AD Mortgage

Effective date: 9/11/2026

Prime

Underwriting Requirements

Minimum Loan Amount		$75,000	**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, WY		
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, NM, 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		Not Available		
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 ▫ Max Price 102.500 when prepayment is not allowed and buydown is required		
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		

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Primary Residence

EQUAL HOUSING LENDER

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
	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*