

Fixed Rate Home Equity

Release Date: 5/7/2021

Changes highlighted in Red	Minimum FICO	Max CLTV		
		Owner Occupied	2 nd Home	Investment
FICO / CLTV / Occupancy Maximums	740+	97.5%	85%	70%
	700-739	95%		
	680-699	90%		
	640-679	80%		
Terms	<ul style="list-style-type: none"> Stand-Alone Second Liens and Piggybacks Fixed rate terms: 5, 10, 15, 20, 25 & 30 years 			
Appraisal Requirements	<ul style="list-style-type: none"> Loan Amounts ≤ \$175,000 any of the following options are permitted: <ul style="list-style-type: none"> AVM with exterior property inspection with the following requirements: <ul style="list-style-type: none"> Minimum FICO 700 Max 90% CLTV Use Prior Appraisal (See below requirements) Drive by Appraisal Full Appraisal Loan amounts \$175,001- \$250,000 <ul style="list-style-type: none"> Use prior appraisal (See below Requirements) Drive by Appraisal Full Interior Appraisal Loan amounts > \$250,000 <ul style="list-style-type: none"> Use prior appraisal (See below Requirements) Full Interior appraisal Recertification of an existing appraisal is acceptable when the following requirements are met: <ul style="list-style-type: none"> Report has been completed within 12 months from the settlement date Appraisal product has not been completed by Spring EQ Current appraisal provided must be on form 1004(Single family) 1025(multi-family) 1073(Condo) Lower of appraised or CDA/AVM value must be used to calculate the CLTV if CDA/AVM value is more than 10% lower than appraised value Risk Score = Low or moderate with no additional review recommended by reviewer Analysis commentary contains no comments that adversely impact value, marketability, or condition of the property <p>Wholesale Only:</p> <ul style="list-style-type: none"> When a full appraisal is required, the order is to be placed by Broker https://www.clearcapital.com/spring-eq/ and <i>may not be ordered until the borrower has e-signed their intent to proceed.</i> 			
Income	<ul style="list-style-type: none"> All other income types: Refer to Spring EQ employment and income guide a more comprehensive list of income types Income calculation must comply with all Appendix Q requirements as required in the ATR Final Ruling <p>Wholesale Only:</p> <ul style="list-style-type: none"> Declining Income – If income has declined greater than 20%, the income is ineligible Tax Transcripts are required unless income is validated using an automated VOI such as WorkNumber (etc) Self-Employed is permitted with the following required prior to submission to underwriting: <ul style="list-style-type: none"> 2019 and 2020 Personal and Business tax returns are required. <ul style="list-style-type: none"> Proof of Filing (2020 Tax Transcripts or evidence the liability is paid/refund received) An audited year-to-date profit and loss statement reporting business revenue, expenses and net income up to and including the most recent month preceding the loan application date <ul style="list-style-type: none"> CPA Coversheet must note that "Financials have been audited fully for the noted timeframe." ; OR An unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and three business depository account(s) statements no older than the latest three months represented on the year-to-date profit and loss statement. Net cash flow from 3 months of bank statements must support the net profit on the P&L **Note Personal bank statements are not permitted** 			
Debt to Income	<ul style="list-style-type: none"> Max 43% 			
Loan Amount	<ul style="list-style-type: none"> Minimum Loan amount \$25,000 Maximum Loan Amount \$500,00 **Max total financing is limited to \$2,000,000 (total amount of 1st and 2nd lien combined)** 			

Occupancy	<ul style="list-style-type: none"> • Owner-Occupied • Second Homes • Investment Properties (1-Unit Only)
Ineligible Senior Lien	<ul style="list-style-type: none"> • Senior liens with high risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Loans in active forbearance or deferment ○ Interest Only ○ Negative Amortization ○ Balloon, if the balloon payment becomes due during the amortization period of our new 2nd lien **Balloon terms that resulted from a modification are acceptable so long as all requirements in the modification section are met ○ Reverse Mortgages ○ Private Mortgages opened within the past 12 months
Assumptions	<ul style="list-style-type: none"> • Loans are not assumable
Age of Documents	<ul style="list-style-type: none"> • Expiration Dates are base on the Note Date of the Loan: <ul style="list-style-type: none"> ○ Credit Documents (Income/Asset/Credit report) – 60 Days ○ Collateral - 90 days ○ Title - 90 Days
Credit Score	<ul style="list-style-type: none"> • The credit score used to qualify will be based on a single Experian (version 8) repository score – The lowest of all borrowers’ scores • Credit Scores below 640 are ineligible
Trade lines	<ul style="list-style-type: none"> • Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open and active for the past 12 months. • A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement
Housing History	<ul style="list-style-type: none"> • Max 0x30x24 inclusive of all mortgages and all REO for all borrowers on the transaction (No late payments in previous 24 months) • For Purchase transactions 12 months rental history verification is required • **IF VOM/VOR is from a private party, cancelled checks or bank statement are required**
Seasoning	<ul style="list-style-type: none"> • 0-6 Months – Lower of the purchase price or appraised value must be used to calculate the CLTV • >6 Months Seasoning – No restrictions
Significant Derogatory Credit	<ul style="list-style-type: none"> • Measured from the Disbursement Date • Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> ○ Foreclosure - 7 years ○ Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale or Short Sale - 4 years ○ Modified, Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years ○ Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal ○ Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal ○ Multiple events within the past 7 years are not permitted and both events must be greater than 7 years
Liabilities	<ul style="list-style-type: none"> • Paying off debt is to qualify is permitted • Lease payments are not permitted to be excluded • Student loan – 1% of the balance is used to calculate the payment to qualify when there is no payment reporting
Eligible Property Types	<ul style="list-style-type: none"> • Single Family (including Modular homes and PUD's) • Condominiums (Fannie Mae Warrantable) • 2-Unit
Ineligible Property Types	<ul style="list-style-type: none"> • Cooperatives • Condotels (Refer to the Non-Warrantable Condo) • New Construction Condominium Projects • Hotel/Motel Condominiums • Mobile Homes • Manufactured Housing • Commercial Operations • Geodesic Domes • Working farms and ranches • Unimproved Land • Properties with >10 Acres • Timeshares • Leasehold • 3-4 Units • Properties listed for sale in the past 12 months
Condominiums	<ul style="list-style-type: none"> • Established projects only • Online search for no condotel or short-term rental • H06 policy is required
Title Insurance	<ul style="list-style-type: none"> • Loan amount less than or equal to \$250,000: Owner and Encumbrance Property report to be ordered by SpringEQ • Loan amount greater than \$250,000: Full Title is required and will be ordered by SpringEQ <p>Wholesale Only:</p> <ul style="list-style-type: none"> • For piggyback transactions: <ul style="list-style-type: none"> ○ Title insurance and CPL are required for the Spring EQ proposed loan ○ Spring EQ requires risk review to be completed by Secure Insight to validate the settlement agent <p>(Mtgee Clause- Spring EQ LLC, ISAOA/ATIMA, 2929 Arch Street Suite 500 Philadelphia PA 19104)</p>

Solar Panel UCC	<ul style="list-style-type: none"> • UCC Filings do not need to be calculated in the CLTV with the following documentation: <ul style="list-style-type: none"> ◦ Copy of account statement to ensure obligation is accounted for in the DTI if not reporting on credit ◦ **NOTE: UCC filings that are paid through tax assessments (such as HERO and PACT loans) are not eligible and must be paid in full with proceeds.**
Recently Listed Properties	<ul style="list-style-type: none"> • Properties listed for sale in the past 12 months are not eligible
Ineligible Borrowers	<ul style="list-style-type: none"> • Non-Occupant co-borrowers are not permitted • Vesting is not permitted to be in the name of an LLC, corporation, or partnership • Use of a power of attorney is not permitted • Irrevocable Trusts are not permitted
Prepayment Penalty	<ul style="list-style-type: none"> • Not Permitted
Escrows	<ul style="list-style-type: none"> • Not required
Disaster Policy	<ul style="list-style-type: none"> • Please refer to the list of affected counties published by FEMA using the following link: http://www.fema.gov/disasters • Prior to closing, Spring EQ will require a property inspection for any loan secured by a property in the affected area where individual • Assistance was provided. If the subject property is located in one of the impacted counties and the collateral valuation was completed prior to the incident period end date, Spring EQ will require a post disaster inspection confirming the property was not adversely affected by the disaster.
Estimated 3rd Party Fees	<p>Wholesale Only:</p> <ul style="list-style-type: none"> • https://www.wholesale.springeq.com/fees/

Home Equity Lines of Credit

Release Date: 5/7/2021

Changes highlighted in Red	Minimum FICO	Max CLTV		
		Owner Occupied	2 nd Home	Investment
FICO / CLTV / Occupancy Maximums	740+	97.5%	80%	
	700-739	95%		
	680-699	85%		
	660-679	80%		
	640-659	70%		
Product Terms	<ul style="list-style-type: none"> 30-year variable term (Index plus a margin) 10-year interest only draw period with a 20-year fully amortizing repayment period 			
Initial Draw	<ul style="list-style-type: none"> Minimum \$50k 			
Additional Draws	<ul style="list-style-type: none"> Prohibited during the first 90 days following closing date Minimum \$1000 not to exceed credit limit 			
Index	<ul style="list-style-type: none"> Prime Rate as published in the WSJ on the 1st of the month, if there is a range published the highest rate will be used 			
Lifetime Rate Cap / Floor	<ul style="list-style-type: none"> Lifetime Cap = 18.00% unless prohibited by law Floor Rate = 4.00% 			
Debt to Income	<ul style="list-style-type: none"> Max 43% DTI 30 year, fully amortized payment based on start rate + 2% and the total credit limit used to qualify 			
Line Amount	<ul style="list-style-type: none"> Minimum Line amount \$50,000 Maximum Line Amount \$500,000 **Max total financing is limited to \$2,000,000 (total amount of 1st and 2nd lien combined)** 			
Occupancy	<ul style="list-style-type: none"> Owner-Occupied Second Homes (Max 80% CLTV) 			
Piggyback Additional Requirements	<ul style="list-style-type: none"> Final Approval from first lien lender showing all conditions met Final Closing Disclosure from first lien to confirm final CLTV and DTI calculation Title policy from first lien transaction should be used and must include title insurance/CPL/Wire Instructions Spring EQ to perform closing agent validation audit prior to closing Use of existing appraisal from first lien is acceptable subject to collateral desk review (CDA) *See Appraisal Requirements section below Agreement of sale on purchase transactions <p>Wholesale Only:</p> <ul style="list-style-type: none"> Initial and Final DU/LP Findings are required to be provided from the 1st mortgage lender (If no DU/LP Findings are provided, guidelines will follow Spring EQ's Closed End Home Equity Guidelines): 			
Appraisal Requirements	<ul style="list-style-type: none"> Loan Amounts <= \$175,000 any of the following options are permitted: <ul style="list-style-type: none"> Clear Val Exterior Valuation Use Prior Appraisal (See below requirements) Loan amounts > \$175,000 <ul style="list-style-type: none"> Full Interior Appraisal (1004/1025/1073) Use Prior Appraisal (See below requirements) Recertification of an existing appraisal is acceptable when the following requirements are met: <ul style="list-style-type: none"> Report has been completed within 120 days of application date Appraisal product has not been completed by Spring EQ Current appraisal provided must be on form 1004(Single family), 1025(multi-family), or 1073(Condo) A Collateral Desktop Analysis (CDA) and Property Condition Inspection (PCI) are required and will be ordered by Spring EQ to validate any use of an existing appraisal <ul style="list-style-type: none"> CDA Risk Score must be low or moderate with no additional review recommended by reviewer CDA Analysis commentary contains no comments that adversely impact value, marketability, or condition of the property CDA Home Data Index must support either a neutral or increasing market trend CLTV will be calculated as the lower of the Purchase Price/CDA value or the appraised value <p>Wholesale Only: When a full appraisal is required, the order is to be placed by Broker https://www.clearcapital.com/spring-eq/ and <i>may not be ordered until the borrower has e-signed their intent to proceed.</i></p>			

<p>Income</p>	<ul style="list-style-type: none"> All other income types: Refer to Spring EQ employment and income guide a more comprehensive list of income types Income calculation must comply with all Appendix Q requirements as required in the ATR Final Ruling <p>Wholesale Only:</p> <ul style="list-style-type: none"> Declining Income – If income has declined greater than 20%, the income is ineligible Tax Transcripts are required unless income is validated using an automated VOI such as WorkNumber (etc) Self-Employed is permitted with the following required prior to submission to underwriting: <ul style="list-style-type: none"> 2019 and 2020 Personal and Business tax returns are required. <ul style="list-style-type: none"> Proof of Filing (2020 Tax Transcripts or evidence the liability is paid/refund received) An audited year-to-date profit and loss statement reporting business revenue, expenses and net income up to and including the most recent month preceding the loan application date <ul style="list-style-type: none"> CPA Coversheet must note that "Financials have been audited fully for the noted timeframe." ; OR An unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and three business depository account(s) statements no older than the latest three months represented on the year-to-date profit and loss statement. Net cash flow from 3 months of bank statements must support the net profit on the P&L **Note Personal bank statements are not permitted**
<p>Ineligible Senior Lien</p>	<ul style="list-style-type: none"> Senior liens with high risk features which can include, but are not limited to: <ul style="list-style-type: none"> Loans in active forbearance or deferment Interest Only Negative Amortization Balloon Reverse Mortgages Private Mortgages opened within the past 12 months
<p>Age of Documents</p>	<ul style="list-style-type: none"> Expiration Dates are base on the Note Date of the Loan: <ul style="list-style-type: none"> Credit Documents (Income/Asset/Credit report) – 60 Days Collateral - 90 days Title - 90 Days
<p>Credit Score</p>	<ul style="list-style-type: none"> The credit score used to qualify will be based on a single Experian repository score A credit score must be available; non-traditional credit not permitted
<p>Trade lines</p>	<ul style="list-style-type: none"> Minimum of three trade lines are required for all borrowers that are contributing income to qualify. At least one trade line must be open and active for the past 12 months. A current mortgage paid as agreed for past 36 months will override the minimum trade line requirement
<p>Housing History</p>	<ul style="list-style-type: none"> Max 0x30x24 inclusive of all mortgages and all REO for all borrowers on the transaction (No late payments in previous 24 months) For Purchase transactions 12 months rental history verification is required IF VOM/VOR is from a private party, cancelled checks or bank statements are required The first mortgage loan cannot be in any active deferment or forbearance period. Once the deferment or forbearance period has expired, a minimum of three-monthly payments at the current payment must be documented
<p>Modified Loans</p>	<ul style="list-style-type: none"> When a modification is present, the following requirements must be met: <ul style="list-style-type: none"> **Modified loan on the subject property cannot be a balloon**
<p>Employment/Income Verification</p>	<ul style="list-style-type: none"> Piggybacks: Follows DU/LP findings; however, they must adhere to current Fannie Mae income/employment requirements Standalones: Will follow Spring EQ's Closed End Home Equity Guidelines
<p>Significant Derogatory Credit</p>	<ul style="list-style-type: none"> Measured from the Disbursement Date Period of time that must elapse prior to loan eligibility is as follows: <ul style="list-style-type: none"> Foreclosure - 7 years Charge-Off of a Mortgage Account, Deed-in Lieu, Pre-foreclosure Sale or Short Sale - 4 years Modified, Restructured or Short Payoff of a mortgage secured by a property other than the subject- 4 Years Chapter 7 or 11 Bankruptcy - 4 years from discharge or dismissal Chapter 13 Bankruptcy- 2 years from discharge or 4 years from dismissal Multiple events within the past 7 years are not permitted and both events must be greater than 7 years
<p>Seasoning</p>	<ul style="list-style-type: none"> No seasoning is required subject to the following: <ul style="list-style-type: none"> Seasoning 0-6 Months – Must use the lower of the purchase price or appraised value Seasoning > 6 Months – May use appraised value
<p>Liabilities</p>	<ul style="list-style-type: none"> Paying off debt to qualify is permitted (Paying down debt to qualify is not permitted) Lease payments are not permitted to be excluded Student loan – 1% of the balance is used to calculate the payment to qualify when there is no payment reporting
<p>Eligible Property Types</p>	<ul style="list-style-type: none"> Single Family PUDs Modular homes (as defined by Fannie Mae) Condominiums
<p>Ineligible Property Types</p>	<ul style="list-style-type: none"> Cooperatives Condotels (Refer to the Non-Warrantable Condo) New Construction Condominium Projects Hotel/Motel Condominiums Mobile Homes Manufactured Housing Commercial Operations

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Prepayment Penalty	<ul style="list-style-type: none"> • Not permitted 														
Escrows	<ul style="list-style-type: none"> • Not permitted 														
3rd Party Estimated of Fees	<p>Wholesale Only:</p> <ul style="list-style-type: none"> • The following fees are an estimate and will vary based on the specific loan characteristics. Spring EQ will disclose all accurate fees to the customer within 3 days of receiving the loan application and fees are calculated based on the information provided in the registration. • Spring EQ Administration Fee - \$295 • Annual Renewal Fee - \$99 <table border="1"> <tr> <td>Credit Report & Flood Cert</td> <td>\$8</td> </tr> <tr> <td>Doc Prep / Docutech</td> <td>\$30</td> </tr> <tr> <td>Title Report / Title 365 Fee</td> <td>\$80</td> </tr> <tr> <td>Notary / Disbursement Fee / Title 365</td> <td>\$290</td> </tr> <tr> <td>Recording Fee – Varies by State & Program</td> <td>\$90-\$200</td> </tr> <tr> <td>Drive-By Appraisal (POC)</td> <td>\$149</td> </tr> <tr> <td>Full Appraisal – See Website</td> <td>Varies</td> </tr> </table>	Credit Report & Flood Cert	\$8	Doc Prep / Docutech	\$30	Title Report / Title 365 Fee	\$80	Notary / Disbursement Fee / Title 365	\$290	Recording Fee – Varies by State & Program	\$90-\$200	Drive-By Appraisal (POC)	\$149	Full Appraisal – See Website	Varies
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