

HELIX HELOC Underwriting Guidelines

Broker Support: partnerhelp@homebridgewholesale.com

Variable Rate

Primary Residence 1-4 Units		
Minimum FICO ^{1,3}	Maximum Line Amount ²	Maximum CLTV
720	\$750,000	75%
	\$500,000	80%
700	\$500,000	80%
680	\$500,000	75%
660	\$500,000	70%
640	\$500,000	65%
620	\$250,000	55%
600	\$250,000	50%
Second Home 1-Unit		
Minimum FICO ¹	Maximum Line Amount	Maximum CLTV
720	\$500,000	70%
700	\$500,000	70%
680	\$500,000	65%
660	\$500,000	60%
640	\$500,000	60%
Investment 1-4 Units		
Minimum FICO ¹	Maximum Line Amount	Maximum CLTV
720	\$500,000	70%
700	\$500,000	70%

Footnotes:

1. DTI >45%: Min 680 FICO
2. Line Amounts >\$500K: Full appraisal required
3. FICOs under 640:
 - Single Family Residence **only**
 - 0x30x12 payment history



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PRODUCT OVERVIEW	
Line Amounts	<ul style="list-style-type: none"> » Maximum \$750,000 » Minimum \$25,000 <p>Line Amounts >\$500,000</p> <ul style="list-style-type: none"> » Min 720 FICO » Max 75% CLTV » Full Appraisal Required
Minimum Initial Draw	<ul style="list-style-type: none"> » 75% of the Line Amount <p>NOTE: Minimum \$1,000 subsequent draw after closing (all states except TX, which is \$4,000)</p>
Debt-to-Income (DTI)	<ul style="list-style-type: none"> » The maximum DTI ratio is 50% » FICOs 600-679 are restricted to 45% DTI <p>Calculation</p> <ul style="list-style-type: none"> » $(\text{Liabilities} + \text{Interest-Only Payment}^*) \div \text{Total Verified Income}$ <p>*Based on Maximum Draw</p>
Eligible Properties	<ul style="list-style-type: none"> » Single Family Residence » 2-4 Units (Min 640 FICO) » PUD / Townhome / Condo (Warrantable and Non-Warrantable) » Modular Homes (Factory-Built)
Ineligible Properties	<ul style="list-style-type: none"> » Agricultural Zoned Properties » Barndominiums » Co-ops » Condotels » Timeshares » Income-Producing Enterprises (hobby farms, bed & breakfast, assisted living) » Manufactured Homes » Commercial Properties » Log Homes » Vacant / Raw Land » Mixed Used Properties
Acreage	<ul style="list-style-type: none"> » No Limit » Texas Properties: Max 10 AC
Loan Term	<ul style="list-style-type: none"> » 5 Year Draw with Interest-Only Payments » 25 Year Amortizing Repayment <ul style="list-style-type: none"> ○ Calculation: Prime + Margin on the Outstanding Balance, Fully Amortized over Remaining Term <p>NOTES:</p> <ol style="list-style-type: none"> 1. Tennessee transactions are 5 Year Interest-Only and 10 Year amortizing repayment 2. The interest rate is indexed to the Wall Street Journal Prime Rate plus the Margin
Adjustable Rate	<ul style="list-style-type: none"> » The interest rate is variable throughout both the Draw and Repayment periods. <p>NOTE: At no time does the rate freeze or become fixed.</p> <ul style="list-style-type: none"> » Rate adjustments occur in tandem with the Prime Rate <p>Example 1: 6.75% Prime + 3.00 Margin closes at 9.75%. The Prime later drops to 6.5%. The rate will adjust to 9.50% (6.50 Prime + 3.00 Margin) to match.</p> <p>Example 2: 6.75% Prime + 3.00 Margin closes at 9.75%. The Prime later rises to 7%. The rate will adjust to 10% (7.00 Prime + 3.00 Margin) to match.</p> <ul style="list-style-type: none"> » Floor: 4% » Ceiling: 18%
Qualifying HELOC Payment	Interest-Only Payment
Assumptions	Not Allowed
Geographic Eligibility	<ul style="list-style-type: none"> » Contiguous States, DC, AK, HI » Brokers must be licensed in the state where the subject property is located.

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PRODUCT OVERVIEW	
State Restrictions	<p>NY, RI, DC, IL, MA, UT, NM, DE, HI, OH: CLTV cap dependent on credit score</p> <p>Tennessee:</p> <ul style="list-style-type: none"> » Draw Terms and Structure: 5-year interest-only; 10-year repayment period <p>Texas:</p> <ul style="list-style-type: none"> » Primary Residences: <ul style="list-style-type: none"> ○ 12 day “cooling off” period between signing the initial disclosures to the closing date ○ Borrowers / owners can only have one 50(a)(6) at a time. Existing 50(a)(6) liens must be paid off at closing [refinance only] ○ Prior 50(a)(6) transactions must be seasoned for 12 months » All Transactions: <ul style="list-style-type: none"> ○ 2.00% max origination fee to the consumer ○ Max 10 Acres <p>Maine, Rhode Island, Vermont: No origination fees permissible</p> <p>Michigan: Minimum loan amount down to \$10,000 for eligible licenses</p>
Eligible Borrowers	<p>United States Citizens</p> <ul style="list-style-type: none"> » United States Citizens are individuals born in the United States, Puerto Rico, Guam, Northern Mariana Islands, Virgin Islands, American Samoa, Swain’s Island. <p>Permanent Resident Aliens</p> <ul style="list-style-type: none"> » A Permanent Resident Alien holds an I-551 Permanent Resident Card (a.k.a. "Green Card") issued by the Department of Homeland Security (DHS) U.S. Citizenship & Immigration Services (USCIS). This documents that the individual has been awarded permanent residency in the United States. The borrower must present either an unexpired I-551 card or temporary I-551 stamp on an unexpired foreign passport. <p>Non-Permanent Resident Aliens</p> <ul style="list-style-type: none"> » A Non-Permanent Resident Alien is: <ul style="list-style-type: none"> ○ Not a United States (U.S.) citizen; ○ Granted the right to live and work in the U.S. on a temporary basis; and ○ A lawful non-permanent resident of the U.S. (Visa Holder)
Ineligible Borrowers	<ul style="list-style-type: none"> » Foreign Nationals » Individual Taxpayer Identification Number (ITIN) » Employment Authorization Document (EAD) only <ul style="list-style-type: none"> ○ C09, C10, C24, C31, C33 (DACA) are ineligible.
Non-Occupant Co-Borrowers	<ul style="list-style-type: none"> » Primary Residence Only (for the occupying borrower) » Single Family Residence Only » The non-occupying borrower must: <ul style="list-style-type: none"> ○ Sign the Note ○ Meet the minimum credit history and credit score requirements, and ○ May not be an interested party to the transactions (i.e., seller, builder, realtor, etc.) and must have a family or similar long-standing relationship with the borrower.
Identity Verification	<ul style="list-style-type: none"> » The HELIX HELOC program utilizes Plaid, a third-party vendor, for all identity verifications. » The identity of each borrower whose credit is used for loan qualification must be confirmed. » All identification must be valid, unexpired, and include a clear photographic image of the borrower’s face (blurry images are not acceptable) » The photo IDs listed below are frequently accepted as a primary form of ID: <ul style="list-style-type: none"> ○ U.S. state-issued driver’s license ○ U.S. state-issued photo ID ○ U.S. Passport Book ○ Certificate of U.S. citizenship ○ Certificate of naturalization ○ Alien registration card with photo (green card or permanent resident card) NOTE: The notary will have access to the specific requirements for the state in which they are commissioned: » Throughout the automated underwriting process are checkpoints where the identity is revalidated to ensure verification is supported from application to closing.
Texas Home Equity	<ul style="list-style-type: none"> » Texas 50(a)(6) requirements and regulations apply when the subject is a primary residence. » Second Homes and Investment properties in Texas are allowed when not a 50(a)(6)

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PRODUCT OVERVIEW (cont.)	
Maximum Exposure	<ul style="list-style-type: none"> » Borrowers are collectively limited to three (3) loans either issued or purchased by Homebridge not to exceed \$750,000. » Borrowers with more than fifteen (15) properties are not eligible.
Power of Attorney	Transactions requiring a Power of Attorney to close are reviewed on case-by-case basis only
High-Cost Loans	Loans which are deemed High Cost are not eligible for this program.
Ineligible First Liens	<ul style="list-style-type: none"> » The HELIX HELOC can be in a first or second lien position » For second lien HELOCs, the following features are not permitted on an existing first position loan: <ul style="list-style-type: none"> ○ Pre-payment penalties (with the exception of investment properties), ○ Negative amortization, ○ Balloon payments, ○ Reverse Mortgages <p>NOTE: 1st lien HELOCs require the draw period to be closed and in fully amortizing repayment period.</p>
CREDIT	
Age of Credit Report	Credit reports may not be more than ninety (90) days old at time of loan closing.
Tradeline Requirements	<ul style="list-style-type: none"> » The primary wage-earner must have either: <ul style="list-style-type: none"> ○ Two (2) tradelines seasoned twelve (12) months, or ○ One (1) tradeline seasoned twenty-four (24) months
Credit Scores Used for Underwriting	<ul style="list-style-type: none"> » Use the primary wage earner's credit score as the representative credit score. » The minimum FICO score is 600. <p>NOTE: The HELIX HELOC program utilizes an Equifax-only FICO 8. Homebridge will not consider broker/borrower-provided credit reports.</p>
Credit Rescores	Not Allowed
Housing Payment History	<ul style="list-style-type: none"> » FICOs 640+: 0x30x6 / 1x30x12 » FICOs 600-639:0x30x12 <p>NOTE: Housing history requirements apply to all financed properties</p> <ul style="list-style-type: none"> ○ If the subject property is owned free and clear, then the subject property is considered as having satisfied the history requirement.
Consumer Payment History	<ul style="list-style-type: none"> » Past-due consumer debts (Installment and Revolving) can be no more than ninety (90) days past due at the time of closing. Rolling late payments are considered delinquent for each late occurrence. Debts greater than 90 days past due must be paid off prior to or at the time of closing. <p>NOTE: For credit review purposes, timeshare obligations are considered installment loans.</p>
Significant Derogatory Events	<p>Bankruptcy (Chapters 7, 11, 13)</p> <ul style="list-style-type: none"> » Four years from the discharge or dismissal date <p>Foreclosure</p> <ul style="list-style-type: none"> » Seven years from the discharge date <p>Pre-Foreclosure/Deed-in-Lieu/Short Sale</p> <ul style="list-style-type: none"> » Four years
Judgments, Involuntary Liens, and Undisclosed Debts	<p>Loan Amounts up to \$350K</p> <ul style="list-style-type: none"> » Aggregate amounts up to \$1K may remain open » Aggregate amounts over \$1K must be paid off at or before closing <p>NOTE: Homebridge reserves the right to require any judgment, involuntary lien, or undisclosed debt secured against the property to be paid off at or before closing regardless of amount.</p> <p>Loan Amounts over \$350K Must be paid off at or before closing</p>
Tax Liens / Delinquencies	Must be paid off at or before closing
Collections / Charge Offs	<p>Must be paid off at or before closing</p> <p>Exception: May remain open when they are:</p> <ul style="list-style-type: none"> ○ Less than twenty-four (24) months old with a maximum loan balance of \$2,000; ○ Twenty-four (24) months old with a maximum balance of \$2,500 per occurrence; or ○ Medical collections

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PREQUALIFICATION	
Prequalification - Overview	<ul style="list-style-type: none"> » Qualified borrowers are invited to submit a prequalification application. » A borrower and/or Mortgage Loan Officer (MLO) may submit the application for pre-screening using a waterfall approach.
PQ - Property Address	<p>The property address is authenticated and matched to a valid and eligible property.</p> <p>NOTE: Homebridge utilizes DataTree (First American) to verify property addresses.</p>
PQ – ID Verification	<ul style="list-style-type: none"> » The borrower’s identification is verified (see Identity Verification for details) » This step ensures OFAC, KYC, and AML compliance.
Soft Pull of Credit	<p>Homebridge performs a soft pull of the borrower’s Equifax FICO 8 score to confirm the borrower meets minimum program requirements.</p>
Valuation & CLTV	<p>Homebridge pulls a property valuation report and the CLTV is verified (see Determining Collateral Value for details)</p>
Offer	<p>The borrower is presented with a pre-qualified offer which must be accepted to continue.</p>
Hard Pull of Credit	<p>Once a prequalification offer is accepted, the borrower’s consent for a Hard Pull of credit is obtained for use in processing.</p>

HELIX HELOC Underwriting Guidelines

INCOME	
Income - Overview	The HELIX HELOC program uses a waterfall approach to income verification, prioritizing automated methods before resorting to manual reviews.
Salaried / W2 Borrowers	<p>Step 1</p> <ul style="list-style-type: none"> » For W2 borrowers only, Homebridge accepts The Work Number (TWN) or Truwork for a direct match into a payroll system. If there is a successful hit, then the employment history is pulled for paystubs and W2 resulting in instant validation. » If the borrower is not a W2 and/or there was an invalid from return from the vendor, then proceed to Step 2. <p>Step 2</p> <ul style="list-style-type: none"> » Borrowers may connect to their payroll provider via a Truwork prompt to permit the retrieval of income and employment information. If a valid result is returned through the borrower-login process, then the verification may be used to support income validation. » If there is an invalid result from the Truwork, prompt, then proceed to Step 3 <p>Step 3</p> <ul style="list-style-type: none"> » Borrowers may connect to their personal bank accounts with Plaid CRA. » Plaid CRA communicates directly with the borrower's banking institution to obtain deposit history data which is analyzed to determine an income trend. » If there is an invalid return from the vendor, then proceed to Step 4. <p>NOTE: For personal accounts that are jointly owned, borrowers will be prompted to add the joint owner as a co-borrower to the transactions unless there is a justifiable reason (such as a death).</p> <p>Step 4</p> <ul style="list-style-type: none"> » Borrowers may provide documentation for manual income review. This review is manually evaluated by Homebridge underwriting to determine verified income. Documentation may include, but is not limited to: <ul style="list-style-type: none"> ○ Paystubs & W2: The borrower provides the two most recent (or one 30-day) paystub(s), as well as the most recent year W2. ○ Other eligible income documents: <ul style="list-style-type: none"> ▪ VA benefit award letters (grossed up by 25%) ▪ Documentable rental income either in the form of leases or tax returns, PITIA wash is allowed. ▪ SSA Benefits; 15% of the income is nontaxable. The non-taxable portion is grossed up by 25%. Full 25% gross applies if borrowers provide proof that income is non-taxable. ▪ Pension and/or brokerage account distributions ▪ Benefits statement ▪ Signed divorce decree or similar court document (child support and alimony) ▪ 1099-R
Self-Employed Borrowers	<p>Step 1</p> <ul style="list-style-type: none"> » Borrowers can connect to their personal and business bank accounts with Plaid CRA. <p>NOTE: A minimum 680 FICO is required to utilize business bank accounts.</p> <ul style="list-style-type: none"> » Plaid CRA communicates directly with the borrower's banking institution to obtain deposit history data which is analyzed to determine an income trend. » If there is an invalid return from the vendor, then proceed to Step 2. <p>NOTE: For personal accounts that are jointly owned, borrowers will be prompted to add the joint owner as a co-borrower to the transactions unless there is a justifiable reason (such as a death).</p> <p>Step 2</p> <ul style="list-style-type: none"> » Borrowers may connect to their tax provider via a Pointserv prompt to permit the retrieval of their most recent two years of personal tax returns. If a valid result is returned through the borrower-login process, then the verification may be used to support income validation. » Tax Returns obtained through Pointserv are reviewed by a Homebridge underwriter to determine eligible income. » If there is an invalid return from the vendor, then proceed to Step 3. <p>Step 3</p> <ul style="list-style-type: none"> » Borrowers can provide documents that require manual review. <ul style="list-style-type: none"> ○ The borrower provides the two most recent years personal tax returns and business returns (if applicable). These documents will be reviewed by a Homebridge underwriter to determine eligible income.

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LIABILITIES	
Alimony / Child Support Payments	Monthly alimony, child support, or separate maintenance fees must be included in the borrower's debt-to-income ratio. The file should contain supporting documentation as evidence of the obligation, such as a final divorce decree, property settlement agreement, signed legal separation agreement, or court order. For DTI calculations, alimony is treated as a reduction to income rather than a debt.
Installment Debt	<ul style="list-style-type: none"> » Installment debt is a monthly obligation with fixed payments and terms. Payments on installment loans must be included in the Borrower's debt-to-income ratio. Payments can be excluded if there are ten (10) or fewer monthly payments remaining to pay the debt in full. » Installment debt paid down prior to closing can be excluded from the debt-to-income ratio. <p>NOTE: Lease Agreements may not be excluded or paid off to reduce the debt-to-income ratio</p>
Revolving Debt	<ul style="list-style-type: none"> » Revolving debt is open-ended debt in which the principal balance may vary from month to month. The minimum required payment as stated on the credit report or current account statement should be used to calculate the debt-to-income ratio. » Revolving accounts are allowed to be paid at closing in order to exclude the payment from the debt-to-income ratio.
Student Loans	<ul style="list-style-type: none"> » When a monthly student loan payment is provided on the credit report, that amount may be used for qualifying purposes. » If the credit report does not reflect the correct monthly payment, the monthly payment that is on the student loan documentation (the most recent student loan statement) may be used to qualify the Borrower. For loans in deferment or forbearance, if the credit report does not provide a monthly payment, it must be determined using one of the options below: <ul style="list-style-type: none"> ○ If the Borrower is on an income-driven payment plan, student loan documentation may be obtained to verify the actual monthly payment is \$0. The Borrower may then qualify with a \$0 payment. ○ For deferred loans or loans in forbearance, the following must be calculated: ○ A payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment); or ○ Fully amortizing payment using the documented loan repayment terms.
Litigation	Any known and active litigation involving the Borrower, including bankruptcy, foreclosure, deed-in-lieu, pre-foreclosure, short sale, judgments, tax liens, collection accounts, and charge-offs are not allowed and will be an immediate denial.
Debt Paid by Others	<ul style="list-style-type: none"> » If a debt is reflected on the borrower's credit report, the borrower is personally liable for the debt and it must be included in the debt-to-income ratio. Debts paid by the borrower's business or by someone else can be excluded from the debt-to-income ratio with any of the following supporting documentation: <ul style="list-style-type: none"> ○ Most recent six (6) months' canceled checks drawn on the business account; ○ Tax returns reflecting the business expense deduction; or ○ Business bank account statement showing assets remain after funds to close and reserve requirements are with a balance greater than or equal to the balance of the debt; or ○ Evidence that the debt is paid by someone else for more than six (6) months; or ○ If debt is newly issued there must be a minimum of four (4) payments; and ○ If there are any inconsistent payments, then a LOE and supporting documents will be required. <p>NOTE: For mortgage debt paid by others, twelve (12) months canceled checks drawn and history of evidence is required.</p>

HELIX HELOC Underwriting Guidelines

APPRAISAL, PROPERTY, TITLE & INSURANCE	
Valuation - Overview	The HELIX HELOC program uses a waterfall approach to valuation and CLTV verification, prioritizing automated methods before resorting to manual reviews.
Determining Collateral Value	<p>Loan Amounts up to \$500K:</p> <ul style="list-style-type: none"> » For loan amounts between \$10,000 and \$500,000, Homebridge utilizes automated valuation models (AVMs) in the following order of preference <ol style="list-style-type: none"> 1. Primary AVM: Clear Capital (AVM1) <ul style="list-style-type: none"> ▪ FSD (Forecast Standard Deviation) must be 20 or less ▪ If AVM1 meets these criteria, the valuation is considered successful. ▪ If AVM 1 fails, then proceed to step 2 2. Secondary AVM: Collateral Analytics / ICE (AVM2) <ul style="list-style-type: none"> ▪ FSD must be 20 or less ▪ If AVM2 meets these criteria, the valuation is considered successful. ▪ If AVM 2 fails, then proceed to step 2 3. Manual Valuation Review <ul style="list-style-type: none"> ▪ An Homebridge Collateral Analyst will complete a manual AVM review to determine an appropriate property valuation. ▪ If the manual AVM fails due to no property found, or the FSD is over 20, then a full appraisal (ordered by Homebridge) will be offered to the borrower. <p style="text-align: center;">NOTE: The borrower may request a full appraisal even if the manual AVM is successful.</p> <p>Loan Amounts over \$500K:</p> <ul style="list-style-type: none"> » A full appraisal is required for all loans exceeding \$500,000. » 1004 (Single Family), 1025 (Multi-Family), and 1073 (Condo) » The appraisal must be ordered by Homebridge through an approved AMC (Appraisal Management Company) » Transferred appraisals or any external collateral valuations will not be accepted
Transferred Appraisals	<p>For loan amounts up to \$500,000, an option for a transferred appraisal may be possible. The transferred appraisal, if not originally ordered through Homebridge, but was for a prior transaction, may be accepted if all the conditions below are met and approved by an Homebridge underwriter:</p> <ul style="list-style-type: none"> » The appraisal is dated within 120 days of closing » CU score of 2.5 or lower (LCDA score is not considered unless CU did not return a score) » No multi-families or rural zoning » The appraisal is certified to, or in the name of, a lender (not the borrower or a broker) » There is proof of AIR-compliant ordered and completion practices
Appraisal Requirements	<p>General Appraisal Responsibilities</p> <ul style="list-style-type: none"> » Ensuring that the appraiser uses sound reasoning and provides evidence to support the methodology used for determining the value; » Compliance with the ECOA Valuations Rule, which requires notifications to Borrowers (1) of their right to receive copies of appraisals within three (3) days of application, and (2) that copies of appraisals and other written valuations be delivered to them on the earlier of (a) promptly upon completion, or (b) three (3) business days before closing; » Ensuring that the appraiser provides an accurate opinion, an adequately supported value, and an accurate description of the property; » Ensuring that the appraiser provides their license or certification on the appraisal report; » Complying with the Appraiser Independence Requirements published by Fannie Mae/Freddie Mac and the requirements of the TILA and Regulation Z with respect to valuation independence; » Disclosing to the appraiser any information about the subject property of which it is aware that could impact the marketability of the property; » Ensuring the appraiser does not use unsupported assumptions or use race, color, religion, sex, handicap, familial status, or national origin for any party in the transaction, or impermissible demographics of the community in which the property is located, as the basis for market value. <p>Uniform Residential Appraisal Report (URAR)</p> <ul style="list-style-type: none"> » Appraisers are required to use appraisal report forms that are acceptable to Fannie Mae and/or Freddie Mac. The following appraisal report form(s) should be used: » Uniform Residential Appraisal Form (FNMA Form 1004); » Small Residential Income Property Appraisal Report (FNMA Form 1025); » Individual Condominium Unit Appraisal Report (FNMA Form 1073); » Single Family Comparable Rent Schedule for all one (1)-unit investment properties (FNMA Form 1007); » Operating Income Statement for 2–4-unit investment properties (FNMA Form 216); and » Exterior-Only Inspection Residential Appraisal Report (2055).

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APPRAISAL, PROPERTY, TITLE & INSURANCE	
Appraisal Requirements (cont.)	<p>Appraiser Qualifications</p> <ul style="list-style-type: none"> » Real estate appraisers are to be state certified, or state licensed in accordance with the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. They must have the requisite knowledge required to perform a professional-quality appraisal for the specific geographic location and property type, as well as have access to the necessary and appropriate data sources for the appropriate area of the appraisal assignment. The correspondent lender must have a process in place to ensure the appraisers it selects have the appropriate knowledge, experience, access to the appropriate data sources, geographic competence, and the ability to generate a quality appraisal report. The correspondent may choose to use an appraisal-management company; however, the originator must establish appropriate procedures and qualifications and continue to meet all requirements noted in these guidelines.
Recertification of Appraisal	<ul style="list-style-type: none"> » The Recertification of an existing appraisal is acceptable when the following requirements are met: <ul style="list-style-type: none"> ○ Report has been completed within twelve (12) months of consummation date ○ Current appraisal provided must be on form 1004(Single family), 1025(multi-family), or 1073(Condo) ○ The Appraisal Department performs a review and confirms a neutral or increasing market trend.
Escrow Holdback	Not allowed
Unacceptable Appraisal Practices	<ul style="list-style-type: none"> » The following are examples of unacceptable appraisal practices: <ul style="list-style-type: none"> ○ Development of a valuation conclusion based either partially or completely on the race, color or national origin of either the prospective owners or occupants of the Mortgaged Property, or of the present owners or occupants of the properties in the vicinity of the Mortgaged Property. ○ Development and/or reporting an opinion of market value that is not supportable by market data or is misleading. ○ Development of a valuation conclusion based on factors that local, state, or federal law designate as discriminatory and thus prohibited. ○ Misrepresentation of the physical characteristics of the Mortgaged Property, improvements, or comparable sales. ○ Failure to comment on negative factors with respect to the subject neighborhood, Mortgaged Property, or proximity of the Mortgaged Property to adverse influences. ○ Failure to adequately analyze and report any current contract of sale, option, offering, or listing of the Mortgaged Property and the prior sales of the Mortgaged Property and the comparable sales. ○ Selection and use of inappropriate comparable sales. ○ Failure to use comparables sales that are locationally and physically similar to the Mortgage Property. ○ Creation or use of comparable sales in the valuation process when the appraiser has not personally inspected the exterior of the comparable property. ○ Use of adjustments to the comparable sales not reflective of the market's reaction to the differences between the Mortgaged Property and the comparable sales. ○ Not supporting adjustments in the sales comparison approach. ○ Failure to make adjustments when they are clearly indicated. ○ Use of data, particularly comparable sales data, provided by parties who have a financial interest in the sale or financing of the Mortgaged Property without the appraiser's verification of the information from a disinterested source. ○ Development on an appraisal or reporting an appraisal in a manner or direction that favors the cause of either the Originator or any related party, the amount of the opinion of value, the attainment of a specific result, or the occurrence of a subsequent event in order to receive compensation and/or employment for performing the appraisal and/or in anticipation of receiving future assignments. ○ Professional Appraisal Practice in place as the effective date of the appraisal. ○ Failure to address and note adverse factors or conditions that affect value or marketability with respect to the neighborhood, site, or improvements. ○ Use of unsupported descriptive comments or drawing unsupported conclusions from subjective observations. These actions may have a discriminatory effect. ○ Use of unsupported assumptions, interjections of personal opinion, or perceptions about factors in the valuation process. These actions may have a discriminatory effect and may or may not affect the use and value of a property. ○ Use of unacceptable terminology including but not limited to: <ul style="list-style-type: none"> ▪ "Pride of ownership, no pride of ownership, and lack of pride of ownership; ▪ Poor neighborhood; ▪ Good neighborhood; ▪ Crime-ridden area; ▪ Desirable neighborhood or location; and ▪ Undesirable neighborhood or location."

HELIX HELOC Underwriting Guidelines

APPRAISAL, PROPERTY, TITLE & INSURANCE	
	<ul style="list-style-type: none"> ▪ Any other subjective terminology that can result in erroneous conclusions is equally unacceptable.
Accessory Dwelling Units	<p>Properties with accessory dwelling units are eligible NOTE: An ADU may not act as the subject property</p>
Property Listed for Sale	<ul style="list-style-type: none"> » Properties currently listed for sale or listed within the last sixty (60) days are <u>ineligible</u> in the following states: <ul style="list-style-type: none"> ○ DC, IL, IN, IA, LA, ME, NC, PA, RI, TN, TX, VT, WA
Title Vesting	<ul style="list-style-type: none"> » Ownership must be fee simple or leasehold in name of individual(s) or inter vivos revocable trust. » The following entities are prohibited: <ul style="list-style-type: none"> ○ Limited Liability Company (LLC) ○ Corporation ○ Partnership ○ Irrevocable Trust ○ Blind Trust ○ Land Trust » All individuals who hold title to the Mortgaged Property are required to sign the Security Instrument but are not required to sign the Loan Application or the Mortgage Note unless their income and credit are used for qualifying purposes.
Inter Vivos Revocable Trust	<ul style="list-style-type: none"> » Inter vivos revocable trusts, also known as Living Trusts, are eligible for origination. Homebridge must obtain copies of the trust or trust certification and include them in the loan file. A review of the trust agreement is required to ensure the agreements meets all the following requirements: <ul style="list-style-type: none"> ○ The copies must be certified by an attorney or the grantor/trustor/settlor. ○ The trust is valid under federal, state, and local law. ○ The trust must be established by one or more natural persons, solely or jointly. The primary beneficiary of the trust must be the individual(s) establishing the trust. If the trust is established jointly, there may be more than one primary beneficiary if the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage. ○ The trust is effective during the Settlor's lifetime. ○ The Settlor is the primary beneficiary of the trust. If there is more than one Settlor, there can be more than one primary beneficiary. ○ The Settlor is the trustee or one of the co-trustees. ○ The trustee has the power to mortgage the subject property for the purpose of securing a loan to the party (or parties) who are the Borrowers on the note. ○ The trustee is not required to obtain written consent from the beneficiaries to mortgage the subject property if written consent has been provided. ○ There is no unusual risk or impairment of lender's rights, such as distributions required to be made in specified amounts other than net income. ○ If the trust agreement requires more than one trustee to borrow money or purchase, construct, or encumber realty, the Seller must confirm that the requisite number of trustees have signed the loan documents.
Title Insurance	<ul style="list-style-type: none"> » Loan amounts \$25,000 to \$350,000: Homebridge uses a Property Report from Stewart to confirm: <ul style="list-style-type: none"> ○ Current grantee and grantor ○ Last deed of record information ○ Recordable legal description ○ Status of real estate taxes ○ Open mortgages and voluntary encumbrances ○ Judgments, liens and involuntary encumbrances ○ UCC Fixture filings are allowed to remain on the property. ○ Name discrepancies from Loan Application and provided information ○ Lien Position » Loan amounts \$350,001 to \$750,000: Homebridge obtains an ALTA policy.
Hazard Insurance	<p>1st lien HELOCs must have Hazard insurance to protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. The coverage must provide for claims to be settled on a replacement cost basis. Proof of flood insurance is required at the time of origination for any property located within any area designated by FEMA as a special flood hazard area (SFHA).</p>

HELIX HELOC Underwriting Guidelines

CLOSING & FUNDING	
QC & Clear to Close	<ul style="list-style-type: none"> » Homebridge uses automation to ensure each application complies with all eligibility requirements and underwriting guidelines. » Once all validations have been completed, the file is manually quality-checked and cleared to close.
Closing	<p>Homebridge offer both Remote Online Notarization (RON) and in-person notary closing services:</p> <ul style="list-style-type: none"> » Remote Online Notarization is available only in eligible locations/municipalities » For locations that require a physical closing, Homebridge coordinates with a notary to visit the borrower at an agreed-upon location to sign the documents.
Funding	<ul style="list-style-type: none"> » During the loan process, up until the day of funding, a borrower may connect their bank account to receive funds via Automated Clearing House (ACH) or Real-Time Payments (RTP). » If the borrower has not connected their bank account, a check is automatically mailed to them.