



Closed-End Second Mortgage Loan Program Concurrent & Stand-Alone

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Effective TBD

Occupancy Type	Primary Residence			
Purpose	Purchase / Rate/Term / Cash-Out			
SFR/PUD/Condo	Loan Amount	Min FICO	Max CLTV	Maximum DTI
	\$25,000 - \$250,000	680	85%	43%
		720	90%	43%

Occupancy Type	Second Home			
Purpose	Purchase & Rate/Term			
SFR/PUD/Condo	Loan Amount	Min FICO	Max CLTV	Maximum DTI
	\$25,000 - \$250,000	720	80%	43%
	Cash-Out			
\$25,000 - \$250,000	720	70%	43%	

Ventana Closed-Second Mortgage Program Overlays	
Additional Restrictions	<ul style="list-style-type: none"> Maximum total financing cannot exceed \$2,000,000 0x30 for 24 months on all mortgage debt Second mortgage cannot be larger than First Mortgage
Underwriting	<ul style="list-style-type: none"> Underwritten primarily in accordance with Appendix Q Must meet QM Safe Harbor or QM Rebuttable Presumption requirements The borrower must sign an IRS Form 4506T Both concurrent and stand-alone transactions allowed Prior loan modifications for 1st or 2nd liens must be seasoned for 7 years. No deferred balances allowed
Eligible Terms	<ul style="list-style-type: none"> 30-Year Conforming Fixed Second 15-Year Conforming Fixed Second No Prepayment Penalty No negative amortization
Geographic Restrictions	None
Interested Party Contribution	<ul style="list-style-type: none"> Primary Residence – 6% for CLTVs up to 90% CLTV of the lesser of sales price or appraised value Second Home - No interested party contribution
Funds to Close/Reserves	<ul style="list-style-type: none"> Closing costs and prepaid's may be paid by lender credit or by seller credit, if allowed by first mortgage guidelines Prepays paid by other than borrower must be included with seller-paid items in calculation of maximum financing concessions Required reserves: As required by first mortgage guidelines for concurrent transactions No reserves required for stand-alone transactions
Eligible/Ineligible Borrowers	<ul style="list-style-type: none"> US Citizens and Permanent Residents allowed Non-Occupying Co-Borrowers and Co-Signers are ineligible Foreign Nationals are ineligible Non-Permanent Resident Aliens with a current H-1 or L-1 visa are allowed. A copy must be provided in the loan file
Qualifying Ratios	See matrix above
Qualifying Rate	<ul style="list-style-type: none"> Note Rate
Credit	<ul style="list-style-type: none"> The borrower must provide a written explanation for all material adverse credit information Minimum credit scores as detailed above No Bankruptcy, Foreclosure, Short Sale or Deed in Lieu for 7 years (Multiple occurrences of each are not allowed) Both concurrent and stand-alone transactions allowed
Lien Position	<ul style="list-style-type: none"> The second mortgage must have a valid second position Other junior liens (contract for deed, home improvement loan) must be paid off Levied special assessments must be combined with the first and second mortgage when calculating combined LTV ratios (pending special assessments may be ignored if amount is unknown. If amount is known, include in calculation) The borrower takes title as fee simple. No leasehold or cooperatives

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Eligible Property Types	<ul style="list-style-type: none"> • SFR, PUD, Condominiums • 1 Unit Second Home • Condominiums: First Mortgage guidelines must be followed for concurrent transactions. Agency guidelines must be followed for stand-alone transactions • Maximum acreage: 10 acres • Manufactured homes are not allowed.
Appraisal Requirements	<p>> \$100,000 full appraisal</p> <p>< \$100,000 - Desktop Appraisal - Vendor Options: Clear Capital (ClearVal), ProTeck (ADI) or Servicelink (DVI)</p>
Mortgage Insurance	<ul style="list-style-type: none"> • Not Required
Wells & Septic Requirements	<ul style="list-style-type: none"> • See Conventional Underwriting Guidelines – Well & Septic Requirements
Termite Inspection	<ul style="list-style-type: none"> • See Conventional Underwriting Guidelines – Termite Inspection
Work Completion Escrow	<ul style="list-style-type: none"> • Not allowed
Shared Road	<ul style="list-style-type: none"> • See Conventional Underwriting Guidelines – Private Road Maintenance Agreement
Assumable	<ul style="list-style-type: none"> • Not Assumable
Escrow Waiver	<ul style="list-style-type: none"> • Escrows are not required for this product. Escrows may be waived on the First lien as allowed by underwritten product
Temporary Buydown	<ul style="list-style-type: none"> • Not Allowed
Late Charges	<ul style="list-style-type: none"> • 5% or the highest amount allowed by state law
Definition of Rate/Term Refinance	<ul style="list-style-type: none"> • The payoff of the outstanding principal balance of an existing first mortgage • The payoff of subordinate liens that were used in total for home improvement. Documentation of the costs of the home improvement required. No Seasoning necessary