


Wholesale

Second Lien

Lock Desk Support			Mortgage History	Credit Event	Residual Income	Reserves
305-824-2421 lock@admortgage.com			0x30x12 and 0x90x24	48 months	\$2,000	3 months
Underwriting Requirements						
Minimum Loan Amount:		\$50,000	Maximum Loan Amount:	\$500,000	Maximum combined loan amount for both first and second liens: \$4,000,000	
Appraisal		Full Appraisal completed within the last 360 days supported by AVM ordered by A&D internally (10% variance with confidence score of >=90%). If Appraisal is not supported by AVM, then Drive by or Second Appraisal will be required				
Assets		▫ Assets sourced and seasoned for 30 days, 120 days age max ▫ Gift funds allowed (under 80% CLTV Borr Contribution Required: OO - 0% , Asset Ut, WVOE, P&L- 20%; Inv - 20%; over 80% CLTV: OO - 5% , Asset Ut, WVOE, P&L- NA; Inv - NA)▫ Overseas Assets sourced and seasoned for 30 days ▫ 1031 Exchange Eligible				
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 ▫ Foreign National: No score or 680 min FICO (No FICO) ▫ 1 Bank Reference Letter				
Credit Event		▫ BK, FCL, SS, DL, modification, forbearance and 120+ days are considered as a Credit Event				
Eligible States OO		▫ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MO, MS, NC, ND, NV, NE, NH, NJ, NM, NY, OH, OK, OR, PA, RI, SC, SD, VA, VT, 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, MD, ME, MI, MO, MS, MT, NC, ND, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA, 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, ME, MO, MS, MT, NC, NE, NH, NJ, NY, OH, OK, PA, RI, SC, TN, TX, WA, WI, WV, WY				
Escrow		▫ Impound accounts are not required				
Homeownership		▫ Third Party residency letter with transaction for all programs (CPA Letter, utility bill, tax bill, etc) ▫ Rent-free borrowers with no housing expenses are limited to 80% CLTV, if permitted by the eligibility matrix.				
Income / DTI		▫ Traditional Conforming Full Documentation Income ▫ DTI 50% Max for CLTV up to 80%, DTI 45% for more than 80% CLTV ▫ Foreign National required Income by CPA Letter last 2 Years and YTD, DSCR value is not considered ▫ Foreign National Full Doc / Foreign National DSCR ▫ DTI 43% Max on Foreign National				
Income DSCR		▫ DSCR = Gross Income / Proposed PITIA. Borrower income is not required. DSCR must be equal to 1 or above				
Income / DTI	Asset Utilization:	Qualifying Assets are 100% Cash or Money Market, 100% from Public Securities, 70% from Retirement Accounts ▫ DTI 50% Max on O/O				
	12 or 24 Months Bank Statements:	License or Business LOE for Personal BK Stmtts Tax Preparer / CPA Prepared P&L for Business BK Stmtts (UW will review industry standards) or use 50% expense ratio ▫ Mixed Income allowed ▫ DTI 50% Max on O/O ▫ Available for self-employed borrowers only				
	1099:	The last 1 year allowed ▫ Expense ratio 10% ▫ Maximum DTI is 50% for OO ▫ Gift funds allowed				
	WVOE:	Completed FNMA Form 1005 for 2 year history with same employer; No Gift Funds Allowed ▫ DTI 50% Max on O/O				
Interest Only		▫ 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		▫ Eligible Status H-1, L-1, E1-E3, NATO, O1, R1, TN (additional statuses allowed are listed in the guidelines exhibit 1) ▫ Cash Out transactions are not allowed for non-permanent residents ▫ ITIN not allowed				
Occupancy Types		▫ Owner Occupied, Second Homes (1 unit only) and Investment (Vacant or Tenant Occupied - Lease Agreement Not Required if Not Used in DTI) ▫ Foreign National (Investment only)				
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: 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 ▫ 2% limit for mortgage broker fee on OO in TN and 1-2 units in IA ▫ NJ broker fees are not allowed ▫ BPC not allowed on OO and 2nd home in NY with LA<\$250k (LPC allowed) ▫ MD does not allow BPC on Second liens OO▫ OH rate limitation to charge on 2nd liens for LA less than or equal to 100K and max 2 % discount points on 1-2 units for all loan amounts ▫IN: Origination charges on OO may not exceed 2% of the LA				
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: AR, KS, MD (LA < \$75,000), MI, NM, OH (on 1-2 units), PA (on 1-2 units with LA < \$312,159), RI, TX, VA (LA < \$75,000), VT ▫ Loans vested in individuals in IL, NJ - 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, MN ▫ Max PPP 2 years in MS				
Property Types		▫ Single Family Residence ▫ Warrantable / Non-Wr. Condo (Limited Review) ▫ 2-4 Unit (N/A for 2nd Home) ▫ PUD ▫ Short-Term Rental (Max CLTV: 75%)				
Reserves		▫ Purchase: Loan amount <= 1,000,000: min 3 months, >1,000,000 and <=2,000,000: min 6 months, >2,000,000: min 12 months, rate&term and cash out: no minimum requirements				
Seller Concessions		▫ 6% if 80% CLTV or less ▫ 4% if CLTV greater than 80%				
State limitations		▫ PR, Texas 50(a)(6) prohibited ▫ IA: OO, minimum loan amount: \$69,501 ▫ TN: only investment loans allowed				
Highlights		Purchase transactions are available on Piggyback only				
Title		▫ Full Title Policy ▫ Individuals ▫ LLCs/Corp (Maximum 4 owners allowed, all have to be borrowers and guarantors on the transaction) ▫ Title Commitment: 60 days max age				



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