



ClearPoint Funding Overlay Matrix

Conforming FRM; Standard Loan Amounts	
Manual UW/Non-traditional Credit	Not permitted.
Credit Score	Varies based on LTV, Occupancy and Loan Purpose; refer to product summary for complete details.
Tradelines	Credit score should be obtained from three tradelines with one tradeline currently open for > 24 months (the other two with a 12 month minimum review) and cannot be a collection or charge-off. At the Underwriter's discretion, DU/DO recommendations/approval may be used to determine if the number and length of tradelines is acceptable.
Non-Arms Length Transactions	<ul style="list-style-type: none"> Not permitted for: Second Homes, Investment, New Construction Second Homes, LPMI, subject property is a foreclosure of any nature, minimum 5% down from borrower funds. Even if not a direct non-arms length transaction, the loan officer/broker and realtor may not be one in the same persons. Requires a full appraisal report.
Foreclosure	7 years seasoning; 3 years possible with extenuating circumstances.
Collections, Charge-off	2-4 Unit Primary, Second Homes and all Investment properties must be paid off according to the guidelines regardless of DU/DO recommendations.
Judgments/Tax Liens	Must be paid off; Loan proceeds from the mortgage may not be used to pay off judgments or tax liens.
Housing History	More than 1x30 to be considered a major derogatory credit line to be analyzed at UW discretion.
Qualifying Ratios	Maximum 50%; Scenarios with MI are limited between 41% to 45% depending on MI Partner and associated credit score.
Employed by Family	Required documentation: verification that borrower is not self-employed due to percentage of ownership, computer generated paystub covering 30 days, most recent 2 year tax returns and most recent 2 year W-2 forms.
Rental Income; Primary Residence 2-4 Units	6 months PITI reserves; Rental Income derived from subject property requires six month rent loss insurance.
Current Primary converted to Investment	<ul style="list-style-type: none"> Full 1004 interior/exterior appraisal required to document 30% equity in departing property. Rental Income must be documented with fully executed lease agreement (must be arms-length) AND receipt of security deposit (must show funds deposited in borrower's bank account). In these cases where equity cannot be documented and rental income is not being used, 6 months of PITI for both the retained and subject property is required
Paying Down Debt	Paying down debt to less than 10 months remaining term in order to qualify is not permitted.
Wage Earner Documentation	Income verification may be documented Paystub & W-2 plus requirements from DU/DO for base wages, bonus, commission, overtime and teachers. All other forms of income must be documented in accordance to the requirements provided within this guideline.
Self Employed Documentation	Certain self-employed situations may require additional documentation than recommended by DU/DO, including P&Ls and Business Returns. Refer to the Lending Guide for complete details.
Declining Income	If declining income exist, then additional documentation as deemed appropriate by the underwriter is required; most recent year's income (the declining income) will be to qualify the borrower.
Reserves	<ul style="list-style-type: none"> Primary: >80% LTV 2 months PITI (Florida Condo requires 3 months PITI) Second Home: 2 months PITI; plus 2 months reserves for each additional financed investment property owned by the borrower. Investment: 6 months PITI; plus 2 months reserves for each additional financed second home or investment property owned by the borrower.
Bank Statements	<ul style="list-style-type: none"> Following DU/DO Recommendations or Use either a Request for Verification of Deposit (Form 1006 or 1006(S)) AND one month's bank statement; or Borrower's bank statements for the most recent two months.



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Conforming FRM; Standard Loan Amounts, continued	
Appraisals	Following scenarios require a full 1004 interior/exterior appraisal: * Loans requiring mortgage insurance * Investment homes located in Texas * High Balance * Purchases of REO, short sales or where the previous transaction was a foreclosure sale (flip scenarios) * Construction to Perm * Full Lender Delegate Review Condos * Florida Condos * Mixed Use Properties
From 2075	If ordered by another lender, confirmation of acceptable appraiser continues to be required by emailing UWHELP@clearpointfunding.com including the appraiser's license.
Escrow Holdbacks	Not permitted for any reason.
Transferred Appraisals	Not Permitted
Investment & Multiple Units	All Investment Properties and All 2-4 Unit Properties, regardless of occupancy and regardless of borrower using rental income to qualify and DU/DO findings, will require with of the following or as required by the AUS engine (whichever is more restrictive): Current Lease, Form 216 or Form 1025. Form must show current market rents for all units including those that will be occupied by the borrower.
PIWs	Non-owner occupied transactions (Texas not permitted) utilizing the PIW, must be accompanied by the Rental Income and Bedroom Count Form to capture rental income and bedroom count.
Florida	Florida: Condo properties permitted with the following restrictions; cash out refinances are not permitted. <ul style="list-style-type: none"> ✓ Primary Residence: <ul style="list-style-type: none"> • Credit score ≥ 740, then 70% LTV/CLTV/HCLTV. • Credit Score < 740, then 60% LTV/CLTV/HCLTV. ✓ Second Homes and Investment properties are not permitted.
Elderly Parents/Disabled Child(ren)	Financing a primary residence for an elderly parent or disabled child is not permitted.
Interest Credit	Permitted up to the 7 th day of the month

Conforming ARM; Standard Loan Amounts (in addition to the FRM)	
Terms	5/1 and 7/1 LIBOR ARMs with 30 year amortization
Credit Score	Varies based on LTV, Occupancy and Loan Purpose; refer to product summary for complete details. Note credit scores requirements are higher in comparison to FRM.
Rental Income; Investment All Units	Also requires borrowers to have a two (2) year history of managing rental properties as evidenced by the most recent two (2) years tax returns.
Rental Income	Rent loss insurance is required on all investment properties and 2-4 unit owner occupied properties when rental income is used to qualify the borrower.
LPMI	Not Permitted
Interest Credit	Permitted up to the 5 th day of the month
Investment Properties	Cash out Investment not permitted; Condo Investment Properties not permitted.



ClearPoint Funding Overlay Matrix

Conventional High Balance Loans	
Terms	15 & 30 year FRM; 5/1 & 7/1 LIBOR ARM with 30 year amortization.
Credit Score	Varies based on LTV, Occupancy and Loan Purpose; refer to product summary for complete details. Note credit scores requirements are higher in comparison to Standard Loan Amounts.
LTV for ARMs	Note LTVs are reduced for ARM High Balance Loan scenarios; refer to the product summary for complete details.
Eligible Borrowers	Borrowers may not be party to a lawsuit. Non-occupant co-borrowers are not permitted.
Property Types	1 unit only up to \$625,500 loan amount depending on county limitation; primary residence and second homes only.
Foreclosure / Bankruptcy	Foreclosure: 7 years seasoning Bankruptcy: 4 years seasoning
Down Payment	Primary residence and second homes require 5% from borrower's own funds regardless of LTV
Appraisal	Requires a full 1004 interior/exterior appraisal. A Field Review, FNMA Form 2000, is also required if: <input type="checkbox"/> Loan amount is greater than \$625,500 AND the LTV/CLTV/HCLTV is >80.00%, OR <input type="checkbox"/> Appraised Value is >\$1,000,000 AND the LTV/CLTV/HCLTV is >75.00%. NOTE: Appraiser must be qualified to perform appraisals without oversight or supervision by a "supervisory" or "review" appraiser.
Inter Vivos Trust	Permitted for FRM, Primary Residence only.
Customer Loans	ClearPoint Funding affiliated Mortgage Brokers, owners of mortgage firms, employees of affiliated mortgage brokers and/or mortgage firms are not permitted.
LPMI	Not Permitted
Multiple Properties	Regardless of occupancy, the borrower(s) may have no more than four (4) financed residential properties, including the subject property and the primary residence.
Seller Contribution	Maximum 3% regardless of LTV/(H)CLTV.
Subordinate Financing	Not allowed on LTVs greater than 80.00% LTV.
Interest Credit	Permitted up to the 5 th day of the month



ClearPoint Funding Overlay Matrix

DU Refi Plus	
Terms	15, 20 & 30 year FRM Standard Loan Amount; 15 & 30 year FRM High Balance. ARM terms not available.
Minimum Credit Score	660 for Primary Residence; 680 for Second Homes.
Maximum LTV/(H)CLTV	95/105% LTV/CLTV Primary Residence; 95% LTV/CLTV Second Home
Ineligible Property	Investment Properties, 3-4 Units Standard Loan Amount; 2-4 Units High Balance.
High Balance Overlays	High Balance loan scenarios involving bankruptcy, foreclosure or deed-in-lieu, must following the associated credit criteria defined within the Lending Guide regardless of DU/DO recommendations. Borrower may not be party to a lawsuit regardless of the circumstances. 2-unit properties not permitted.
Credit	Minimum 12 month mortgage history with 0x30 reported; applies to all mortgages listed on the borrower's credit report, regardless of DU. 4 year Bankruptcy seasoning from the discharged date; multiple bankruptcies in the most recent 7 years are not permitted regardless of DU/DO. 7 year Foreclosure seasoning. Payoff statement required to be documented in the loan file. IMPORTANT: Minimum requirements are the MORE restrictive of the above OR as required by DU/DO recommendations.
Condo Reviews	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. Condo Properties: Florida projects are not permitted for Second Homes.
Housing History	Minimum 12 month mortgage history with 0x30 reported.
Appraisal	Reduced forms of appraisal requirements as recommended by DU/DO are permitted: Appraisal Waivers, such as PIW, are permitted; however, limited to 1-unit. Standard loan amounts only. PIW must be dated within 120 days of the Note date. A full appraisal may be required if there is reason to believe it warranted due to additional information obtained about the property or subsequent events such as natural disasters, etc.
Escrow Waiver	Permitted per ClearPoint Funding guidelines for loans with an LTV less than 80.00%, unless higher limits are permitted by state law. Escrow/Impound for mortgage insurance may not be waived. NOTE: Maximum 45% DTI, If Flood Insurance is required, then it must be escrowed regardless, California may waive escrows for LTVs up to 90.00% per state law.
Inter Vivos Trust	Permitted for FRM, 1- unit Primary Residence only.
Customer Loans	ClearPoint Funding affiliated Mortgage Brokers, owners of mortgage firms, employees of affiliated mortgage brokers and/or mortgage firms are not permitted.
Transferred Appraisal	Not permitted.
Mortgage Insurance	If MI is required, then loan scenario is not permitted.
Interest Credit	Permitted up to the 5 th day of the month



ClearPoint Funding Overlay Matrix

FHA Conforming Loan Amounts	
Manual UW	Manual underwriting and non-traditional credit is not permitted.
Terms	15 & 30 year FRM only; ARMs are not offered.
UW Discretion	CPF empowers the DE underwriter at all times for final loan decisions.
Income	2 years verification / documentation are required.
Qualifying Ratios	55% DTI permitted with DU/DO Approval; exceptions for slightly higher ratios may be considered on a case by case basis.
Credit Score	640 minimum credit score
Tradelines	Minimum of 3 tradelines each having a 12 month review, in which a minimum of 1 account is currently open and active, are required to support a valid credit score. If a score is generated with less than the tradeline minimum requirements for the borrower or co-borrower, then underwriter's discretion must be utilized to determine if the scores provided are valid.
Revolving Debt	Paying off debt to qualify is not permitted unless the account is paid prior to closing (i.e. revolving debt may not be paid with cash out proceeds in order to omit from DTI).
Property Types	No manufactured housing, log homes, deed restricted properties other than 55+ type communities.
Condos	Condos must be HRAP approved; Florida condos are not permitted.
Borrower Eligibility	All borrowers must have a Social Security Number.
Earnest Money	Earnest money must always be documented as having cleared the bank (regardless is < 2% of sales price)
Appraisals	Appraisals must be AIR compliant; validation of value will be completed by CPF.
New Construction	Not permitted as a refinance (i.e. borrower owns land/lot).
Anti-Flipping	90 day flip waiver not permitted.
Mortgagee Requirements	It is acceptable for the loan officer/broker and realtor to be employed by the same company; however, they may NOT be one in the same persons. NOTE: As a reminder to currently approved mortgagees and lenders, HUD prohibits mortgage originators from also engaging in the sale or solicitation of other financial or insurance products.
Inter Vivos Trust	Permitted for FRM, 1- unit Primary Residence only.
Streamline Refi	Credit qualifying with income documentation/verification is required. High Balance loan amounts are not permitted. Primary Residences only. No appraisal required or permitted.
Interest Credit	Permitted up to the 5 th day of the month
FHA High Balance Loans	
Property Types	High Balance: 1-2 Unit properties only.
Foreclosure	High balance cash out transaction require 7 years since foreclosure
Credit Score	660 minimum score for Purchase and Rate Term Refinance; 680 for Cash Out Refinance.
Multiple Properties	Borrower may have up to four (4) financed properties only if the credit score is greater than 720 and debt ratio is equal to or less than 45%; otherwise, the borrower may not own any other FHA or non-FHA financed properties. This limitation includes joint or total ownership and is cumulative across all borrowers on the loan.
Interest Credit	Permitted up to the 5 th day of the month



ClearPoint Funding Overlay Matrix

VA	
Terms	15, 20, 25 & 30 year FRM only; ARMs are not offered. 30 year High Balance only.
Credit Scores	<ul style="list-style-type: none"> ✓ Less than or equal to \$417,000: Minimum credit score of 640 is required. ✓ Greater than \$417,000: Minimum credit score of 680 is required. ✓ Obtain a minimum of two credit scores must be obtained for each veteran. ✓ Non-traditional credit is not permitted.
Credit Overlays	Housing History: No more than 1x30 purchases and 0x30 for refinances within the most recent 12 months. Judgments: Must be paid in full. (Pre) foreclosure/short sales/restructured: 3 years recovered; Bankruptcy (all types): 2 years recovered
Tradelines	At minimum, 12 months credit history for at least 3 trade lines. At minimum, 3 tradelines as reported by the credit reporting service. NOTE: At the Underwriter's discretion, DU/DO recommendations/approval may be used to determine if the number of tradelines is acceptable.
Transferred Appraisals	Permitted.
IRRRLS	Permitted up to 100% LTV/CLTV. Conventional 2055 Exterior Appraisal Report in compliance with Appraisal Independence Requirements (1075 Exterior Only Form for condos and full 1025 Interior/Exterior Appraisal Report for 2-4 units). Standard loan amounts only; high balance not permitted.
Cash Out	Maximum 90.00% LTV.
Qualifying Ratios	<ul style="list-style-type: none"> ✓ Preferred qualify ratio is 41%; however, CPF will allow for higher ratios with compensating factors as deemed appropriate by the Underwriter and as permitted by DU/DO. ✓ Note the underwriter must receive a second level signature if the ratio exceeds 41% and there is less than the 120% required residual income, regardless of the DU/DO Approve/Eligible decision.
High Balance	<ul style="list-style-type: none"> ✓ High Balance product codes required for all loan amounts greater than conforming limits based on the number of units. ✓ Regardless of calculation and VA, the maximum Final Loan Amount including the funding fee may not exceed \$700,000. ✓ Gifts are not permitted ✓ Eligible for 30 year FRM term only. ✓ Full appraisal required. ✓ 2-4 units are not permitted. ✓ Maximum cash to veteran after all liens have been satisfied is \$325,000. ✓ 0x30 payment history for all mortgages or rental payments due within the most recent 12 months, regardless of DU. ✓ No bankruptcy or foreclosures in the most recent 7 years, regardless of DU. ✓ IRRRL transactions are not permitted.
Interest Credit	Permitted up to the 5 th day of the month



ClearPoint Funding Overlay Matrix

USDA	
Amortization Term	30 year FRM only
Occupancy	Primary Residences, 1-unit only. Condos are not permitted.
Loan Amounts	Maximum: \$417,000; Minimum: \$50,000
Appraisal	Appraisal is required on all transactions including RD to RD refinances.
Swimming Pools	Properties with an in-ground swimming pools are not permitted; not applicable to PUD developments with a common area pool.
Qualifying Ratios	29%/45% ratios may not be exceed regardless of GUS approval.
Foreclosure, Short Sale	Requires discharge (or dismissal date) to be more than 36 months prior to application.
Bankruptcy	Discharge of 2 years.
Tradelines	A minimum of three (3) tradelines are required each having at least a 12-month history. One of the three must be recent.
Collections, Judgments	<ul style="list-style-type: none"> ✓ No judgments reported within the most recent 12 months; older judgments must be satisfied prior to closing. ✓ No collections reported (or accounts converted into a collection) within the most recent 12 months. <ul style="list-style-type: none"> • Outstanding collection accounts must either be paid in full or have a documented agreed upon arrangement for payments; this is required no matter their age as long as they are currently delinquent and/or due and payable.
Tax Liens	Required to be paid off prior to or at closing.
Charge Offs	Reviewed on a case by case basis. Depending on age and balance, evidence of zero balance may be required.
Interest Credit	Permitted up to the 5 th day of the month