BROKERS FIRST FUNDING

BFF PRIME JUMBO MATRIX
Rev. 10.26.26.V1

TOPIC	PRIME JUMBO LOAN PROGRAMS MATRIX
BASIC GUIDELINES	This matrix applies to Jumbo guidelines. Information in this matrix is subject to change without notice.
Eligible Products/Terms	• Jumbo 15 Year Fixed, 30 Year Fixed, 5/6, 7/6 and 10/6 SOFR ARMs.
Credit Score, Loan Amount and Max LTV/CLTVs Eligibility	Owner-Occupied:

Primary Residence [2]: 1-2 Unit, Including PUDs and Condos

Purpose	Max Loan Amt	Market [1]	LTV/CLTV/HCLTV	FICO	Max C/O	Max DTI	Reserves
Purchase and Rate Term Refinance	$1.5MM	Stable	80% / 80% / 80%	720	N/A	43%	12
	$2.0MM		80% / 80% / 80%	740		41%	18
	$3.0MM		75% / 75% / 75%	760		41%	36
			70% / 70% / 70%				24
Cash-Out Refinance [4]	$1.5MM	Stable	70% / 70% / 70%	740	$500K	43%	18
	$2.0MM		65% / 65% / 65%				

Primary Residence [2]: 3-4 Unit, Including PUDs

Purpose	Max Loan Amt	Market [1]	LTV/CLTV/HCLTV	FICO	Max C/O	Max DTI	Reserves
Purchase and Rate Term Refinance	$2.0MM	Stable	75% / 75% / 75%	720	N/A	43%	18
	$2.5MM		70% / 70% / 70%	740		43%	18
	$3.0MM		65% / 65% / 65%	760		41%	36
Cash-Out Refin	N/A						

Second Home:

Second Home [2]: 1-Unit, including PUDs and Condos							
Purpose	Max Loan Amt	Market [1]	LTV/CLTV/HCLTV	FICO	Max C/O	Max DTI	Reserves
Purchase and Rate Term Refin	$2.0MM	Stable	75% / 75% / 75%	740	N/A	43%	18
	$2.5MM		70% / 70% / 70%	760		43%	18
Cash-Out Refin	N/A						

Investment:

Investment Property [2]: 1-Unit, including PUDs and Condos [3]							
Purpose	Max Loan Amt	Market [1]	LTV/CLTV/HCLTV	FICO	Max C/O	Max DTI	Reserves
Purchase and Rate Term Refin	$1.5MM	Stable	65% / 65% / 65%	760	N/A	40%	36
Cash-Out Refin	NA						

(1) Reduce maximum LTV/CLTV/HCLTV ratios by 5% or 10% if the subject property is located in a depreciating market. Email Scenario@bffws.com to determine the required reduction.

(2) Properties located in the state of Florida in FEMA Flood Zone A or V, including variations of these zones, are not permitted.

(3) Florida and Georgia Condominiums secured as investment property are not permitted.

(4) Cash out proceeds cannot be used to satisfy reserve requirements.

Ineligible Product Type	• Temporary Buydown not allowed • Interest Only not permitted
Maximum Loan Amount	• $3,000,000
Minimum Loan Amount	• $1 above the conforming standard loan limit.
Documentation Requirement	• 24- Month Full Documentation.

<table>
<tr><td>Income Requirement</td><td>• Signed 4506-C is required.
• IRS transcripts are required.</td></tr>
<tr><td>Occupancy</td><td>• Primary residence
• Second Home
• Investment</td></tr>
<tr><td>Qualifying Rate</td><td>• 5/6 ARM – Greater of the fully-Indexed rate or Note Rate plus 2%
• 7/6 ARM – Greater of the fully-indexed rate or Note Rate
• 10/6 ARM – Greater of the fully-indexed rate or Note Rate</td></tr>
<tr><td>Adjustment Caps and Margin</td><td>SOFR Index.
<table>
<tr><th>Product</th><th>Initial [5]</th><th>Subsequent [6]</th><th>Life [7]</th><th>Max Margin</th></tr>
<tr><td>5/6 ARM SOFR</td><td>2%</td><td>1%</td><td>5%</td><td>2.75%</td></tr>
<tr><td>7/6 ARM SOFR</td><td>5%</td><td>1%</td><td>5%</td><td>2.75%</td></tr>
<tr><td>10/6 ARM SOFR</td><td>5%</td><td>1%</td><td>5%</td><td>2.75%</td></tr>
</table>
The floor rate is the margin.
(5) “Initial adjustment cap”: maximum increase to the note rate at the first adjustment, after the initial fixed period.
(6) “Subsequent adjustment cap: maximum increase allowed for each subsequent adjustment, after the initial adjustment
(7) “Lifetime adjustment cap”: maximum increase allowed throughout the loan term.</td></tr>
<tr><td>SOFR ARM – Note Rate Requirements</td><td>• Initial note rates may not be lower than 3% below the Fully Indexed Rate.
• The SOFR index is the 30-day average of the SOFR index as published by the Federal Reserve Bank of New York.</td></tr>
<tr><td>Convertible</td><td>• Not permitted.</td></tr>
<tr><td>Ineligible Transactions</td><td>• All Deed Restricted Properties, including Age Only
• Higher Price Mortgage Loans
• Loans to employees of Citigroup, Citibank N.A. and CitiMortgage Inc. are not eligible for delivery through the Correspondent Channel.</td></tr>
</table>

	• Non-Arm's Length Transactions • Non-occupant Co-borrowers • Non-resident Applicants • Partial Release • Technical Refinance • Texas Cash-Out • Texas Section 50(a)(6) • Texas Section 50(f)(2) • Work Completion Escrow • Mixed Use Properties • Industrial, Commercial or Agricultural Zoned Properties • Co-ops
Assets	• Sourced and seasoned for 60 days.
Gift Funds	• Permitted for down payment requirements; ineligible to meet reserve requirements.
Gift of Equity	• Not Permitted.
Eligible Borrowers	• U.S. Citizens. • Permanent Resident Aliens is an individual who is not a U.S. Citizen but maintain legal, permanent residency in the United States. • All borrowers must have valid Social Security Numbers. • Borrowers who are a party to a lawsuit are ineligible.
Interested Party Contributions (IPC)	• Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, or their affiliates, or any other party with an interest in the real estate transaction. Interested party contributions may only be used for closing costs and prepaid expenses and may never be applied to any portion of the down payment. • Maximum IPC 6% for Primary and Second Homes • Maximum IPC 2% for Investment Properties
Subordinate Financing	• Not allowed
AUS	• Loans must be underwritten through Fannie Mae Desktop Underwriter (DU). • Fannie Mae Desktop Underwriter (DU) with 'Approve/Ineligible' recommendation for loan amounts above the applicable conforming or High Balance loan Limit for county. Ineligible due to loan amount only.

Qualifying FICO	• The middle score of 3 or lower score when only 2 agency scores are provided of primary wage earner.
Tradeline Requirement	• The cumulative established credit history of all borrowers on the transaction needs to consist of a minimum of 4 trade lines (installment, revolving accounts, mortgages, etc.), one of which is open and has a minimum of 24 months history, the other 3 may be open or closed but must be rated for at least 12 months. • Note: If there are less than 4 trade lines, or the trade lines do not meet the required payment history requirements as outlined or if there is no credit, there is insufficient data to determine credit behavior—even if the report includes a credit score. • Non-traditional credit history is not permitted.
Mortgage/Rent History Requirements	Verification of Rental Payments must be 0x30 in the previous twelve months: • Copies (front & back) of twelve (12) months consecutive (one (1) payment per month) rental payment cancelled checks; or • Credit report reflecting a pay history 0x30 in the previous twelve months. • Cancelled checks front and back or 12 to 24 months bank statements showing payment withdrawals and a year-end mortgage statement. • If renting from a private party canceled checks are required. • For private mortgages, provide a VOM together with 12 months of canceled checks showing prompt payment of mortgage.
Derogatory Credit	Significant derogatory credit events include bankruptcies, foreclosures, deeds-in-lieu of foreclosure, pre-foreclosure sales, short sales, and charge-offs of mortgage accounts.
Foreclosure Requirements	• After 7 years have elapsed, the borrower may obtain a purchase mortgage pursuant to the eligibility requirements in effect at that time. • A satisfactory written explanation for the foreclosure is required. • It does not apply to deeded timeshares.
Bankruptcy Requirements	To be considered for a mortgage loan, the borrower's bankruptcy must be dismissed or discharged, the borrower must have a satisfactory credit history (defined as a most recent rating of "1"), and they must demonstrate the ability to manage financial affairs prudently. The mortgage application may not be approved before the following time periods have elapsed from the date of the application: • 4 years from the date the Chapter 7 or 11 bankruptcy was discharged or dismissed; • 4 years from the date a Chapter 12 or 13 repayment plan was dismissed or 2 years from discharge date.

	• If a mortgage debt was discharged through bankruptcy, the bankruptcy waiting periods may be applied if the appropriate documentation to verify that the mortgage obligation that was discharged in the bankruptcy is obtained. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting periods must be applied.
	• A satisfactory written explanation for the bankruptcy is required in all cases.
	• Documentation Requirements for borrowers who have had a bankruptcy closed within the past 7 years:
	  o Copies of the bankruptcy petition, schedule of debts, discharge or dismissal order, and the document issued by the court showing the bankruptcy estate is closed.
	  o Evidence indicates that all debts not satisfied by bankruptcy have been paid or are being paid.
	  o Any other evidence necessary to support the determination that the borrower has reestablished and maintained an acceptable credit reputation (see Re-establishing Credit).

Deed-in-Lieu/Short Sale/Pre-Foreclosure or Charge-off of a Mortgage Account	• Minimum of 4 years waiting period: Commences upon the completion of the events, after which the borrower becomes eligible for mortgage financing). • A satisfactory written explanation for the bankruptcy is required in all cases. • It does not apply to deeded timeshares.
Judgments & Tax Liens / Public Records	• Borrower must pay off all delinquent credit (including delinquent taxes, judgments, charged-off accounts, tax liens, and mechanics or materialmen's liens) that have the potential to affect lien position or diminish the borrower's equity. • Borrowers with previous judgments must provide evidence of payment in full or evidence the judgment no longer represents a claim against the borrower. • Loan proceeds may be used to pay off judgments or tax liens at closing by the title company, and the payoff must be documented on the Closing Disclosure. • The borrower must provide a satisfactory explanation along with any supporting documentation, as needed.
Unpaid Charge-offs and Collections	The unpaid charge-off and/or collection is required to be satisfied as defined below. Proceeds from a cash-out refinance transaction may be used to satisfy the unpaid charge-off and/or collection at closing, provided that: • The payoff is documented on the Closing Disclosure and matches documentation in the loan file; and • The loan file contains documentation explaining why the account(s) could not be satisfied prior to loan closing; and • Under no circumstances may the proceeds of the loan be used to pay the unpaid charge-off or collection account unless the transaction is a cash-out refinance. • An explanation from the borrower is required.

	Unless otherwise specified below, non-medical collections and charge-offs must be paid prior to or at loan closing. An account does not have to be paid in full at or before closing if it meets any of the following criteria: • It is a medical collection account, regardless of the amount; • The total balance of all non-medical outstanding collections is ≤$2,000; or • If the total outstanding balance of all non-medical collections exceeds >$2,000, 5% of the balance of each outstanding non-medical collection account for all borrowers is included in the total debt-to-income (DTI) ratio calculation; • The charge-off has not reached judgment or lien status; or • The borrower has provided documented evidence that the account is disputed.
Unacceptable Income	Unacceptable income sources include, but are not limited to: • Any income derived from transactions in or related to the sale or production of marijuana, hemp or any cannabis products or derivatives, such as CBD products. • Any income that cannot be documented and verified • Capital withdrawals • Draw Income • Gifts, including Gift of Equity • Illegal Income/Income not listed on Tax Returns • Income from Foreign / Non-U.S. Sources • Retirement assets used as qualifying income • Room/boarder rent • Trade Equity • Trailing Co-borrower • Any income derived from owning or controlling a VASP (Virtual Asset Service Provider) • Income that is paid in cryptocurrency • Per diems and stipends paid to offset work-related expenses (e.g., travel, lodging, meals, work-related supplies)
Continuity of Obligation	Continuity of obligation requirements do not apply when there is no existing mortgage on the subject property. When an existing mortgage on the subject property will be satisfied as a result of a refinance transaction (rate/term and cash-out), one of the following requirements must be met: • At least one borrower on the refinance mortgage was a borrower on the mortgage being refinanced; or • At least one borrower on the refinance mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12-month period, and the mortgage file contains documentation evidencing that the

	borrower has been making timely mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or • At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises (for example, in the case of divorce, separation, or dissolution of a domestic partnership).one Borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises (for example, in the case of divorce, separation, or dissolution of a domestic partnership). • The property was previously owned by an inter vivos revocable trust and the borrower is the primary beneficiary of the trust.
Eligible Property Types	• Single Family Dwelling • Multi Family Dwelling • Planned Unit Development (PUDs) • Warrantable Condominium
Ineligible Property Types	• Manufacture Homes • Working Farms • Time-shares • Rural properties • Commercial properties • Vacant lots • Log Homes • Co-ops • Mixed Used or Boarding Houses • Assisted Living • Condotels or Non-warrantable Condo • Property Under Construction or Property that is subject to repairs. • Agricultural Properties • Tenancy in Common Properties • Leaseholds • Properties with less than 500 square feet of living space.

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No Mortgage loans financing builder inventory is allowed.
Properties with values in excess of the predominant value of the subject's market area may be ineligible.
Properties encumbered by Property Assessed Clean Energy (PACE) liens (that are not being paid off utilizing the Homestyle Energy program) at time of closing.

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<tr><td>Declining Markets</td><td>If the appraisal indicates a declining market, reduce Max LTV by 5%–10% (refer to page 2 footnotes for details).</td></tr>
<tr><td>Appraisal Transfers</td><td>

Appraisal Transfers are not permitted.

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<tr><td>Appraisal Requirements</td><td>

Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted.
If two appraisal reports are required, FlexPoint Inc. requires the two reports to be ordered from two different AMC.
If two appraisals are required, the lesser of the two values will be used to underwrite the transaction and determined LTV/CLTV/HCLTV
All appraisal reports that are more than 120 days old as of the CTC milestone require a recertification of value/update that includes an exterior inspection of the property and a review of current market data to confirm that the property has not declined in value since the date of the original appraisal.

<table>
<tr><th>Loan Amount</th><th>Appraisal Requirement</th></tr>
<tr><td><= $2MM</td><td>One Full Appraisal</td></tr>
<tr><td>> $2MM</td><td>Two Full Appraisals</td></tr>
</table>
The Underwriter or Underwriter Manager reserves the right to request an additional appraisal valuation at their sole discretion to ensure collateral adequacy.
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<tr><td>Properties Listed for Sale</td><td>

If the subject property is currently listed for sale, the loan is not eligible for a rate/term refinance or a cash-out refinance.
Properties that were listed for sale must be taken off the market prior to the mortgage application date. Documentation evidencing that the listing was cancelled, along with a letter of explanation from the borrower detailing the rationale for cancelling the listing, must be provided. (Note: Cash-out is <u>not</u> allowed.)
The underwriter reserves the right to request additional information to ensure that refinancing the loan provides a benefit to the borrower.

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<tr><td>Rent Loss Insurance</td><td>

Rent loss insurance is not required.

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Mortgage Insurance	• Mortgage insurance is not required
Escrow Holdbacks	• Not Permitted
Principal Curtailments	• Not Permitted
High-Cost Loans	• BFF will not allow High-Cost Loans.
Ability to Repay and Qualified Mortgage Rule	• All loans must meet the Ability to Repay and Qualified Mortgage standards set forth in General GM Loan Definition of Reg. Z, effective April 1, 2022, including the Safe Harbor Verification provisions, as codified in the official commentary of Regulation Z, comment 43(e)(2)(v) (B)-3.
Age of Documents	• All credit documents must be dated within 90 days of the note date. • Preliminary title policies must be no more than 120 days old on the date the note is signed. Texas loans must be within 90 days.
Concentration Limit	• BFF will not approve or close more than ten (10) loans to any one borrower with an aggregate loan amount total of more than $5,000,000.
Number of Borrowers	• The maximum number of borrowers on a loan transaction cannot exceed four (4)
Number of Financed Properties	• The maximum number of financed residential properties is limited to four (4)
Program Exception and Requirements	• No exceptions for this product line will be granted. • Must receive Clear-to-Close (CTC) from Citi Bank prior to closing. Additional conditions may apply.