



ELITE NON-QM - SUSPENDED PRODUCT  
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## ELITE NON-QM

**FULL DOC, 1 YEAR TAX RETURNS, ASSET UTILIZATION, 12 MONTHS BANK STATEMENT, 1099 AND CPA/EA PREPARED P&L**

### PRIMARY RESIDENCE (1-3 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	90% <sup>1,2,3,5,6,7,9</sup> (Purchase Only)	\$1,000,000	720
	85% <sup>3,5,6,7</sup> (Purchase Only)	\$2,000,000	680
	80%	\$2,000,000	660
		\$2,500,000	680
		\$3,000,000	700
	70%	\$3,500,000	720
CASH OUT	80% <sup>5,8</sup>	\$1,500,000	700
		\$2,000,000	720
	75%	\$1,500,000	660
		\$2,000,000	700
		\$2,500,000	720
	70%	\$2,000,000	660
		\$2,500,000	700
		\$3,000,000	720

### SECOND HOME (1 Unit)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	85% <sup>3,5,6</sup> (Purchase only)	\$1,000,000	680
		\$1,500,000	720
	80%	\$1,000,000	660
		\$2,000,000	680
		\$2,500,000	700
	75%	\$1,500,000	660
\$2,500,000		680	
70%		\$1,500,000	680
		\$2,000,000	720
CASH OUT	70%	\$1,500,000	660
		\$2,000,000	680
	65%	\$2,500,000	720
		\$2,000,000	660

### INVESTMENT (1-4 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80% <sup>5</sup> (Purchase Only)	\$1,500,000	660
		\$2,000,000 <sup>4</sup>	680
		\$2,500,000 <sup>4</sup>	700
	75%	\$2,000,000 <sup>4</sup>	660
CASH OUT	75%	\$1,500,000	680
	70%	\$2,000,000 <sup>4</sup>	660
		\$2,500,000 <sup>4</sup>	720



# MEGA CAPITAL FUNDING, INC.

<p><sup>1</sup> Condos – Max 85%</p> <p><sup>2</sup> Minimum loan amount - \$200K. Interest Only not permitted. No FTHB.</p> <p><sup>3</sup> Interest Only – Max 85% LTV/CLTV and 40 Yr. IO not permitted.</p> <p><sup>4</sup> Loans \$2M+ are allowed for 2–4-unit properties only</p> <ul style="list-style-type: none"> <li>Exception: SFR and 2–4-unit properties allowed in California only</li> </ul> <p><sup>5</sup> 12 Month P&amp;L – Max 80%/Purchase and 75%/Rate &amp; Term and 70%/Cash Out</p> <p><sup>6</sup> Non-Warrantable Condos – Max 80%</p> <p><sup>7</sup> Max LTV 80% Purchase/Rate &amp; term for 12-month Business bank statements for <b>Option #2 (3<sup>rd</sup> party Expense ratio)</b>.</p> <p><sup>8</sup> Max LTV 75% Cash-out for 12-month business bank statements for expense <b>Option #2 (3<sup>rd</sup> party Expense ratio)</b>.</p> <p><sup>9</sup> Max LTV 85% - 12-month business bank statements for <b>Option #1 (Fixed Expense ratio)</b> with 20% expense factor.</p>	<p><b>Asset Utilization</b></p> <ul style="list-style-type: none"> <li>Primary and 2nd home – Max 80% LTV/CLTV</li> <li>Investment Property – Max 65% LTV/CLTV</li> <li>Cash out – Max 60% LTV/CLTV</li> </ul> <p><b>Interest Only</b></p> <ul style="list-style-type: none"> <li>Purchase/Max 85% LTV/CLTV and Rate &amp; Term/Cash-out/80% LTV/CLTV - 40 year I/O and Max 80% LTV/CLTV</li> </ul> <p><b>Non-Permanent Resident</b></p> <ul style="list-style-type: none"> <li>Max LTV/CLTV 80%</li> </ul> <p><b>CPA/EA/CTEC Prepared P&amp;L</b></p> <ul style="list-style-type: none"> <li>Max 80%/Purchase and 75%/Rate &amp; Term and 70%/Cash Out</li> <li>Minimum 680 FICO</li> <li>\$2M Max loan amount</li> <li>Primary residence only</li> </ul>
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Housing History	Occupancy Restrictions – 2nd Home & Investment	Property Type Restrictions	State Restrictions to PPP
0x30x12	<ul style="list-style-type: none"> <li>Max LTV/CLTV: 80% for Investment (Purchase only)</li> <li>Primary Home (1-3 unit only)</li> <li>Max LTV: Cash-out: 80% for Primary/75% for 2<sup>nd</sup> home / Investment</li> <li>Max Loan Amount: \$3,000,000</li> </ul>	<ul style="list-style-type: none"> <li>Condo Warrantable: 85% for Primary. 80% for 2nd home and Investment (Purchase only)</li> <li>Condo Non-Warrantable: 80% LTV Max</li> <li>2-4 Units: 80% for Investment</li> </ul>	Max LTV: 80% for Investment

## ELITE NON-QM EXPRESS\*

### FNMA DU OR FHLMC LPA (AUS) DOCUMENTATION

OCCUPANY	TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PRIMARY 1-3 UNITS	PURCHASE RATE AND TERM	80%	\$2,500,000 <sup>1,2</sup>	660
	CASH OUT	75%	\$2,500,000 <sup>1,2</sup>	660
SECOND HOME 1 UNIT	PURCHASE RATE AND TERM	75%	\$2,500,000 <sup>1</sup>	680
INVESTMENT 1-4 UNITS	PURCHASE RATE AND TERM	70%	\$2,500,000 <sup>1</sup>	660



# MEGA CAPITAL FUNDING, INC.

1. Loans \$2M+ are allowed for 2-4-unit properties only – Exception: SFR and 2-4-unit properties allowed in CA only	2. 12 Month P&L – Max. 80% LTV/CLTV for Purchase: 75%LTV/CLTV for Rate & Term: 70% LTV/CLTV for Cash Out.
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**\*See Elite non-QM Express guidelines for all detailed requirements.**

	Doc Type	Code	Term	Amort type	Prepay Term
<b>Program Codes</b>	Full Doc / 1yr Tax returns	EZ30	30yr Fixed	Full	-
		EZ40	40yr Fixed	Full	-
		EZ40io	40yr Fixed	Interest Only	-
		EZ3P40io	40yr Fixed	Interest Only	3yr
		EZ2P40io	40yr Fixed	Interest Only	2yr
		EZ1P40io	40yr Fixed	Interest Only	1yr
		EZ3P30	30yr Fixed	Full	3yr
		EZ2P30	30yr Fixed	Full	2yr
		EZ1P30	30yr Fixed	Full	1yr
		EZ3P40	40yr Fixed	Full	3yr
		EZ2P40	40yr Fixed	Full	2yr
		EZ1P40	40yr Fixed	Full	1yr
		EZ30-21BD	30yr Fixed	Full	-
		EZ5/6	5/6 30yr ARM	Full	-
		EZ5/6io	5/6 30yr ARM	Interest Only	-
		EZ3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZ2P5/6io	5/6 30yr ARM	Interest Only	2yr
		EZ1P5/6io	5/6 30yr ARM	Interest Only	1yr
		EZ3P5/6	5/6 30yr ARM	Full	3yr
		EZ2P5/6	5/6 30yr ARM	Full	2yr
	EZ1P5/6	5/6 30yr ARM	Full	1yr	
	12mo Bank Statements	EZB30	30yr Fixed	Full	-
		EZB40	40yr Fixed	Full	-
		EZB3P30	30yr Fixed	Full	3yr
		EZB2P30	30yr Fixed	Full	2yr
		EZB1P30	30yr Fixed	Full	1yr
		EZB3P40	40yr Fixed	Full	3yr
		EZB2P40	40yr Fixed	Full	2yr
		EZB1P40	40yr Fixed	Full	1yr
		EZB30-21BD	30yr Fixed	Full	-
		EZB5/6	5/6 30yr ARM	Full	-
		EZB3P5/6	5/6 30yr ARM	Full	3yr
		EZB2P5/6	5/6 30yr ARM	Full	2yr
		EZB1P5/6	5/6 30yr ARM	Full	1yr
		EZB40io	40yr Fixed	Interest Only	-
		EZB3P40io	40yr Fixed	Interest Only	3yr
		EZB2P40io	40yr Fixed	Interest Only	2yr
		EZB1P40io	40yr Fixed	Interest Only	1yr
		EZB5/6io	5/6 30yr ARM	Interest Only	-
		EZB3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZB2P5/6io	5/6 30yr ARM	Interest Only	2yr
	EZB1P5/6io	5/6 30yr ARM	Interest Only	1yr	
	Asset Utilization	EZU30	30yr Fixed	Full	-
		EZU40	40yr Fixed	Full	-
		EZU40io	40yr Fixed	Interest Only	-



# MEGA CAPITAL FUNDING, INC.

		EZU3P40io	40yr Fixed	Interest Only	3yr
		EZU2P40io	40yr Fixed	Interest Only	2yr
		EZU1P40io	40yr Fixed	Interest Only	1yr
		EZU3P30	30yr Fixed	Full	3yr
		EZU2P30	30yr Fixed	Full	2yr
		EZU1P30	30yr Fixed	Full	1yr
		EZU3P40	40yr Fixed	Full	3yr
		EZU2P40	40yr Fixed	Full	2yr
		EZU1P40	40yr Fixed	Full	1yr
		EZU30-21BD	30yr Fixed	Full	
		EZU5/6	5/6 30yr ARM	Full	-
		EZU5/6io	5/6 30yr ARM	Interest Only	-
		EZU3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZU2P5/6io	5/6 30yr ARM	Interest Only	2yr
		EZU1P5/6io	5/6 30yr ARM	Interest Only	1yr
		EZU3P5/6	5/6 30yr ARM	Full	3yr
		EZU2P5/6	5/6 30yr ARM	Full	2yr
		EZU1P5/6	5/6 30yr ARM	Full	1yr
		EZP30	30yr Fixed	Full	-
		EZP40	40yr Fixed	Full	-
		EZP40io	40yr Fixed	Interest Only	-
		EZP3P40io	40yr Fixed	Interest Only	3yr
		EZP2P40io	40yr Fixed	Interest Only	2yr
		EZP1P40io	40yr Fixed	Interest Only	1yr
		EZP3P30	30yr Fixed	Full	3yr
		EZP2P30	30yr Fixed	Full	2yr
		EZP1P30	30yr Fixed	Full	1yr
		EZP3P40	40yr Fixed	Full	3yr
		EZP2P40	40yr Fixed	Full	2yr
		EZP1P40	40yr Fixed	Full	1yr
		EZP30-21BD	30yr Fixed	Full	
		EZP5/6	5/6 30yr ARM	Full	-
		EZP5/6io	5/6 30yr ARM	Interest Only	-
		EZP3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZP2P5/6io	5/6 30yr ARM	Interest Only	2yr
		EZP1P5/6io	5/6 30yr ARM	Interest Only	1yr
		EZ3P5/6	5/6 30yr ARM	Full	3yr
		EZP2P5/6	5/6 30yr ARM	Full	2yr
		EZP1P5/6	5/6 30yr ARM	Full	1yr

CPA  
Prepared  
P&L



General Requirements												
LOS Doc Code Mapping	<table border="1"> <thead> <tr> <th>Doc Type</th> <th>LOS Doc Type</th> </tr> </thead> <tbody> <tr> <td>Full Doc / 1yr Tax returns</td> <td>Full Doc, 1 Yr. Tax Returns</td> </tr> <tr> <td>12 Mo Personal Bank Statements</td> <td>12 Mo. Business Bank Statements (any)</td> </tr> <tr> <td>CPA Prepared P&amp;L</td> <td>Other Bank Statements</td> </tr> <tr> <td>Asset Utilization</td> <td>Asset Utilization</td> </tr> </tbody> </table>	Doc Type	LOS Doc Type	Full Doc / 1yr Tax returns	Full Doc, 1 Yr. Tax Returns	12 Mo Personal Bank Statements	12 Mo. Business Bank Statements (any)	CPA Prepared P&L	Other Bank Statements	Asset Utilization	Asset Utilization	<div style="border: 1px solid gray; padding: 5px;"> <p>Other Bank Statements ▾</p> <p>Full Document</p> <p>12 Mo. Personal Bank Statements</p> <p>24 Mo. Personal Bank Statements</p> <p>12 Mo. Business Bank Statements</p> <p>24 Mo. Business Bank Statements</p> <p>Other Bank Statements</p> <p>1 Yr. Tax Returns</p> <p>VOE</p> <p>Asset Utilization</p> <p>Debt Service Coverage (DSCR)</p> <p>No Ratio</p> </div>
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Asset Utilization	Asset Utilization											
Interest Only	<table border="1"> <thead> <tr> <th>Min Credit Score</th> <th>Max LTV</th> </tr> </thead> <tbody> <tr> <td>700</td> <td>85% (Purchase) 80% (Rate &amp; Term/Cash-out/40 Year I/O)</td> </tr> </tbody> </table>	Min Credit Score	Max LTV	700	85% (Purchase) 80% (Rate & Term/Cash-out/40 Year I/O)							
Min Credit Score	Max LTV											
700	85% (Purchase) 80% (Rate & Term/Cash-out/40 Year I/O)											
Loan Amounts	<table border="1"> <thead> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>\$150,000</td> <td>\$3,500,000</td> </tr> </tbody> </table>	Min	Max	\$150,000	\$3,500,000							
Min	Max											
\$150,000	\$3,500,000											
Loan Purpose	Purchase, Rate/Term, and Cash Out											
Occupancy	Primary, Second Home, Investment											
Property Type	<ul style="list-style-type: none"> <li>Single Family, PUD, 2-4 Units, Warrantable &amp; Non-Warrantable Condo</li> <li>Minimum 500 square ft per unit.</li> </ul>											
Prepayment Penalties	<ul style="list-style-type: none"> <li>Not permitted on primary residences or second homes</li> </ul>											
HPML	<ul style="list-style-type: none"> <li>Escrows for taxes and insurance will be required for 5 years.</li> <li>Residual Income- Required per household size: = 1 person \$1550; 2 persons \$2500, Add \$150 per additional household member</li> <li>Two appraisals are required to be delivered for flip transactions as defined by the CFPB.</li> </ul>											
Escrows Required	Property Tax escrows required if LTV >85%											
State & Federal High-cost Loans	Not allowed.											
State Restriction	Investment Property not allowed in: <ul style="list-style-type: none"> <li>Kansas or Michigan</li> </ul>											
DTI	<b>Max DTI: LTV &gt; 85% - 45%</b> <b>Max DTI: LTV &lt;= 85% - 50%</b>											
Qualifying rates	<ul style="list-style-type: none"> <li><b>ARM Qualifying Rate</b> Greater of Note Rate or the Fully Indexed Rate (rounded to the nearest .125)</li> <li><b>Interest Only</b> Qualifying payment for I/O must include principal component. Calculate payment based on: <ul style="list-style-type: none"> <li>the ARM qualifying rate or the fixed rate</li> </ul> AND </li> </ul>											



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>○ a term that equals the amortization term (i.e., 360 months for 40 year I/O).</li> </ul>
<b>Age of Documents</b>	<p>All credit documents including income docs, and asset statements must be dated no more than 120 days prior to the note date.</p> <ul style="list-style-type: none"> <li>• Credit report are good for 120 days from the note date.</li> <li>• Appraisals are good for 120 days from effective date to note date. Any appraisal seasoned greater than 120 days will require a recertification of value. A recert of value will be permitted up to 180 days.</li> <li>• Updated documentation may be required at the underwriter's discretion.</li> <li>• Age of income documents can be no more than 90 days prior to the note date depends on the income type.</li> </ul>
<b>Cash-Out</b>	<p>Max cash-in hand:</p> <ul style="list-style-type: none"> <li>• LTV &gt;70% - \$1M</li> <li>• LTV &lt;= 70% - Unlimited</li> </ul> <p>Max LTV for Cash-out Seasoning &gt;=6&lt;12 months            Primary Home - 75%            Second Home/Investment - 70%</p>
<b>Appraisals</b>	<p>One Appraisal report - FNMA Form 1004, 1025, 1073 with interior/exterior inspection)</p> <p>Two appraisal reports - Loan amount ≥ \$2,000,000 and &gt;65% LTV/CLTV            Transferred appraisal is allowed.</p>
<b>Declining Markets</b>	<p>Properties that are in a declining market as designated by the appraiser are subject to a 5% reduction in LTV/CLTV.</p>
<b>Temporary Buydowns Option</b>	<p>Temporary buydown allows a seller, builder, or third party to provide a funded subsidy in order to reduce the interest rate temporarily on a mortgage loan. The Note Rate remains constant, only the borrower's payment is reduced. The buydown cannot exceed the maximum interested party contributions (IPCs) limits. The buydown fund contribution can only come from a Seller/Builder or third-party. The difference between the buydown payment and the payment required by the Note Rate is paid every month by the loan servicer held in an escrow account from the buydown funds that are collected at closing.</p> <p><b>The 2-1 Buydown:</b></p> <ul style="list-style-type: none"> <li>• Year One: 2% Below the Note Rate</li> <li>• Year Two: 1% Below the Note Rate</li> <li>• Year Three &amp; Beyond: Note Rate</li> </ul> <p><b>Eligibility Parameters:</b></p> <ul style="list-style-type: none"> <li>• Owner Occupied; Primary Residence; Purchase.</li> <li>• Seller/Builder and Third Party Funded subsidies.               <ul style="list-style-type: none"> <li>○ Third Party subsidies include Real Estate Agents and Brokerages; Funds from Borrower(s) are ineligible.</li> <li>○ Borrower, Lender, and Premium Pricing from the interest rate are not permitted.</li> </ul> </li> <li>• 30-year Fully Amortizing Fixed Rate only.</li> <li>• Borrower(s) must qualify based on the Note Rate without consideration of the bought down rate.</li> <li>• If reserves are required, the reserves must be calculated using the Note Rate.</li> <li>• Borrower(s) and Seller/Builder are required to sign the Temporary Buydown Agreement at closing.</li> </ul>



	<ul style="list-style-type: none"> <li>• The percentage of funds must be included in the interested party contribution limit. <ul style="list-style-type: none"> <li>○ To calculate the percentage of the buydown fund contribution, divide the buydown fund total by the purchase price.</li> </ul> </li> </ul> <p><b>Important to Note:</b></p> <ul style="list-style-type: none"> <li>• Funds are not refundable unless the mortgage is paid off before the funds can be applied.</li> <li>• Funds cannot be used to pay past due payments or buy down the mortgage for qualification purposes.</li> <li>• Funds are transferred to a new servicer as part of the standard transfer or servicer process (included in escrow account)</li> <li>• Buydowns must be disclosed on the LE/CD.</li> <li>• If the home is sold or refinanced in the first 24 months (or 12 months), the remaining buydown funds to be disbursed to the borrower at time of payoff.</li> </ul> <p><b>The Buydown Agreement Must Include:</b></p> <ul style="list-style-type: none"> <li>• Written Agreement: The buydown plan must be a written agreement between the party providing the buydown funds and the borrower.</li> <li>• Calculation: The buydown agreement must clearly show <ul style="list-style-type: none"> <li>○ The Seller's calculations of the total cost of the temporary subsidy buydown,</li> <li>○ Any interested party contribution</li> <li>○ The annual percentage increase in the Borrower's monthly principal and interest payment.</li> </ul> </li> <li>• Relief from Obligation: The buydown agreement must provide that the Borrower will not be relieved of the obligation to make the full monthly Mortgage payments required by the terms of the Mortgage Note if, for any reason, the buydown funds are not available or the buydown funds are not paid.</li> <li>• Terms Disclosed to Appraiser: All of the terms of the buydown agreement must be disclosed to the property appraiser, if applicable</li> <li>• Return of Funds: Buydown agreements that allow for the return of the buydown funds to the Lender/Seller are not eligible.</li> </ul>
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## Underwriting Requirements

<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• U.S. Citizens-Allowed.</li> <li>• Permanent resident <ul style="list-style-type: none"> <li>○ Permanent Resident Aliens are individuals who permanently reside in the United States</li> <li>○ A legible front and back copy of the borrower(s) valid Green Card.</li> </ul> </li> <li>• Non-Permanent Resident A Non-Permanent Resident Alien is a non-U.S. citizen authorized to live and work in the U.S. on a temporary basis. Non-Permanent Resident Alien borrowers are eligible for all products and programs subject to restrictions below..</li> </ul> <p><b>Restrictions</b></p> <ul style="list-style-type: none"> <li>• Max 80% LTV/CLTV</li> <li>• 1-2 units</li> <li>• Primary Residence only</li> <li>• Purchase &amp; Rate/Term refinance only</li> <li>• Borrowers with diplomatic immunity are ineligible.</li> </ul>
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# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• DACA recipients are ineligible.</li> <li>• EAD cards without valid visas are ineligible.</li> <li>• Copies of the borrower’s passport and unexpired VISA permitting employment in the United States is required.             <ul style="list-style-type: none"> <li>○ If VISA renewal is in process or delayed, provide application for extension or renewal (adjustment of status).</li> <li>○ Acceptable alternative documentation to verify visa classification is an I-797 form (Notice of Action) with valid extension dates and an I-94 form (Arrival/Departure Record). Borrowers unable to provide evidence of lawful residency status in the U.S. are not eligible for financing.</li> <li>○ A valid employment authorization document (EAD) must be obtained if the visa is not sponsored by the borrower’s current employer. If the visa will expire within 3 months of loan application, it is acceptable to obtain a letter from the employer documenting the borrower’s continued employment and continued visa renewal sponsorship (employer on the loan application must be the same as on the unexpired visa).</li> </ul> </li> <li>• The borrower(s) must have a minimum of 2 years residency and employment in U.S.</li> <li>• All parties involved on the transaction must be screened through exclusionary lists and must be cleared through OFAC’s SND list.</li> <li>• Borrowers from OFAC sanctioned countries are ineligible.</li> <li>• Eligible VISA Types:             <ul style="list-style-type: none"> <li>○ E1, E2, E3</li> <li>○ G1, G2, G3, G4, G5</li> <li>○ H1</li> <li>○ H-1B, H-1C</li> <li>○ L-1B, L-2</li> <li>○ NATO 1-6</li> <li>○ O1</li> <li>○ R1</li> <li>○ TN-1 Canadian NAFTA</li> <li>○ TN-2 Mexican NAFTA</li> </ul> </li> </ul>
<p><b>First Time Homebuyer</b></p>	<ul style="list-style-type: none"> <li>• An individual is to be considered a first-time homebuyer who (1) is purchasing the security property; (2) will reside in the security property as a principal residence; and (3) had no ownership interest (sole or joint) in a residential property during the 7-year period preceding the date of the purchase of the security property.</li> <li>• If one borrower on the transaction is not a FTHB, no further restrictions apply.</li> <li>• 12-month 0x30 rent history is required. (12-month period prior to loan application date.)</li> <li>• No minimum borrower contribution required unless using gifts (as allowed by product). See minimum borrower contribution requirements for additional details.</li> <li>• FTHB &gt; 85% LTV – not allowed.</li> <li>• Borrowers living rent free not acceptable. Subject to exception. Elite non-QM program only. This does not apply in Elite non-QM Express loan.</li> </ul>
<p><b>First Time Investors</b></p>	<p>A First Time Investor is defined as a borrower who has not owned at least one commercial or residential investment property in the United States for at least 12 months in the last 3 years. Minimum 700 FICO</p>





# MEGA CAPITAL FUNDING, INC.

<p><b>Non-Occupant Co-Borrowers</b></p>	<ul style="list-style-type: none"> <li>• Single unit only</li> <li>• Cash out not eligible.</li> <li>• Second homes not eligible</li> <li>• Non-occupant co-borrowers are applicants who do not occupy the subject property.             <ul style="list-style-type: none"> <li>○ Must sign the mortgage or deed of trust.</li> <li>○ Must not have an interest in the property sales transaction, such as the property seller, builder, or real estate broker.</li> </ul> </li> <li>• Blended ratios allowed.</li> </ul>
<p><b>LLC, Corporation &amp; Partnership-Investment Property Only</b></p>	<p>Vesting is allowed in an Entity with the following requirements:</p> <ul style="list-style-type: none"> <li>• Entity must be domiciled in a U.S. State.</li> <li>• Business structure is limited to a maximum of four (4) owners/ members.</li> <li>• Each Entity owner / member on the loan must sign the security instruments.</li> <li>• Each Entity owner / member providing a Personal Guaranty must complete a Form 1003 or similar credit application indicating clearly that such document is being provided in the capacity of the guarantor. The application of each member/owner providing a Personal Guaranty and their credit score, and creditworthiness will also be used to determine qualification and pricing.</li> <li>• No layering of entities (i.e., LLC whose member(s) are a trust)</li> <li>• Personal guarantor required - Personal Guarantor must also sign closing documents and disclosures.</li> <li>• All members of the entity must be a natural person.</li> <li>• Final loan docs may not be signed with a POA</li> <li>• Non-profit 501 c3 – ineligible</li> </ul> <p>For business type, the following documentation must be provided:</p> <ul style="list-style-type: none"> <li>• Limited Liability Company (LLC)             <ul style="list-style-type: none"> <li>○ Entity Articles of Organization, Partnership, and Operating Agreements if any</li> <li>○ Tax Identification Number (Employer Identification Number – EIN). In any case where a sole proprietor is using SSN in lieu of EIN, provide UW cert or supporting documentation confirming that.</li> <li>○ Certificate of Good Standing</li> <li>○ Certificate of Authorization for the person executing all documents on behalf of the Entity</li> <li>○ LLC Borrowing Certificate required when all owners/members are not on the loan.</li> </ul> </li> <li>• Corporation             <ul style="list-style-type: none"> <li>○ Filed Certificate/Articles of Incorporation (including all Amendments)</li> <li>○ By-Laws (including all Amendments)</li> <li>○ Certificate of Good Standing (issued by the Secretary of State (SOS) where the business is incorporated)</li> <li>○ Tax Identification Number (EIN). In any case where a sole proprietor is using SSN in lieu of EIN, provide UW cert or supporting documentation confirming that.</li> <li>○ Borrowing Resolution/Corporate Resolution granting authority of signor to enter loan obligation.</li> <li>○ Receipt of current year franchise tax payment or clear search (only required where applicable per state.)</li> </ul> </li> <li>• Partnership             <ul style="list-style-type: none"> <li>○ Filed Partnership Certificate (if a general partnership, filing with the SOS may not be required)</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>○ Partnership Agreement (and all Amendments)</li> <li>○ Certificate of Good Standing (issued by the Secretary of State (SOS) where the Partnership is registered)</li> <li>○ Tax Identification Number (EIN). In any case where a sole proprietor is using SSN in lieu of EIN, provide UW cert or supporting documentation confirming that.</li> <li>○ Limited partner consents (where required by partnership agreement)</li> </ul> <p>NOTE: Official documentation issued by a CPA, a Third-Party Tax Preparer (excluding PTIN tax preparers), the state or IRS should be used to satisfy document requirements. Fillable PDF's (i.e W9's) or emails confirming in writing from borrowers are not sufficient.</p>
<b>Intervivos Revocable Trusts</b>	<ul style="list-style-type: none"> <li>● Permitted in accordance with Fannie Mae</li> </ul>
<b>Maximum Financed Properties</b>	<ul style="list-style-type: none"> <li>● 20 is the max number of financed properties (including subject property) allowed when the subject property is a Primary residence or second home.</li> <li>● 8 is the max number of financed properties allowed when the subject property is an investment.</li> <li>● Commercial properties and residential &gt; 4 units excluded from calculation.</li> <li>● MCFI exposure to a single borrower/guarantor limited \$5M UPB or 10 loans.</li> </ul>
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>● Irrevocable, Land or Blind Trusts</li> <li>● Vesting in retirement vehicles</li> <li>● Foreign Nationals</li> <li>● Asylum applicants</li> <li>● Any parties to a transaction listed on HUD's Limited Denial of Participation (LDP) list, or the federal General Services Administrative (GSE) Excluded Party lists.</li> <li>● Borrowers with diplomatic immunity</li> <li>● Borrowers without a valid Social Security Number</li> <li>● Borrowers party to a lawsuit</li> <li>● DACA Recipients</li> <li>● EAD card without valid Visa</li> </ul>

<b>Occupancy Eligibility</b>	
<b>Primary Residence</b>	<ul style="list-style-type: none"> <li>● A primary residence is a 1-3 unit property that the borrower(s) currently reside in (refinance) or intend to occupy (within 60 days) as his or her principal residence.</li> <li>● 1 to 3 unit only.</li> <li>● Generally, borrowers may not own an additional single-family residence of equal or greater value than subject property. Significant equity in a departing residence (<math>\geq 50\%</math> subject loan amount) should be considered in overall credit analysis and cannot be parded with an exception. Borrowers with no investment properties retaining their departing residence as a rental require an exception.</li> <li>● Characteristics that may indicate that a property is used as a borrower's primary residence include:               <ul style="list-style-type: none"> <li>○ Is occupied by the borrower for the major portion of the year.</li> <li>○ Is in a location relatively convenient to the borrower's principal place of employment.</li> <li>○ Is the address of record for such activities as federal income tax reporting, voter registration, occupational licensing, and similar functions.</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>Relocation in excess of 200 miles of self-employed borrowers with operating business is not permitted unless business is predominately run out of the home.</li> </ul>
<b>Second Homes</b>	<p><b>Program Restrictions:</b></p> <ul style="list-style-type: none"> <li>Single unit only</li> <li>Gift funds ineligible</li> <li>A property is considered a second home when it meets all the following requirements:             <ul style="list-style-type: none"> <li>Must be located a reasonable distance away from the borrower(s) principal residence.</li> <li>Must be occupied by the borrower(s) for some portion of the year.</li> <li>Single unit only</li> <li>Must be suitable for year-round occupancy.</li> <li>The borrower(s) must have exclusive control over the property.</li> </ul> </li> </ul>
<b>Non-Owner Occupied</b>	<p><b>Program Restrictions:</b></p> <ul style="list-style-type: none"> <li>Gift funds ineligible.</li> <li>Rural properties ineligible</li> <li>Loan Amounts <math>\geq</math>\$2,000,000 permitted on:             <ul style="list-style-type: none"> <li>2-4 unit properties only</li> <li>1-4 units in California only</li> </ul> </li> <li>A Landlord, Commercial or similar rental income hazard insurance policy is required for all subject property non-owner-occupied properties.</li> <li>Subject property with short term rental income is not permitted.</li> </ul>

<b>Eligibility</b>	
<b>Purchase</b>	<ul style="list-style-type: none"> <li>The lesser of the purchase price or appraised value is used to calculate LTV/CLTV.</li> <li>A copy of the fully executed purchase contract and all attachments and addenda should be included.</li> <li>Inspection reports are not required unless the appraisal suggests further investigation and no requirement by the purchase contract. (e.g., termite reports)</li> <li>Sale and leaseback agreements will not be permitted to exceed 60 days from closing date.</li> <li>Flip Transactions – see section below.</li> <li>Assignment of contract with 3<sup>rd</sup> party fees (no wholesalers/finders) are not permitted.</li> </ul>
<b>Rate/Term Refinance</b>	<ul style="list-style-type: none"> <li>A Rate/Term Refinance transaction is limited to the payoff of:             <ul style="list-style-type: none"> <li>a refinance first mortgage seasoned 6 months if previous transaction was a cash out. No seasoning is required if previous transaction was a purchase transaction.</li> <li>a purchase, first and second mortgage (if applicable) used as purchase money.</li> <li>a closed end or HELOC mortgage that has been in place for more than 12 months and/or not having any draws greater than \$2,000 in the past 12 months. *Withdrawal activity must be documented with a transaction history from the HELOC</li> <li>closing costs and prepaids.</li> <li>a court ordered buyout settlement.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"><li>• Limited cash to the borrower must not exceed the lesser of \$2,000 or 2% of the loan amount.</li><li>• Borrowers financing the payment of real estate taxes that are more than 60 days delinquent is considered cash out, per FNMA.</li><li>• Refinances to Buy Out an Owner's Interest.<ul style="list-style-type: none"><li>○ A court ordered transaction that requires one owner to buy out the interest of another owner (for example, as a result of a divorce settlement or dissolution of a domestic partnership) is considered a limited cash-out refinance if the secured property was jointly owned for at least 12 months preceding the disbursement date of the new mortgage loan.</li><li>○ All parties must sign a written agreement that states the terms of the property transfer and the proposed disposition of the proceeds from the refinance transaction. Except in the case of recent inheritance of the subject property, documentation must be provided to indicate that the security property was jointly owned by all parties for at least 12 months preceding the disbursement date of the new mortgage loan.</li><li>○ Borrowers who acquire sole ownership of the property may not receive any of the proceeds from the refinancing. The party buying out the other party's interest must be able to qualify for the mortgage pursuant to MCFI underwriting guidelines.</li></ul></li><li>• If the property is owned less than 6 months at the time of application date, the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraised value. The prior settlement statement will be required for proof of purchase price. Proof of improvements is required. Purchase appraisal or original listing photos required along with schedule of improvements.<ul style="list-style-type: none"><li>○ There is no waiting period if the lender documents that the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership). Use appraisal value.</li><li>○ If the borrower acquired the property at any time as a gift, award, inheritance, or other non-purchase transaction, the LTV/CLTV will be based on the current appraised value. The lender must obtain appropriate documentation to verify the acquisition and transfer of ownership.</li></ul></li></ul>
<b>Cash-Out Refinance</b>	<p>A Cash-Out Refinance transaction may pay off an existing mortgage(s) with a minimum of 6 months seasoning or create a new lien if the property is owned free and clear.</p> <ul style="list-style-type: none"><li>• Ownership seasoning 6-12 months – Max 75% for Owner Occupied, Max 70% for 2nd homes and non-owner occupied.</li><li>• The borrower must have owned the property for a minimum of 6 months prior to the application date.</li><li>• Seasoning = borrower's purchase closing date to application date.</li><li>• Delayed financing proceeds are eligible assets for Asset Utilization.</li><li>• There is no waiting period if the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership).</li><li>• If the borrower acquired the property at any time as a gift, award, inheritance, or other non-purchase transaction, the LTV/CLTV will be based on the current appraised value. MCFI must obtain appropriate documentation to verify the acquisition and transfer of ownership.</li><li>• Borrowers financing the payment of real estate taxes that are more than 60 days delinquent is considered cash out, per FNMA.</li></ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>The borrower can receive funds at closing as long as they do not exceed the program requirements.</li> </ul> <table border="1" data-bbox="537 275 1469 369"> <thead> <tr> <th colspan="2">Max Cash Out</th> </tr> </thead> <tbody> <tr> <td>LTV/CLTV &gt;70%</td> <td>LTV/CLTV &lt;=70</td> </tr> <tr> <td>\$1M</td> <td>Unlimited</td> </tr> </tbody> </table>	Max Cash Out		LTV/CLTV >70%	LTV/CLTV <=70	\$1M	Unlimited
Max Cash Out							
LTV/CLTV >70%	LTV/CLTV <=70						
\$1M	Unlimited						
<p><b>Construction Take Out/Construction to Perm</b></p>	<ul style="list-style-type: none"> <li>The permanent financing of a construction loan is eligible with the following conditions:               <ul style="list-style-type: none"> <li>If the lot was acquired 12 or more months before applying for the subject loan, the LTV/CLTV/HCLTV is based on the current appraised value of the property.</li> <li>If the lot was acquired less than 12 months before applying for the construction financing, the LTV/CLTV/HCLTV is based on the lesser of (i) the current appraised value of the property and (ii) the total acquisition costs.</li> </ul> </li> <li>A builder refinancing out of a construction loan, is limited to investment only, with minimum 2-year pre-payment penalty.</li> <li>Payoffs with accrued and unpaid interest &gt; 59 days will be considered cash out.</li> </ul>						
<p><b>Properties listed for sale</b></p>	<ul style="list-style-type: none"> <li>Primary, Second Homes, and Investment properties without a Prepayment Penalty:               <ul style="list-style-type: none"> <li>Properties that have been listed for sale within the past 6 months from the loan Note date are not eligible.</li> <li>Properties listed for sale by the borrower within the last 12 months are not eligible for cash out.</li> </ul> </li> <li>Investment properties with a Prepayment Penalty:               <ul style="list-style-type: none"> <li>Properties listed for sale by the borrower within the last 12 months are eligible for rate term per matrix LTV limits, and for cash out with a max 65% LTV/CLTV.</li> </ul> </li> <li>LTV based on lower of last listing price or current appraised value.</li> <li>Properties listed for sale at application date are ineligible.</li> </ul>						
<p><b>Delayed Financing</b></p>	<ul style="list-style-type: none"> <li>Delayed financing can be qualified and priced as rate/term refinances.</li> <li>Delayed financing (on properties purchased by the borrower with cash and owned &lt; 12 months) are permitted if the original transaction was arm's length.               <ul style="list-style-type: none"> <li>Provide settlement statement from purchase confirming no financing used to acquire property.</li> <li>LTV will be calculated based on Purchase Price. No documented improvements permitted.</li> <li>Purchase funds are required to be documented.                   <ul style="list-style-type: none"> <li>If gift funds were used, the borrower may only finance the amount put into the transaction, excluding gift.</li> </ul> </li> </ul> </li> <li>The LTV/CLTV will be based on the lesser of the original purchase price or current appraised value. The prior settlement statement will be required for proof of purchase price.</li> <li>Delayed financing cash out proceeds are acceptable with Asset Utilization.</li> <li>An AIR compliant purchase appraisal may be used for this refinance if within the age of documents guideline section.</li> </ul>						
<p><b>Lease Options to Purchase</b></p>	<ul style="list-style-type: none"> <li>Primary residence only</li> <li>Borrowers may apply a portion of the rent paid to their required down payment, closing costs or minimum borrower contribution if the rent credits were agreed upon in the original Lease Purchase Agreement.</li> <li>Credit for the down payment is determined by using the lesser of the rent credits agreed to or by calculating the difference between the market rent and the actual rent paid for the last 12 months.</li> </ul>						



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• The market rent is determined by the appraiser in the appraisal report for the subject property.</li> <li>• Documentation Requirements:             <ul style="list-style-type: none"> <li>○ A copy of the notarized rental/purchase agreement evidencing a minimum original term of at least twelve (12) months, clearly stating the monthly rental amount, and specifying the terms of the lease.</li> <li>○ Copies of the Borrower's cancelled checks or money order receipts for the last 12 months evidencing the rental payments.</li> </ul> </li> <li>• The Closing Disclosure must show the actual purchase price as reflected on the Lease Purchase Agreement, while the loan-to-value will be based on the appraised value.</li> </ul>
<p style="text-align: center;"><b>Continuity of Obligation</b></p>	<ul style="list-style-type: none"> <li>• An acceptable continuity of obligation exists when any of the following are present:             <ul style="list-style-type: none"> <li>○ At least one borrower obligated on the new loan must be a borrower obligated on the existing loan being refinanced.</li> <li>○ At least one borrower must have been on title for a minimum of six months and has made the most recent six months payments.</li> <li>○ At least one borrower must be on title and has made the most recent 12 months documented payments.</li> <li>○ At least one borrower has recently inherited or was legally awarded the property through a divorce or separation.</li> <li>○ Continuity of Obligation is met when a borrower is at least 25% owner of an entity and is refinancing from a natural person to an entity or vice versa.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>Subordinate Financing</b></p>	<ul style="list-style-type: none"> <li>• New subordinate financing (institutional) allowed for primary residence purchase transactions only.             <ul style="list-style-type: none"> <li>○ ARM subordinate financing is not allowed.</li> </ul> </li> <li>• Seller carried subordinate financing is ineligible.</li> <li>• Existing subordination is permitted on refinances.</li> <li>• All subordinate loans must be considered when calculating the Borrower's DTI</li> <li>• For closed-end fixed rate, fully amortizing simultaneous loans, the qualifying payment is the monthly payment.</li> <li>• If a HELOC is present the CLTV/HCLTV must be calculated by dividing the sum of the original loan amount of the first mortgage, the amount of the HELOC (whether or not there have been any draws), and the unpaid principal balance of all other subordinate financing by the lower of the property's sales price or appraised value.</li> <li>• If the subordinate financing is a HELOC secured by the subject property, monthly payments equal to the minimum payment required under the HELOC terms considering all draws made on or before closing of the subject transaction.</li> <li>• A HELOC with zero balance does not require a minimum payment be applied</li> </ul>
<p style="text-align: center;"><b>Flip Transactions</b></p>	<ul style="list-style-type: none"> <li>• On a purchase transaction when the home is being resold within 180 days of seller's purchase date, the transaction is considered a flip (based on the day the borrower signs an initial purchase agreement)</li> <li>• Flips with resale prices in excess of the following will require an exception, unless seller acquired the property in a private sale not exposed to any multiple listing service:             <ul style="list-style-type: none"> <li>○ More than 10% increase within 90 days</li> <li>○ More than 20% increase from 91 to 180 days</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• Current purchase transaction must be listed with a realtor on Multiple Listing Services</li> <li>• Bank owned REO and corporate relocations are eligible and not considered a flip transaction.</li> <li>• Second Appraisal is required for HPMLs if:             <ul style="list-style-type: none"> <li>o &gt;10% increase in sales price if seller acquired the property in the past 90 days</li> <li>o &gt;20% increase in sales price if seller acquired the property in the past 91-180 days</li> </ul> </li> </ul>
<p><b>1031 Exchange</b></p>	<ul style="list-style-type: none"> <li>• Funds held by a 1031 administrator/agent are permitted for down payment and closing costs.</li> <li>• Allowed on investment purchases only.</li> <li>• Reverse 1031 exchanges not allowed.</li> <li>• Must be in compliance with Internal Revenue Code Section 1031</li> <li>• Excess proceeds cannot be used to satisfy reserve requirements unless liquidated.</li> <li>• Documented by accommodator instructions, fully executed exchange agreement at closing, and settlement statement.</li> <li>• Both the sold property and subject property must be similar and qualify as "like-kind"</li> <li>• NOTE: 2-4-unit properties where one of the units is occupied by the customer are not considered investment properties and therefore are not eligible.</li> </ul>
<p><b>Non-Arm's Length</b></p>	<ul style="list-style-type: none"> <li>• Non-arm's length transactions involve a direct relationship outside of the subject transaction between a borrower and a party to the loan. The appraiser must be informed of the relationship and address any impact on market value.</li> <li>• The following non-arm's length transactions are eligible with proper documentation:             <ul style="list-style-type: none"> <li>o Sale or transfers between members of the same family (transaction may not be due to any adverse circumstances)</li> <li>o Renters purchasing from current landlord</li> <li>o Property seller acting as his or her own real estate agent</li> <li>o Borrower purchasing from his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history)</li> <li>o Realtor cannot buy own listing as well as seller cannot buy realtor's listing.</li> <li>o Borrower is a mortgage broker or loan officer, or works for submitting broker.</li> <li>o Borrower is related to realtor and/or loan officer who is representing them ONLY.</li> </ul> </li> <li>• Non-arm's length transactions are subject to all the following requirements:             <ul style="list-style-type: none"> <li>o Primary residence only</li> <li>o Relationship letter required between buyer and seller unless confirmed in the sales contract.</li> <li>o Borrower to provide a copy of the cancelled earnest money check paid to the property seller (if applicable)</li> <li>o Underwriters must be satisfied with any occupancy red flags.</li> <li>o All liens on title to be paid in full and reflected on the settlement statement.</li> <li>o Lesser of sales price or current appraised value to be used to calculate the LTV/CLTV</li> <li>o Borrowers cannot provide services on transaction (closing agent, title agent, appraiser, etc.)</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>○ Borrower may not be an owner of a business entity selling the subject property</li> </ul>
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>• Construction Loans</li> <li>• Land Contracts</li> <li>• Non-Arm's length (not addressed in previous section)</li> <li>• Builder Bailout &amp; Model leasebacks</li> <li>• Conversion Loans</li> <li>• Community down payment assistance / equity sharing</li> <li>• Borrower/builder refinance of construction loans or free and clear are ineligible unless investment property with a Prepayment Penalty.</li> <li>• Reverse 1031 exchanges</li> <li>• Texas (a)(6) Transactions (Exception Required)</li> </ul>
<b>Compensating Factors</b>	<ul style="list-style-type: none"> <li>• FICO score above minimum by 20 points or higher</li> <li>• 0 X 30 X 24-month housing history</li> <li>• DTI below max by 5% or greater</li> <li>• 5 years minimum in subject property</li> <li>• PITIA reserves above minimum by 6 months or higher.</li> <li>• Job stability of 5 years or more</li> <li>• Minimal payment shock</li> <li>• Conservative use of non-housing debt</li> <li>• Reduction in housing payment by 10% or greater</li> <li>• **LTV is not a compensating factor for primary residence**</li> <li>• Stable ancillary income sources for borrower not being used for qualifying.</li> <li>• Residual Income</li> </ul>

<b>Credit Eligibility</b>	
<b>Credit Report Detail</b>	<ul style="list-style-type: none"> <li>• A tri-merged in file credit report including scores from Experian, Transunion and Equifax is required.</li> <li>• Credit Report is good for 120 days from the note date</li> <li>• Disputed accounts may require an LOE. An updated credit report not required.</li> <li>• All derogatory revolving and installment accounts &gt; 60 days and all mortgage accounts &gt; 1 x 30, each within 2 years of closing require a full explanation.</li> <li>• Delinquent credit belonging to ex- spouse - can be excluded if late payments occurred after the divorce/separation, and divorce decree/separation agreement indicates derogatory accounts belong solely to the ex-spouse.</li> </ul>
<b>Credit Scores</b>	<ul style="list-style-type: none"> <li>• Qualifying credit score is based on the primary wage earner.</li> <li>• Bank statement income doc - Borrowers with 50/50 split ownership of the business – highest mid FICO score</li> <li>• Each borrower's Qualifying Credit Score is the middle of three or the lesser of two.</li> <li>• No borrower can have a middle FICO score less than 660.</li> <li>• For refinances, the use of highest score is only eligible if that borrower meets continuity</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months.</li> <li>• Tradeline may be opened or closed.</li> <li>• Eligible tradelines cannot have any derogatory history in the previous 24 months.</li> </ul>





# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks, debits)</li> <li>• No authorized user accounts may be used to satisfy minimum tradelines.</li> <li>• Non-traditional credit is not allowed as an eligible tradeline.</li> <li>• Elite non-QM Express – Per AUS</li> </ul>
<b>Approved Credit Vendor</b>	<ul style="list-style-type: none"> <li>• MCFI will pull Credco credit report if a broker's credit report submitted is not on approved credit vendors list.</li> <li>• Broker credit report is allowed if within 60 days from submission date</li> <li>• Credit Reports are good up to 120 days at time of CTC</li> </ul>
<b>Credit Events</b>	<ul style="list-style-type: none"> <li>• <b>Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default or 120+ Delinquent</b></li> <li>• Seasoning – 4 years</li> <li>• Housing event affecting both a first and second on same property is considered one event.</li> <li>• Events include all occupancy types – Primary, 2nd Home &amp; Investment Properties</li> <li>• Seasoning is from the date of discharge or property resolution (completion date), as of the note date. All housing events seasoning must be at least 4 years.</li> <li>• Modification commences at inception.</li> <li>• Foreclosures included in bankruptcy permitted based on BK discharge date if the borrower has vacated the property.</li> <li>• Timeshares including delinquencies are treated as installment loans and not a credit event.</li> <li>• <b>Multiple credit events not permitted.</b></li> <li>• A borrower who holds title only to a property that has a credit event is considered the borrower's credit event and subject to these guides.</li> </ul>
<b>Bankruptcy</b>	<ul style="list-style-type: none"> <li>• Bankruptcy including Chapter 7, 11 and 13, based on discharge or dismissal date.</li> <li>• BK must have been dismissed or discharged prior to application.</li> <li>• At least 4 years seasoning is required.</li> <li>• Ch. 13 BK – payment history shows no 30-day lates.</li> <li>• <b>Multiple BK filings regardless of when they occurred, are not eligible (an amended filing is not considered multiple filings)</b></li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• All borrowers must be current on mortgage or rent at loan application.</li> <li>• Property tax liens and delinquent HOA dues at application will require an exception.</li> <li>• 0 x 30 days x 12 months</li> <li>• 12 months proof of payment via cancelled checks, bank debits (highlighted on statements) or institutional VOR/VOM. Carbon copies or handwritten rent receipts are not acceptable as bank records.</li> <li>• Mortgage ratings on rental property is required if income is being used to qualify.</li> <li>• Other REO VOMs not required if not on credit (no private VOMs required using income to qualify)             <ul style="list-style-type: none"> <li>○ Although not required, if appearing on credit report, delinquencies can't be ignored and must satisfy the 12-month lookback rules above</li> </ul> </li> <li>• Rent free or incomplete housing history.             <ul style="list-style-type: none"> <li>○ No open and active mortgages reporting on initial credit or free and clear properties will require an exception and is generally limited to max 80% LTV.</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>○ Open and active mortgage(s) reporting on initial credit for minimum 12 months is permitted to satisfy housing history.</li> <li>○ A minimum 12 months previous mortgage history reporting on initial credit within the last 12 months is permitted to satisfy housing history.</li> <li>○ No private VOMs or credit supplements permitted.</li> <li>○ Rent free from spouse or title only ownership requires institutional VOM or bank records to satisfy primary housing history.</li> <li>● A borrower who sold a home and is temporarily staying rent free until the purchase of a new home is not considered an incomplete housing history. Must document most recent 12-month history prior to the sale of departing residence.</li> </ul>
<b>Forbearance or Deferral</b>	Borrowers with a Covid-19 related forbearance or deferral must have completed the program and made at least two months payments for a Purchase or Rate/Term Refinance and 6 months payments for a Cash-out Refinance. Documentation from the servicer of the completion is required. The deferred balance may be paid off with the subject property refinance. Primary home in forbearance is ineligible even if subject property is non-owner occupied. Other Real Estate owned limited to 1 property in forbearance is eligible.
<b>Balloon Payment Past Due</b>	<ul style="list-style-type: none"> <li>● A past due balloon payment is treated as a delinquency (1 x 30) and not a housing event, but only within 180 days of maturity.</li> <li>● Transaction histories showing payments made and applied on time are considered to have been extended and not considered delinquent</li> </ul>
<b>Defaulted Time Shares</b>	Timeshares including delinquencies are treated as installment loans and not a housing event.
<b>Credit Counseling</b>	Borrowers currently enrolled in credit counseling or debt management plans are not permitted
<b>Security Freeze</b>	A credit freeze may remain if it is reported under one bureau only and a minimum of two scores are present. More than one frozen bureau requires the freeze to be lifted by the borrower and a new report provided.
<b>Credit Repair/Rescore</b>	<ul style="list-style-type: none"> <li>● No private credit repair companies allowed.</li> <li>● Rapid rescore of credit permitted for confirmation of pay down and/or payoff of debt and correction of reporting errors.</li> <li>● Updated credit score permitted for qualifying</li> </ul>
<b>Judgements, Liens, Charge-Offs, Collections</b>	<ul style="list-style-type: none"> <li>● All Judgments affecting title or liens affecting title must be paid.</li> <li>● Non-title charge-offs and collections open &lt;2 years and greater than \$10,000 (individually or aggregate) must be paid.</li> <li>● Medical collections less than \$15,000 are not required to be paid.</li> <li>● IRS tax payment plans approved by the IRS are permitted if current and do not carry a lien on any property</li> </ul>

<b>Income Requirements</b>	
<b>Verbal verification of employment</b>	A VVOE is required for all borrowers and must be completed within 10 business days of the closing date.
<b>Full Income Documentation – One year or Two Years income docs</b>	<ul style="list-style-type: none"> <li>● Wage Earner (Two years or one year verification), two years or one year W2, most recent YTD paystub or electronic VOE (i.e., The Work Number) is acceptable. <ul style="list-style-type: none"> <li>○ Wage transcripts in lieu of providing W-2 are eligible.</li> <li>○ Borrower must have a minimum of 2 years' employment history.</li> <li>○ Written VOE if needed for the analysis of overtime, bonus or commission.</li> <li>○ W-2 transcripts/4506-C required.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"><li>○ IRS 1040s are not required unless also using other sources of income to qualify i.e., interest dividends, capital gains, etc.</li></ul> <ul style="list-style-type: none"><li>● 1099 Borrower Borrower(s) earning 100% commission or for independent contractors from one or several companies. Minimum history of Self-Employment: Income from self-employment is considered stable and effective if the borrower has been self-employed for two or more years. Less than 2 years self-employment history can be considered with documentation of a minimum of two years employment history in the same line of work or a related profession. Less than one year may not be considered as effective income. 1099's must be issued to the individual borrower (If the borrower is an entity being used to qualify, the 1099 must reflect the entity as the payer and the guarantor as the recipient). Borrower must have 100% ownership of the entity for the period of the 1099 being reviewed.<ul style="list-style-type: none"><li>○ 1 or 2 years of 1099s permitted.<ul style="list-style-type: none"><li>▪ Qualifying income based on a 12 or 24 monthly average.</li></ul></li><li>○ Business Expense calculation method<ul style="list-style-type: none"><li>▪ 10% Expense Factor – 90% of gross 1099 earnings</li></ul></li><li>○ YTD earnings must be documented to support ongoing receipt of income reflected on 1099s.<ul style="list-style-type: none"><li>▪ Checks or a single check stub(s) with YTD totals or;</li><li>▪ 3 months Bank statements or;</li><li>▪ YTD earnings statements from the 1099 Business</li></ul></li><li>○ YTD earnings from deposits must be at least 80% of qualifying income.<ul style="list-style-type: none"><li>▪ Earning impacted by seasonality may be considered with documented compensating factors.</li></ul></li><li>○ YTD earnings may be averaged with validated 1099(s) with a 25% maximum increase.</li><li>○ 1099 Transcripts are required.</li></ul></li><li>● Self Employed Borrower<ul style="list-style-type: none"><li>○ A borrower is considered self-employed if their ownership percentage is <math>\geq 25\%</math>.</li><li>○ Income from self-employment is considered stable and effective if the borrower has been self-employed for two or more years. Less than 2 years of self-employment history can be considered with documentation of a minimum of two years employment history in the same line of work or a related profession. Less than one year may not be considered as an effective income.</li><li>○ 1099's must be issued to the individual borrower (If the borrower is an entity being to qualify, the 1099 must reflect the entity as the payer and the guarantor as the recipient). Borrower must have 100% ownership of the entity for the period of the 1099 being reviewed.</li></ul></li></ul> <p><b>Document Requirements:</b></p> <ul style="list-style-type: none"><li>○ Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent.<ul style="list-style-type: none"><li>▪ CPA must be independent 3rd party and have no relationship to borrower.</li><li>▪ Letter must not contain qualifying language</li></ul></li><li>○ Two or One year's personal &amp; business tax returns (along with all schedules and K-1's)</li></ul>
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- A year-to-date P&L is required if the application is dated more than 120 days after the end of the business's tax year.
- If a gap exists between the tax return ending date and the start date of the YTD P&L, a gap-year P&L is also required. The qualifying income is determined from the tax returns, the P&L is used to determine the stability of that income. The bank statements for the two most recent months must reflect deposits that support the sales from the P&L and the qualifying income from the priors' years tax returns.
- All borrowers must also provide evidence that business has been in existence for at 2 least years via CPA/Tax Professional letter, confirmation from regulatory or state agency.
- Borrowers recently transitioned from W2 to 1099 and contracted by the same employer in the same position do not require 2 years 1099s if the employer provides documentation the borrower will not responsible for additional expenses, i.e. contract.
- Borrowers who remained in the same industry but transitioned from W2 to 1099 with a different company must be in current position for at least 1 year.
- Not permitted as qualifying income- interest, dividends, capital gains, etc. if one year tax returns are provided.
- Net operating losses may be excluded when evidence on business returns.
- A company name change, or re-organization is considered continuous if within last 2 years or restructure (i.e., from sole proprietor to LLC, S-Corp, etc.)
- If two-year tax returns are provided,  
Self-employed paying themselves W-2 or K-1
  - Self-employed borrower (> 25% ownership) paying themselves by W-2s or K-1s are acceptable. However, the income analysis should not be based on K-1 or W2 Wages. The analysis should be on the business entity, and the net income multiplied by the borrower's ownership % should be used to qualify.
- Declining income – Self-employed
  - Declining income over the last 2 years may be utilized for qualifying with signed letter of explanation from the borrower. Lower of the 2 years would then be used to qualify unless the income has stabilized over the most recent 6 months.
- Tax returns transcripts are required.
- Alimony & Child Support
  - Final Divorce decree or legal separation agreement required.
  - Must provide payment evidence of 6 months via cancelled checks, deposit slips, or bank records.
  - Alimony may be deducted from income for qualifying.
- Boarder Income
  - Allowable on full doc loans if income is declared on tax returns
- Bonus and Commission
  - A 2-year average is required unless the borrower recently moved to a commission basis. Consideration of > 1 year and < 2 years may be permitted based on FNMA guidelines.
- Capital gains
  - 2 years of tax returns required and an analysis of post-closing assets' ability to produce capital gains



- Employment history
  - Employment is considered stable if the borrower has a 2-year work history in the same job or field. Written analysis may be provided justifying less than 2 years.
  - A minimum of 6 months of employment is required unless recently graduated from school or completion of formal training.
- Employment gaps/extended absence
  - Borrower must explain any employment gaps exceeding 30 days in the last 12 months
  - Extended Absence – Must be employed for at least 6 months when returning from an extended absence (defined as 6 months) and must document (VOEs or W2s) a 2-year work history prior to an absence.
- Employee business expenses
  - Employee business expenses reported on tax returns are actual cash expenses and must be deducted from income.
- Family owned business
  - Provide copies of the borrower's signed federal income tax returns filed with the IRS if the borrower is employed by family members. Or provide evidence borrower has no ownership interest (e.g. corporate returns with ownership percentages.)
- Foreign Income

Foreign income is income earned by a borrower employed by a foreign government/company and not paid in US dollars. Acceptable utilization if the following criteria satisfied:

  - 2 years US Tax returns reflect the foreign income.
  - Income is translated to US dollars.
  - Income documentation, stability and continuance requirements are met.
  - Income from countries under OFAC sanctions not permissible
- Foster/IHSS/Parsonage
  - Foster/IHSS/Parsonage eligible with 2 years history and 3-year continuance
- Grossing up nontaxable income

Non-taxable income may be grossed up 125%.
- IRA/Discretionary retirement account distributions
  - IRA distributions cannot be set up post application date unless the borrower is required to start withdrawing based on age (for IRA's). In such cases, 125% of the required minimum amount can be used to qualify.
  - Distributions must have been received at least one month prior to application to be considered as eligible income. Distributions that have been received for 2 months or more can be adjusted with a letter from the plan administrator validating the increase.
    - Allowable increases of distribution amount are limited to 125% of previously received distributions. Continuance for 3 years at the proposed monthly amount is required.
  - Self Employed borrowers who contribute to their own self-funded pension as reported on the most recent filed tax returns are eligible to be added back as income.
- Note Receivable income
  - Copy of the note confirming amount and length of payment
  - Must provide payment evidence of 12 months via cancelled checks, deposit slips, or bank records.



	<ul style="list-style-type: none"><li>▪ Notes with less than 12 months seasoning may be considered by underwriters, but never less than 9 months (e.g., sold a business and took back a note)</li><li>• Employment offers and contracts A borrower scheduled to begin employment under the terms of an employment offer of contract may be eligible.<ul style="list-style-type: none"><li>○ Document fully executed offer and acceptance.</li><li>○ Provide a paystub that includes sufficient information to support the income used to qualify the borrower based on the offer or contract at time of funding<ul style="list-style-type: none"><li>✓ Income from the paystub provided and VVOE must align with the contract/offer used to qualify.</li><li>✓ Offer must be non-contingent.<ul style="list-style-type: none"><li>▪ If conditions of employment exist, confirm prior to closing that all conditions of employment are satisfied either by verbal verification or written documentation.</li></ul></li><li>✓ Document, in addition to the amount of reserves required for the loan transaction, one of the following:<ul style="list-style-type: none"><li>▪ 6 months PITI(A) OR</li><li>▪ Reserves sufficient to cover the monthly liabilities included in the DTI, including the PITIA for the subject property, for the number of months between the note date and the employment start date, plus one. For calculation purposes, consider any portion of a month as a full month.</li></ul></li></ul></li><li>○ Variable income cannot be used to qualify.</li></ul></li><li>• Restricted stock units Restricted Stock and Restricted Stock Units (RSUs) are nontransferable and subject to forfeiture unless certain employment and performance conditions are met. Stocks must be publicly traded.  Restricted Stock is a regular and reoccurring form of compensation granted to certain employees and executives. Restricted Stock Units (RSUs) represent an unsecured promise by an employer to grant a set number of shares of stock to the employee. They are nontransferable and subject to forfeiture.  Restricted stock and RSU's may only be considered once they become fully vested. A vesting schedule must be provided to confirm future scheduled amounts and vesting dates. If the vesting schedule supports a regular and reoccurring release of stock that supports the amount and continuance used to qualify, future allocations do not need to be fully vested at the time of the application.  Documentation Requirements<ul style="list-style-type: none"><li>○ Current paystub, 2 years W2s and tax returns evidencing one-year history of receipt of restricted stocks. If not clearly identifiable on the W2s, year-end paystubs may also be required to identify receipt.</li><li>○ If the borrower has less than two years with current employer, must document the borrower's prior employment compensation including restricted stocks and the borrower has received at least one award with the current employer that is vested. The previous employment must have been in a similar position and industry, and issuance of restricted stock must be common for the industry.</li></ul></li></ul>
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	<ul style="list-style-type: none"><li>○ Vesting schedule to provide schedule of distribution of units and show no indications the borrower will cease to receive future restricted stocks at the same historical level.</li></ul> <p>Calculation of Income</p> <ul style="list-style-type: none"><li>○ A one-year average of prior income received in RSUs or stop option will be used.</li><li>○ Use of the lower value of the current stock price or a 52-week average of the stock price</li></ul> <ul style="list-style-type: none"><li>● Retirement or pension income<ul style="list-style-type: none"><li>○ Borrowers of retirement age do not require proof of continuance if income received from corporate, government or military retirement or pension.</li><li>○ One of the following types of income documentation is required:<ul style="list-style-type: none"><li>✓ Award letter(s) from the organizations providing the income.</li><li>✓ Retirement award letter or benefit statement</li><li>✓ Most recent personal income tax return with all schedules</li><li>✓ Most recent W2 or 1099</li><li>✓ Proof of receipt of one month of the income</li></ul></li><li>○ If retirement income is paid in the form of a distribution from a 401(k), IRA, or Keogh retirement account, determine whether the income is expected to continue for at least three years after the date of the mortgage application.</li><li>○ Eligible retirement account balances (from a 401(k), IRA, or Keogh) may be combined for the purpose of determining whether the three-year continuance requirement is met.</li><li>○ Social Security income for retirement or long-term disability that the borrower is drawing from his or her own account/work record will not have a defined expiration date and must be expected to continue.</li><li>○ However, if Social Security benefits are being paid as a benefit for a family member of the benefit owner, that income may be used in qualifying if MCFI obtains documentation that confirms the remaining term is at least three years from the date of the mortgage application.</li></ul></li><li>● Rental Income<ul style="list-style-type: none"><li>See Departing Residence for additional details</li><li>○ Negative rental income can be deducted from income rather than considered a liability (except departing residences and subject properties)</li><li>○ Borrower may provide leases and proof of rent in lieu of tax returns.</li><li>○ 6 months rent loss insurance required</li></ul></li></ul> <p>CALCULATION</p> <ul style="list-style-type: none"><li>○ Purchase transactions will be calculated at 85% of market rent less PITIA.</li><li>○ Refinance: Tax return programs: rental is calculated from schedule E. When two years returns are provided, the most recent years rental income is used.</li><li>○ Refinance: No tax return programs</li><li>✓ Income derived from rental real estate is qualified by documenting the following:<ul style="list-style-type: none"><li>▪ Current lease on the REO (must be at or below market rents as evidence by internet rental searches)</li><li>▪ Proof of receipt of the most current month's rent</li></ul></li></ul>
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# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>▪ Calculate income or loss based on 85% of the lease less the documented PITIA</li> <li>• Short term/Variable rental income (OREO) <ul style="list-style-type: none"> <li>○ Examples: Airbnb – VRBO</li> <li>○ Qualifying Income is the lower one of the following: <ul style="list-style-type: none"> <li>✓ 12 months evidence of receipt via Service Provider payment receipt history deposits. Income is calculated based on average deposits over a 12-month history, including zero deposit months, or</li> <li>✓ If 12-month statements are not available, market rents for permanent tenants can be used.</li> <li>✓ Market rents adjusted 25% vacancy.</li> </ul> </li> <li>○ Requires property ownership report and proof of property listing on Website.</li> <li>○ Must be permitted in accordance with local ordinances.</li> <li>○ Subject property with short-term rental income is not permitted. Must be OREO,</li> </ul> </li> <li>• Rent rolls <p>Allowed for verification of rent received if provided by a third-party, disinterested property management company</p> </li> <li>• Second jobs <p>Second job income considered stable if received for 2 years and likely to continue. Less than 2 years acceptable but not less than 1 year.</p> </li> <li>• Trust income <ul style="list-style-type: none"> <li>○ Income from trusts may be used if constant payments will continue for at least the first 3 years of the mortgage term as evidenced by trust income documentation. Trust Agreement and Trust Asset Statement required.</li> <li>○ Trust Agreement required confirming amount, distribution frequency, and duration of payments.</li> <li>○ At least one distribution must have been made prior to close.</li> </ul> </li> <li>• <b>Ineligible income</b> <ul style="list-style-type: none"> <li>○ Deferred compensation.</li> <li>○ Rental income from a second home</li> <li>○ Education benefits</li> <li>○ Private Stock</li> <li>○ Trailing Spouse Income</li> <li>○ Medical marijuana dispensaries</li> <li>○ Mortgage Differential Payments</li> <li>○ Refunds of Federal, State, or local taxes.</li> <li>○ Any income related to recreational marijuana use regardless of local and state law.</li> <li>○ Gambling income including internet gambling.</li> <li>○ SBA loans or paycheck protection funds</li> </ul> </li> </ul>
<b>Bank Statements Analysis</b>	<ul style="list-style-type: none"> <li>• The bank statement program is designed for active, U.S. based operating businesses. Borrowers with passive income from crowdfunding, real estate investors (with fewer than 10 residential units), venture capitalists, asset speculation, day trading and the like are considered ineligible from business bank statement income.</li> <li>• Real Estate Investors with fewer than 10 residential units are eligible under Full Doc or no tax returns using lease agreements and proof of rents received. (Not allowed for bank statements income docs.)</li> </ul> <p><b>Document Requirements:</b></p>





	<ul style="list-style-type: none"> <li>• 12 months personal or business bank statements from a regulated U.S. financial institution.             <ul style="list-style-type: none"> <li>○ Bank statements should be most recent available at time of application but never more than 45 days prior to application.</li> <li>○ Transaction history printouts are generally not acceptable.</li> <li>○ Multiple bank accounts may be used. More than 3 separate business accounts must use personal bank statements.</li> <li>○ Most recent 3 months deposits should generally not represent the majority of annual income.</li> </ul> </li> <li>• Business Narrative             <ul style="list-style-type: none"> <li>○ Borrower must provide a business narrative which includes detail related to the size/scope and operating profile of the business, including the following:                 <ul style="list-style-type: none"> <li>• Description of Business/Business Profile</li> <li>• Locations</li> <li>• Number of Employees/Contractors</li> <li>• Description of Goods/Materials</li> <li>• Materials/Trucks/Equipment</li> <li>• Commercial or Retail client base</li> </ul> </li> </ul> </li> <li>• An internet search of the business is required to support the business narrative.</li> </ul> <p><b>Documentation Analysis:</b></p> <ul style="list-style-type: none"> <li>• Unusually large deposits in bank accounts being used to qualify may require a letter of explanation or evidence they are business related.</li> <li>• Declining Income may require an LOE.</li> <li>• NSF's should be covered with deposits shortly after they are incurred.             <ul style="list-style-type: none"> <li>○ No more than 5 in the most recent 12 months.</li> </ul> </li> </ul> <p><b>Business requirements:</b></p> <ul style="list-style-type: none"> <li>• Validation of a minimum of 2 years existence of the business from one of the following: Business License, Letter from Tax Professional, Secretary of State Filing or equivalent.             <ul style="list-style-type: none"> <li>○ Less than 2 years of self-employment history can be considered with documentation of a minimum of two years employment history in the same line of work or a related profession. Less than one year may not be considered as an effective income.</li> </ul> </li> <li>• Ownership percentage of borrower must not be less than 25% and be documented via CPA letter (without qualifying language), Operating Agreement, or equivalent.</li> <li>• A company name change or re-organization is considered continuous if within last 2 years or restructure (i.e. from sole proprietor to LLC, S-Corp, etc.) Any change of ownership percentage must be seasoned at least 12 months.</li> <li>• Borrower paid by multiple 1099s are considered Self Employed and are qualified using 12 months bank statements.</li> </ul> <p><b>See personal &amp; business bank statements income types below.</b></p>
<p><b>12 Months Personal Bank Statements</b></p>	<ul style="list-style-type: none"> <li>• Option 1: Personal bank statements with evidence of business bank account.             <ul style="list-style-type: none"> <li>○ 100% of business deposits in a personal bank account can be used.</li> <li>○ Provide the most recent 2 months business statements to validate deposits are from the borrower owned business bank account. (Only giving credit for transfers from the business; or receipt of payroll from business and distribution only)</li> </ul> </li> <li>• Option 2: Personal bank statements with no business bank account</li> </ul>



	<p>Comingled business and personal with no business account for non-service businesses are considered as business bank statements with the appropriate expense factor (20% Service Business, 50% non-service business-See Option #1 – Fixed Expense Ratio in 12-months business bank statements section for the details.) applied.</p> <ul style="list-style-type: none"><li>o Deposits from self-employment business only will be included into bank statement calculation.</li><li>o A trend of repeated expense not reported on the credit report may need additional explanation and may be considered a liability.</li></ul> <p><b>Qualifying Income:</b></p> <ul style="list-style-type: none"><li>• Qualifying is total eligible deposits divided by 12 months.</li></ul>
<p><b>12 Months Business Bank Statements</b></p>	<ul style="list-style-type: none"><li>• Transfers from other bank accounts into the business bank accounts will require conclusive evidence that the source of transfer is business-related income.</li><li>• Borrowers who are using more than 3 separate bank accounts must qualify using personal bank statements.</li><li>• Customary business debt such as auto or a business credit card may be excluded from the DTI when evidenced of 12 months payments made from the business statements. Does not apply to 20% Expense Ratio method. Mortgage debt may not be excluded from DTI when paid by the business.</li><li>• Qualification (must use one of the following two options):<ul style="list-style-type: none"><li>o The expense ratio should be reasonable for the profession - for all qualifying methods.<ul style="list-style-type: none"><li>• Example: A home-based sole practitioner consultant can be expected to have a lower expense ratio, while a retail business that has a full staff of employees, fleet of vehicles, and relies heavily on inventory to generate income will have a higher expense ratio. To the extent that MCFI has evidence or other reason to believe that the reasonable expense ratio for a business is higher than the Fixed Expense Ratio methodology, MCFI may determine, in its sole discretion, may require the borrower to follow Option 2.</li></ul></li></ul></li><li>• MCFI reserves the right to request additional information, including 1040, 1120, and 1065 tax documentation.<ul style="list-style-type: none"><li>o The expense ratio should be consistent with the revenue and expenses in the business bank statements.<ul style="list-style-type: none"><li>• Businesses that have significant pass-through revenues, such as retail businesses that perform check cashing services or sell lottery tickets, or investment firms that receive outside investment capital, are ineligible.</li></ul></li></ul></li></ul> <p><b>OPTION #1 – Fixed Expense Ratio</b> <b>All business can qualify using a 50% expense ratio</b></p> <ul style="list-style-type: none"><li>• <u>50% Expense Factor will be utilized to calculate income.</u><ul style="list-style-type: none"><li>o Any loan with LTV&gt;85% will be required to use 50% expense factor.</li><li>o Verify borrower is minimum 25% owner of business.</li><li>o Decreasing or negative ending balances must be addressed.</li></ul></li><li>• <u>20% Expense Factor eligible only if all of the following applies to the business.</u><ul style="list-style-type: none"><li>o Max LTV 85%</li><li>o Borrower is sole owner and operator of the business (no partners, employees, etc.)</li><li>o Service business (no costs of goods, no heavy equipment, machinery, etc.)</li></ul></li></ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"><li>○ Does not require office space that would incur rent.</li><li>● <b>OPTION #2 – Third Party Expense Ratio   15% floor****</b> Max LTV 80% Purchase/Rate &amp; Term. Max LTV 75% Cash-out</li><li>● 3rd party must have filed most recent business tax returns.</li><li>● The Tax Professional will provide an expense statement specifying business expenses as a percentage of the gross revenue –15% floor.<ul style="list-style-type: none"><li>○ Must be reasonable for the industry</li></ul></li><li>● The Tax Professional attesting to the Expense Ratio must also attest that they have filed the borrower’s most recent years business tax returns.</li><li>● Expense statement may not contain qualifying language</li><li>● The Tax Professional must certify that the Expense Ratio represents an accurate summary of the applicable cash expenses of the business.</li><li>● Tax Professional must verify the borrower’s ownership percentage.</li><li>● Tax Professional license must be verified.</li><li>● To determine net income, multiply eligible business deposits by the following: 100% minus the Expense Ratio as described above.</li><li>● CPA letter must be on letterhead and originate from CPA office, DocuSign not allowed.</li></ul> <p><b>**Note: Self-employed borrowers who file their own tax returns are not eligible**</b></p>
<p style="text-align: center;"><b>12-month CPA/EA/CTEC prepared Profit &amp; Loss Statement</b></p>	<ul style="list-style-type: none"><li>● <b>MAX. LTV/CLTV 80% Purchase 75% Rate &amp; Term 70% Cash-out transaction.</b></li><li>● Minimum 680 FICO</li><li>● \$2M Max. loan amount</li><li>● Primary residence only</li><li>● Self-Employed borrowers only</li><li>● Self-Employed defined as borrower owning &gt;=50% ownership of respective business<ul style="list-style-type: none"><li>○ Ownership percentage must be documented via CPA/EA/CTEC letter, Operating Agreement or equivalent.</li><li>○ P&amp;Ls with expenses representing &lt;15% total revenue are ineligible.<ul style="list-style-type: none"><li>✓ Expense factor must be reasonable for the industry.</li></ul></li></ul></li><li>● Most recent 12-month Profit &amp; Loss statement (P&amp;L). P&amp;L end date must be less than 90 days old at closing.</li><li>● All Profit &amp; Loss statements must be completed by an independent CPA/EA/CTEC</li><li>● The CPA/EA/CTEC prepared P&amp;L must be signed by both the borrower and CPA/EA/CTEC<ul style="list-style-type: none"><li>○ The CPA/EA/CTEC preparing the P&amp;L must have filed the borrower’s most recent business tax returns.</li><li>○ CPA/EA/CTEC must provide attestation that they prepared borrower’s business tax returns and that that are not related to the borrower or associated with borrower or borrower’s business.<ul style="list-style-type: none"><li>✓ If the tax professional has not filed their most recent business tax return, the following must be provided:<ul style="list-style-type: none"><li>▪ Two months business bank statements for the most recent two months reflected on the P&amp;L<ul style="list-style-type: none"><li>▪ Bank statement deposits must support 80% of the monthly average revenue from the P&amp;L. If the most recent 2 months of the bank statements do not support 80% of the gross revenue, continuous</li></ul></li></ul></li></ul></li></ul></li></ul>



	<p>bank statements may be added to the analysis until the tolerance is met.</p> <ul style="list-style-type: none"> <li>• The CPA/EA/CTEC must attest that they have performed either the following functions:             <ul style="list-style-type: none"> <li>(i) Audited the business financial statements, or</li> <li>(ii) Reviewed working papers provided by the borrower. The CPA/EA/CTEC must also attest that, based on this review, they certify that the P&amp;L represents an accurate summary of the business cash flow and applicable cash expenses.</li> </ul> </li> <li>• Non-cash expenses on the P&amp;L can be added back (i.e.: depreciation, amortization, wages paid to borrower.)</li> <li>• CPA/EA/CTEC license must be verified.</li> <li>• Attestation may not contain qualifying language.</li> <li>• Self-employed borrowers who file their own tax returns are not eligible.</li> <li>• Minimum of 2 years self-employment in the current business.             <ul style="list-style-type: none"> <li>○ Validation of a minimum of 2 years existence of the business from one of the following: Business License, Letter from Tax Preparer, Secretary of State Filing or equivalent</li> </ul> </li> <li>• Borrower narrative on nature of business required.</li> <li>• An internet search of the business is required with documentation to be included in the credit file to support existence of the business.</li> <li>• Employment verification documentation must be consistent with information on the loan application and borrower's credit report.</li> <li>• Qualifying income is the net income from the P&amp;L divided by the time period covered (12-months) multiplied by the borrower's ownership percentage.</li> </ul>
<p><b>Supplemental Income Source Requirements when Tax Returns are not Required</b></p>	<ul style="list-style-type: none"> <li>• Joint Accounts - A joint personal account with a non-borrowing spouse or domestic partner can be used for qualifying as follows:             <ul style="list-style-type: none"> <li>○ If not contributing income/deposits, it must be validated by a borrower affidavit</li> <li>○ If contributing income/deposits, source must be clearly identified (direct deposit, SSI, trust income) and amounts must be subtracted from the analysis</li> <li>○ Relationship letter must be present in file</li> </ul> </li> <li>• Component Sources of Income - A borrower who has a self-employed business and also receives income from other sources is eligible for the bank statement program. Income sources include but are not limited to rental properties, trust &amp; investment, alimony, etc. These income sources must be separately documented on the 1003 and must be separately supported by bank statement deposits.</li> <li>• Rental Income:             <ul style="list-style-type: none"> <li>○ A current lease is required for all REO income properties                 <ul style="list-style-type: none"> <li>▪ Evidence that lease is market rent is required</li> </ul> </li> <li>○ Proof of receipt of current month's rent</li> <li>○ Must provide proof of ownership</li> <li>○ If lease is not available, market rent must be obtained</li> <li>○ Lease or market rent must be reduced by a vacancy/expense factor of 15%</li> </ul> </li> <li>• Trust Income:             <ul style="list-style-type: none"> <li>○ Income from trusts may be used if constant payments will continue for at least the first 3 or 5 years of the mortgage term as evidenced by trust income documentation. 5 years required if income source is &gt; 50% of loans total qualifying income</li> </ul> </li> </ul>



# MEGA CAPITAL FUNDING, INC.

- Trust Agreement required confirming amount, distribution frequency, and duration of payments
- Alimony Income/Child Support:
  - Final Divorce decree or legal separation agreement required
  - Must provide payment evidence of 6 months via cancelled checks, deposit slips, or bank records
- Note Receivable Income:
  - Copy of the note confirming amount and length of payment
  - Must provide payment evidence of 12 months via cancelled checks, deposit slips, or bank records
- Royalty Payment Income:
  - Royalty contract, agreement, or statement confirming amount, frequency, and duration of the income –must document a 3-year continuance
  - Must provide payment evidence of 12 months via cancelled checks or bank records/deposits
- Retirement Income:
  - The following types of income documentation are required:
    - Copy of award letter or letters from the organizations providing the income and,
    - Most recent 2 months bank statements showing deposit of funds
- Self Employed/Wage Earner Combination - Joint borrowers with 1 wage earner and 1 self-employed business owner can verify income separately, with the self-employed borrower utilizing bank statements and the wage earner providing pay stubs/W-2s. The wage earner 4506C should include W-2 transcripts only.



# MEGA CAPITAL FUNDING, INC.

## Asset Utilization

- The utilization of financial assets will be considered as borrower income to qualify for their monthly payments. The unrestricted liquid assets can be comprised of stocks/bonds/mutual funds, vested amount of retirement accounts and bank accounts.
  - ⊖ This can be combined with other sources of income (i.e., rent, pension, social security etc.) self-employment and W2 income. ~~(Full income does only)~~
  - All accountholders must be borrowers on the loan.
- Program Requirements:
- Primary and 2nd home - Maximum LTV/CLTV of 80%
  - Investment Property – Max LTV/CLTV of 65%
  - Cash Out – Max 60% LTV/CLTV
    - Cash out proceeds may not be used as qualified assets.
  - ~~Asset utilization will be qualified under the full doc program matrix.~~
  - Reserves not required.
  - Requirement:
    - Borrowers must have a minimum of the lesser of
      - \$1mm in Qualified Assets OR
      - 1.25 times the loan balance Qualified Assets, but never less than \$250K liquid assets.
  - Assets:
    - Borrowers must have a minimum of \$250K in post-close liquid net assets.
    - Assets used for qualifying must be seasoned 120 days
      - Seasoning not required if assets are from the sale of business, inheritance, or legal settlement etc. Documentation verifying ownership of assets is required. Cash out from delayed financing is eligible with proper documentation.
    - Net Assets:
      - If the assets or a portion of the assets are being used for down payment or costs to close, those assets should be excluded from the balance before analyzing a portfolio for income qualification.
    - Qualifying Assets:
      - Net assets multiplied by the following percentages:
      - 100% Checking/savings/money accounts, cash value/surrender value of Life Insurance
      - 80% of the remaining value of exchange traded stocks/bonds/Mutual Funds/Annuities
      - 70% for all vested retirement assets
  - Qualifying Income:
    - Qualified assets with utilization draw schedule of 5 years (Qualified Assets divided by 60).

### ELIGIBLE ASSETS

Asset Type	Qualifying Amount
Checking, Savings, Money Market Accounts, Cash value/surrender value of Life Insurance, Equity Proceeds from concurrent sale	100%
Annuities*, Mutual Funds, Publicly Traded Stocks and Bonds	80%



# MEGA CAPITAL FUNDING, INC.

	<p>Retirement Accounts (401(k) IRA, SEP, KEOGH) 70%</p> <p>Note: Sale of business, inheritance or legal settlement, delayed financing cash out with proper documentation, and other asset types may be used on a case-by-case basis</p> <p>* Annuities are permitted with attestation from borrowers' asset manager or account representative confirming terms, penalties etc.</p> <p style="text-align: center;"><b>INELIGIBLE ASSETS</b></p> <ul style="list-style-type: none"> <li>• 529 accounts</li> <li>• Accounts pledged as collateral on another loan (Even \$0 balance and/or undrawn)</li> <li>• Assets titled in an irrevocable trust</li> <li>• Below investment grade corporate and municipal bonds</li> <li>• Business Funds</li> <li>• Cash out refinance proceeds</li> <li>• Custodial accounts</li> <li>• Deferred compensation</li> <li>• Crypto currency unless seasoned and liquidated to US dollars</li> <li>▪ Escrow accounts</li> <li>▪ Foreign funds</li> <li>▪ Gift Funds for all including the down payment &amp; the closing costs.</li> <li>▪ Health Savings Accounts</li> <li>▪ Non-Financial assets (collectibles, stamps, coins, artwork, etc.) unless liquidated</li> <li>▪ Non-liquid assets (automobiles, artwork, business net worth, etc.)</li> <li>▪ Non-regulated financial companies</li> <li>▪ Non-vested restricted stock units</li> <li>▪ Privately held stock</li> <li>▪ Stock options</li> <li>▪ SBA loans and paycheck protection funds</li> </ul>
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Assets									
	<p>This asset guideline section is for Elite non-QM program only. For Elite non-QM Express asset guideline, see the 'Asset' section on page 37. Elite non-QM Express asset guideline will be based on AUS finding.</p>								
<b>Documentation</b>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Transaction Type</th> <th style="text-align: left;">Asset Statement Requirement</th> </tr> </thead> <tbody> <tr> <td>Asset Utilization</td> <td>4 Months Statements</td> </tr> <tr> <td>Purchase &amp; Rate/Term</td> <td>1 Months Statement</td> </tr> <tr> <td>Cash-Out Refinance</td> <td>0 Months required if Cash Out satisfied reserve requirement</td> </tr> </tbody> </table>	Transaction Type	Asset Statement Requirement	Asset Utilization	4 Months Statements	Purchase & Rate/Term	1 Months Statement	Cash-Out Refinance	0 Months required if Cash Out satisfied reserve requirement
	Transaction Type	Asset Statement Requirement							
Asset Utilization	4 Months Statements								
Purchase & Rate/Term	1 Months Statement								
Cash-Out Refinance	0 Months required if Cash Out satisfied reserve requirement								
	<ul style="list-style-type: none"> <li>• All pages of the most recent required months statements, the most recent quarterly statement, or FNMA approved third party direct pull services.</li> <li>• Exchange traded Stocks/Bonds/Mutual Funds – 100% may be used for reserves.</li> <li>• Vested Retirement Accounts – 100% may be considered for reserves.</li> <li>• If needed to close, verification that funds have been liquidated (if applicable) is required.             <ul style="list-style-type: none"> <li>○ If borrower has &gt;20% of funds needed to close remaining in the account, documentation of liquidation is not required.</li> <li>○ Secured borrower funds are allowed for down payment and closing costs (ex: HELOC and OREO)</li> </ul> </li> </ul>								



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• An LOE may be required on purchase transactions for large deposited (generally exceeding 50% of the total monthly qualifying income). If LOE sufficient, no sourcing required.</li> <li>• A borrower, who is also the realtor on the subject property, may use commission earned (commission must be market rate) towards the funds to close requirement.</li> <li>• Earnest money deposit – Follow FNMA requirements. If needed to meet minimum borrowers' contribution, provide documentation.</li> <li>• Builder profits are not allowed.</li> <li>• Repayment of loan without bank records to show the initial loan disbursement are not allowed.</li> <li>• Non-borrowing titleholder or member of LLC/entity who is contributing assets. One month asset statement required. No gift letter required.</li> <li>• SBA loans or paycheck protection funds may not be used as assets, income, down payment, closing costs, reserves.</li> </ul>
<b>Business Funds</b>	<ul style="list-style-type: none"> <li>• Business accounts may only be used to meet down payment and/or reserve requirements if:             <ul style="list-style-type: none"> <li>○ 100% ownership of the business across borrowers OR</li> <li>○ Shared ownership requires an access letter from partners allowing the use of the business funds by the borrower.</li> </ul> </li> </ul>
<b>Gift Funds</b>	<p>Gift Funds are acceptable:</p> <ul style="list-style-type: none"> <li>• Purchase transaction only</li> <li>• For Primary home transaction only</li> <li>• Borrower must have 5% of their own funds documented but not required to use.</li> <li>• Borrowers with no housing history must have 10% of their own funds documented but not required to use.</li> <li>• If the above minimum borrower contribution % is not used towards the down payment, these funds can be used towards reserves.</li> <li>• Must follow FNMA's "acceptable donor's" list.</li> <li>• Non-borrowing titleholder or member of LLC/entity who is contributing funds is not considered a gift, no gift letter required. One month asset statement required.</li> <li>• Non-borrowing spouse residing in property who is contributing funds is not considered a gift, no gift letter required. One month asset statement required.</li> <li>• Gift of Equity from family member allowed up to 75% LTV/CLTV (Primary Only). Subject property mortgage rating from seller is required</li> </ul>
<b>Life Insurance Cash Value</b>	<p>Life insurance policy current cash value or loan against the cash value may be used for down payment, closing costs or reserves.</p>
<b>Foreign Assets</b>	<ul style="list-style-type: none"> <li>• Foreign assets are acceptable and must be 60 days seasoned with 2 most recent bank statements.</li> <li>• Any foreign assets used for verification and/or qualification should be transferred to a US Bank account; if funds are being used for down payment and/or reserves.</li> <li>• Assets held in foreign accounts must be translated to English and verified in US Dollar equivalency at the current exchange rate via either <a href="http://www.xe.com">http://www.xe.com</a> or the Wall Street Journal conversion table.</li> </ul>
<b>Non-borrowing Spousal Accounts/Access Letters</b>	<ul style="list-style-type: none"> <li>• Access Letters required for Bank Statement only.</li> <li>• Non-borrowing joint account holder affidavit is required to ensure no deposits by that non-borrower are included as income.</li> </ul>





# MEGA CAPITAL FUNDING, INC.

<b>Bitcoin (Crypto Currencies)</b>	<ul style="list-style-type: none"> <li>Allowed for down payment, closing costs and reserves with evidence of ownership and liquidation to US dollars.</li> </ul>
<b>Sale of Personal Assets</b>	<ul style="list-style-type: none"> <li>Proceeds from the sale of personal assets are an acceptable source of funds for the down payment, closing costs, and reserves provided the individual purchasing the assets is not a party to the property sale transaction or the mortgage financing transaction. Documentation required supporting borrower ownership of the asset, independent valuation of the asset, ownership transfer of the asset and borrower's receipt of sale proceeds.</li> </ul>
<b>Reserves</b>	<p>Reserve requirements based on total housing payment PITIA per qualifying rate or ITIA if Interest Only.</p> <ul style="list-style-type: none"> <li>6 months for loan amounts &lt;=\$2,000,000</li> <li>9 months for loan amounts &gt;\$2,000,000</li> <li>Cash-out from the subject transaction may be used toward the reserve requirement.</li> <li>Gift funds can be used for the reserves – See Gift Funds guides.</li> <li>Restricted stock is ineligible to be used for reserves.</li> <li>Assets being used for dividend and interest income may not be used to meet reserve requirements.</li> <li>Elite non-QM Express – per AUS.</li> </ul>
<b>Interested Party Contributions – IPC/Seller Contributions</b>	<ul style="list-style-type: none"> <li>All programs - IPC permitted up to 3% for LTV &gt;80%, 6% for LTV&lt;=80%.</li> <li>All IPC calculations are based on purchase price.</li> </ul>

<b>Liabilities</b>	
<b>30-Day Accounts</b>	<ul style="list-style-type: none"> <li>30-day accounts (AmEx) should be qualified using the full monthly payment or 3% for monthly accounts unless borrower documents balance can be covered by excess reserves.</li> </ul>
<b>Alimony Subtracted from Income Vs. Included as Debt</b>	<ul style="list-style-type: none"> <li>The monthly alimony obligation can be deducted from the consumer's gross income when calculating quantifying ratios.</li> </ul>
<b>Authorized User Accounts</b>	<ul style="list-style-type: none"> <li>Authorized user accounts may be excluded from DTI.</li> </ul>
<b>Business Debt</b>	<p>Excludable if can be tied to business related activities (i.e. – vehicle) and 6 months (0x30) proof that business pays. Expense must be evident on business financials.</p> <ul style="list-style-type: none"> <li>Can't be paired with expense factor &lt; 25%</li> </ul>
<b>Contingent Liabilities</b>	<ul style="list-style-type: none"> <li>Non-mortgage contingent liabilities can be excluded from DTI if the borrower provides evidence that their business or another individual/entity has made payments for 6 months (0x30).</li> <li>Any liability related to a separation or divorce can be omitted if ordered by family court. Documentation from the court is required.</li> </ul>
<b>Departing Residence</b>	<ul style="list-style-type: none"> <li>Departing residence positive rental income cannot be used as qualifying income. Departing residence PITIA can be offset by 75% of projected net rental income.</li> <li>Departing residence rental that produces a loss must be included in DTI.</li> <li>Document rents received via current lease and initial deposit, or if not available, market rent survey may be used (free online source permitted)</li> <li>Generally, borrowers may not own an additional single-family residence of equal or greater value than subject property.</li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• Significant equity in a departing residence (<math>\geq 50\%</math> subject loan amount) should be considered in overall credit analysis and cannot be pored with an exception. Loans with payoff risk may be assessed 12-month EPO and/or subject to lock price cap at the discretion of MCFI. Borrowers with no investment properties retaining their departing residence as a rental require an exception.</li> <li>• Departing residence obligation can be excluded if the property is under contract and meet the following -             <ul style="list-style-type: none"> <li>○ A copy of an executed sales contract for the property pending sale and confirmation all contingencies have been cleared/satisfied. The departure transaction must be closing within 30 days of the subject transaction. The pending sale transaction must be arm's length.</li> <li>○ No appraisal required for departure residence. The borrower must be netting a positive number from the sale of the property or assets must be accounted for to cover any funds the borrower may have to bring to closing on the sale of the departure residence.</li> </ul> </li> </ul>
<b>Leases</b>	<ul style="list-style-type: none"> <li>• Vehicle lease payments must be included in DTI, regardless of the number payments remaining.</li> <li>• Turning in a vehicle early to exclude the payment from the DTI is not allowed.</li> </ul>
<b>Property Tax Estimates</b>	<ul style="list-style-type: none"> <li>• New Construction: Property taxes should be calculated using 1.5% of sales price for qualification or documented tax rate from municipality. (1.25% in California Only)</li> <li>• Purchase and Refinance: Use current tax amount per title or tax cert.             <ul style="list-style-type: none"> <li>○ CA Purchases use 1.25% of purchase price or documented tax rate from municipality whichever is higher. Do not use property tax amount of current owner.</li> </ul> </li> </ul>
<b>Payoff / Pay Down of Debt to Qualify</b>	<ul style="list-style-type: none"> <li>• Installment and revolving debt paid at closing may be excluded from the debt-to-income ratio with:             <ul style="list-style-type: none"> <li>○ A credit supplement OR</li> <li>○ Verification from the creditor liability is paid in full or evidence of payoff on Closing Disclosure</li> </ul> </li> <li>• Cash out proceeds may be used to pay off or pay down debt to qualify at closing.</li> <li>• Installment loans may be paid down to less than 10 payments</li> </ul>
<b>Student Loan</b>	<ul style="list-style-type: none"> <li>• Student loans that are deferred beyond 12 months may be excluded from DTI calculation. Student loans that are deferred <math>&lt; 12</math> months or in repayment status must be included in the DTI calculation.</li> <li>• Loans in repayment - If a payment amount is not identified, .5% of the current loan balance may be utilized.</li> <li>• Affordability based payments may be used.</li> </ul>

<b>Property</b>	
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Loan amount <math>\geq \\$2,000,000</math> and <math>&gt;65\%</math> LTV/CLTV - 2 full appraisals</li> <li>• An appraisal prepared by an individual who was selected or engaged by a borrower, property seller, real estate agent or other interested party is not acceptable.</li> <li>• Transferred appraisals are acceptable, unless ordered by borrower or affiliate of the property seller.</li> <li>• Form 1007 Schedule of Rents is required for all Non-Owner-Occupied loans on Single Unit residences.</li> <li>• For 2-4-unit properties, a FNMA 1025 Small Residential Income Property Appraisal Report is required.</li> </ul>



	<ul style="list-style-type: none"> <li>• Interior inspections required, including photos, according to USPAP guides</li> <li>• Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed.</li> <li>• Negative property influences must be disclosed and adjusted accordingly by appraiser - Including but not limited to: Water Tower, Cell Tower, Gas Station, Railroad Tracks, Landfill/Dump, Auto Repair, Auto Sales, Highway Overpass, On- &amp; Off-Ramp, Billboards/Advertisements, Airports, Hospitals, Police &amp; Fire Stations</li> <li>• Properties with unpermitted additions: appraiser to determine if addition is completed in a workman like manner.</li> <li>• HPML flips require 2nd full appraisal.</li> <li>• Truncating to meet acreage limits is not permitted</li> </ul>
<p><b>Review Appraisals</b></p>	<p>All loans require a desk review or other third-party valuation product.</p> <ul style="list-style-type: none"> <li>• Desk review vendors             <ul style="list-style-type: none"> <li>○ ServiceLink (Desktop Valuation)</li> <li>○ Clear Capital</li> <li>○ Summit Valuations (SVR)</li> <li>○ Stewart lender Services</li> <li>○ Consolidated Analytics</li> </ul> </li> <li>• MCFI will accept a desk review within -10% variance of original appraised value from approved valuation vendors above.</li> <li>• Desk review variance may not exceed -5% for loans at 90% LTV.</li> <li>• Fannie Mae Collateral Underwriter (CU) Reports No 3rd party review required (desk review or second appraisal) if CU Score is 2.5 or below.</li> <li>• When two appraisals are required, they do not require a separate review product. Lowest value of the two appraisals is used as subject property value.</li> </ul>
<p><b>Transferred Appraisals</b></p>	<p>Appraisal transfers are allowed when an appraisal was completed prior to the loan being closed. Appraisal transfers are subject to the following requirements:</p> <ul style="list-style-type: none"> <li>• Appraisal must have been completed by an approved AMC.</li> <li>• The appraisal must be less than 60 days old (less than 120 days at closing) and completed by an Appraisal Management Company.</li> <li>• A letter must be obtained from the original lender on their letterhead stating they are transferring the appraisal to MCFI. The letter must transfer the ownership and rights for the specific transaction.</li> <li>• The Lender must certify they have complied with Federal, State and FNMA Appraisal Independence requirements.</li> <li>• An appraisal delivery form must be provided to the borrower to confirm the borrower's receipt of the appraisal within three (3) business days of the report's completion.</li> </ul> <p>If the original Lender will not transfer the appraisal or provide the transfer letter, then a new appraisal is required.</p> <p>NOTE: Subject to FIRREA requirements; if corrections are required, the previous lender to obtain them.</p>



# MEGA CAPITAL FUNDING, INC.

<b>Warrantable Condo</b>	<ul style="list-style-type: none"> <li>• Condo project review must be in accordance with the FNMA Seller Guide.               <ul style="list-style-type: none"> <li>○ Must ensure there are no Ineligible Projects characteristics as defined by Fannie Mae, including projects in need of critical repair (such as a project that failed to pass state, county, or other jurisdictional mandatory inspections or certifications (such as the Florida 30-Year Certification) specific to structural safety, soundness, and habitability), or the project would be considered non-warrantable and the non-warrantability characteristic must be listed as allowed per the below Non-Warrantable Condos eligibility table.</li> </ul> </li> <li>• MCFI to perform project review and designate as warrantable.</li> <li>• Condo projects must be 100% complete and HOA in control.</li> </ul>	
	<b>No Project Review</b>	<ul style="list-style-type: none"> <li>• Detached condos.</li> <li>• 2- to 4 unit projects</li> </ul>
	<b>Limited Review for Established Projects <u>except</u> Florida</b>	<ul style="list-style-type: none"> <li>▪ Primary: ≤ 85% LTV/CLTV</li> <li>▪ Second Home: ≤ 75% LTV/CLTV</li> <li>▪ Non-Owner: ≤ 75% LTV/CLTV</li> </ul>
	<b>Limited Review for Established Projects in Florida</b>	<ul style="list-style-type: none"> <li>• Primary: ≤ 75% LTV/CLTV</li> <li>• Second Home: ≤ 70% LTV/CLTV</li> <li>• Non-Owner: ≤ 70% LTV/CLTV</li> </ul>
	<b>Full Review</b>	<ul style="list-style-type: none"> <li>• All new projects</li> <li>• Project ineligible for limited review</li> </ul>
<b>Non-Warrantable Condos</b>	<b>Non-Warrantable Condos – Supporting documentation to determine warrantability must be provided.</b>	
	Max LTV	80% LTV/CLTV
	Presale	At least 30% of the units must be sold or under bona fide contract
	Commercial Space	Commercial space up to 50% is allowed.
	Investor Concentration	Up to 70% of units can be tenant occupied
	Single Entity Ownership	A single entity can own up to 30% of units.
	Master Insurance Coverage Deductible	Up to 10% allowed.
	Reserves	<10% replacement, maintenance, and/or deductible (min 5% required)
	Mandatory Membership	Cannot exceed 10% of purchase price
	Material Litigation - Structural/Functional litigation against developer	Ineligible
	Delinquent HOA	Up to 25%
	Insurance Coverage	Coverage amount less than full replacement amount is ineligible (Actual cash value is not permitted).
	Newly Converted - Non-full gut rehabs	Ineligible
	Flood Insurance	Projects in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable



# MEGA CAPITAL FUNDING, INC.

<p><b>Accessory Dwelling Units - ADU</b></p>	<ul style="list-style-type: none"> <li>• Appraiser to confirm ADU is typical to the area with supporting comparables.</li> <li>• Rental income may be used for purchases and refinances with supporting appraisal comparable which contains accessory units, Appraisal market rents survey, and lease with 1 month evidence receipt of income (for refinance)             <ul style="list-style-type: none"> <li>o Purchase - Borrower to provide attestation regarding their intentions to rent the ADU</li> </ul> </li> <li>• Unit should not jeopardize potential future hazard insurance claim(s)</li> <li>• Conforms to all zoning laws/regulations including permit requirements.</li> <li>• Unpermitted ADUs must be completed in a workman like manner and conform to the subject property. No rental income may be used to qualify.</li> <li>• No more than one ADU per property.</li> <li>• Not permitted on 4-unit properties</li> </ul>
<p><b>Eligible Properties</b></p>	<p>SFR/Condo/PUD (Max 6 Bdrms)            2-4 Unit            Rural Properties            Mandatory Country Club: No more than 10% of Purchase Price            Warrantable Condo            Non-Warrantable Condo            Live/Work Condo            10 Acre Maximum (Truncating to meet acreage limit is not permitted)            Minimum Square Footage – 500 sq ft per unit – No kitchenettes</p>
<p><b>Ineligible Properties</b></p>	<p>Acreage &gt; 10 Acres            Assisted Living/Continuing Care Facilities            Barndominiums            Bed &amp; Breakfast            Boarding Houses/Individual Room Leases            Builder Model Leaseback            C5 or C6 property condition grades            Commercial Zoned (Unless Condo)            Community Land Trusts            Condotels            Co-Op            Fractional Ownership/Time Shares            Geodesic Domes            Native American Leased Land            Leased land/Leasehold Properties            Live/Work projects            Log Homes or Log Home Characteristics            Mandatory Rental Pools            Manufactured Homes/Mobile Home            Mixed-Use Property            Non-Conforming Zoning Regulations That Prohibit Rebuilding            Property Not Constructed for Year-Round Use            Properties under construction            Property with Health and Safety Issues Internally or Externally that Are Not Cured and Verified with FNMA 1004D (May Not Be Cured Through Close of Loan)            Shouses            Square Footage &lt; 500SF per unit            Mandatory Rental Pools *A rental pool in which the HOA also requires a certain # days the property needs to be made available for the HOAs rental team to offer out is ineligible.            Tenants in Common</p>



# MEGA CAPITAL FUNDING, INC.

	<p>Time-shares          Unique Properties          Vacant Land or Land Development Property          Working Farms          Zoning violations          Industrial zoning          Builder inventory          Rural/Agricultural Properties (Investment property transaction)</p>
<p><b>Rural Properties/Agricultural Properties</b></p>	<ul style="list-style-type: none"> <li>• Primary Residence – Max 75%</li> <li>• Second Home – Max 70%</li> <li>• Investment - Ineligible</li> </ul> <p>A property is generally considered rural when any of these characteristics are present:</p> <ul style="list-style-type: none"> <li>• Zoned Rural, Rural Residential, RA, Agricultural, or no zoning</li> <li>• Appraisal is marked Rural</li> <li>• Appraisal commentary references rural and rural characteristics</li> <li>• Outbuildings including barns, stables, workshops, crop storage etc.</li> <li>• No paved service road</li> <li>• Neighborhood is less than 25% built up</li> <li>• Subject is in a community with a population of less than 25,000</li> <li>• Distance to schools, employment, other services is more than 60 miles</li> </ul> <p>Acceptable residential with rural designation with the following characteristics:</p> <ul style="list-style-type: none"> <li>• Must be primarily for residential use</li> <li>• Property must not be agricultural or provide a source of income to the borrower</li> <li>• Agricultural properties must not be commercial or income producing</li> <li>• Lot size and acreage must be typical for the area and similar to the surrounding properties</li> <li>• Present use as per the appraisal must be the “highest and best use” for the property</li> <li>• Two of three comps must be less than 5 miles from subject</li> <li>• Outbuildings may be considered with less than 5% contributory value and at least two comparables with similar structures.</li> <li>• Neighborhood is more than 35% built up</li> <li>• Subject is in a community with a population of at least 10,000</li> <li>• Distance to a major MSA with population of at least 100,000 is 50 miles</li> <li>• Distance to employment and other services is a maximum of 25 miles</li> </ul>
<p><b>Agricultural Zoning</b></p>	<ul style="list-style-type: none"> <li>• May be eligible when all the following exist:             <ul style="list-style-type: none"> <li>o Highest and best use of the subject property is residential</li> <li>o Subject property is used as a residence and is typical for the neighborhood or market area</li> <li>o The appraiser adequately demonstrates that the subject neighborhood is residential in nature</li> <li>o Residential use is permissible under the zoning and land use regulations</li> <li>o Property adheres to the maximum acreage standards</li> </ul> </li> <li>• The appraiser must also provide detail of any outbuildings on the property:             <ul style="list-style-type: none"> <li>o Size of the outbuildings</li> <li>o Are the outbuildings being used for a special purpose</li> <li>o Do the comparable sales have similar outbuildings</li> <li>o Is the property residential in nature – no agricultural or commercial use</li> </ul> </li> </ul> <p>No value should be given to any auxiliary buildings.</p>
<p><b>Multiple Dwellings on 1 Lot</b></p>	<ul style="list-style-type: none"> <li>• Properties with more than one 1-4 unit dwellings are not eligible.</li> </ul>



# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>Multiple APNs are acceptable if the subject property is on one parcel or across the lot line. Additional adjoining parcel(s) may not have additional dwelling unit(s) and is limited to non-residential improvements.</li> </ul>
<b>Solar</b>	<ul style="list-style-type: none"> <li>Properties with solar panels are eligible for purchase, however, should not be included in property valuation.</li> <li>Solar panel agreements are permitted in accordance with FNMA guidelines</li> </ul>
<b>Deed Restrictions</b>	<ul style="list-style-type: none"> <li>Deed restrictions that affect transferability of a property are not allowed. Age Restricted communities are allowed.</li> </ul>
<b>Solar/PACE/HERO Loans</b>	<ul style="list-style-type: none"> <li>Solar leases are allowed if the lease payment is included in the DTI, equipment owner is responsible for any damage because of installation/removal/defect/malfunction, and equipment owner is not listed as loss payee of on the insurance policy. Must conform to FNMA.</li> <li>Borrower to provide copy of lease for refinance. Purchases require copy of lease however reflecting in borrower's name to show they qualified for the transfer of solar lease.</li> <li>Power purchase agreements are eligible. Not necessary to be included in DTI. Must conform to FNMA.</li> <li>PACE loans (or any similar loans with payments that are included in property taxes) are not eligible to remain on title; must be paid off through closing.</li> <li>Payoff of PACE/HERO will be treated as a rate and term.</li> </ul>
<b>Power of Attorney</b>	<ul style="list-style-type: none"> <li>Must be reviewed by an MCFI Funding Manager. Except as otherwise required by applicable law, or unless they are the borrower's relative (or fiancée or domestic partner), the following persons connected to the transaction may not sign the security instrument or Note as the Attorney-in-Fact or Agent under a Power of Attorney (POA): <ul style="list-style-type: none"> <li>Lender</li> <li>Lender's Affiliate</li> <li>Mortgage Loan Originator (MLO)</li> <li>Employer of the MLO</li> <li>Employee of the MLO's Employer</li> <li>Title Insurance Company (providing the title insurance policy for the loan) or its Employee.</li> <li>Title Insurance Company's Affiliate or its Employee</li> <li>Real Estate Agent with Financial Interest in the Transaction or Agent's Affiliate</li> </ul> </li> <li>Not permitted on cash-out.</li> <li>A LOE describing the reason for using a POA is required.</li> <li>Limited Power of Attorney is not permitted.</li> </ul>
<b>E-Signatures</b>	<ul style="list-style-type: none"> <li>E-signatures are permitted except for the following documents: Note, Mortgage, Deed of Trust, Closing Disclosure, Power of Attorney, Riders/Addendums, and any state regulated disclosures. These documents require a wet signature.</li> </ul>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>Escrow Holdbacks are not allowed.</li> </ul>

## Other Requirement

<b>Prepayment Penalty Investment Property Only</b>	<ul style="list-style-type: none"> <li><b>Hard</b> Prepayment periods up to 2 years. See rate sheet.</li> <li>District of Columbia: (Max 2 months interest)</li> <li>Georgia: limited to 2% of the loan amount, if prepaid in the first 12 months, and 1% of the loan amount, if prepaid in the second 12 months.</li> <li>Penalties not allowed on loans vested to individuals in IL &amp; NJ</li> </ul>
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# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>Declining Prepay in Mississippi (3-2-1%)</li> <li>Massachusetts: Penalty capped at 3 months interest.</li> <li>Pennsylvania: Penalties not allowed on loan amounts less than \$278,204</li> </ul>
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## Elite non-QM Express - DU/LPA Automated Underwrite

<p>MCFI Elite non-QM Express program will utilize Fannie Mae Desktop Underwriter® (DU) or Freddie Mac Loan Product Advisor® (LPA) with the added guideline allowance Elite non-QM benefits for ease of process. The loan will be underwritten to the Elite non-QM Express program matrix, the DU®/LPA® (“AUS”) Findings and the overlays noted below. Any items not addressed in this section will default to the FNMA or FHLMC Selling Guides. This is a Non-QM program.</p>	
<b>Underwriting Process</b>	<ul style="list-style-type: none"> <li>FNMA DU® or FHLMC LPA® is required.               <ul style="list-style-type: none"> <li>References to “AUS” throughout this document collectively refer to FNMA DU®/DO® or FHLMC LPA® Findings.</li> </ul> </li> <li>For underwriting guidelines not addressed below, please reference the Fannie Mae or Freddie Mac Seller Guide for details.</li> </ul>
<b>DU®/ LPA® AUS Requirements</b>	<ul style="list-style-type: none"> <li>Approve/Eligible, LPA® Accept</li> <li>Approve/Ineligible, LPA® Caution (due to loan amount, loan structure, Interest Only, property and credit event.               <ul style="list-style-type: none"> <li>Refer to Elite non-QM “Credit Events” section for details.</li> </ul> </li> <li>Note: Refer or Caution findings will not be eligible for delivery to MCFI.</li> </ul>
<b>Products</b>	5/6 ARM, 5/6 ARM I/O, 30Yr Fixed, and 40Yr Fixed I/O
<b>Qualification</b>	<p>5/6 ARM – qualify at the greater of the note rate + 2% or the fully indexed rate.          Interest Only – qualify at the note rate based on fully amortizing Principal and Interest payment during the principal repayment period.</p> <ul style="list-style-type: none"> <li>Interest Only payment cannot be used to qualify.</li> <li>Qualify based on a term that equals the amortization term (i.e., 360 months for 40 year I/O).</li> </ul>
<b>Minimum loan amount</b>	\$150,000
<b>Maximum loan amount</b>	\$2,500,000
<b>DTI</b>	Per AUS (Max. 50%)
<b>Minimum FICO</b>	<p>660          Qualifying FICO – Primary wage earners FICO used for pricing &amp; eligibility.          Bank statements docs: Borrowers with 50/50 split ownership of the business – highest mid FICO score          For refinances, the use of highest score is only eligible if that borrower meets continuity.</p>
<b>Reserves</b>	Per AUS Cash out may be used as reserves
<b>Assets</b>	Per AUS
<b>Borrower Eligibility</b>	Refer to Elite non-QM “Eligible Borrowers” section. Follow FNMA/FHLMC Seller guide for a non-occupant co-borrower.
<b>Minimum Borrower Contribution</b>	<ul style="list-style-type: none"> <li>Per FNMA/FHLMC Selling Guide</li> <li>Owner or Second home, no minimum borrower contribution required. May be all gifts.</li> <li>Investment properties: No gifts allowed. Must be all borrower’s own funds.</li> </ul>
<b>Maximum Cash Out</b>	<ul style="list-style-type: none"> <li>Please refer to max cash out limit for Elite non-QM standard program.</li> <li>Per FNMA/FHLMC Selling Guide – R/T refinance max cash back is the lesser of 2% of the loan balance or \$2,000.</li> </ul>





# MEGA CAPITAL FUNDING, INC.

	<ul style="list-style-type: none"> <li>• Cash out can be used as reserves.</li> <li>• Primary home only.</li> </ul>
<b>Cash Out Seasoning</b>	Property must have been purchased at least six months prior to application date.
<b>Continuity of Obligation</b>	Follow FNMA/FHLMC Selling Guide – Borrower must be on title at time of application.
<b>Income Documentation</b>	<ul style="list-style-type: none"> <li>• Follow AUS findings with minimum 1-year verification of income. If the tax return year is dated more than 90 days prior to the note date, a YTD Profit &amp; Loss Statement (P&amp;L) dated within 90 days of note date, along with the two most recent months of bank statements.</li> <li>• Electronic VOE (i.e., The Work Number) is acceptable. Vendor must be an approved Day 1 Certainty vendor.</li> <li>• Elite non-QM Bank Statement product is eligible with Elite non-QM Express features (refer to bank statement/CPA P&amp;L guidelines)</li> </ul>
<b>Asset Utilization</b>	Follow Elite non-QM “Asset Utilization” guideline
<b>Rental Income</b>	Follow Elite non-QM “Rental Income” guideline
<b>Credit Events</b>	Short Sale, Foreclosure, Bankruptcy, 120+ – 4 years seasoning is required. Refer to Elite non-QM “Credit Events” section.
<b>Tradelines</b>	AUS findings
<b>Housing History</b>	Per AUS. No VOM/VOR unless AUS requires.
<b>Age of Documentation</b>	120 days
<b>Subordinate Financing</b>	Per AUS – Max CLTV per Elite Non-QM Express program matrix applies
<b>Property Eligibility</b>	Single Family Residence (attached and detached) PUDs (attached and detached) 2-4 Units Fannie Mae warrantable condominiums Non-warrantable condo Max 10 acres Refer to Elite non-QM “Eligible & Ineligible property” sections.
<b>Properties Recently Listed for Sale</b>	Follow Elite non-QM guideline.
<b>Vesting in LLC</b>	Eligible Investment property only. Refer to Elite non-QM standard guideline for details.
<b>Max. Financed Properties</b>	Follow FNMA/FHLMC Selling Guide Principal residence – No Limit Second Home/Investment – Max 10 For borrowers with 7-10 financed properties, the minimum FICO requirement is 720
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Loan amount <math>\geq</math> \$2,000,000 and <math>&gt;65\%</math> LTV/CLTV – 2 full appraisals</li> <li>• All appraisals require a third-party desk review.               <ul style="list-style-type: none"> <li>○ For CU scores <math>\leq</math> 2.5 – no additional review is required</li> <li>○ For CU scores <math>&gt;</math> 2.5 – follow Elite non-QM “Review Appraisals” guideline.</li> </ul> </li> <li>• When two appraisals are required, an additional desk review product is not required.</li> <li>• Transferred appraisals are permitted.</li> </ul>
<b>Pre-Payment Penalty</b>	<ul style="list-style-type: none"> <li>• Standard Prepayment Penalty Term – Minimum 1 year for all NOO.</li> </ul>



# MEGA CAPITAL FUNDING, INC.

Delayed Financing		<ul style="list-style-type: none"> <li>Allowed to 12 months vs. 6 months and treated as a rate &amp; term. Follow Elite non-QM "Delayed financing" section.</li> </ul>			
Program Codes	Doc Type	Code	Term	Amort type	Prepay Term
	Program Codes	Full Doc / 1yr Tax returns	EZE30	30yr Fixed	Full
EZE40			40yr Fixed	Full	-
EZE40io			40yr Fixed	Interest Only	-
EZE3P40io			40yr Fixed	Interest Only	3yr
EZE2P40io			40yr Fixed	Interest Only	2yr
EZE1P40io			40yr Fixed	Interest Only	1yr
EZE3P30			30yr Fixed	Full	3yr
EZE2P30			30yr Fixed	Full	2yr
EZE1P30			30yr Fixed	Full	1yr
EZE3P40			40yr Fixed	Full	3yr
EZE2P40			40yr Fixed	Full	2yr
EZE1P40			40yr Fixed	Full	1yr
EZE30-21BD			30yr Fixed	Full	
EZE5/6			5/6 30yr ARM	Full	-
EZE5/6io			5/6 30yr ARM	Interest Only	-
EZE3P5/6io		5/6 30yr ARM	Interest Only	3yr	
EZE2P5/6io		5/6 30yr ARM	Interest Only	2yr	
EZE1P5/6io		5/6 30yr ARM	Interest Only	1yr	
EZE3P5/6		5/6 30yr ARM	Full	3yr	
EZE2P5/6		5/6 30yr ARM	Full	2yr	
EZE1P5/6		5/6 30yr ARM	Full	1yr	
12mo Bank Statements		EZEB30	30yr Fixed	Full	-
		EZEB40	40yr Fixed	Full	-
		EZEB3P30	30yr Fixed	Full	3yr
		EZEB2P30	30yr Fixed	Full	2yr
		EZEB1P30	30yr Fixed	Full	1yr
		EZEB3P40	40yr Fixed	Full	3yr
		EZEB2P40	40yr Fixed	Full	2yr
		EZEB1P40	40yr Fixed	Full	1yr
		EZEB30-21BD	30yr Fixed	Full	-
		EZEB5/6	5/6 30yr ARM	Full	-
		EZEB3P5/6	5/6 30yr ARM	Full	3yr
		EZEB2P5/6	5/6 30yr ARM	Full	2yr
	EZEB1P5/6	5/6 30yr ARM	Full	1yr	
	EZEB40io	40yr Fixed	Interest Only	-	
	EZEB3P40io	40yr Fixed	Interest Only	3yr	
	EZEB2P40io	40yr Fixed	Interest Only	2yr	



# MEGA CAPITAL FUNDING, INC.

		EZEB1P40io	40yr Fixed	Interest Only	1yr
		EZEB5/6io	5/6 30yr ARM	Interest Only	-
		EZEB3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZEB2P5/6io	5/6 30yr ARM	Interest Only	2yr
		EZEB1P5/6io	5/6 30yr ARM	Interest Only	1yr
	Asset Utilization	EZEU30	30yr Fixed	Full	-
		EZEU40	40yr Fixed	Full	-
		EZEU40io	40yr Fixed	Interest Only	-
		EZEU3P40io	40yr Fixed	Interest Only	3yr
		EZEU2P40io	40yr Fixed	Interest Only	2yr
		EZEU1P40io	40yr Fixed	Interest Only	1yr
		EZEU3P30	30yr Fixed	Full	3yr
		EZEU2P30	30yr Fixed	Full	2yr
		EZEU1P30	30yr Fixed	Full	1yr
		EZEU3P40	40yr Fixed	Full	3yr
		EZEU2P40	40yr Fixed	Full	2yr
		EZEU1P40	40yr Fixed	Full	1yr
		EZEU30-21BD	30yr Fixed	Full	-
		EZEU5/6	5/6 30yr ARM	Full	-
		EZEU5/6io	5/6 30yr ARM	Interest Only	-
		EZEU3P5/6io	5/6 30yr ARM	Interest Only	3yr
		EZEU2P5/6io	5/6 30yr ARM	Interest Only	2yr
		EZEU1P5/6io	5/6 30yr ARM	Interest Only	1yr
		EZEU3P5/6	5/6 30yr ARM	Full	3yr
		EZEU2P5/6	5/6 30yr ARM	Full	2yr
	EZEU1P5/6	5/6 30yr ARM	Full	1yr	
	CPA Prepared P&L	EZEP30	30yr Fixed	Full	-
		EZEP40	40yr Fixed	Full	-
		EZEP40io	40yr Fixed	Interest Only	-
		EZEP3P40io	40yr Fixed	Interest Only	3yr
		EZEP2P40io	40yr Fixed	Interest Only	2yr
		EZEP1P40io	40yr Fixed	Interest Only	1yr
		EZEP3P30	30yr Fixed	Full	3yr
EZEP2P30		30yr Fixed	Full	2yr	
EZEP1P30		30yr Fixed	Full	1yr	
EZEP3P40		40yr Fixed	Full	3yr	
EZEP2P40		40yr Fixed	Full	2yr	
EZEP1P40		40yr Fixed	Full	1yr	
EZEP30-21BD		30yr Fixed	Full	-	



# MEGA CAPITAL FUNDING, INC.

	EZEP5/6	5/6 30yr ARM	Full	-
	EZEP5/6io	5/6 30yr ARM	Interest Only	-
	EZEP3P5/6io	5/6 30yr ARM	Interest Only	3yr
	EZEP2P5/6io	5/6 30yr ARM	Interest Only	2yr
	EZEP1P5/6io	5/6 30yr ARM	Interest Only	1yr
	EZE3P5/6	5/6 30yr ARM	Full	3yr
	EZEP2P5/6	5/6 30yr ARM	Full	2yr
	EZEP1P5/6	5/6 30yr ARM	Full	1yr