

CLOSED END SECOND MORTGAGE

| PIGGY BACK ONLY | | | | | |
|--|-------|-----------|--------|------------------------|---------------------------|
| PURCHASE, RATE/TERM & CASH OUT REFINANCE | | | | | |
| Occupancy | Units | Min. FICO | CLTV | Max. HELOC Loan Amount | Max. Combined Loan Amount |
| Primary Residence | 1 | 680 | 90.00% | \$250,000 | \$1,000,000 |
| | | 700 | 95.00% | \$250,000 | \$1,000,000 |
| Second Home | 1 | 680 | 90.00% | \$250,000 | \$1,000,000 |

CA, NV - Max CLTV on cash-out = 90.000% / TX - purchase only / Second Home - Max CLTV = 90.000%

| Program guidelines | |
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| Target Market | Closed End Second Mortgage (CES) with a simultaneously closing first mortgage. CES combined with a conventional Agency first mortgage to avoid non-conforming loan amounts or combines with an Agency first mortgage product to reduce down payment below 20%. |
| Pricing | See rate sheets and pricing matrix |
| Fees | \$150.00 Administration Fee |
| Term | Fixed rate amortizing with terms of 60,120,180 & 240 months. |
| DU/LPA Eligibility | First Mortgage must have DU Approved/Eligible or LPA Accept |
| Eligible Transactions | Purchase, Rate/Term or Cash-out refinance. <i>Cash-out refinance first liens are ineligible.</i> |
| Max Loan Size | \$250,000 |
| Max Combined Liens | \$1.0MM |
| Max CLTV/HCLTV | Owner Occupied – 95%; Second Homes – 90% - see FICO & CLTV matrix for eligibility |

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| Eligible Properties | <ul style="list-style-type: none"> ▪ 1-unit primary residence <ul style="list-style-type: none"> - SFD / PUD / townhome / rowhome - Low-rise condominium (Fannie/Freddie Approved) - High-rise condominium (Fannie/Freddie Approved) ▪ 1 unit second / vacation home <ul style="list-style-type: none"> - SFD / PUD / townhome / rowhome |
| Ineligible Properties | <ul style="list-style-type: none"> ▪ Condotels ▪ Non-warrantable condos ▪ Manufactured ▪ Co-Ops ▪ Multi-Unit (2-4) ▪ Unique properties ▪ Log Homes ▪ Working or Hobby Farms ▪ Tracts greater than 5 acres |
| Eligible First Lien Programs | <ul style="list-style-type: none"> ▪ Fixed Rate fully amortizing Agency / Government eligible ▪ Agency ARMS with initial fixed term ≥ 5 years ▪ Non-Agency Jumbo Fixed and ARMS with initial fixed term ≥ 5 years ▪ AUS approval required (DU/LP), Approve/Ineligible (due to loan size) required for non-agency 1st liens ▪ <i>Interest Only and Negative Amortization are ineligible</i> |
| Credit | <ul style="list-style-type: none"> ▪ Minimum underwriting credit score is 680, 700 for CLTV>90, see matrix for adjustments and eligibility ▪ Underwriting score is determined as the middle of three indicator scores or the lower of two. For multiple borrowers, the lowest middle score for all borrowers is used. <i>Non-traditional credit scoring is ineligible.</i> ▪ No mortgage delinquency (0x30) in the last 24 months ▪ No judgments, repossessions or charge offs in the last 60 months ▪ The following are considered severe delinquency, regardless of AUS feedback; <i>Borrowers with these profiles are ineligible until a period of 7 years has passed since occurrence and credit has been re-established.</i> <ul style="list-style-type: none"> - Bankruptcy - Foreclosure / Deed in Lieu of Foreclosures - Short Sale or Short Payoff - History of mortgage modification - Borrowers with extenuating, isolated, one-time circumstances may be considered on a case-by-case basis, as determined by underwriting. |

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| Qualifying Ratios | <ul style="list-style-type: none"> Up to 90% CLTV – 43% DTI maximum 90.001 – 95% CLTV – 41% DTI maximum |
| Qualifying Rate | Qualify at initial note rate |
| Funds to Close / Reserves | Follow first lien requirements |
| Non-Occupant Co-borrowers | Not Allowed |
| Appraisal Requirements | Full FNMA 1004 or FHLMC 70 with interior & exterior inspection required, or follow AUS collateral requirements |
| Geographic Restrictions | <ul style="list-style-type: none"> Properties located in AK, HI, OH and NY are ineligible. Purchase transactions only in TX. Max cash-out in CA & NV is 90% CLTV. |
| Title Policy | Full ALTA, Junior ALTA or ALTA lite required. Lender's title insurance in the amount of second lien amount is required. |
| Contributions | See first lien eligibility |
| Temporary Buy-downs | Not Allowed |
| Conversion | Non-convertible |
| Assumability | Not assumable |
| Amortization | Terms: 60 / 120 / 180 / 240 months |
| Prepayment Penalty | None |
| Leasehold | Not Allowed |
| Disasters | For properties located in individual assistance designated areas that have been declared a major disaster by FEMA after a full appraisal has been completed, then a re-inspection including a post-disaster photo dated after the disaster declaration date with confirmation that the property has not been adversely affected by the disaster is required. |
| High Cost Loans | May not be defined as High Cost by any applicable agency |
| ATR / QM | Loan must meet all requirements for QM – Safe Harbor or QM – Rebuttable Presumption (HPML loans are permitted) |
| Payment Date | Payment will be due on the 1st of each respective month |

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| Late Charges | 5% or the highest amount allowed by state law and will be assessed on the payment date + 15 days |
| Loan Disclosures | Closed End Second doc set |
| Property Insurances | Follow FNMA selling guide |
| State/Federal Disclosures | Follow state requirements |
| Other guidelines | If not addressed in these guidelines, follow FNMA selling guide |
| Lock Period | 45 days |
| Extensions | Will be assessed by Secondary Marketing as needed No limit to the number of extensions; 30-day maximum extension period |
| Relocks | Expired commitments may be relocked. For the first 30 days post-expiration (or post lock cancelation, whichever is earlier), the lock will be relocked on a worst-case scenario. On the 31st day, a lock will move to current market (start over). |
| Servicing/payments | Forward customer payments to: Georgia Banking Company, Attn: Servicing, 6190 Powers Ferry RD 150, Atlanta GA 30339 |
| Servicing/recasts | Case by case, recasting will be considered in servicing with greater of 10% or \$10,000 principal payment, \$250 Fee |
| Pair Off | A locked loan that is closed and not delivered will be assessed a \$125 fee |
| Pricing | See Rate sheet page 10 |