

Home Equity Lines of Credit

Release Date: 7/15/2022

	Minimum FICO	Max CLTV		
		Owner Occupied	2 nd Home	Investment
FICO / CLTV / Occupancy Maximums	740+	90%	80%	
	700-739	90%	80%	
	680-699	85%		
Product Terms	<ul style="list-style-type: none"> 30-year variable term (Index plus a margin) 10-year interest only draw period with a 20-year fully amortizing repayment period 			
Initial Draw	<ul style="list-style-type: none"> Minimum \$50k 			
Additional Draws	<ul style="list-style-type: none"> Prohibited during the first 90 days following closing date Minimum \$1000 not to exceed credit limit 			
Index	<ul style="list-style-type: none"> 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 			
Lifetime Rate Cap / Floor	<ul style="list-style-type: none"> Lifetime Cap = 18.00% unless prohibited by law Floor Rate = 4.00% 			
Debt to Income	<ul style="list-style-type: none"> Max 45% DTI all other scenarios 30 year, fully amortized payment based on start rate + 2% and the total credit limit used to qualify 			
Line Amount	<ul style="list-style-type: none"> Minimum Line amount \$50,000 Maximum Line Amount \$500,000 **Owner Occupied max total financing is limited to \$3,000,000 (total amount of 1st and 2nd lien combined)** **2nd Home max total financing is limited to \$2,000,000 (total amount of 1st and 2nd lien combined)** 			
Occupancy	<ul style="list-style-type: none"> Owner-Occupied Second Homes 			
Piggyback Additional Requirements	<ul style="list-style-type: none"> Final Approval from first lien lender showing all conditions met Final Closing Disclosure from first lien to confirm final CLTV and DTI calculation Title policy from first lien transaction should be used and must include title insurance/CPL/Wire Instructions Use of existing appraisal from first lien is acceptable subject to collateral desk review (CDA) *See Appraisal Requirements section below Agreement of sale on purchase transactions <p>Correspondent Only:</p> <ul style="list-style-type: none"> Final DU/LP Findings are required to be provided from the 1st mortgage lender (If no DU/LP Findings are provided, guidelines will follow Spring EQ's Home Equity Underwriting Guidelines). <p>Wholesale Only:</p> <ul style="list-style-type: none"> Spring EQ to perform closing agent validation audit prior to closing Initial and Final DU/LP Findings are required to be provided from the 1st mortgage lender (If no DU/LP Findings are provided, guidelines will follow Spring EQ's Closed End Home Equity Guidelines). 			
Appraisal Requirements	<ul style="list-style-type: none"> Loan Amounts <= \$250,000 any of the following options are permitted: <ul style="list-style-type: none"> AVM with exterior property inspection with the following requirements: <ul style="list-style-type: none"> Max 90% CLTV Correspondent Only: See Seller Guide for AVM eligibility & Approved Vendors Prior Use Appraisal (See below requirements) Drive By Appraisal <ul style="list-style-type: none"> Wholesale Only: Spring EQ to order with UW Approval Correspondent: Must be ordered through the following Approved Vendors & Products: Accurate Group – Valunet Plus, Valuation Connect – Equity Connect Report (ECR) Full Interior Appraisal (1004/1025/1073) Loan amounts > \$250,000 <ul style="list-style-type: none"> Full Interior Appraisal (1004/1025/1073) Prior Use Appraisal (See below requirements) Recertification of an existing appraisal is acceptable when the following requirements are met: <ul style="list-style-type: none"> Report has been completed within 12 months of settlement date Appraisal product has not been completed by Spring EQ Current appraisal provided must be on form 1004(Single family), 1025(multi-family), or 1073(Condo) A Desktop Review and Property Condition Report are required and will be ordered by Spring EQ to validate any use of an existing appraisal <ul style="list-style-type: none"> 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 			

	<ul style="list-style-type: none"> condition of the property ▪ Desktop Review Home Data Index must support either a neutral or increasing market trend ▪ Wholesale Only: CDA & PCI will be ordered by Spring EQ to validate the use of an existing appraisal ○ CLTV will be calculated as the lower of the Purchase Price/Desktop Review value or the appraised value <p>Wholesale Only: When a full appraisal is required, the order is to be placed by Broker https://www.clearcapital.com/spring-eq/ and <i>may not be ordered until the borrower has e-signed their intent to proceed.</i></p>
<p style="text-align: center;">Income</p>	<ul style="list-style-type: none"> • Refer to Spring EQ Home Equity Underwriting Guidelines for comprehensive list of income types • Income calculation must comply with all Appendix Q requirements as required in the ATR Final Ruling <p>Self-Employed</p> <ul style="list-style-type: none"> • For Self-Employed borrowers the following documentation will be required for qualification: <ul style="list-style-type: none"> ○ Most Recent 2 Years Personal and Business Federal Tax Returns along with transcripts (with the most recent year not being older than 2020) ○ YTD Profit and loss and balance sheet for the most recent month end preceding the application date ○ Tax Transcripts <p>*For example, if you have an application date of 8/10/2021, the P&L and Balance sheet must be inclusive of the business activity thru 7/31/2021</p> <ul style="list-style-type: none"> ○ Declining Income: <ul style="list-style-type: none"> ▪ Income declining more than 20% is now permitted with the following requirements <ul style="list-style-type: none"> • Most recent 12-month average must be used to calculate the income • DTI cannot exceed 40% <p>*Note declining income requirement is limited to self-employed borrowers only and is not intended to be applied when variable bonus/commission income is used</p> <p>Wholesale Only:</p> <ul style="list-style-type: none"> • Tax Transcripts are required unless income is validated using an automated VOI such as WorkNumber (etc)
<p style="text-align: center;">Ineligible Senior Lien</p>	<ul style="list-style-type: none"> • Senior liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Loans in active forbearance or deferment ○ Negative Amortization ○ Balloon, if the balloon payment becomes due during the amortization period of our new 2nd lien **Balloon terms that resulted from a modification are acceptable so long as all requirements in the modification section are met ○ Reverse Mortgages ○ Interest Only Mortgages ○ Private Mortgages opened within the past 12 months
<p style="text-align: center;">Age of Documents</p>	<ul style="list-style-type: none"> • Expiration Dates are based on the Note Date of the Loan: <ul style="list-style-type: none"> ○ Credit Documents (Income/Asset/Credit report) – 60 Days ○ Collateral - 90 days ○ Title - 90 Days ○ Appraisal – 90 Days <ul style="list-style-type: none"> ▪ For Appraisals > 90 Days, Recertification of the original Appraisal is required
<p style="text-align: center;">Credit Score</p>	<ul style="list-style-type: none"> • The credit score used to qualify will be based on a single Experian (version 8) repository score – The lowest of all borrowers’ scores • A credit score must be available; non-traditional credit not permitted <p>Correspondent Only:</p> <ul style="list-style-type: none"> • Tri-Merge Credit Score meeting GSE guidelines will be acceptable • Lender may only choose Experian 8 or Tri-Merge on setting up of relationship
<p style="text-align: center;">Trade lines</p>	<ul style="list-style-type: none"> • Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open and active for the past 12 months. • A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement
<p style="text-align: center;">Housing History</p>	<ul style="list-style-type: none"> • Max 0x30x24 inclusive of all mortgages and all REO for all borrowers on the transaction (No late payments in the past 24 months) • For Purchase transactions 12 months rental history verification is required • IF VOM/VOR is from a private party, cancelled checks or bank statements are required • 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
<p style="text-align: center;">Employment/Income Verification</p>	<ul style="list-style-type: none"> • Piggybacks: Follows DU/LP findings; however, they must adhere to current Fannie Mae income/employment requirements • Standalones: Will follow Spring EQ’s Home Equity Underwriting Guidelines
<p style="text-align: center;">Significant Derogatory Credit</p>	<ul style="list-style-type: none"> • Measured from the Disbursement Date • Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> ○ Foreclosure - 7 years ○ Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale or Short Sale - 4 years ○ Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years ○ Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal

	<ul style="list-style-type: none"> o Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal • Multiple events within the past 7 years are not permitted and both events must be greater than 7 years
Seasoning	<ul style="list-style-type: none"> • No seasoning is required subject to the following: <ul style="list-style-type: none"> o Seasoning 0-6 Months – Must use the lower of the purchase price or appraised value o Seasoning > 6 Months – May use appraised value
Liabilities	<ul style="list-style-type: none"> • Paying off debt to qualify is permitted (Paying down debt to qualify is not permitted) • Lease payments are not permitted to be excluded • Student loan – 1% of the balance is used to calculate the payment to qualify when there is no payment reporting
Ineligible Property Types	<ul style="list-style-type: none"> • Cooperatives • Condotels (Refer to the Non-Warrantable Condo) • New Construction Condominium Projects • Hotel/Motel Condominiums • Mobile Homes • Manufactured Housing • Commercial Operations • Geodesic Domes • Working farms and ranches • Unimproved Land • Properties with >20 Acres • Timeshares • Leasehold • 2-4 Unit Properties • Properties listed for sale in the past 12 months
Eligible Property Types	<ul style="list-style-type: none"> • Single Family • PUDs • Modular homes (as defined by Fannie Mae) • Condominiums
Condominiums	<ul style="list-style-type: none"> • Established projects only • Online search for no condotel or short-term rental • If Master Condominium insurance policy does not contain walls-in coverage, an H06 policy is required
Title Insurance	<ul style="list-style-type: none"> • Loan amount less than or equal to \$250,000: Owner and Encumbrance Property Report • Loan amount greater than \$250,000: Full Title is required <p>Wholesale Only:</p> <ul style="list-style-type: none"> • Spring EQ to order all title work • For piggyback transactions: <ul style="list-style-type: none"> o Title insurance and CPL are required for the Spring EQ proposed loan o Spring EQ requires risk review to be completed by Secure Insight to validate the settlement agent <p>(Mtgee Clause- Spring EQ LLC, ISAOA/ATIMA, 100 W Matsonford Rd Bldg 5 Ste 100, Radnor, PA 19087-4559)</p> <p>Correspondent Only:</p> <ul style="list-style-type: none"> • For piggyback transactions: <ul style="list-style-type: none"> o Title insurance and CPL are required
Homeowners Insurance	<ul style="list-style-type: none"> • Existing coverage amount must be equal to the lesser of the following: <ul style="list-style-type: none"> o 100% of the insurable value of the improvements, as established by the property insurer; or o the unpaid principal balance of the all existing liens against the subject property, plus the new HELOC Max Line Amount
Solar Panel UCC	<ul style="list-style-type: none"> • UCC Filings do not need to be calculated in the CLTV with the following documentation: • Copy of account statement to ensure obligation is accounted for in the DTI if not reporting on credit <p>**NOTE: UCC filings that are paid through tax assessments (such as HERO and PACE loans) are not eligible and must be paid in full with proceeds.**</p>
Ineligible Borrowers	<ul style="list-style-type: none"> • Non-Occupant co-borrowers are not permitted • Vesting is not permitted to be in the name of an LLC, corporation, or partnership • Power of Attorney is limited to Piggyback Purchases only and must follow GSE Requirements • Irrevocable Trusts are not permitted
Assumptions	<ul style="list-style-type: none"> • Loans are not assumable
Prepayment Penalty	<ul style="list-style-type: none"> • Not permitted
Escrows	<ul style="list-style-type: none"> • Not permitted
Retail Lien Positions & States	<ul style="list-style-type: none"> • 1st, 2nd Liens • 1st Lien only available in the following states: <ul style="list-style-type: none"> o AL, AZ, CA, CO, CT, DE, FL, GA, IA, IL, KS, KY, MD, ME, MI, MN, MS, NC, NH, NJ, OH, OK, OR, RI, SC, TX, VA, VT, WA, WI o 1st Lien HELOC Not Allowed in the Following State: PA, TN o 1st Lien HELOC can not be used for Purchase Transactions • 2nd Lien available in all states except <ul style="list-style-type: none"> o AK, HI, ID, MA, MO, ND, NV, NY, SD, WV, WY, UT
Wholesale Lien Positions & States	<ul style="list-style-type: none"> • 1st, 2nd Liens • 1st Lien only available in the following states: <ul style="list-style-type: none"> o AL, AZ, CA, CO, CT, DE, FL, GA, IA, IL, KS, KY, MD, ME, MI, MN, MS, NC, NH, NJ, NV, OH, OK, OR, RI, SC, TX, UT, VA, VT, WA, WI

	<ul style="list-style-type: none">○ 1st Lien HELOC Not Allowed in the Following State: PA, TN○ 1st Lien HELOC can not be used for Purchase Transactions• 2nd Lien available in all states except<ul style="list-style-type: none">○ AK, HI, ID, MA, MO, ND, NY, SD, TN, WV, WY
Transaction Types	<ul style="list-style-type: none">• Arm's Length Transactions• Not Permitted - Non-Arm's Length Transactions – A Non-Arm's length transaction, also known as an arm-in-arm transaction, refers to a business deal in which buyers and sellers have an identity of interest; in short, buyers and sellers have an existing relationship, whether business-related or personal. <p>**Spring EQ does not allow these transactions with the exception of a tenant buying the property that they are currently renting; from the landlord/owner of the property. All other Non-Arm's Length Transactions are ineligible for financing.</p>
3rd Party Estimated of Fees	Wholesale Only: https://www.wholesale.springeq.com/fees/

Fixed Rate Home Equity

Release Date: 7/15/2022

	Minimum FICO	Max CLTV		
		Owner Occupied	2 nd Home	Investment
FICO / CLTV / Occupancy Maximums	740+	95%	90%	85%
	700-739	95%	90%	85%
	680-699	90%	90%	85%
	640-679	85%	80%	80%
	620-639	70%	60%	60%

Terms

- Stand-Alone Second Liens and Piggybacks
- Fixed rate terms: 5, 10 ,15, 20, 25 & 30 years

Debt to Income

- Max 43% DTI

Loan Amount

- Minimum Loan amount \$25,000
- Maximum Loan Amount \$500,000
- **Owner Occupied max total financing is limited to \$3,000,000 (total amount of 1st and 2nd lien combined)**
- **2nd Home & Investment max total financing is limited to \$2,000,000 (total amount of 1st and 2nd lien combined)**

Occupancy

- Owner-Occupied
- Second Homes
- Investment Properties
 - Limited to 10 Financed Properties

Piggyback Additional Requirements

- Final Approval from first lien lender showing all conditions met
- Final Closing Disclosure from first lien to confirm final CLTV and DTI calculation
- Title policy from first lien transaction should be used and must include title insurance/CPL/Wire Instructions
- Use of existing appraisal from first lien is acceptable subject to collateral desk review (CDA) *See Appraisal Requirements section below
- Agreement of sale on purchase transactions

Correspondent Only:

- Final DU/LP Findings are required to be provided from the 1st mortgage lender (If no DU/LP Findings are provided, guidelines will follow Spring EQ’s Home Equity Underwriting Guidelines).

Wholesale Only:

- Spring EQ to perform closing agent validation audit prior to closing
- Initial and Final DU/LP Findings are required to be provided from the 1st mortgage lender (If no DU/LP Findings are provided, guidelines will follow Spring EQ’s Closed End Home Equity Guidelines).

Appraisal Requirements

- **Loan Amounts <= \$250,000 any of the following options are permitted:**
 - AVM with exterior property inspection with the following requirements:
 - Max 95% CLTV
 - No Higher Priced Mortgage Loans (HPMLs)
 - **Correspondent Only:** See Seller Guide for AVM eligibility & Approved Vendors
 - Prior Use Appraisal (See below requirements)
 - Drive by Appraisal
 - **Wholesale Only:** Spring EQ to order with UW Approval
 - **Correspondent:** Must be ordered through the following Approved Vendors & Products: Accurate Group – Valunet Plus, Valuation Connect – Equity Connect Report (ECR)
 - Full Interior Appraisal (1004/1025/1073)
- **Loan amounts > \$250,000**
 - Prior Use Appraisal (See below Requirements)
 - Full Interior Appraisal (1004/1025/1073)
- Recertification of an existing appraisal is acceptable when the following requirements are met:
 - Report has been completed within 12 months of settlement date
 - Appraisal product has not been completed by Spring EQ
 - Current appraisal provided must be on form 1004(Single family), 1025(multi-family), or 1073(Condo)
 - A Desktop Review and Property Condition Report are required and will be ordered by Spring EQ to validate any use of an existing 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 Review & Property Condition Report will be ordered by Spring EQ to

	<ul style="list-style-type: none"> validate the use of an existing appraisal CLTV will be calculated as the lower of the Purchase Price/Desktop Review value or the appraised value <p>Wholesale Only:</p> <ul style="list-style-type: none"> When a full appraisal is required, the order is to be placed by Broker https://www.clearcapital.com/spring-eq/ and <i>may not be ordered until the borrower has e-signed their intent to proceed.</i>
<p>Income</p>	<ul style="list-style-type: none"> Refer to Spring EQ Home Equity Underwriting Guidelines for comprehensive list of income types Income calculation must comply with all Appendix Q requirements as required in the ATR Final Ruling <p>Self-Employed</p> <ul style="list-style-type: none"> For Self-Employed borrowers the following documentation will be required for qualification: <ul style="list-style-type: none"> Most Recent 2 Years Personal and Business Federal Tax Returns along with transcripts (with the most recent year not being older than 2020) YTD Profit and loss and balance sheet for the most recent month end preceding the application date Tax Transcripts <p>*For example, if you have an application date of 8/10/2021, the P&L and Balance sheet must be inclusive of the business activity thru 7/31/2021</p> <ul style="list-style-type: none"> Declining Income: <ul style="list-style-type: none"> Income declining more than 20% is now permitted with the following requirements <ul style="list-style-type: none"> Most recent 12-month average must be used to calculate the income DTI cannot exceed 40% <p>*Note declining income requirement is limited to self-employed borrowers only and is not intended to be applied when variable bonus/commission income is used</p> <p>Wholesale Only:</p> <ul style="list-style-type: none"> Tax Transcripts are required unless income is validated using an automated VOI such as WorkNumber (etc)
<p>Ineligible Senior Lien</p>	<ul style="list-style-type: none"> Senior liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> Loans in active forbearance or deferment Negative Amortization Balloon, if the balloon payment becomes due during the amortization period of our new 2nd lien **Balloon terms that resulted from a modification are acceptable so long as all requirements in the modification section are met Reverse Mortgages Private Mortgages opened within the past 12 months Interest Only Mortgages
<p>Assumptions</p>	<ul style="list-style-type: none"> Loans are not assumable
<p>Age of Documents</p>	<ul style="list-style-type: none"> Expiration Dates are based on the Note Date of the Loan: <ul style="list-style-type: none"> Credit Documents (Income/Asset/Credit report) – 60 Days Collateral - 90 days Title - 90 Days Appraisal – 90 Days <ul style="list-style-type: none"> For Appraisals > 90 Days, Recertification of the original Appraisal is required
<p>Credit Score</p>	<ul style="list-style-type: none"> The credit score used to qualify will be based on a single Experian (version 8) repository score – The lowest of all borrowers’ scores A credit score must be available; non-traditional credit not permitted <p>Correspondent Only</p> <ul style="list-style-type: none"> Tri-Merge Credit Score meeting GSE guidelines will be acceptable Lender may only choose Experian 8 or Tri-Merge on setting up of relationship
<p>Trade lines</p>	<ul style="list-style-type: none"> Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open and active for the past 12 months. A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement
<p>Housing History</p>	<ul style="list-style-type: none"> Max 0x30x24 inclusive of all mortgages and all REO for all borrowers on the transaction (No late payments in the past 24 months) For Purchase transactions 12 months rental history verification is required **IF VOM/VOR is from a private party, cancelled checks or bank statement are required**
<p>Seasoning</p>	<ul style="list-style-type: none"> 0-6 Months – Lower of the purchase price or appraised value must be used to calculate the CLTV >6 Months Seasoning – No restrictions 6 Month Seasoning is required for all Investment Properties
<p>Significant Derogatory Credit</p>	<ul style="list-style-type: none"> Measured from the Disbursement Date Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> Foreclosure - 7 years Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale or Short Sale - 4 years Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal Multiple events within the past 7 years are not permitted and both events must be greater than 7 years

Liabilities	<ul style="list-style-type: none"> • Paying off debt is to qualify is permitted • Lease payments are not permitted to be excluded • Student loan – 1% of the balance is used to calculate the payment to qualify when there is no payment reporting
Eligible Property Types	<ul style="list-style-type: none"> • Single Family (including Modular homes and PUD's) • Condominiums (Fannie Mae Warrantable) • 2-Unit
Ineligible Property Types	<ul style="list-style-type: none"> • Cooperatives • Condotels (Refer to the Non-Warrantable Condo) • New Construction Condominium Projects • Hotel/Motel Condominiums • Mobile Homes • Manufactured Housing • Commercial Operations • Geodesic Domes • Working farms and ranches • Unimproved Land • Properties with >20 Acres • Timeshares • Leasehold • 3-4 Units • Properties listed for sale in the past 12 months
Condominiums	<ul style="list-style-type: none"> • Established projects only • Online search for no condotel or short-term rental • If Master Condominium insurance policy does not contain walls-in coverage, an H06 policy is required
Title Insurance	<ul style="list-style-type: none"> • Loan amount less than or equal to \$250,000: Owner and Encumbrance Property Report • Loan amount greater than \$250,000: Full Title is required <p>Wholesale Only:</p> <ul style="list-style-type: none"> • Spring EQ to order all title work • For piggyback transactions: <ul style="list-style-type: none"> ◦ Title insurance and CPL are required for the Spring EQ proposed loan ◦ Spring EQ requires risk review to be completed by Secure Insight to validate the settlement agent <p>(Mtgee Clause- Spring EQ LLC, ISAOA/ATIMA, 100 W Matsonford Rd Bldg 5 Ste 100, Radnor, PA 19087-4559)</p> <p>Correspondent Only:</p> <ul style="list-style-type: none"> • For piggyback transactions: <ul style="list-style-type: none"> ◦ Title insurance and CPL are required
Homeowners Insurance	<ul style="list-style-type: none"> • Use of existing coverage amount is permitted. Replacement cost estimator or increases in coverage are not required regardless of outstanding lien amounts
Solar Panel UCC	<ul style="list-style-type: none"> • UCC Filings do not need to be calculated in the CLTV with the following documentation: <ul style="list-style-type: none"> ◦ Copy of account statement to ensure obligation is accounted for in the DTI if not reporting on credit ◦ **NOTE: UCC filings that are paid through tax assessments (such as HERO and PACE loans) are not eligible and must be paid in full with proceeds.**
Recently Listed Properties	<ul style="list-style-type: none"> • Properties listed for sale in the past 12 months are not eligible
Ineligible Borrowers	<ul style="list-style-type: none"> • Non-Occupant co-borrowers are not permitted • Vesting is not permitted to be in the name of an LLC, corporation, or partnership • Power of Attorney is limited to Piggyback Purchases only and must follow GSE Requirements • Irrevocable Trusts are not permitted
Prepayment Penalty	<ul style="list-style-type: none"> • Not Permitted
Escrows	<ul style="list-style-type: none"> • Not required
Retail Lien Positions & States	<ul style="list-style-type: none"> • 2nd Lien Only • 2nd Lien available in all states except <ul style="list-style-type: none"> ◦ AK, HI, ID, MA, MO, ND, NV, NY, SD, WV, WY, UT
Wholesale Lien Positions & States	<ul style="list-style-type: none"> • 2nd Lien Only • 2nd Lien available in all states except <ul style="list-style-type: none"> ◦ AK, HI, ID, MA, MO, ND, NY, SD, WV, WY
Correspondent Lien Positions & States	<ul style="list-style-type: none"> • 2nd Lien Only • 2nd Lien available in all states except <ul style="list-style-type: none"> ◦ AK, HI, ID, MA, MO, ND, NV, NY, OR, RI, SD, VT, WV, WY • Non-Delegated Underwrite not available in: WA
Transaction Types	<ul style="list-style-type: none"> • Arm's Length Transactions • Not Permitted - Non-Arm's Length Transactions – A Non-Arm's length transaction, also known as an arm-in-arm transaction, refers to a business deal in which buyers and sellers have an identity of interest; in short, buyers and sellers have an existing relationship, whether business-related or personal. <p>**Spring EQ does not allow these transactions with the exception of a tenant buying the property that they are currently renting; from the landlord/owner of the property. All other Non-Arm's Length Transactions are ineligible for financing.</p>

<p>Disaster Policy</p>	<ul style="list-style-type: none"> • Please refer to the list of affected counties published by FEMA using the following link: http://www.fema.gov/disasters • 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. 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>Estimated 3rd Party Fees</p>	<p>Wholesale Only:</p> <ul style="list-style-type: none"> • https://www.wholesale.springeq.com/fees/

Interest Only Bridge Loan

Release Date: 7/15/2022

Changes highlighted in Red	Minimum FICO	Max CLTV		
		Owner Occupied	2 nd Home	Investment
FICO / CLTV / Occupancy Maximums	740+	85%	75%	
	700-739	80%		
	680-699	80%		
Terms	<ul style="list-style-type: none"> Fixed Rate Interest Only Payments for 11 Months Balloon Payment at Month 11 2 Points + Origination Costs to be paid at closing 			
Appraisal Requirements	<ul style="list-style-type: none"> Loan Amounts <= \$500,000 any of the following options are permitted: <ul style="list-style-type: none"> AVM with exterior property inspection Use Prior Appraisal (See below requirements) Drive by Appraisal Full Appraisal Recertification of an existing appraisal is acceptable when the following requirements are met: <ul style="list-style-type: none"> Report has been completed within 12 months from the settlement date Appraisal product has not been completed by Spring EQ Current appraisal provided must be on form 1004(Single family) 1025(multi-family) 1073(Condo) Lower of appraised or CDA/AVM value must be used to calculate the CLTV if CDA/AVM value is more than 10% lower than appraised value Risk Score = Low or moderate with no additional review recommended by reviewer Analysis commentary contains no comments that adversely impact value, marketability, or condition of the property 			
Income	<ul style="list-style-type: none"> Agency Employment and Income guidelines should be used to establish the documentation requirements Self Employed Borrowers are Ineligible 			
Debt to Income	<ul style="list-style-type: none"> Max 40% DTI will be calculated using the Interest Only payment on the proposed transaction and the fully amortizing payment on the currently occupied property. 			
Loan Amount	<ul style="list-style-type: none"> Minimum Loan amount \$75,000 Maximum Loan Amount \$500,000 **Max total financing is limited to \$2,000,000 (total amount of 1st and 2nd lien combined)** **Max total financing is limited to \$3,500,000 (total amount of 1st and 2nd lien combined)** in CA & FL 			
Occupancy	<ul style="list-style-type: none"> Owner-Occupied Second Homes 			
Ineligible Senior Lien	<ul style="list-style-type: none"> Senior liens with high risk features which can include, but are not limited to: <ul style="list-style-type: none"> Loans in active forbearance or deferment Negative Amortization Balloon, if the balloon payment becomes due during the amortization period of our new 2nd lien **Balloon terms that resulted from a modification are acceptable so long as all requirements in the modification section are met Reverse Mortgages Private Mortgages opened within the past 12 months 			
Assumptions	<ul style="list-style-type: none"> Loans are not assumable 			
Age of Documents	<ul style="list-style-type: none"> Expiration Dates are base on the Note Date of the Loan: <ul style="list-style-type: none"> Credit Documents (Income/Asset/Credit report) – 60 Days Collateral - 90 days Title - 90 Days 			
Credit Score	<ul style="list-style-type: none"> The credit score used to qualify will be based on a single Experian (version 8) repository score – The lowest of all borrowers' scores A credit score must be available; non-traditional credit not permitted 			
Trade lines	<ul style="list-style-type: none"> Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open and active for the past 12 months. A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement 			
Housing History	<ul style="list-style-type: none"> Max 0x30x24 inclusive of all mortgages and all REO for all borrowers on the transaction (No late payments in previous 24 months) For Purchase transactions 12 months rental history verification is required **IF VOM/VOR is from a private party, cancelled checks or bank statement are required** 			
Seasoning	<ul style="list-style-type: none"> 0-6 Months – Lower of the purchase price or appraised value must be used to calculate the CLTV >6 Months Seasoning – No restrictions 			

Significant Derogatory Credit	<ul style="list-style-type: none"> • Measured from the Disbursement Date • Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> ◦ Foreclosure - 7 years ◦ Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale or Short Sale - 4 years ◦ Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years ◦ Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal ◦ Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal ◦ Multiple events within the past 7 years are not permitted and both events must be greater than 7 years
Liabilities	<ul style="list-style-type: none"> • Paying off debt to qualify is permitted • Lease payments are not permitted to be excluded • Student loan – 1% of the balance is used to calculate the payment to qualify when there is no payment reporting
Eligible Property Types	<ul style="list-style-type: none"> • Single Family (including Modular homes and PUD's) • Condominiums (Fannie Mae Warrantable) • 2-4 Units
Ineligible Property Types	<ul style="list-style-type: none"> • Cooperatives • Condotels (Refer to the Non-Warrantable Condo) • New Construction Condominium Projects • Hotel/Motel Condominiums • Mobile Homes • Manufactured Housing • Commercial Operations • Geodesic Domes • Working farms and ranches • Unimproved Land • Properties with >10 Acres • Timeshares • Leasehold
Condominiums	<ul style="list-style-type: none"> • Established projects only • Online search for no condotel or short-term rental • H06 policy is required
Title Insurance	<ul style="list-style-type: none"> • Loan amount less than or equal to \$250,000: Owner and Encumbrance Property report to be ordered by SpringEQ • Loan amount greater than \$250,000: Full Title is required and will be ordered by SpringEQ
Solar Panel UCC	<ul style="list-style-type: none"> • UCC Filings do not need to be calculated in the CLTV with the following documentation: <ul style="list-style-type: none"> ◦ Copy of account statement to ensure obligation is accounted for in the DTI if not reporting on credit ◦ **NOTE: UCC filings that are paid through tax assessments (such as HERO and PACE loans) are not eligible and must be paid in full with proceeds.**
Ineligible Borrowers	<ul style="list-style-type: none"> • Vesting is not permitted to be in the name of an LLC, corporation, or partnership • Use of a power of attorney is not permitted • Irrevocable Trusts are not permitted
Prepayment Penalty	<ul style="list-style-type: none"> • Not Permitted
Escrows	<ul style="list-style-type: none"> • Not required
Lien Positions	<ul style="list-style-type: none"> • 1st or 2nd • Available in states except: <ul style="list-style-type: none"> ◦ AK, DC, HI, ID, MA, MD, MI, MO, NC, ND, NV, NY, PA, SD, TX, UT, VA, WV, WY
Transaction Types	<ul style="list-style-type: none"> • Arm's Length Transactions • Not Permitted - Non-Arm's Length Transactions – A Non-Arm's length transaction, also known as an arm-in-arm transaction, refers to a business deal in which buyers and sellers have an identity of interest; in short, buyers and sellers have an existing relationship, whether business-related or personal. <p>**Spring EQ does not allow these transactions with the exception of a tenant buying the property that they are currently renting; from the landlord/owner of the property. All other Non-Arm's Length Transactions are ineligible for financing.</p>
Disaster Policy	<ul style="list-style-type: none"> • Please refer to the list of affected counties published by FEMA using the following link: http://www.fema.gov/disasters • 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. 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.