Voltage
Asset Qualifier

VALERE FINANCIAL

Program Description – Substantial Liquid Assets as an Alternate Qualification Method

Signature Expanded offers loans to Applicants utilizing accumulated liquid assets as a basis for qualification rather than through traditional income documentation. Loans in this program must meet ATR as defined in section 1026.43. This program is designed for Applicants who are sound credit risks based on a commonsense approach to underwriting.

Highlights include the following:

- Loan amounts up to $3MM
- Interest only available with 30- or 40-year term
- Credit scores down to 620
- Recent Credit Events Allowed
- All occupancy types allowed
- 5/6, 7/6 and 10/6 ARM, 15, 30, and 40 FRM (40-year term IO only)
- Multiple financed properties allowed

LTV/CLTV and Loan Amount Requirements

PURCHASE

Primary Residence				Second Home				Investment Property			
FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount
740	90%	90%	$ 2,000,000	720	75%	75%	$ 3,000,000	720	75%	75%	$ 3,000,000
720	80%	80%	$ 3,000,000		85%	85%	$ 1,000,000		85%	85%	$ 1,000,000
	85%	85%	$ 2,000,000	680	70%	70%	$ 3,000,000	680	70%	70%	$ 3,000,000
	90%	90%	$ 1,500,000		80%	80%	$ 2,000,000		80%	80%	$ 2,000,000
700	85%	85%	$ 1,500,000	660	70%	70%	$ 2,000,000	660	70%	70%	$ 2,000,000
	90%	90%	$ 1,000,000		80%	80%	$ 1,000,000		80%	80%	$ 1,000,000
680	75%	75%	$ 3,000,000	620	60%	60%	$ 1,500,000	620	60%	60%	$ 1,500,000
	80%	80%	$ 2,000,000		65%	65%	$ 1,000,000		65%	65%	$ 1,000,000
	85%	85%	$ 1,000,000								
660	80%	80%	$ 1,500,000								
640	70%	70%	$ 2,000,000								
620	65%	65%	$ 1,500,000								
	75%	75%	$ 1,000,000								
600	65%	65%	$ 1,000,000								

RATE & TERM REFINANCE

Primary Residence				Second Home				Investment Property			
FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount
740	85%	85%	$ 1,000,000	720	75%	75%	$ 3,000,000	720	75%	75%	$ 3,000,000
720	80%	80%	$ 3,000,000		85%	85%	$ 1,000,000		85%	85%	$ 1,000,000
680	75%	75%	$ 3,000,000	680	70%	70%	$ 3,000,000	680	70%	70%	$ 3,000,000
	80%	80%	$ 2,000,000		80%	80%	$ 2,000,000		80%	80%	$ 2,000,000
660	80%	80%	$ 1,500,000	660	70%	70%	$ 2,000,000	660	70%	70%	$ 2,000,000
640	70%	70%	$ 2,000,000		80%	80%	$ 1,000,000		80%	80%	$ 1,000,000
620	65%	65%	$ 1,500,000	620	60%	60%	$ 1,500,000	620	60%	60%	$ 1,500,000
	75%	75%	$ 1,000,000		65%	65%	$ 1,000,000		65%	65%	$ 1,000,000

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CASH-OUT REFINANCE											
Primary Residence				Second Home				Investment Property			
FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount	FICO	LTV	CLTV	Loan Amount
720	70%	70%	$ 3,000,000	720	70%	70%	$ 3,000,000	720	70%	70%	$ 3,000,000
	75%	75%	$ 2,000,000		75%	75%	$ 2,000,000		75%	75%	$ 2,000,000
	80%	80%	$ 1,500,000	700	75%	75%	$ 1,500,000	700	75%	75%	$ 1,500,000
680	65%	65%	$ 3,000,000	680	65%	65%	$ 3,000,000	680	65%	65%	$ 3,000,000
	70%	70%	$ 2,000,000		70%	70%	$ 2,000,000		70%	70%	$ 2,000,000
	75%	75%	$ 1,000,000		75%	75%	$ 1,000,000		75%	75%	$ 1,000,000
660	65%	65%	$ 2,000,000	660	65%	65%	$ 2,000,000	660	65%	65%	$ 2,000,000
	70%	70%	$ 1,000,000		70%	70%	$ 1,000,000		70%	70%	$ 1,000,000
620	60%	60%	$ 1,500,000	620	65%	65%	$ 1,000,000	620	65%	65%	$ 1,000,000
	65%	65%	$ 1,000,000								

Max CO Proceeds: No limit up to 75 LTV, $500k above 75 LTV

Eligibility Types

Applicants	• US Citizen • Permanent Resident Alien • Non-Permanent Resident Alien with the following visas: E, G, H, L, O, P, and TN • First time home buyer-see Housing Payment History guideline below • Non-Occupant Co-Applicants-see Underwriting Guidelines
Ineligible Applicants	• Irrevocable Trust • Diplomatic immunity • ITIN or DACA Applicants • Applicants with limited credit or no FICO scores-see Underwriting Guidelines • Applicants with any ownership in a business that is Federally illegal, regardless of if the income is not being used for qualifying may be considered on exception basis
Eligible Occupancy	• Primary, Second Home, and Investment Properties
Property Types	• 1-4 unit attached and detached properties • Warrantable Condos • Certain Non-Warrantable Condos allowed with a pricing adjustment-see Underwriting Guidelines (max 80 LTV/CLTV) • Condotels-see Underwriting Guidelines (max 75 LTV/CLTV) • PUDs • Mixed use properties-see Underwriting Guidelines • Units in Cooperative Projects-see Underwriting Guidelines • Manufactured Homes-see Underwriting Guidelines • Certain seasonal properties and log homes-see Underwriting Guidelines
Ineligible Property Types	• Properties with more than 50 acres. Properties situated on more than 20 acres subject to limitations-see Underwriting Guidelines • See Underwriting Guidelines for full list of unacceptable property types
Eligible Transactions	**Purchase**, including non-arm's length transactions-see Underwriting Guidelines **Rate and Term Refinance** • No title seasoning required • Payoff of first and second, where the second is seasoned >6 months and not drawn >$5,000 in 12 months preceding application date unless the second was used in full to purchase the property • Buyout accompanied by an executed buyout agreement • Recoupment of funds expended to purchase a property acquired for cash within the 6 months prior to application date is considered to be a Technical Refinance: o Recoupment of gift funds is not allowed under this guideline.

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	○ Cash out may not exceed Applicant's documented investment ○ See Underwriting Guidelines for additional details and limitations **Cash-Out Refinance** • Refinances which do not fit into the rate and term guidelines are deemed to be cash out • Four months title seasoning required for cash out refinances. • No limit to maximum cash out with LTV/CLTV up to 75, $500K for LTV/CLTV above 75 • Value to be utilized must be supported-see Underwriting Guidelines
Credit Requirements	
Trade Lines	Each Applicant must have three trade lines and a credit history covering 24 months. One trade line must have been active within the last 6 months. At least one trade line must be seasoned 24 months. The same trade line may be used to cover both the 24-month history and active requirement. The trade lines do not need to be open. If an Applicant's spouse is the only Co-Applicant listed, only one Applicant is required to meet this guideline. See Underwriting Guidelines for more details and alternatives.
Credit Score	• Credit scores allowed down to 620, subject to loan amount and LTV/CLTV restrictions • Use the lowest middle score for pricing and guideline purposes. In the case of multiple Applicants where one Applicant solely provides at least 75% of the funds being utilized to meet the transaction's total requirements, utilize their middle score.
Housing Payment History	Housing payment history no greater than 1x30x12 for all mortgages/rental verifications. Note that 1x30x12 may carry a pricing adjustment and is limited to max 80 LTV/CLTV. Housing payment histories are evidenced with the below: • VOM/VOR/cancelled checks reflecting Housing payment history no greater than 1x30x12 for all mortgages/rental verifications. • A VOR is not required for LTV/CLTVs up to 75 on a primary residence. Applicants who do not have to provide a VOR will be presumed to have paid their rent as agreed for the most recent 12-month period for purposes of determining a pay history. A **First Time Home Buyer (FTHB)** who has a complete 12-month rental housing payment history is eligible for standard guideline eligibility. A **First Time Home Buyer (FTHB)** who does not have a complete 12-month housing payment history with no 30-day lates are eligible subject to the following limitations: • Primary residence only • A minimum 10% Applicant contribution is required, and • Gifted funds may not be utilized on loans with an LTV/CLTV >70 and >$1.5MM loan size. • Applicants who own their current primary residence or another property free and clear and a married Applicant who is not on title to their primary residence but is living with their spouse and provide evidence that their spouse is listed on title are not considered as First Time Home Buyer.
Significant Credit Events	Applicants with any of the following major credit events (bankruptcy, foreclosure, short sale, modification, short pay, or deed in lieu of foreclosure) are subject to the below requirements, measured from event completion date or discharge/dismissal date to the note date:

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	Credit Event other than a Foreclosure: • 0-12 years months removed Applicants solely with a bankruptcy eligible, Max 70 LTV/CLTV, Max $1MM loan size, primary residence purchase only • 13-24 months removed: Max 70 LTV/CLTV, Max $1MM loan size, primary residence purchase only • 2-4 years removed: Max 75 LTV/CLTV, max $1.5MM loan size • >4 years removed: Standard Guidelines **Foreclosure:** • 0-12 years months removed: Not Eligible • 13-24 months removed: Max 70 LTV/CLTV, Max $1MM loan size, primary residence purchase only • 2-4 years removed: Max 70 LTV/CLTV, max $1.5MM loan size • >4 years removed: Standard Guidelines **Additional Guidelines:** • Active NOD or Lis Pendens not allowed. An historic NOD or Lis Pendens is not against guidelines; however, the underlying event will be evaluated against the Significant Credit Event and Housing Payment History requirements guidelines. • Judgment/Tax Lien: May remain open under certain circumstances-see Underwriting Guidelines • Collections/Charge-Offs: May be excluded if individually less than $2,500 or in aggregate less than $10,000. Any that are greater which may affect title must be paid off prior to or at closing. Medical collections are excluded from this requirement regardless of amount.
Income and Assets	
DTI	No DTI is developed for this product. Qualification is based on assets only. Each file must meet a residual income test. Residual income is calculated based on qualifying assets divided over 48 months less monthly obligations. The residual income of the file must meet requirements-see Underwriting Guidelines
Documentation Requirements	The following are required: • Six months of statements for accounts which are being used towards funds to close and the post-closing reserve requirement. Balances must be verified with 120 days of the note date. • Two months of statements for accounts which are being used solely for funds to close
Calculation Method	Qualification is determined solely based on the Applicant's liquid assets and assets that they can liquidate without restriction. **Method 1 | Mortgage Only** Total post-closing assets must meet 125% of the balance of all outstanding mortgage debt for which the Applicant has personal liability, including the proposed mortgage(s) on the subject property. **Method 2 | Simplified** Total post-closing assets must meet 110% of the proposed mortgage(s) on the subject property plus 25% of all other outstanding debt (mortgage and consumer). **Method 3 | Traditional** Total post-closing assets must meet the sum of the below: • 100% of loan amount

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	• 36 months of total debt service (do not include subject property's PITIA or PITIA on rented properties with documented rental income) • 36 months of net rental losses on rental properties (do not include subject property's PITIA) **Rental Calculation (Method 3 Only)** Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed $0 for determining impact. For example, a property with a lease of $1,600 and PITIA of $1,500 would have a $300 per month added to debt service ($1,600 *75% - $1,500=$300). Other owned properties require additional reserves. **Asset Calculations (All Methods)** Assets are determined based on the below calculation: • Cash and cash equivalents: 100% of face value • Marketable securities (excludes unvested RSUs and Stock options): 80% • Retirement funds: 70% unless if Applicant is of retirement age, then use 80%. If utilizing retirement account, document Applicant's ability to access the funds. • Cash surrender value of life insurance/annuity: 100% • Cryptocurrency: 100% if liquidated-see Underwriting Guidelines for limitations. Unliquidated cryptocurrency may not be utilized. Liquidated cryptocurrency may be utilized for funds to close and reserves. • To meet asset requirements up to 10% of assets utilized may come from cash out proceeds The balance of any loans secured against financial assets being used for asset qualification will be netted against the asset's value before application of the discount.

Asset Accounts	• See above requirements for utilizing cash, marketable securities, and retirement funds as funds to close, post-closing reserves, and asset qualification
	• If Applicant is liquidating funds, document liquidation and end balance
	• 1031 exchanges eligible for investment properties. -see Underwriting Guidelines for more details.
	• Business funds may be used for funds to close provided the Applicant(s) own(s) a minimum of 50% combined ownership of the business. The amount funds that may be utilized is based on the Applicant's percentage of ownership. One of the following must be provided:
	  ○ A letter from Applicant's CPA, EA, or licensed tax preparer stating that the Applicant(s) may access the business funds and that the withdrawal will have no adverse impact; or
	  ○ A cash flow analysis completed by underwriting - see Underwriting Guidelines
	• Eligible cryptocurrency may be used for funds to close and reserves if liquidated. See Underwriting Guidelines for allowable types of cryptocurrency and requirements.
	• Technical Refinance funds can be used as eligible assets and maximum cash out limits do not apply

Gifted Funds	• Gift funds are allowed for funds to close. A 5% contribution from Applicant's own funds is required on primary or second homes and a 10% on investment properties). No minimum Applicant contribution is required for primary residences with an LTV/CLTV <=80 except as otherwise specified. • Gifts must be documented in compliance with FNMA requirements and be from immediate family members-see Underwriting Guidelines.

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	• Gifts of equity are allowed, max 75 LTV/CLTV. No applicant contribution is required on a primary residence or a second home. Not allowed on investment properties.
Liabilities	
Alimony/Child Support	Alimony and child support are included part of the Applicant's debt service.
Installment Debt	Installment loans must be included in the debt service. Installment debt with less than 10 months' worth of payments remaining may be excluded from debt service if the Applicant has the assets to make the remaining payments. Applicants may pay down the debt such that the remaining balance is less than the sum of 10 months' worth of payments. The assets used must be sourced. Loans secured by financial assets (margin loan, 401(K) loan, etc.) do not need to be included in the debt service provided the asset balance exceeds the loan balance.
Other Highlights	
Appraisal / Valuation	**Purchases:** • Loan amounts up to $2MM, **one** appraisal required • Loan amount over $2MM, **two** appraisals required **Refinances:** • Loan amounts up to $1.5MM, **one** appraisal required • Loan amount from $1.5MM to $2MM with <=70 LTV/CLTV, **one** appraisal required • Loan amount from $1.5MM to $2MM with >70 LTV/CLTV, **two** appraisals required • Loan amount over $2MM, **two** appraisals required In instances where one appraisal is required, said appraisal must have a CU score less than or equal to 2.5. If the CU score exceeds 2.5 or is unavailable, a CDA/CCA with a variance less than 10% is required. Loan amounts above $1.5MM and up to $2MM may not utilize the CU score in lieu of obtaining a CDA/CCA. A CDA/CCA is required if LTV/CLTV > 80 regardless of CU score. Additional appraisal due diligence may be required at the discretion of underwriting. • Purchase: lesser of purchase price or appraised value • Refinance (Technical Refinance): Use the lesser of purchase price or appraised value. • Refinance (Rate/Term): The current appraised value may be utilized. Any recently acquired properties with a significant increase in value must have commentary on the appraisal report addressing the increase. • Refinance (Cash-Out Refinance):Properties owned less than six months may utilize the current appraised value with restrictions-see Underwriting Guidelines. Otherwise, utilize the lesser of appraised value or purchase price plus documented improvements. For properties owned six to twelve months as of the loan's application date, the current value may be utilized provided the increase in value over the period of ownership is acceptably justified and supported by the appraiser and by a CDA/CCA. Increases >25% of the purchase price plus documented improvements must be acceptably explained by the Applicant. If owned more than 12 months as of the application date, use market value.
Geographic Eligibility	Refer to the Geographic Eligibility Supplement. Restrictions: • Texas CO Refinances-see Underwriting Guidelines • Puerto Rico is not eligible currently
Reserves Required	No reserves needed apart from the post-closing liquidity outlined in Calculation Method above.

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Title Vesting	• Individual names as joint tenants, community property, or tenants in common • Living trusts meeting FNMA's requirements • Blind Trusts-see Underwriting Guidelines for requirements • Limited Liability Corporations-see Underwriting Guidelines for requirements • Partnerships/Corporations-see Underwriting Guidelines
ARM Terms	• Margin = 4.250% • Index = 30 Day Average of SOFR • Caps = 2/1/5 • Floor Rate = Note Rate • Adjustment Period = 6 Months
Interest Only	Interest Only features are allowed on ARMs and FRMs. The IO period is 10 years. Maximum LTV/CLTV of 80 and min FICO of 680 for a loan with an IO feature. 40-year term is not eligible on 5/6 ARM
Qualifying Payment	To determine the P&I component of the Qualifying Payment, utilize the below (except as otherwise specified): • Fixed Rate: Utilize the start rate over the amortizing term • Amortizing ARM: Utilize the greater of the start rate or the index plus margin, amortized over full term of the loan • FRM/ARM with IO Feature: Utilize the greater of the start rate or the index plus margin, with a payment calculated based on the remaining term of the loan after the end of the IO period.
Prepayment Penalty	Prepayment penalties may be placed on investment properties where allowed by state and federal law. See the Prepayment Penalty Supplement for information on requirements and allowances.
Temporary Buydowns	Eligible-see Underwriting Guidelines.
Min/Max Loan Amounts	Minimum: $100,000 Maximum: $3MM

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