AD Mortgage

Effective date: 7/17/2026

Prime

Underwriting Requirements

Minimum Loan Amount	◦ $100,000	**Maximum Loan Amount**	$1,500,000
Appraisal		◦ 120 days age max ◦ Second Appraisal required for loan amounts > $2MM	
Assets		◦ Assets sourced and seasoned for 30 days, 120 days age max ◦ Gift Funds allowed (under 80% CLTV Borrower Contribution Required: OO - 0% , Asset Ut, WVOE, P&L - 20%; Inv - 10%; over 80% CLTV: OO - 5%, Asset Ut, WVOE, P&L - NA; Inv - NA) ◦ Overseas Assets sourced and seasoned for 30 days ◦ 1031 Exchange Eligible	
Cashout		◦ Max Cash in Hand: No limitation for CLTV <55% & min FICO 680; $1,000,000 for CLTV from 55% to 65% or CLTV>65 & min FICO 700 or CLTV <=55 & FICO <680; $500,000 for CLTV >65% & FICO <700 ◦ Delayed Financing has Cash Out pricing ◦ Non-occupying co-borrowers are ineligible for Cash Out transactions ◦ Non-Permanent Residents min FICO 700	
Credit & Tradelines		◦ If 3 scores are not available: 3 for past >=12 months OR 2 for past >=24 months, active in the last 12 month ◦ Middle Lowest for multiple borrowers, Lowest if only 2 scores ◦ 120 days age max◦Limited tradelines are allowed	
Credit Event		◦ BK, FCL, SS, DL, modification, forbearance and 120+ days are considered as a Credit Event	
DTI		◦ Up to 50% for all Super Prime / Prime ◦ 50.01% - 55%: ◦ Min FICO 680 ◦ Max CLTV 80% ◦ Max loan amount is $1,000,000 ◦ Only Purchase or Rate Term on OO ◦ First-Time Homebuyer is not eligible	
Eligible States OO		◦ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NM, NV, NE, NH, NJ, NY, OH, OK, OR, PA, RI, SC, SD, VA, VT, TN, TX, UT, WA, WI, WV,	
Eligible States Inv		◦ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MO, MN, MS, MT, NC, ND, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA (except for Philadelphia County), RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY	
Eligible States Inv (No License Required)		◦ AK, AL, AR, CO, CT, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MD (except for Baltimore County & Baltimore City), ME, MO, MS, MT, NC, NE, NH, NJ, NY, OH, OK, PA (except for Philadelphia County), RI, SC, TN, TX, WA, WI, WV, WY	
Escrow		◦ Escrows required for all HPML loans ◦ No Escrow Waiver adj in NY ◦ Max CLTV 80% (90% in CA)	
First-Time Homebuyer (FTHB)		◦ FTHB allowed: Max LA = $1,000,000; Min 660 FICO for Super Prime and Prime; Max DTI = 50%; borrower must contribute at 5% own funds for OO transaction and 10% for investment; FTHB with payment shock exceeding 300% are ineligible; Max 80 CLTV for Bank statement; P&L document type payment shock cannot exceed 100%	
Income	**2 or 1 Year Full Doc**	◦ Traditional Conforming Full Documentation Income ◦ 120 days age max	
	Asset Utilization	◦ 3 months seasoning ◦ Qualifying Assets are 100% Cash or Money Market, 100% from Public Securities, 80% from Retirement Accounts	
	12 or 24 Months Bank Statements	◦ License or Business LOE for Personal Bank Statements | Tax Preparer / CPA Prepared P&L for Business Bank Statements (UW will review industry standards) or use 50% expense ratio ◦ Mixed Income allowed	
	2 or 1 Year P&L*	◦ Last 2 or 1 year(s) P&L provided by licensed CPA, Enrolled Tax Agent or Licensed Tax Preparer ◦ Min FICO 660 up to 75 CLTV and Min FICO 680 up to 80 CLTV◦ *Max LA: $2,500,000	
	1099	◦ Allowed from the same single employer for the past 1 year ◦ Expense ratio 10%	
	WVOE	◦ Completed FNMA Form 1005 for 2 year history with same employer	
Interest Only		◦ 5/6 ARM, 30 Year Fixed, 40 Year Fixed. 120 Months of I/O Period, 240/360 Months of Amortization, Qualified at Amortized PITIA Payment after I/O Period, min FICO 680, FTHB not allowed	
New Construction		◦ Max CLTV on PUD is 80% (OO) and 75% (Investment) for FL ◦ Max CLTV for Condo 75% (OO) and 70% (Investment) for FL ◦ No CLTV limitations on 1-4 units without community	
Non-Permanent Resident / FN / ITIN		◦ Eligible Status H-1, L-1, E1-E3, NATO, O1, R1, TN (additional statuses allowed are listed in the guidelines exhibit 1) ◦ ITIN not allowed ◦ Foreign Nationals are not allowed (See Foreign National program) ◦ Cash Out transactions are only allowed for non-permanent residents min FICO 700	
Occupancy Types		◦ Owner Occupied, Second Homes (1 unit only) and Investment (Vacant or Tenant Occupied - Lease Agreement Not Required if Not Used in DTI)	
Points & Fees		◦ Total Borrower Paid Points and Fees must be less than 5% (including Lender fees) on OO and less than 7% (including Lender fees) on Inv ◦ Broker's Maximum Compensation: 2.00% in TN on OO and in IA on OO/2nd home 1-2 units; in all other states: 3.00% (Borrower Paid), 2.75% (Lender Paid, Max Price 102.75) ◦ Lender Credit Max 2.75 points ◦ Broker's Processing Fee is a part of broker's compensation and capped at maximum allowed compensation ◦ Third Party's Processing Fee allowed ◦ UW fee can be waived◦ UW fee buyout in NC is not allowed on OO/2nd Home with loan amount <= 300,000	
Points Financed		◦ 2 Points may be financed into LA: OO Max CLTV 75% , Inv Max 70% CLTV	
Prepayment Penalty		◦ Investment Only ◦ Max PP Term - 5 years ◦ Penalty Amount: 6 months of interest on any amount over 20% of Note Principal ◦ PPP not allowed and buydown is required in: AK, AR, KS, MD (LA < $75,000), MI, MN, NM, OH (on 1-2 units with LA < $116,356), PA (on 1-2 units with LA < $329,411), RI, VA (LA < $75,000) ◦ Loans vested in individuals in IL, NJ, VT - buydown required or close in LLC (IL - max 3 years) ◦ Max PPP 3 years in ID, MA ◦ Max PPP 3 years and Penalty Amount: max 2 months interest for any loan type in DC, MD ◦ Max PPP 2 years in MS	
Property Types		◦ Single Family Residence ◦ Townhome ◦ Warrantable / Non-Wr. Condo (Limited Review) with max CLTV: 80% (FL 75%) on OO; 75% (FL 70%) on Inv & 2nd Home ◦ Condotel ◦ 2-4 Unit (N/A for 2nd Home) ◦ PUD ◦ SFR Rural (Max CLTV: 80, Min FICO: 680)◦ Short-Term Rental (Max CLTV: 80%) ◦ Leasehold	
Reserves		◦ LA <= $1,000,000: 3 months ◦ LA > $1,000,000 and LA <= $2,000,000: 6 months ◦ LA > $2,000,000: 12 months	
Seller Concessions		◦ 6% if 80% (OO) or 80%(Inv) CLTV or less ◦ 4% if CLTV greater than 80% (OO) or 80% (Inv)	
Title		◦ Individuals ◦ LLCs / Corp (Maximum 4 owners allowed, all have to be borrowers and guarantors on the transaction) ◦ Title Commitment: 90 days max age	

AD Mortgage

Prime

Primary Residence

Purpose	Property Type	Minimum FICO	Maximum LTV/CLTV	Maximum Loan Amount
Purchase, Rate/Term Refinance	1 Unit SFR, PUD, Condo	720	80	$1,000,000
			75	$1,500,000
		680	80	$750,000
			75	$1,000,000
			70	$1,500,000
		640	75	$500,000
			70	$750,000
			65	$1,000,000
		620	65	$1,000,000
		No FICO	70	$750,000
	SFR Rural, PUD Rural	720	80	$1,000,000
			75	$1,500,000
		680	80	$750,000
			75	$1,000,000
			70	$1,500,000
		No FICO	70	$750,000
	2-4 Unit	720	75	$1,000,000
			70	$1,500,000
		680	75	$750,000
			70	$1,000,000
		660	65	$1,000,000
		No FICO	65	$750,000
Cash Out	1 Unit SFR, PUD, Condo	740	70	$750,000
			65	$1,000,000
		720	65	$750,000
			60	$1,000,000
		660	60	$750,000
			55	$1,000,000
		No FICO	60	$750,000
	SFR Rural, PUD Rural	740	70	$750,000
			65	$1,000,000
		720	65	$750,000
			60	$1,000,000
		680	60	$750,000
			55	$1,000,000
		No FICO	60	$750,000
	2-4 Unit	740	65	$750,000
			60	$1,000,000
		720	60	$750,000
			55	$1,000,000
		700	55	$750,000
			50	$1,000,000
		660	55	$750,000
		No FICO	60	$750,000

** Max DTI 55% applies for Purchase and Rate/Term only*

AD Mortgage

Prime
Investment

Purpose	Property Type	Minimum FICO	Maximum LTV/CLTV	Maximum Loan Amount
Purchase, Rate/Term Refinance	1 Unit SFR, PUD, 2-4 Unit, Condo	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		660	70	$500,000
			65	$750,000
		640	65	$500,000
			60	$750,000
		No FICO	65	$750,000
	SFR Rural, PUD Rural	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		680	70	$500,000
			65	$750,000
		No FICO	65	$750,000
	Condotel	680	70	$750,000
		No FICO	65	$750,000
Cash Out	1 Unit SFR, PUD, 2-4 Unit, Condo	720	65	$500,000
			60	$750,000
			55	$1,000,000
		660, No FICO	60	$500,000
			55	$750,000
		No FICO	60	$500,000
	SFR Rural, PUD Rural	720	65	$500,000
			60	$750,000
			55	$1,000,000
		680	60	$500,000
			55	$750,000
		No FICO	60	$500,000
	Condotel	680	60	$500,000
		No FICO	60	$500,000

AD Mortgage

Prime
Second Home

Purpose	Property Type	Minimum FICO	Maximum LTV/CLTV	Maximum Loan Amount
Purchase	1 Unit SFR, PUD, Condo	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		660, No FICO	70	$500,000
			65	$750,000
	SFR Rural, PUD Rural	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		680, No FICO	70	$500,000
			65	$750,000
Rate/Term Refinance	1 Unit SFR, PUD, Condo	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		660, No FICO	70	$500,000
			65	$750,000
	SFR Rural, PUD Rural	740	80	$500,000
			75	$750,000
			70	$1,000,000
		700	75	$500,000
			70	$750,000
			65	$1,000,000
		680, No FICO	70	$500,000
			65	$750,000
Cash Out	1 Unit SFR, PUD, Condo	720	65	$500,000
			60	$750,000
			55	$1,000,000
		660, No FICO	60	$500,000
			55	$750,000
	SFR Rural, PUD Rural	720	65	$500,000
			60	$750,000
			55	$1,000,000
		680, No FICO	60	$500,000
			55	$750,000

** Max DTI 55% applies for Purchase and Rate/Term only*