

Lending Guide Announcement

IMPORTANT

ClearPoint Funding is providing an outline of our most recent updates and guideline clarifications as detailed below.

100 – Conventional

<p>Page 100-49</p>	<p><u>Disputed Credit Information</u> – clarification</p> <p>✓ IMPORTANT: If the tradeline does belong to the borrower, is accurate, but an updated credit report is not available, then the Underwriter cannot rely on the DU recommendation and therefore the loan scenario is ineligible.</p>
<p>Page 100-76</p>	<p><u>Union Members</u></p> <p>✓ Union dues shown as an expense on the 2106 do not need to be treated as a reduction to total income.</p>
<p>Page 100-201</p>	<p><u>Required Documentation (Subordination Financing)</u> – new section</p> <p>For <u>Purchase</u> transactions, the following subordinate financing documentation is now required and must be included in the loan file:</p> <ul style="list-style-type: none"> • Note and Security Instrument • Good Faith Estimate and Final TIL Statement • HUD-1 Settlement Statement or other closing statement • For HELOCs, the HELOC agreement indicating all fees and costs paid by the borrower at closing, and the maximum permitted credit advance. <p>For <u>Refinance</u> transactions, the following subordinate financing documentation is now required and must be included in the loan file:</p> <ul style="list-style-type: none"> • Note and Security Instrument • Copy of the Subordination agreement <p>NOTE: A copy of the recorded documents may be provided as a post-funding item.</p>

Continued on next page

Lending Guide Announcement, Continued

100 – Conventional

Page 100-215**Undisclosed Debt** – reiteration of importance

ALL existing debt must be disclosed within the loan application. In addition, any *pending* transactions which may result in new debt must be disclosed on the 1003. Supporting documentation for pending transaction in which an application has been submitted in anticipation of new debt being extended to the borrower must be included in the loan package. Supporting documentation may include sales agreement, loan commitment, security agreement, etc.

Examples of Pending Debt (but not limited to):

- Auto loan purchase or refinance in process
- Newly submitted Credit Card Applications
- Pending or Applied Credit Application for Refinance and/or Purchase of Real Estate

Failure to disclose existing or pending debt is considered to be material misrepresentation and default in violation of the agreements set forth within the Loan Application. Non-disclosure of existing and/or pending debt will result in acceleration of the indebtedness in accordance with the terms of the Security Instrument.

Continued on next page

Lending Guide Announcement, Continued

200 – Conventional Product Summary

Page 200-46
DU Refi Plus Loan Parameters – modified matrix of eligibility

REV 01/26
Agency FRM 15 - 40 Year DU Refi Plus; 5/1 & 7/1 ARM with 30-year amortization.

# of Units	Primary Residence Maximum			Second Home Maximum			Investment Property Maximum			Minimum Credit Score
	LTV	CLTV ¹	HCLTV ¹	LTV	CLTV ¹	HCLTV ¹	LTV	CLTV ¹	HCLTV ¹	
IMPORTANT: Includes FRM, ARM and High Balance loan scenarios.										
Limited Cash Out Refinance Transactions										
1	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	660/680 ⁴
2 – 4	105.00	105.00	105.00	NA	NA	NA	105.00	105.00	105.00	660/680 ⁴
Condo ²	95.00 ²	95.00 ²	95.00 ²	95.00 ²	95.00 ²	95.00 ²	95.00 ³	95.00 ³	95.00 ³	660/680 ⁴
Cash-Out Refinance Transactions										
ALL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NOTES:

✓ All States: Type F PUDs are not permitted.

¹ Subordinate Financing:

- Subordinate liens may not be paid via DU Refi Plus transaction
- New subordinate financing may not be added to subject transaction
- Subordination of mortgages with negative amortization.
- Subordinate financing with prepayment penalties.
- Subordinate financing that does not fully amortize under a level monthly payment plan where the maturity or balloon payment date is less than five (5) years.

² **Condo Properties:** Primary and Second Homes require a Limited Project Condo Review required regardless of DU recommendations; refer to the Conventional Lending Guide for complete details of documentation. **Florida** projects permitted for Primary Residence only up to 70% LTV/CLTV.

³ **Condo Properties:** Investment properties require a Full Lender Delegated Review regardless of DU recommendations; refer to the Conventional Lending Guide for complete details of documentation. **Florida** projects are not permitted for Second Home or Investment Properties.

⁴ Minimum 680 credit score is required for Second Homes and Investment Properties.