

Primary Residence – Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	Per DU	1 – Unit	97% ¹ Conforming; 95% High Balance
		2 – Units	95
		3 – 4 Units	95
Cash-Out Refinance	Per DU	1 – Unit	80
		2 – 4 Units	75
<i>1. Rate and Term Limited to 95% LTV/CLTV.</i>			
Second Home			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	Per DU	1 – Unit	90
Cash-Out Refinance	Per DU	1 – Unit	75
Investment Property – Non-Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase	Per DU	1 – Unit	85
		2 – 4 Units	75
Rate / Term	Per DU	1-4 Units	75
Cash-Out Refinance	Per DU	1 – Unit	75
		2 – 4 Units	70

Manufactured Home – Primary Residence			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	Per DU	1 – Unit	95
Cash-Out Refinance ¹	Per DU	1 – Unit	65
<i>1. Cash-Out refinance requires terms less than or equal to 20 years.</i>			

Manufactured Home – Second Home			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	Per DU	1 – Unit	90

Sage Conforming Fixed DU Product Codes:			
10 Year Fixed	1400-99	15 Year LPMI	1311-99
15 Year Fixed	1300-99	20 Year LPMI	1211-99
20 Year Fixed	1200-99	25 Year LPMI	1111-99
25 Year Fixed	1100-99	30 Year LPMI	1011-99
30 Year Fixed	1000-99		

Sage Conforming Fixed DU High Balance Product Codes:			
10 Year Fixed High Balance	1433-99		
15 Year Fixed High Balance	1333-99	15 Year Fixed LPMI	1312-99
20 Year Fixed High Balance	1233-99	20 Year Fixed LPMI	1212-99
25 Year Fixed High Balance	1033-99	25 Year Fixed LPMI	1112-99
30 Year Fixed High Balance	1033-99	30 Year Fixed LPMI	1012-99

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Topic	Underwriting
Guidelines	Fannie Mae Guidelines: https://www.fanniemae.com/singlefamily/originating-underwriting Note: Located under “Selling Guide”
Loan Limits	FHFA Conforming Loan Limits
Minimum Loan Amounts	<ul style="list-style-type: none"> • Minimum Loan amount \$60,000 • Minimum Loan amount \$75,000 for properties located in NY and TX.
Mortgage Products, Programs and Transactions	<ul style="list-style-type: none"> • Fannie Mae affordable housing programs (e.g. HFA Preferred™, HomePath®, HomeStyle®, etc.) loans with Community Seconds®, Community Land Trusts, Land Trusts, High LTV Refinance Option, and PACE loans are NOT ELIGIBLE. • Subordination of a PACE and/or HERO loan – NOT ELIGIBLE • PACE and/or HERO loans may be paid off with loan proceeds, done as a Cash-Out loan.
Appraisal	<ul style="list-style-type: none"> • Full appraisal required if REO or identity of interest (non-arm’s length). (*Freddie Mac requirement.) • Appraisals generated for third parties, or appraisals not completed in the Seller’s name or the name of its originating TPO are not eligible. • Appraisals must be uploaded to UCDP and receive a “successful” Submission Summary Report (SSR). • Appraisals by appraisers & supervisory appraisers on the Fannie Mae AQM list are not eligible.
AUS	<ul style="list-style-type: none"> • DU@ Approve/Eligible required. • Manual underwriting on exception basis subject to Management approval and second signature.
Borrower Eligibility	<ul style="list-style-type: none"> • Maximum 4 borrowers per loan. • Maximum 4 properties serviced by investor • All non-U.S. citizen Borrowers must provide documentation of lawful permanent or non-permanent residency in a form acceptable to Investor • All Borrowers must be a natural person or an eligible inter vivos revocable trust. (Also see Leasehold Estates and Land Trusts.) • Borrowers who are Foreign Politically Exposed Persons or who have Diplomatic Immunity are not eligible.
Transaction Eligibility Requirements (Seasoning)	<p>Limited Cash-Out Refinance Transactions (Rate/Term):</p> <ul style="list-style-type: none"> • The transaction is being used to obtain a new first mortgage loan secured by the same property to: <ul style="list-style-type: none"> ▪ Pay off an existing first mortgage loan (including an existing HELOC in first-lien position); or ▪ For two-closing construction-to-permanent loans, to pay of an existing construction loan and documented construction costs overruns that were incurred outside of the interim construction financing. (These construction cost overruns must be paid directly to the builder at closing); or ▪ For a single-closing construction-to-permanent loan, to pay for construction costs to build the home, which may include paying off an existing lot lien. • Only subordinate liens used to purchase the property may be paid off and included in the new mortgage.

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	<p>Cash-Out Refinance Transactions:</p> <ul style="list-style-type: none"> The transaction must be used to pay off existing mortgage loans by obtaining a new first mortgage secured by the same property, or be a new mortgage on a property that does not have a mortgage lien against it (the borrower owns the property free and clear at the time of refinance). If an existing first mortgage is being paid off through the transaction, it must be at least twelve (12) months old at the time of refinance, as measured by the note date of the existing loan to the note date of the new loan. This requirement does not apply <ul style="list-style-type: none"> to any existing subordinate liens being paid off through the transaction, or when buying out a co-owner pursuant to a legal agreement. At least one borrower must have been on title for at least six (6) months prior to the disbursement date of the new loan. 																			
<p>Condo & PUD</p>	<p>The following are required for condo & PUD units in Nevada:</p> <ul style="list-style-type: none"> HOA dues for the subject unit must be current prior to closing HOA may not be seller of the subject unit <p>Specific Condo Project Considerations: Florida</p> <p>Florida — Attached Units in New and Newly Converted Condo Projects</p> <p>Fannie Mae project approval is required for new and newly converted condo projects consisting of attached units located in Florida. To request a Fannie Mae project approval refer to B4-2.2-06, Project Eligibility Review Service (PERS) (12/15/2021).</p> <p>Florida — Project Review Maximum LTV Requirements for Attached Units in Established Projects</p> <p>The following tables describe the maximum LTV ratios that are permitted for the specific project review type for loans secured by units in condo projects located in Florida. Unless noted otherwise, these requirements are based on the LTV ratio of the mortgage loan.</p> <p>Florida – Attached Units in Established Condo Projects</p> <table border="1" data-bbox="537 1297 1430 1667"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Maximum LTV Ratios¹</th> <th>Maximum LTV, CLTV, and HCLTV Ratios²</th> </tr> <tr> <th>Approved by Fannie Mae</th> <th>Lender full Review (with CPM)</th> <th>Lender Limited Review</th> </tr> </thead> <tbody> <tr> <td>Principal Residence</td> <td colspan="2">95% Manual 97% DU</td> <td>75/90/90%</td> </tr> <tr> <td>Second Home</td> <td colspan="2">90%</td> <td>70/75/75%</td> </tr> <tr> <td>Investor</td> <td colspan="2">85%</td> <td>70/75/75%</td> </tr> </tbody> </table>		Maximum LTV Ratios ¹		Maximum LTV, CLTV, and HCLTV Ratios ²	Approved by Fannie Mae	Lender full Review (with CPM)	Lender Limited Review	Principal Residence	95% Manual 97% DU		75/90/90%	Second Home	90%		70/75/75%	Investor	85%		70/75/75%
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<p>Credit</p>	<p>Installment debt must be paid in full to be excluded. Borrowers may not pay down installment debts to less than 10 months to exclude the debt for qualifying.</p>																			
<p>Credit score</p>	<ul style="list-style-type: none"> Each borrower must generate a traditional credit score from at least one 																			

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	<p>repository.</p> <p>The representative score must be used.</p> <ul style="list-style-type: none"> • Determining Representative score; <ul style="list-style-type: none"> ▪ Use the mid fico score when 3 scores are available on the credit report. Example: 680, 720, 700 = Representative score of 700 ▪ Use the lower FICO when only 2 scores are available on the credit report Example: 650, 683 = Representative score of 650 • Multiple borrowers on file: Use the lowest Representative score of all borrowers. <p>NOTE: When there are multiple borrowers on the file, Sage will not be using the “Average” score sited on the AUS (DU). The file will be manually qualified with the lowest representative score.</p>
Credit Report	RMCR or traditional tri-merge is required for all borrowers on all loans.
Down Payment Assistance (DPA)	Not allowed
Energy Efficient Mortgage	Not Allowed
Escrow / Impounds	Unless in violation of applicable state law, LTVs >80% require escrows. For primary residences & second homes, mandatory flood insurance must be escrowed, unless paid by HOA as a common expense.
Escrow Holdback	Not Allowed
Future Income	<ul style="list-style-type: none"> • Income from future employment permitted if the loan meets the following: • Purchase transaction • Primary one unit • Qualify on fixed based income only • Meets reserve requirements • Loans delivered before the borrower starts employment are acceptable if the borrower meets the above eligibility and reserve/asset requirements
Geographic Restrictions	US Possessions, US Territories, and 2-4 units in New Jersey are not eligible
Housing Authority Subsidies	Loan transactions involving the following are not eligible: Section 8 vouchers, Housing Authority subsidies paid directly to the servicer.
IRS 4506-C	<ul style="list-style-type: none"> • IRS Form 4506-C must be signed at closing for each borrower whose income is used to qualify. • IRS Form 4506-C must be signed at closing for the business tax return transcript(s) when business returns are used to qualify. • Borrowers whose income has been validated through the DU validation must sign IRS Form 4506-C at closing even if DU waives the requirement
Leasehold Estates and Land Trusts	Land Trusts, Community Land Trusts, including Illinois land trusts, “Indian Leased Land” are not eligible.
Mortgage Credit Certificate	Not allowed
Mortgage Insurance	<ul style="list-style-type: none"> • Minimum or reduced mortgage insurance coverage is not permitted. Obtain standard coverage. • Monthly Lender Paid MI or any Mi where the premium is paid out of the mortgage interest received is not eligible.
Mortgage Insurance	Lender paid monthly/annual, borrower paid annual are not allowed.
Non-Traditional Credit	<ul style="list-style-type: none"> • Not permitted
Power of Attorney	No "General" POA. POA must identify property. No POA for trusts, cash out, non-owner or non-occupant borrowers.

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Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500.
Property Deed Restrictions	Deed restricted properties are not eligible, unless the restriction is age-related, and otherwise meets the applicable Agency guidelines.
Property Flipping, Purchase Contract Assignments, Churning	<ul style="list-style-type: none"> Refinance transactions are not eligible if there is evidence of churning and/or Net Tangible Benefit is not established. Purchase transactions with property flipping or rapid resale within 90 days are generally not eligible - the 90-day resale period is measured from the closing date of the previous transaction to the purchase contract date for the new transaction. Transactions with purchase contracts that have been assigned are not eligible. If listed within prior 6 months, must be removed from market on or prior to disbursement date of new loan.
Condo Eligibility	New construction and gut rehabilitation condos are not allowed.
Condominiums – ineligible property types	<ul style="list-style-type: none"> Subject property with unit size less than 650 square feet, Condo projects with any units less than 400 square feet, Manufactured home condo projects (MHCP). Condotels, Hotel Condos, hotel/motel conversions including: Condo projects that: both include registration services and offer the rental of units for a term of ≤30 days; share facilities with a hotel or motel; offer services typically provided in a hotel or motel such as maid service, management desk, bellman, etc.; restrict owner’s ability to occupy the unit.
Property, Ineligible types and Condition	<ul style="list-style-type: none"> The following are not eligible: Assisted living; board and care facilities; boarding houses; bed & breakfast; Ineligible condo projects, including Co-Ops; Exotic or non-traditional types of structures, e.g. log or dome homes, houseboats, Land loans, vacant or unimproved properties; Mobile homes or on-frame modular, Working farms or ranches; Indian (Native American) tribal or Trust Land, or “Indian Leased Land.” Property ratings of C5, C6, and Q6 are not allowed unless issues that caused these ratings are cured prior to delivery and documentation is provided by the appraiser. Hawaii properties in lava zones 1 and 2 Single Wide Manufactured homes, Manufactured homes located in PUD or condo projects. Leasehold of any kind, Deed restricted, Mixed Use, hobby farms or structurally modified or have additions. Unique property types (geodesic domes, berms, earth homes, barndominiums,) CEMA rural properties with more than 25 acres
Property Condition and Quality Ratings	<ul style="list-style-type: none"> Properties with a Condition Rating of C5 – Not Allowed Properties with a Quality Rating of Q6 – Not Allowed
Property Eligibility	Cooperatives not allowed. Land Trusts, including Illinois not allowed.
Property FLIPS	Property Flips--Non-arms length transactions for properties that involve a re-sale that occurred within the last 180 days and an increase in value are prohibited.
Rehabilitation Loans	Not Allowed
Resale Restrictions	Resale/Deed restrictions are not permitted; with the exception of age restricted communities (55+), within program guidelines
Single Close Construction to Perm	Credit and appraisal documents may not be dated more than 120 days from the date of the conversion to permanent financing

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Subordinate Financing	A certified copy of the subordination agreement or equivalent is required, if re-subordinating.
Tax Transcripts	Tax transcripts for the most recent one year are required for all self-employed borrowers whose income is used to qualify. If only non-self-employed income is used to qualify, transcripts are not required.
Tax Repayment Plan	No more than 2 years of taxes may be on tax repayment plan.
Temporary Buydown	Not allowed
1031 exchanges	1031 Tax Deferred Exchanges are permitted for <u>Investment property purchases only.</u>

Topic	Manufactured Home – additional parameters
Texas 50(a)(6) Transactions	<ul style="list-style-type: none"> • A manufactured home is eligible only if it is classified as real property under Texas Law and satisfies all Fannie Mae requirements for manufactured homes. • Inter-vivos trusts are not allowed. • Powers of Attorney are not allowed. • Must comply with all other requirements of the Texas Constitution
HUD Data Plate / Certification Label	<ul style="list-style-type: none"> • Compliance with HUD standards will be evidenced by the presence of both a HUD Data Plate and the HUD Certification Label. • If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and the HUD Certification Label, the loan is not eligible.
Site	<ul style="list-style-type: none"> • The borrower must own the land on which the manufactured home is situated in fee simple. • Manufactured homes located on leasehold estates are not eligible.
Additions	<ul style="list-style-type: none"> • Manufactured homes that have an addition or have had a structural modification are eligible under certain conditions. <ul style="list-style-type: none"> ▪ If the state in which the property is located requires inspection by a state agency to approve modifications to the property then confirm that the property has met the requirement. ▪ If the state does not have this requirement, then the property must be inspected by a licensed professional engineer who can certify that the addition or structural changes were completed in accordance with the HUD Manufactured Construction Safety Standards.

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