

Primary Residence				
Loan Purpose	Minimum FICO*	Units	Max LTV**	Max CLTV
Purchase or Rate/Term	620	1	97% ¹	105% ²
		Manufactured ³	95%	95%
		2	85%	85%
		3-4	80%	80%
Cash-Out		1	80%	80%
		Manufactured ³	65% (Max 20 yr. term)	65% (Max 20 yr. term)
	2-4	75%	75%	

Second Home				
Loan Purpose	Minimum FICO*	Units	Max LTV**	Max CLTV
Purchase or Rate/Term	620	1	90%	90%
		Manufactured ³	85%	85%
Cash-Out		1	75%	75%
		Manufactured ³	NA	NA

Investment Property				
Loan Purpose	Minimum FICO*	Units	Max LTV**	Max CLTV
Purchase or Rate/Term	620	1	85%	85%
		Manufactured ³	NA	NA
		2-4	75%	75%
Cash-Out		1	75%	75%
		Manufactured ³	NA	NA
		2-4	70%	70%

¹ For LTV's between 95.01-97%, loan must meet HomeOne Mortgage Requirements below.

² For CLTV's between 95.01-105%, loan must meet HomeOne Mortgage Requirements below.

³ Conforming Loan Limits Only

*Minimum FICO requirements determined by Freddie LPA Findings.

**For all loans, Max LTV is reduced by 5% when using secondary financing.

Property Type	Conforming Loan Limits ¹	Super Conforming Loan Limits ¹	Property Types	
			AUS	
1 Unit	\$806,500	\$1,209,750	All loans must receive LPA Accept Findings	
2 Unit	\$1,032,650	\$1,548,975		
3 Unit	\$1,248,150	\$1,872,225	Minimum Loan Amount	
4 Unit	\$1,551,250	\$2,326,875	\$75,000	
			HELOCs	
¹ Actual loan limits for specific counties in high-cost areas, as determined by FHFA, may be lower than the max permitted loan limit listed above.			Qualifying payment is either monthly payment as shown on credit report or monthly statement, or 1.5% of the outstanding balance when no payment amount noted.	

Mortgage Insurance

Standard mortgage insurance is used when required. Lender Paid MI with single premium is permitted. BPMI monthly and Single Premium allowed.

Loan Term	LTV			
	80.01-85%	85.01-90%	90.01-95%	95.01-97%
25 & 30 Year Terms, Manufactured	12%	25%	30%	35%
10, 15 & 20 Year	6%	12%	25%	35%

HomeOne

HomeOne	<ul style="list-style-type: none"> Purchase & Rate & Term Refinance Transactions only. One Unit Properties Only- Includes Condominium and PUD's. No Cash-Out Refinance with an LTV between 95.01-97%.- Existing loan being refinanced must be owned or securitized by Freddie Mac. Document via lender's servicing system, FHLMC's loan look up tool or Servicer Letter. Non-Occupant Co-Borrowers are ineligible. Manufactured Homes & 2-4 Unit Properties are ineligible. At least one borrower must be considered a First Time Homebuyer. If all occupying borrowers are First-Time Homebuyers, Homeownership Education is required for at least one borrower. Conforming Loan Limits Only.
Temporary Buydowns	<p>Buydown Options:</p> <ul style="list-style-type: none"> ◦ 3-2-1- LTV is capped at 90% ◦ 2-1 ◦ 1-1 ◦ 1-0 <ul style="list-style-type: none"> Offering Seller Paid Buydown Option only Non-Owner Transactions are ineligible Refinance Transactions are ineligible <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> ◦ 2-4 Unit Properties ◦ Manufactured Homes <ul style="list-style-type: none"> SFC 009 for all Buydowns except a 3-2-1 Buydown SFC 014 for all 3-2-1 Buydowns <p>Link to Buydown Calculator: https://myndm.com/downloads/products/conventional/NDM-Buydown-Calculator.xlsx</p>

Credit

Age of Documents	<ul style="list-style-type: none"> • 120 Days for Credit Report, Income, Asset and Appraisal • 90 days Title <p>All items are measured from Note Date</p>
Borrower Eligibility	<p>Eligible Borrowers: Must have legal residency and valid Social Security Number</p> <ul style="list-style-type: none"> • US Citizens, Permanent Residents and Non Permanent Resident Aliens (except DACA) • Inter-Vivos Revocable Trusts <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers
Contingent Liabilities	<p>A contingent liability may be excluded from liabilities when meeting the requirements below.</p> <p>Installment (not including Mortgages), Revolving, Monthly Lease Payment</p> <ul style="list-style-type: none"> • A party other than the Borrower has been making timely payments for the most recent 12 mos. (regardless of whether the party is obligated on the debt) • The party making the payments is not an interested party to the subject real estate or Mortgage transaction <p>Mortgage: Documentation must indicate the following:</p> <ul style="list-style-type: none"> • A party other than the Borrower has been making timely payments for the most recent 12 months • The party making the payments is obligated on the Note for the Mortgage that is being excluded • The party making the payments is not an interested party to the subject real estate or Mortgage transaction
Credit Refresh / Soft Pull/ Undisclosed Debt Monitoring	<p>Required within 10 calendar days of Note date. NDM will run UDM on all files. Any additional inquiries found on soft pull/UDM must be addressed by borrower.</p>
Derogatory Credit	<p>Follow per LPA Feedback</p>
DTI	<p>Per LPA</p>
Debt paid by Borrower's Business	<p>When a self-employed Borrower is obligated on a debt that has been paid by the Borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:</p> <ul style="list-style-type: none"> • The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and • The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business

Federal Income Tax Installment Agreements	<p>The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if:</p> <ul style="list-style-type: none"> • There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located. • The lender obtains the following documentation: <ul style="list-style-type: none"> o an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and o evidence the borrower is current on the payments associated with the tax installment plan. <p>Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date. At least one payment must have been made prior to closing.</p>
Interested Party Contributions	<p>Maximum Interested Party Contributions:</p> <ul style="list-style-type: none"> • >90% LTV, IPC limited to 3% • 75.01-90%, IPC is limited to 6% • 75% or less LTV, IPC is limited to 9%
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • Permitted to 95% LTV with Accept/Eligible transactions. • Non-occupant co-borrower cannot be an interested party to the transactions (for example, the builder, seller or broker). • Not Eligible on HomeOne
Open-End or 30 day Accounts	<ul style="list-style-type: none"> • When there is no monthly payment listed on the credit report or if there is no documentation indicating a monthly payment amount, the full amount of the outstanding account balance must be included in the DTI or • Monthly payments on 30 day accounts are not required to be included in the liabilities if the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower.
Refinance of Payment Deferral due to COVID-19	<p>Rate and Term: Refinance of an existing loan with payment deferral(s) due to COVID-19 as a 2nd lien is allowed. It does not have to be treated as a Cash-Out transaction. The payment deferral or 2nd lien must only be due to a deferral of the 1st lien.</p>
Refinance Seasoning	<p>All Refinances must have</p> <ul style="list-style-type: none"> • At least one Borrower on the mortgage was a borrower on the mortgage being refinanced; OR • At least one Borrower on the mortgage held title to and resided in the subject property as Primary Residence for the most recent 12 months and can document that the Borrower, either: <ul style="list-style-type: none"> o Has been making timely mortgage payments, including secondary financing, for most recent 12 months; OR o Is related to a borrower on the mortgage being refinanced. o At least one Borrower on the refinance Mortgage inherited or was legally awarded the subject property. <p><u>No Cash-Out Refinance</u></p> <ul style="list-style-type: none"> o Paying off an existing Purchase transaction - 1 day on title subject to above o Paying off an existing Refinance transaction - 31 days from existing Note date to new Note date of the "no Cash-out" refinance loan. <p><u>Cash Out</u> - 12 Months seasoning is required.</p>

<p>Solar Panels (Leased or PPA)</p>	<ul style="list-style-type: none"> • Solar Lease Contract with terms and conditions or Power Purchase Agreement Note must be obtained and reviewed. • If the solar panels are included in Title and UCC fixture filing remains, the solar debt secured in real estate must be included in the CLTV ratio and subordination is required. The solar panel can then be included and given value in the property appraisal based on standard appraisal requirements. • The monthly lease payment must be included in the DTI ratio calculation unless the lease is structured to <ul style="list-style-type: none"> o provide delivery of a specific amount of energy at a fixed payment during a given period, and o have a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet the energy output required for in the lease for that period. • Payments under power purchase agreements where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.
<p>Student Loan Qualification</p>	<p>Student Loans in Repayment, Deferment or Forbearance:</p> <ul style="list-style-type: none"> • If the monthly payment amount is greater than \$0, use the monthly payment amount reported on the credit report or file documentation, OR • If the monthly payment amount reported on the credit report is \$0, use 0.5% of the outstanding loan balance as reported on credit report. <p>Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:</p> <p>The student loan payment may be excluded from the monthly DTI ratio provided the Mortgage file contains documentation that indicates the following:</p> <ul style="list-style-type: none"> • The student loan has ten or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, OR • The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period <p>AND</p> <ul style="list-style-type: none"> • The Borrower is eligible or approved for student loan forgiveness, cancellation, discharge or employment-contingent repayment program, and is not aware of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.
<p>Income / Asset</p>	
<p>Amended Tax Returns Overlay</p>	<ul style="list-style-type: none"> • Amended tax return must be filed before loan application date. An income increase of 20% or more from the original return will not be allowed or subject to management approval.
<p>Income Increase Overlay</p>	<p>Borrowers who have had a 20% or more increase in income with in the last 4 months will be subject to additional conditions and management review as per NDM internal income increase policy.</p>
<p>School Transcript Revalidation policy</p>	<p>NDM will revalidate school transcripts when supplied as part of income review.</p>

Assets	Per LPA. Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.
Rental Income	<p>Subject property refinance transaction or non-subject property: Purchased in the current calendar year; or placed in service as a rental property in the current calendar year. Lease must be used to determine the net rental income AND rent schedule is required or Bank statements evidencing rent deposits or canceled rent checks supporting 2 months of receipt of rental income.</p> <p>Subject Property. Borrower must own a primary residence to use rents to offset the PITIA when purchasing a new investment home. No positive rents may be used for qualifying purposes unless the borrower has a minimum one year landlord experience.</p> <p>When converting an existing primary to a investment home, rental income (75% of the lease) can only be used to offset the PITIA. No positive rents may be used for qualifying purposes unless the borrower has a minimum one year landlord experience.</p> <p>All other properties. Use either the most recent tax return or lease based on the above requirements to calculate income for qualifying purposes.</p>
Tax Transcripts	<ul style="list-style-type: none"> • All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN. • NDM requires tax transcripts on all loans for: <ul style="list-style-type: none"> o Self-employed borrowers o Borrower employed by family member o Using rental income to qualify per tax returns o Relationship between the parties
Reserves	Per LPA
Property	
Appraisal Requirements	<ul style="list-style-type: none"> • Transferred Appraisal Accepted • Freddie SSR score on Appraisal must be 4.9 or below. A Freddie SSR score of 5 is not acceptable. • Appraisal Waiver accepted per LPA except for the following: <ul style="list-style-type: none"> o Two- to four-unit properties; o Non-Arm's length transactions o Leasehold properties; o Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature; o Manufactured homes o Purchases of REO properties as identified in sales contract o Texas Section 50(a)(6) loans. <p>Desktop Appraisals:</p> <ul style="list-style-type: none"> o Must be on form #70D o 1-Unit Purchase Transactions Only o Max LTV is 90% o Primary Residence transactions only o Condominium and Manufactured Homes are ineligible

Condo Review	<ul style="list-style-type: none"> • Per LPA • Full review will be required for New and Newly converted Condominium and over the LTVs addressed in the Streamline Review chart below. • Waiver of Project Review is not required for Detached Condo unit, 2-4 unit condo project, PUDs, FHLMC to FHLMC Rate/Term (evidenced by loan lookup) with max 80% LTV. 		
	Maximum LTV/CLTV Ratios Eligible for Streamline Review		
	Occupancy Type	Projects Not located in Florida	Projects located in Florida
	Primary Residence	90%	75%/90%
	Second Home	75%	70%/75%
Investment Property	75%	70%/75%	
Escrow Accounts / Impounds	Required if LTV is \geq 90% in CA or $>$ 80% in all other states.		
Escrow Holdbacks	<ul style="list-style-type: none"> • Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property. • \$5,000 limit on required repairs. • 1.5 times the repair to be held by escrow and released upon clearance by Nations Direct written authorization. • Repairs to be completed within 10 days of closing. 		
DPA	<ul style="list-style-type: none"> • Allowed per FHLMC guidelines. 		
Ineligible Properties	<ul style="list-style-type: none"> • No Land Trusts, Indian Leased Land, Vacant land • Property Condition rating C5 or 6, Quality condition Q6 • Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos • Commercial Property, Boarding houses, Bed and Breakfast • Working Farms • GreenChoice Mortgage • One Time Close Construction to Perm Loans 		

<p>Manufactured Homes</p>	<ul style="list-style-type: none"> • Primary Residence and Second Home Only • Conforming Loan Limits Only • Fixed Rate, Fee Simple Only • Property must not be located in a deed restricted area including restrictions for age and income • HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification • Built on or after June 15, 1976 • Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed. • Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area. • Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation • Manufactured Condos not allowed • Flood insurance required for properties in flood zone • Manufactured home must be on original site, relocated homes are not permitted • HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property • New Construction will require a Structural Engineer's report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements • Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted) • Borrower must own the land on which the home is located • Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property
<p>Max Financed Properties</p>	<ul style="list-style-type: none"> • Subject is Primary - Unlimited financed properties • Subject is 2nd Home and Investment - 10 Financed Properties including subject property
<p>Maximum Loan Exposure</p>	<p>NDM will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.</p>
<p>Properties Listed for Sale / Listing History</p>	<p>Cash Out and Rate/Term Transactions: Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy for (primary residence)</p>
<p>State Restrictions</p>	<p>Please see our approved License States</p>
<p>LLPA Waiver Requirements</p>	<p>Purchase Transactions Only</p> <ul style="list-style-type: none"> • At least one borrower is a First Time Home-buyer • Total qualifying income is at or below 100% of the applicable AMI for non-high-cost areas, and 120% for high-cost areas.

**Texas 50(a)(6)
Cash Out**

- Max Loan Amount \$802,650
 - Max 80% LTV/CLTV, 1 unit Principal residences and claimed as Borrower's homestead
 - Copy of the current mortgage or Note is required to determine previous terms are not subject to Texas 50 (a)(6).
 - 12 month seasoning required.
 - Max 10 acres
 - Maximum 2% fee limitation for all closing costs, fees and charges
- A Texas (a)(6) loan may not close until:**
- o 12 days after the borrower submits the loan application or all borrower sign the 12 day notice, whichever is later
 - o 1 day after the borrowers receives a copy of the Initial Closing Disclosure
 - o 12 months seasoning of the existing Texas (a)(6) loan

Texas 50(a)(4)

- The TX (a)(6) loan being refinanced must be seasoned at least 12 months
- No Cash out allowed
- Max 80% LTV/CLTV
- Borrower/s affidavit acknowledging the refinance of their Texas (a)(6) loan to a no-cash-out Texas(a)(4) refinance loan provided no later than 3 business days after the date of application is received AND at least 12 days before loan closing.