

PORTFOLIO 101 – ARM AND FIXED					
PURCHASE AND RATE TERM REFINANCE ^{1,2}					
Occupancy	FICO	DTI ⁴	LTV	Loan Amount	Reserves ⁵
Primary/Secondary	660	≤ 50%	90	\$3,000,000	9 months
Primary/Secondary	650	≤ 50%	85	\$3,000,000	6 months
Primary/Secondary	650	≤ 50%	80	\$3,000,000	3 months
CASH-OUT REFINANCE ³					
Primary/Secondary	700	≤ 50%	85	\$1,500,000	6 months
Primary/Secondary	650	≤ 50%	80	\$1,500,000	3 months

- Delayed Financing may be underwritten and priced as a rate term refinance. Maximum LTV and loan amount per Matrix.
Rate term cash back amount restriction does not apply. Delayed financing on a primary residence/homestead in Texas, must be treated as a cash out transaction under Texas 50(a)(6) guidelines.
- For Rate term transactions, maximum cash back amount is equal to the lesser of 2% of new refinance loan balance or \$2,000.
- For Cash Out transactions, maximum cash back amount is \$350,000.
- Maximum 55% DTI considered with compensating factors. Refer to the Specified Credit Factors for details.
- Minimum 2 months reserves considered with compensating factors. Refer to the Specified Credit Factors for details.

PORTFOLIO 101 – ARM AND FIXED					
CASH-OUT REFINANCE - DEBT CONSOLIDATION ^{1,2}					
Occupancy	FICO	DTI	LTV	Loan Amount	Reserves ⁴
Primary/Secondary ³	660	≤ 35%	90	\$750,000	9 months
Primary/Secondary ³	650	≤ 35%	85	\$750,000	6 months
Primary/Secondary ³	600	≤ 35%	80	\$750,000	3 months

- Total amount of reoccurring obligations to be paid off by the borrower cannot exceed \$100,000 (excluding mortgage liens).
- Maximum cash back amount is equal to the lesser of 2% of new refinance loan balance or \$2,000.
- Interest only is not allowed.
- Not allowed on primary residences in Texas. Debt consolidation on primary residences in Texas must follow Texas 50(a)(6) guidelines.
- Minimum 2 months reserves considered with compensating factors. Refer to the Specified Credit Factors for details.

PORTFOLIO 101 – TEXAS 50(A)(6) FIXED					
Texas 50(a)(6) RATE TERM REFINANCE ^{1,2}					
Occupancy ^{4,5}	FICO	DTI ⁶	LTV	Loan Amount	Reserves ⁷
Primary	650	≤ 50%	80	\$3,000,000	3 months
Texas 50(a)(6) CASH-OUT REFINANCE ³					
Primary	620	≤ 50%	80	\$1,500,000	3 months
<ol style="list-style-type: none"> 1. Delayed financing must be treated as a cash out transaction. 2. For Texas 50(a)(6) rate term transactions, no cash back is allowed. 3. For Texas 50(a)(6) cash cut transactions, maximum cash back amount is \$350,000. 4. 2-4 units are not allowed. 5. Texas 50(a)(6) not offered on 5/1 ARM. 6. Maximum 55% DTI considered with compensating factors. Refer to the Specified Credit Factors for details. Minimum 2 months reserves considered with compensating factors. Refer to the Specified Credit Factors for details. 					

PORTFOLIO 101 Interest Only ARM					
PURCHASE AND RATE TERM REFINANCE ^{1,2,3}					
Occupancy	FICO	DTI ⁴	LTV	Loan Amount	Reserves ⁵
Primary/Secondary	700	≤ 50%	80	\$3,000,000	3 months
Primary/Secondary	650	≤ 50%	75	\$3,000,000	3 months
<ol style="list-style-type: none"> 1. Delayed Financing may be underwritten and priced as a rate term refinance. Maximum LTV and loan amount per Matrix. Rate term cash back amount restriction does not apply. Delayed financing on a primary residence/homestead in Texas, must be treated as a cash out transaction under Texas 50(a)(6) guidelines. 2. For Rate term transactions, maximum cash back amount is equal to the lesser of 2% of new refinance loan balance or \$2,000. 3. Interest only not offered on 30 year Fixed. 4. Maximum 55% DTI considered with compensating factors. Refer to the Specified Credit Factors for details. 5. Minimum 2 months reserves considered with compensating factors. Refer to the Specified Credit Factors for details. 					

Product Detail	Product Guidelines
Program Highlights	<ul style="list-style-type: none"> - Max 90% LTV with no MI - Interest Only option - Sources of income can include: Asset Depletion calculation and Restricted Stock Units
Amortization Type	<ul style="list-style-type: none"> - 5/1 Adjustable and 30 Year Fixed Rate - 5/1 ARM Interest Only permitted. 10 year interest only period followed by 20 year amortization. Fannie Mae Form 3535 must be used.
Appraisal	<p>Purchases:</p> <ul style="list-style-type: none"> - One appraisal required for all loans < \$1,500,000. - Two appraisals required for all loans > \$1,500,000. <p>Refinances:</p> <ul style="list-style-type: none"> - One appraisal required for all loans < \$1,000,000. - Two appraisals required for all loans > \$1,000,000.
ARM Caps	5/1 ARM: 2/2/6
ARM Index	1 year LIBOR
ARM Margin & Floor Rate	4.50%
ARM Qualification	<ul style="list-style-type: none"> - 5/1 ARM must be qualified at the higher of the fully indexed rate or note rate - 5/1 ARM Interest Only must be manually qualified at the fully amortizing (PITI) based on a 20 year amortizing term at the higher of the fully indexed rate or note rate
Asset Depletion	Borrower can qualify solely if they can evidence liquid assets equal to or in excess of 180 months of PITI payments (see guidelines for specific requirements)
AUS	Manual Underwriting is required, however, an AUS is required to demonstrate the borrower is not eligible for agency product, including high balance loan amounts. Refer to the Fresh Start Manual Underwriting Guidelines.
Borrower Contribution	100% gifts funds are permitted if the gift is received from a family member. 5% borrower contribution required otherwise. Refer to the Manual Underwriting Guidelines.
Closing Requirements	Third-Party Origination (TPO) Loans are allowed.
Declining Markets	If appraiser denotes market as declining, reduce maximum LTV by 5% from maximum financing limits.
Derogatory Housing Event Seasoning	<ul style="list-style-type: none"> - No derogatory events permitted in the most recent 4 years. - A Derogatory Event is defined as short-sale (SS), deed-in-lieu (DIL), mortgage loan charge-off (MCO), foreclosure (FCL) or Chapter 7 or Chapter 13 Bankruptcy (BK). A modification is not a Derogatory Event.
Documentation	All loans must meet ATR requirements to be eligible. Full Income and Asset documentation is required in compliance with Appendix Q requirements
Escrow Waivers	Not allowed on HPML loans under 12 CFR 1026.35. Per HPML requirements, an escrow account must be established before consummation of the loan for payment of property taxes and premiums for mortgage-related insurance required by NMSI. The escrow account must be maintained for at least five years after the date of consummation.

FICO/Credit Score	<ul style="list-style-type: none"> - 650 (Minimum FICO requirement may be higher depending on loan parameters. Please refer to the matrix for details.) - Traditional Credit: Borrower must have two open and active trades. Refer to the Manual Underwriting Guidelines for details. - Non-traditional credit not permitted
Lien Position	First
Mortgage Insurance	Not required
Maximum Loan Amount	\$3,000,000 (<i>Maximum loan amount may be lower depending on loan parameters. Refer to the matrix for details.</i>)
Min. Loan Amount	\$100,000
Number of Financed Properties	<ul style="list-style-type: none"> - Primary Residence: Unlimited financed properties - Second Home: Maximum 10 financed properties - NMSI will finance 4 properties with a maximum unpaid principal balance of \$4,000,000.
Occupancy	<ul style="list-style-type: none"> - 1–4 unit Primary Residence - 1 unit Second Home
Payment History	0x30 in most recent 12 months on all mortgages/rentals
Program Codes	<ul style="list-style-type: none"> - NPA5/1: Portfolio 101 5/1 LIBOR ARM - NPAI5/1: Portfolio 101 5/1 LIBOR ARM w/ 10 Year Interest Only - NPA30: Portfolio 101 Fixed 30 Year
Property Types	<ul style="list-style-type: none"> - 1-4 units (Detached, Semi Detached, Attached) - PUD (Detached, Attached) - Warrantable Condominium(Detached, Attached) - Non-Warrantable Condominiums Attached/Detached) including Condotels. Refer to the Non Warrantable Condo Matrix.
Ratios	Max 50% DTI (up to 55% DTI considered with compensating factors. Refer to the Specified Credit Factors section for details).
Secondary Financing	Existing and new subordinate financing is not allowed.
Seller Contributions	6% Primary Residence or Second Home
State Restrictions	Loans on primary residences in Maine and New York are not permitted. Loans in Massachusetts are not permitted. Section 32 (HOEPA) loans or State high cost loans not allowed. Total points & fees must be < 5%.
Temporary Buydowns	Not allowed
Term	5/1 ARM and 5/1 ARM IO: 30 year Fixed: 30 year
Transaction Types	<ul style="list-style-type: none"> - Purchase - Rate term refinance/Delayed Financing - Cash Out - Debt Consolidation - Cash Out Refinance - Texas 50(a)(6) rate term and cash out refinance - NY CEMA refinance transactions
Specified Credit Factor	One of the following Specified Credit Factors are allowed.

	<p>Maximum 55% DTI is allowed as long as the loan parameters meet two of the following compensating factors (loan must be manually locked to exceed 50% DTI)</p> <ul style="list-style-type: none"> - ≤ 80% LTV - ≥ 720 FICO - Either: Reserves ≥ 12 months or ≥ 125% Residual Income <p>Minimum of 80% of required Residual Income amount is allowed as long as the loan parameters meet two of the following compensating factors.</p> <ul style="list-style-type: none"> - ≤ 80% LTV - ≥ 720 FICO - Either: Reserves ≥ 12 months or DTI < 40% <p>Minimum 2 months reserves is allowed as long as the loan parameters meet two of the following compensating factors.</p> <ul style="list-style-type: none"> - ≤ 80% LTV - ≥ 720 FICO - Either: DTI < 40% or ≥ 125% Residual Income
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