loans are not assumable</li> </ul>				
Housing History	<ul style="list-style-type: none"> <li>0x30x6 inclusive of all mortgages when the borrower is obligated on the mortgage/note on all REO for all borrowers on the transaction (No Late Payments in the last 6 months)</li> <li>Max 1x30x12 inclusive of all mortgages when the borrower is obligated on the mortgage/note on all REO for all borrowers on the transaction (Max of 1 - 30 Day late payments in the past 12 months)</li> <li>Any mortgage lien on the subject property where the borrower is not a note holder (e.g. mortgage held by another party), or is not reporting on credit requires payment history to verify no late or missed payments in the most recent 12-month</li> </ul>				

	<ul style="list-style-type: none"> <li>period (product specific)</li> <li>• Purchase transactions- 12 months rental history verification is required</li> <li>• Rent free borrowers are ineligible for all transaction types</li> <li>• If VOM/VOR is from a private party, cancelled checks and/or bank statements are required</li> <li>• The first mortgage loan cannot be in any active deferment or forbearance period. Once the deferment or forbearance period has expired, a minimum of three-monthly payments at the current payment must be documented</li> </ul>
<p><b>Homeowners Insurance</b></p>	<ul style="list-style-type: none"> <li>• Existing coverage amount must be equal to the lesser of the following:             <ul style="list-style-type: none"> <li>◦ 100% of the insurable value of the improvements, as established by the property insurer; or</li> <li>◦ the unpaid principal balance of all existing liens against the subject property, plus the new HELOC Maximum Line Amount</li> </ul> </li> </ul>
<p><b>Mortgagee Clause</b></p>	<ul style="list-style-type: none"> <li>• Specialized Loan Servicing LLC ISAOA/ATIMA PO Box 4500 Springfield, OH 45501</li> </ul>
<p><b>State Specific Restrictions</b></p>	<ul style="list-style-type: none"> <li>• Texas-             <ul style="list-style-type: none"> <li>◦ Max CLTV is 80%</li> <li>◦ Properties with &gt;10 Acres</li> <li>◦ Minimum line amount- \$60,000</li> <li>◦ 30 Year HELOC with 3 Year Draw Period is not permitted</li> <li>◦ Second Home and Investment/Non-Owner-Occupied refinance or purchase transactions are not permitted</li> <li>◦ Piggyback refinance or purchase transactions are not permitted</li> <li>◦ For loans secured by subject properties, non-married vested persons who occupy the property must be added as a co-borrower</li> </ul> </li> <li>• Massachusetts- Loans with mortgage liabilities marked to be paid with loan proceeds opened within 60 months from the application date are ineligible</li> </ul>
<p><b>Lien Positions &amp; States</b></p>	<ul style="list-style-type: none"> <li>• 1st Liens</li> <li>• 2nd Liens (Spring EQ must be in 2nd lien position at the time of closing)</li> <li>• 1st Lien HELOC cannot be used for Purchase Transactions</li> <li>• <b>WHOLESALE:</b> <ul style="list-style-type: none"> <li>◦ <b>2nd Lien-</b> Available in all states <b>except:</b> AK, HI, ID, ND, NY, SD, TN, WV, WY</li> <li>◦ <b>1st Lien</b> Available in all states <b>except:</b> AK, AR, DC, HI, ID, IN, LA, MT, ND, NE, NM, NY, PA, SD, TN, WV, WY</li> </ul> </li> <li>• <b>RETAIL:</b> <ul style="list-style-type: none"> <li>◦ <b>2nd Lien-</b> Available in all states <b>except:</b> AK, HI, ID, ND, NV, NY, SD, TN, UT, WV, WY</li> <li>◦ <b>1st Lien-</b> Available in all states <b>except:</b> AK, HI, ID, ND, NV, NY, PA, SD, TN, UT, VA, WV, WY</li> </ul> </li> </ul>

## HELOC Plus - Home Equity Line of Credit

(The information shown below is specific to the product listed on this page. Refer to the Spring EQ underwriting guidelines for additional information and requirements)

Release Date: 11/20/2023

FICO / HCLTV / Occupancy Maximums	Minimum FICO	Max HCLTV		
		Owner Occupied	2 <sup>nd</sup> Home	Investment
	740+	80%	80%	
<b>Product Terms</b>	<ul style="list-style-type: none"> <li>30 Year HELOC with 3 Year Draw Period                             <ul style="list-style-type: none"> <li>30-year variable term (Index plus a margin)</li> <li>3-year draw period and 10-year interest only payment period with a 20-year fully amortizing repayment period</li> </ul> </li> <li>30 Year HELOC with 10 Year Draw Period                             <ul style="list-style-type: none"> <li>30-year variable term (Index plus a margin)</li> <li>10-year interest only draw period with a 20-year fully amortizing repayment period</li> </ul> </li> </ul>			
<b>Initial Draw</b>	<ul style="list-style-type: none"> <li>Minimum \$50k</li> </ul>			
<b>Additional Draws</b>	<ul style="list-style-type: none"> <li>Prohibited during the first 90 days following closing date</li> <li>Minimum \$1000 not to exceed credit limit</li> </ul>			
<b>Index</b>	<ul style="list-style-type: none"> <li>Prime Rate as published in the WSJ on the 1st of the month, if there is a range published the highest rate will be used</li> </ul>			
<b>Lifetime Rate Cap / Floor</b>	<ul style="list-style-type: none"> <li>Lifetime Cap = 18.00% unless prohibited by law</li> <li>Floor Rate = 4.00%</li> </ul>			
<b>Debt to Income</b>	<ul style="list-style-type: none"> <li><b>Maximum Line amounts greater than or equal to \$250,000</b> – Max 43% DTI</li> <li><b>Maximum Line amounts less than \$250,000</b> – Max 45% DTI</li> <li>30 year, fully amortized payment based on start rate + 2% and the total credit limit used to qualify</li> </ul>			
<b>Line Amount</b>	<ul style="list-style-type: none"> <li>Minimum Line Amount- \$50,000</li> <li>Maximum Line Amount- \$500,000</li> </ul>			
<b>Maximum Total Financing</b>	<ul style="list-style-type: none"> <li>Single Borrower - \$500,000 in aggregate (principal balance of Spring EQ originated loans)                             <ul style="list-style-type: none"> <li>Aggregate is defined as the sum of all outstanding closed end loans and the max available credit on a HELOC</li> </ul> </li> <li>Owner-Occupied - Limited to \$3,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> <li>Second Homes - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> </ul>			
<b>Ineligible Senior Lien</b>	<ul style="list-style-type: none"> <li>Senior liens with high-risk features which can include, but are not limited to:                             <ul style="list-style-type: none"> <li>Tax and judgement liens</li> <li>Loans in active forbearance or deferment</li> <li>Negative amortization mortgages (this does not include language in the mortgage note warning Borrower's that the lack of payment may result in negative equity and negative amortization is not a feature of the product)</li> <li>Balloon mortgages, (balloon terms resulting from a loan modification are acceptable subject to the terms in modification requirement. The Spring EQ mortgage term cannot exceed the balloon payment due date)</li> <li>Partial claim as a result of a loan modification</li> <li>Reverse Mortgages</li> <li>Construction loans (this does not include construction loans that have been modified to permanent financing as evidenced by all pages of the fully executed loan documents detailing the terms of the permanent financing and the most recent mortgage statement showing fully amortizing loan terms)</li> <li>Private Mortgages opened within the past 12 months</li> <li>Texas 50(a)(6)</li> <li>HELOC in the draw period</li> <li>Interest Only Mortgages</li> <li>Senior liens that have been assumed</li> </ul> </li> </ul>			
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Spring EQ originated loans are not assumable</li> </ul>			
<b>Housing History</b>	<ul style="list-style-type: none"> <li>Max 0x30x24 inclusive of all mortgages when the borrower is obligated on the mortgage/note on all REO for all borrowers on the transaction (No late payments in the past 24 months)</li> <li>Any mortgage lien on the subject property where the borrower is not a note holder (e.g. mortgage held by another party), or is not reporting on credit requires payment history to verify no late or missed payments in the most recent 24-month period (product specific)</li> <li>Purchase transactions- 12 months rental history verification is required</li> <li>Rent free borrowers are ineligible for all transaction types</li> <li>If VOM/VOR is from a private party, cancelled checks and/or bank statements are required</li> <li>The first mortgage loan cannot be in any active deferment or forbearance period. Once the deferment or forbearance period has expired, a minimum of three-monthly payments at the current payment must be documented</li> </ul>			
<b>Homeowners Insurance</b>	<ul style="list-style-type: none"> <li>Existing coverage amount must be equal to the lesser of the following:                             <ul style="list-style-type: none"> <li>100% of the insurable value of the improvements, as established by the property insurer; or</li> <li>the unpaid principal balance of all existing liens against the subject property, plus the new HELOC Maximum Line Amount</li> </ul> </li> </ul>			
<b>Mortgagee Clause</b>	<ul style="list-style-type: none"> <li>Specialized Loan Servicing LLC ISAOA/ATIMA PO Box 4500 Springfield, OH 45501</li> </ul>			

<p><b>Credit Union Membership</b></p>	<ul style="list-style-type: none"> <li>• Must be eligible for Membership to Partnered Credit Unions</li> <li>• Previous rejection or Red Flags to Partner Credit Unions will not be allowed</li> </ul>
<p><b>State Specific Restrictions</b></p>	<ul style="list-style-type: none"> <li>• Texas-             <ul style="list-style-type: none"> <li>○ Max CLTV is 80%</li> <li>○ Properties with &gt;10 Acres</li> <li>○ Minimum line amount- \$60,000</li> <li>○ 30 Year HELOC with 3 Year Draw Period is not permitted</li> <li>○ Second Home and Investment/Non-Owner-Occupied refinance or purchase transactions are not permitted</li> <li>○ Piggyback refinance or purchase transactions are not permitted</li> <li>○ For loans secured by subject properties, non-married vested persons who occupy the property must be added as a co-borrower</li> </ul> </li> <li>• Massachusetts- Loans with mortgage liabilities marked to be paid with loan proceeds opened within 60 months from the application date are ineligible</li> </ul>
<p><b>Lien Positions &amp; States</b></p>	<ul style="list-style-type: none"> <li>• 1st Liens</li> <li>• 2nd Liens (Spring EQ must be in 2nd lien position at the time of closing)</li> <li>• 1st Lien HELOC cannot be used for Purchase Transactions</li> <li>• <b>WHOLESALE:</b> <ul style="list-style-type: none"> <li>○ <b>2nd Lien</b>- Available in all states <b>except:</b> AK, HI, ID, ND, NY, SD, TN, WV, WY</li> <li>○ <b>1st Lien</b> Available in all states <b>except:</b> AK, AR, DC, HI, ID, IN, LA, MT, ND, NE, NM, NY, PA, SD, TN, WV, WY</li> </ul> </li> <li>• <b>RETAIL:</b> <ul style="list-style-type: none"> <li>○ <b>2nd Lien</b>- Available in all states <b>except:</b> AK, HI, ID, ND, NV, NY, SD, TN, UT, WV, WY</li> <li>○ <b>1st Lien</b>- Available in all states <b>except:</b> AK, HI, ID, ND, NV, NY, PA, SD, TN, UT, VA, WV, WY</li> </ul> </li> </ul>

## HELOAN - Home Equity Loan

(The information shown below is specific to the product listed on this page. Refer to the Spring EQ underwriting guidelines for additional information and requirements)

Release Date: 11/20/2023

FICO / CLTV / Occupancy Maximums	Minimum FICO	Max CLTV		
		Owner Occupied	2 <sup>nd</sup> Home	Investment
	700+	95%	90%	85%
	680-699	90%	90%	85%
	660-679	80%	80%	80%
	640-659	70%	60%	60%
<b>Terms</b>	<ul style="list-style-type: none"> <li>Stand-Alone Second Liens and Piggybacks</li> <li>Fixed rate terms: 5, 10 ,15, 20, 25 &amp; 30 years</li> </ul>			
<b>Debt to Income</b>	<ul style="list-style-type: none"> <li><b>Loan amounts greater than or equal to \$250,000</b> – Max 43% DTI</li> <li><b>Loan amounts less than \$250,000 with CLTV less than 90%</b>– Max 50% DTI with Minimum 700 FICO Score and \$3,500 of Monthly Residual Income               <ul style="list-style-type: none"> <li>Monthly Residual Income = Total Monthly Income – Total Monthly Mortgage and Non-Mortgage Obligations listed in the Underwriting Guidelines</li> </ul> </li> <li><b>Loan amounts less than \$250,000 with CLTV greater than or equal to 90%</b>– Max 45% DTI</li> </ul>			
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>Minimum Loan Amount- \$25,000</li> <li>Maximum Loan Amount- \$500,000</li> </ul>			
<b>Maximum Total Financing</b>	<ul style="list-style-type: none"> <li>Single Borrower - \$500,000 in aggregate (principal balance of Spring EQ originated loans)               <ul style="list-style-type: none"> <li>Aggregate is defined as the sum of all outstanding closed end loans and the max available credit on a HELOC</li> </ul> </li> <li>Owner-Occupied - Limited to \$3,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> <li>Second Homes - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> <li>Investment Properties - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)               <ul style="list-style-type: none"> <li>Limited to 10 Financed Properties</li> </ul> </li> </ul>			
<b>Ineligible Senior Lien</b>	<ul style="list-style-type: none"> <li>Senior liens with high-risk features which can include, but are not limited to:               <ul style="list-style-type: none"> <li>Tax and judgement liens</li> <li>Loans in active forbearance or deferment</li> <li>Negative amortization mortgages (this does not include language in the mortgage note warning Borrower's that the lack of payment may result in negative equity and negative amortization is not a feature of the product)</li> <li>Balloon mortgages, (balloon terms resulting from a loan modification are acceptable subject to the terms in modification requirement. The Spring EQ mortgage term cannot exceed the balloon payment due date)</li> <li>Partial claim as a result of a loan modification</li> <li>Reverse Mortgages</li> <li>Construction loans (this does not include construction loans that have been modified to permanent financing as evidenced by all pages of the fully executed loan documents detailing the terms of the permanent financing and the most recent mortgage statement showing fully amortizing loan terms)</li> <li>Private Mortgages opened within the past 12 months</li> <li>Texas 50(a)(6)</li> <li>HELOC in the draw period</li> <li>Interest Only Mortgages</li> </ul> </li> </ul>			
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Spring EQ originated loans are not assumable</li> </ul>			
<b>Housing History</b>	<ul style="list-style-type: none"> <li>Max 0x30x24 inclusive of all mortgages when the borrower is obligated on the mortgage/note on all REO for all borrowers on the transaction (No late payments in the past 24 months)</li> <li>Any mortgage lien on the subject property where the borrower is not a note holder (e.g. mortgage held by another party), or is not reporting on credit requires payment history to verify no late or missed payments in the most recent 24-month period (product specific)</li> <li>Purchase transactions- 12 months rental history verification is required</li> <li>Rent free borrowers are ineligible for all transaction types</li> <li>If VOM/VOR is from a private party, cancelled checks and/or bank statements are required</li> <li>The first mortgage loan cannot be in any active deferment or forbearance period. Once the deferment or forbearance period has expired, a minimum of three-monthly payments at the current payment must be documented</li> </ul>			
<b>Homeowners Insurance</b>	<ul style="list-style-type: none"> <li>Use of existing coverage amount is permitted. Replacement cost estimator or increases in coverage are not required regardless of outstanding lien amounts</li> </ul>			
<b>Mortgagee Clause</b>	<ul style="list-style-type: none"> <li>Specialized Loan Servicing LLC ISAOA/ATIMA PO Box 4500 Springfield, OH 45501</li> </ul>			

<b>State Specific Restrictions</b>	<ul style="list-style-type: none"><li>• Texas-<ul style="list-style-type: none"><li>○ Max CLTV is 80%</li><li>○ Properties with &gt;10 Acres</li><li>○ Minimum loan amount- \$60,000</li><li>○ Second Home and Investment/Non-Owner-Occupied refinance or purchase transactions are not permitted</li><li>○ Piggyback refinance or purchase transactions are not permitted</li><li>○ For loans secured by subject properties, non-married vested persons who occupy the property must be added as a co-borrower</li></ul></li><li>• Massachusetts- Loans with mortgage liabilities marked to be paid with loan proceeds opened within 60 months from the application date are ineligible</li></ul>
<b>Lien Positions &amp; States</b>	<ul style="list-style-type: none"><li>• 2nd Lien Only (Spring EQ must be in 2nd lien position at the time of closing)</li><li>• <b>WHOLESALE</b>- Available in all states <b>except</b>: AK, HI, ID, ND, NY, SD, WV, WY</li><li>• <b>RETAIL</b>- Available in all states <b>except</b>: AK, HI, ID, ND, NV, NY, SD, UT, WV, WY</li></ul>

## HELOAN Plus - Home Equity Loan

(The information shown below is specific to the product listed on this page. Refer to the Spring EQ underwriting guidelines for additional information and requirements)

Release Date: 11/20/2023

FICO / CLTV / Occupancy Maximums	Minimum FICO	Term	Max CLTV		
			Owner Occupied	2 <sup>nd</sup> Home	Investment
		700+	25 or 30 years	80%	
	700+	5,10,15 or 20 years	85%		
<b>Terms</b>	<ul style="list-style-type: none"> <li>Stand-Alone Second Liens and Piggybacks</li> <li>Fixed rate terms: 5, 10 ,15, 20, 25 &amp; 30 years</li> </ul>				
<b>Debt to Income</b>	<ul style="list-style-type: none"> <li>Max 43% DTI</li> </ul>				
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>Minimum Loan amount \$25,000</li> <li>Maximum Loan Amount \$249,999</li> </ul>				
<b>Maximum Total Financing</b>	<ul style="list-style-type: none"> <li>Single Borrower- \$500,000 in aggregate (principal balance of Spring EQ originated loans)                             <ul style="list-style-type: none"> <li>Aggregate is defined as the sum of all outstanding closed end loans and the max available credit on a HELOC</li> </ul> </li> <li>Owner-Occupied - Limited to \$2,000,000 (total amount of 1<sup>st</sup> and 2<sup>nd</sup> lien combined)</li> </ul>				
<b>Ineligible Senior Lien</b>	<ul style="list-style-type: none"> <li>Senior liens with high-risk features which can include, but are not limited to:                             <ul style="list-style-type: none"> <li>Tax and judgement liens</li> <li>Loans in active forbearance or deferment</li> <li>Negative amortization mortgages (this does not include language in the mortgage note warning Borrower's that the lack of payment may result in negative equity and negative amortization is not a feature of the product)</li> <li>Balloon mortgages, (balloon terms resulting from a loan modification are acceptable subject to the terms in modification requirement. The Spring EQ mortgage term cannot exceed the balloon payment due date)</li> <li>Partial claim as a result of a loan modification</li> <li>Reverse Mortgages</li> <li>Construction loans (this does not include construction loans that have been modified to permanent financing as evidenced by all pages of the fully executed loan documents detailing the terms of the permanent financing and the most recent mortgage statement showing fully amortizing loan terms)</li> <li>Private Mortgages opened within the past 12 months</li> <li>Texas 50(a)(6)</li> <li>HELOC in the draw period</li> <li>Interest Only Mortgages</li> <li>Senior liens that have been assumed</li> </ul> </li> </ul>				
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Spring EQ originated loans are not assumable</li> </ul>				
<b>Housing History</b>	<ul style="list-style-type: none"> <li>Max 0x30x24 inclusive of all mortgages when the borrower is obligated on the mortgage/note on all REO for all borrowers on the transaction (No late payments in the past 24 months)</li> <li>Any mortgage lien on the subject property where the borrower is not a note holder (e.g. mortgage held by another party), or is not reporting on credit requires payment history to verify no late or missed payments in the most recent 24-month period (product specific)</li> <li>Purchase transactions- 12 months rental history verification is required</li> <li>Rent free borrowers are ineligible for all transaction types</li> <li>If VOM/VOR is from a private party, cancelled checks and/or bank statements are required</li> <li>The first mortgage loan cannot be in any active deferment or forbearance period. Once the deferment or forbearance period has expired, a minimum of three-monthly payments at the current payment must be documented</li> </ul>				
<b>Homeowners Insurance</b>	<ul style="list-style-type: none"> <li>Use of existing coverage amount is permitted. Replacement cost estimator or increases in coverage are not required regardless of outstanding lien amounts</li> </ul>				
<b>Mortgagee Clause</b>	<ul style="list-style-type: none"> <li>Specialized Loan Servicing LLC ISAOA/ATIMA PO Box 4500 Springfield, OH 45501</li> </ul>				
<b>State Specific Restrictions</b>	<ul style="list-style-type: none"> <li>Texas-                             <ul style="list-style-type: none"> <li>Max CLTV is 80%</li> <li>Properties with &gt;10 Acres</li> <li>Minimum loan amount- \$60,000</li> <li>Second Home and Investment/Non-Owner-Occupied refinance or purchase transactions are not permitted</li> <li>Piggyback refinance or purchase transactions are not permitted</li> <li>For loans secured by subject properties, non-married vested persons who occupy the property must be added as a co-borrower</li> </ul> </li> <li>Massachusetts- Loans with mortgage liabilities marked to be paid with loan proceeds opened within 60 months from the application date are ineligible</li> </ul>				
<b>Lien Positions &amp; States</b>	<ul style="list-style-type: none"> <li>2nd Lien Only (Spring EQ must be in 2nd lien position at the time of closing)</li> <li><b>WHOLESALE</b>- Available in all states <b>except</b>: AK, HI, ID, ND, NY, SD, WV, WY</li> <li><b>RETAIL</b>- Available in all states <b>except</b>: AK, HI, ID, ND, NV, NY, SD, UT, WV, WY</li> </ul>				



## General Information - All Products

(Refer to the Spring EQ underwriting guidelines for additional information and requirements)

Release Date: 11/20/2023

### Qualified Mortgage (QM)

Spring EQ offers both QM (qualified mortgage) and non-QM loan products. All higher-priced mortgage loans (HPMLs) that are also non-QM loans require full interior appraisals. The following explains the General QM Rule as it applies to Spring EQ's subordinate lien closed-end products. This is a nonexclusive list of the characteristics of QM loans. A complete list is set forth at 12 CFR 1026.43(e). **The QM rule does not apply to home equity lines of credit.**

**QM Loans – Subordinate Liens (Safe Harbor):** The annual percentage rate (APR) does not exceed the average prime offer rate (APOR) for a comparable transaction as of the date the interest rate is set by 3.5 or more percentage points

**QM Loans – Subordinate Liens (Rebuttable Presumption – Loan Amounts < \$74,599):** The annual percentage rate (APR) does not exceed the average prime offer rate (APOR) for a comparable transaction as of the date the interest rate is set by 6.5 or more percentage points

**Non-QM Loans – Subordinate Liens:** For loan amounts at or above \$74,599, the APR exceeds APOR by 3.5 or more percentage points. For loan amounts below \$74,599, the APR exceeds APOR by 6.5 or more percentage points

**To be considered a QM loan, total points and fees may not exceed:**

- 3% of the total loan amount for loans greater than or equal to \$124,331;
- \$3,730 for loans greater than or equal to \$74,599 and less than \$124,331;
- 5% of the total loan amount for loans greater than or equal to \$24,866 and less than \$74,599.

### Appraisal Requirements

- **Loan or Maximum Line amounts less than \$250,000 with CLTV less than or equal to 90%, any of the following options are permitted:**
  - AVM with Property Condition Report with the following requirements:
    - Not Allowed for Non-QM Loans (HELOAN products only)
  - Prior Use Appraisal (review the requirements below)
  - Drive By Appraisal
    - Not Allowed for Non-QM Loans (HELOAN products only)
    - **Wholesale Only:** Spring EQ to order with UW Approval
  - Full Interior Appraisal (1004/1025/1073)\*
- **Loan or Maximum Line amounts greater than or equal to \$250,000 with CLTV less than or equal to 90%, any of the following options are permitted:**
  - Full Interior Appraisal (1004/1025/1073)\*
  - Prior Use Appraisal (review the requirements below)
- **Loans with CLTV greater than 90%, the following options are permitted:**
  - Full Interior Appraisal (1004/1025/1073)\*
  - Prior Use Appraisal (Piggyback only- review the requirements below)
- **1st Lien HELOC's (ALL Maximum Line Amounts), any of the following options are permitted:**
  - Full Interior Appraisal (1004/1025/1073)\*
  - Prior Use Appraisal with Desktop Review (review the requirements below)

\* When a full interior appraisal shows "SUBJECT TO", a 1004D from the same appraiser who completed the appraisal is required to certify that any required repairs or improvements mentioned in the appraisal have been completed.

A prior use appraisal is an existing full interior appraisal that was completed prior to or in conjunction with the mortgage loan application from a lender other than Spring EQ.

- Prior Use Appraisal- Recertification is acceptable when the following requirements are met:
  - Report has been completed within 12 months of settlement date
  - Current appraisal provided must be on form 1004(Single family), 1025(multi-family), or 1073(Condo)
  - Original appraisal must be "AS IS" or be accompanied by a 1004D from the same appraiser who completed the prior use appraisal certifying that any required repairs or improvements mentioned in the appraisal have been completed when "SUBJECT TO" shows
  - A Desktop Review and Property Condition Report are required and will be ordered by Spring EQ to validate any use of a prior use appraisal
    - Desktop Review Risk Score must be low or moderate with no additional review recommended by reviewer
    - Desktop Review commentary contains no comments that adversely impact value, marketability, or condition of the property
    - Desktop Review Home Data Index must support either a neutral or increasing market trend
    - **Wholesale Only:** Desktop Reviews & Property Condition Reports will be ordered by Spring EQ to validate the use of an existing appraisal
- When using a Full Interior, Exterior Drive-By or Prior Use appraisal, the following requirements must be met:
  - Minimum Q5 quality rating
  - Minimum C5 condition rating
  - Shows As Is (Full Interior ordered by Spring EQ or Prior Use only)
  - Cost to cure cannot exceed the lower of \$2,000 or 2% of the appraisal value

#### Wholesale Only:

- Effective 2/6/2023, Full Interior Appraisals will be ordered by Spring EQ. The Broker is no longer required to place the order



<p><b>Value Seasoning</b></p>	<ul style="list-style-type: none"> <li>• <b>Loan or Maximum Line amounts greater than or equal to \$250,000 –</b> <ul style="list-style-type: none"> <li>○ 0-18 months – Must use the lower of the value from the earliest date when the current title holder(s) obtained title OR the appraised value</li> <li>○ &gt;18 Months – Must use the appraised value</li> </ul> </li> <li>• <b>Loan or Maximum line amounts less than \$250,000 –</b> <ul style="list-style-type: none"> <li>○ 0-6 Months – Must use the lower of the value from the earliest date when the current title holder(s) obtained title OR the appraised value</li> <li>○ &gt;6 Months – Must use the appraised value</li> </ul> </li> </ul>
<p><b>Ownership Seasoning</b></p>	<ul style="list-style-type: none"> <li>• Owner Occupied and 2nd Home- None</li> <li>• Investment Properties- 6 months ownership is required (HELOC with 3-year draw and HELOAN products only)</li> <li>• Inherited Properties- 6 months ownership is required</li> </ul>
<p><b>Eligible Property Types</b></p>	<ul style="list-style-type: none"> <li>• Single Family</li> <li>• PUD's</li> <li>• Modular homes (as defined by Fannie Mae)</li> <li>• Condominiums (Fannie Mae Warrantable)</li> <li>• 1-4 Unit Properties</li> </ul>
<p><b>Ineligible Property Types</b></p>	<ul style="list-style-type: none"> <li>• Cooperatives</li> <li>• Condotels</li> <li>• New Construction Condominium Projects</li> <li>• Hotel/Motel Condominiums</li> <li>• Mobile Homes</li> <li>• Manufactured Housing</li> <li>• Commercial Operations</li> <li>• Geodesic &amp; Monolithic Domes</li> <li>• Working farms and ranches</li> <li>• Unimproved Land</li> <li>• Properties with &gt;20 Acres (Review the state specific restrictions for Texas)</li> <li>• Timeshares</li> <li>• Leasehold</li> <li>• Properties listed for sale in the past 12 months</li> <li>• Mixed Use</li> <li>• Properties in a flood zone that require flood insurance (HELOAN Plus only)</li> <li>• Properties with solar power as the only source of electricity</li> <li>• Vacant Properties (purchase transactions excluded)</li> <li>• Barndominiums</li> </ul>
<p><b>Condominiums</b></p>	<ul style="list-style-type: none"> <li>• Established projects only</li> <li>• Online search for no condotel or short-term rental</li> <li>• If Master Condominium insurance policy does not contain walls-in coverage, an H06 policy is required</li> <li>• An H03 policy is acceptable for properties identified as a detached condo</li> </ul>
<p><b>Self-Employed Income</b></p>	<p>For Self-Employed borrowers, the following documentation will be required for qualification:</p> <ul style="list-style-type: none"> <li>• All pages and schedules of the most recent 2 years personal and business federal tax returns</li> <li>• Tax transcripts</li> </ul> <p>Declining income:</p> <ul style="list-style-type: none"> <li>• Income declining more than 20% is permitted with the following requirements <ul style="list-style-type: none"> <li>○ Most recent 12-month average must be used to calculate the income</li> <li>○ DTI cannot exceed 40%</li> </ul> </li> </ul>
<p><b>Credit Score</b></p>	<ul style="list-style-type: none"> <li>• The credit score used to qualify will be based on a single Experian (version 8) repository score – The lowest of all borrowers' scores</li> <li>• A credit score must be available; non-traditional credit not permitted</li> </ul>
<p><b>Trade lines</b></p>	<ul style="list-style-type: none"> <li>• Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open with the date of the last activity within 6 months from the current date and reporting for at least the past 12 months</li> <li>• A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement</li> </ul>
<p><b>Significant Derogatory Credit</b></p>	<ul style="list-style-type: none"> <li>• Measured from the Disbursement Date</li> <li>• Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> <li>○ Foreclosure - 7 years</li> <li>○ Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale, or Short Sale - 4 years</li> <li>○ Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years</li> <li>○ Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal</li> <li>○ Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal</li> </ul> </li> <li>• Multiple events within the past 7 years are not permitted</li> </ul>
<p><b>Major Adverse Credit</b></p>	<ul style="list-style-type: none"> <li>• Major adverse credit is identified as collection accounts, charge-off accounts, judgments, liens, delinquent property taxes, repossessions, garnishments, and non-mortgage accounts currently 90 calendar days or more delinquent</li> <li>• Collection accounts and/or charge-offs on non-mortgage accounts do not have to be paid off at or prior to closing if the balance of an individual account is less than \$250 or the total balance of all accounts is \$1,000 or less. These accounts may be left open provided they do not affect title</li> <li>• All past due State and IRS taxes in addition to property tax liens (for the Mortgaged Property and other properties), regardless of seasoning, are required to be paid in full whether or not they currently affect title. Past due State and IRS taxes are defined as unpaid taxes due on the current or previous year's tax deadline which is generally on or around April 15<sup>th</sup>. No payment plans, or subordination is allowed</li> <li>• <b>Loan or Maximum Line amounts greater than or equal to \$250,000 –</b> <ul style="list-style-type: none"> <li>○ Major adverse credit (including past due taxes) where the total balance of all accounts is \$10,000 or more are ineligible</li> </ul> </li> </ul>

<b>Liabilities</b>	<ul style="list-style-type: none"> <li>• Paying off debt to qualify is permitted (Paying down debt to qualify is not permitted)</li> <li>• Student loans- <ul style="list-style-type: none"> <li>◦ When a monthly student loan payment is provided on the credit report, it is acceptable to use that amount (other than \$0) for qualifying purposes</li> <li>◦ When the credit report does not reflect the correct monthly payment, use the monthly payment that shows on the student loan documentation (most recent student loan statement) to qualify the borrower</li> <li>◦ When the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, determine the qualifying monthly payment using one of the following options: <ul style="list-style-type: none"> <li>◦ Income-driven payment plans- Obtain student loan documentation to verify the Borrowers actual monthly payment is \$0. Once verified, the Borrower can be qualified with the \$0 payment</li> <li>◦ Deferred loans or loans in forbearance- Calculate one of the following: <ul style="list-style-type: none"> <li>▪ A payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), OR</li> <li>▪ A fully amortizing payment using the documented loan repayment terms</li> </ul> </li> </ul> </li> </ul> </li> </ul>
<b>Title Insurance</b>	<ul style="list-style-type: none"> <li>• Loan or Maximum Line amounts less than or equal to \$250,000: Owner and Encumbrance Property Report</li> <li>• Loan or Maximum Line amounts greater than \$250,000: Full Title is required</li> </ul> <p><b>Wholesale Only:</b></p> <ul style="list-style-type: none"> <li>• Spring EQ to order all title work</li> <li>• For piggyback transactions: <ul style="list-style-type: none"> <li>◦ Title insurance, Wire Instructions, and CPL are required for the Spring EQ proposed loan</li> <li>◦ Spring EQ requires risk review to be completed by Secure Insight to validate the settlement agent</li> </ul> </li> </ul>
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>• Non-Occupant co-borrowers are not permitted</li> <li>• Vesting is not permitted to be in the name of an LLC, corporation, or partnership</li> <li>• Power of Attorney is limited to Piggyback Purchases only and must follow GSE Requirements</li> <li>• Irrevocable Trusts are not permitted</li> <li>• Land Trusts are not permitted</li> <li>• Borrowers party to a lawsuit in which they have any personal financial liability are not permitted</li> </ul>
<b>Prepayment Penalty</b>	<ul style="list-style-type: none"> <li>• Not permitted</li> </ul>
<b>Escrows</b>	<ul style="list-style-type: none"> <li>• Not required</li> </ul>
<b>Piggyback Additional Requirements</b>	<ul style="list-style-type: none"> <li>• Final Approval from first lien lender showing all conditions met</li> <li>• Final Closing Disclosure from first lien to confirm final CLTV and DTI calculation</li> <li>• Title policy from first lien transaction should use a supplemental title policy to the first lien transaction that must include title insurance, CPL, and Wire Instructions</li> <li>• Use of existing appraisal from first lien is acceptable subject to Desktop Review (CDA). Review the Appraisal Requirements section for additional information</li> <li>• Agreement of sale on purchase transactions</li> <li>• Piggyback refinance or purchase transactions are not permitted in Texas</li> </ul> <p><b>Wholesale Only:</b></p> <ul style="list-style-type: none"> <li>• Spring EQ to perform closing agent validation audit prior to closing</li> </ul>
<b>Disaster Policy</b>	<ul style="list-style-type: none"> <li>• Please refer to the list of affected counties published by FEMA using the following link: <a href="http://www.fema.gov/disasters">http://www.fema.gov/disasters</a></li> <li>• Prior to closing, Spring EQ will require a property inspection for any loan secured by a property in the affected area where individual assistance was provided.</li> </ul> <p>If the subject property is located in one of the impacted counties and the collateral valuation was completed prior to the incident period end date, Spring EQ will require a post disaster inspection confirming the property was not adversely affected by the disaster.</p>
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• Expiration Dates are based on the Note Date of the Loan: <ul style="list-style-type: none"> <li>◦ Credit Report – 60 Days</li> <li>◦ Income documents – 60 Days</li> <li>◦ Asset documents – 60 Days</li> <li>◦ Collateral – 90 Days</li> <li>◦ Title – 90 Days</li> <li>◦ Appraisal – 90 Days <ul style="list-style-type: none"> <li>▪ Full Interior Appraisal greater than 90 Days- A Desktop Review or a 1004D is acceptable to recertify the value</li> </ul> </li> </ul> </li> </ul>
<b>Estimated Wholesale Fees</b>	<p><a href="#">Wholesale Fee Breakdown</a></p>