BPL Mortgage

Residential Transition Loan Program (RTL)
External Underwriting Guidelines

September 15, 2026

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1. Introduction

BPL Mortgage, LLC ("BPL") seeks to originate and acquire business purpose loans to credit worthy, professional investors that acquire, build, and rehabilitate residential properties for investment purpose only. The following are to facilitate compliant underwriting of business purpose loans secured by residential real estate located throughout the United States. This document is intended to serve only as a guideline and reflects current lending product requirements, which may be amended at any time without prior notice.

2. Compliance

All loans must comply with applicable state, federal, and local governing lending practices and requirements to maintain applicable state lending licenses to the extent required.

All projects must meet the following required regulatory compliances and practices, if applicable to include but not limited to:

- permits
- licensing of General contractors and sub-contractors to obtain permitting
- zoning ordinances
- setbacks
- building code, etc. as required to issue occupancy related certifications upon close of loan

3. Application and Submission Requirements

In order to apply for a loan, each prospective borrower/guarantor must complete a Lender Loan Application in its entirety as well as submit the required information set forth in the Appendix A: Borrower and Guarantor Requirements and Appendix B: Property Diligence Requirements.

4. Allowable Loan Structures

First lien position with no prepayment penalty for the purpose of commercial/investment purpose only.
A borrower/guarantor, or family member, cannot occupy or claim the property as primary or secondary residence.

All active loans for a subject borrower must be current on their payment schedule. Borrowers with delinquent payments are prohibited unless otherwise approved by BPL Loans management.

4.1 Loan Terms

All RTL loans require first lien position only, to a maximum term of 18 months (including extension options per rate sheet which may require additional fees) and include the following:

- Fixed Rate Interest Only (IO) monthly payments
  - Negative amortization is not permitted
- Balloon Payment at maturity
- Amortized on Actual/365 schedule
- No prepayment penalty

4.1.1 Subordinate Debt, Junior Liens & Other Encumbrances

No subordinate financing including second mortgage or seller financing is permitted on the pledged asset, without the prior written consent of Lender. Municipal forgivable liens may be considered on a case-by-case basis.

4.1.2 Extension Eligibility

Loan-term extensions will be considered at the request of the Borrower. Term extensions will be considered in one-to-three-month increments. Fees for extensions will be determined by the Lender at the time of the Borrower request. A term extension will be considered only on loans with no delinquencies and only after a Lender Portfolio Manager has verified whether the initial underwriting characteristics have materially changed, including the asset value.

4.1.3 Ineligible States

- ND
- SD
- NV
- MD – Baltimore City

4.2 Payment Terms

Interest is payable on the first (1st) day of each month, with interest calculated and payable in arrears. Principal is payable at the earlier of the maturity date of the note or the date on which the indebtedness thereunder becomes immediately due and payable.

The due date of the first payment under the loan will be no more than 60 days from the date of the note. The Borrower may request advances up to the loan amount as set forth in the related loan documents.

Three (3) months of Minimum Interest is required and will be explicitly included in the loan documents.

4.3 Recourse

All loans are required to have a full recourse guarantee to an individual as set forth in these guidelines.

4.4 Non-Arm's Length Transactions

Lender generally does not permit but may consider non-arm's length transactions on a case-by-case basis

5. Leverage and Loan sizing

5.1 Loan Amount

5.1.1 Minimum Loan Amount:

$75,000

5.1.2 Maximum Loan Amount:

$2,000,000

5.2 Loan Leverages

Lender will advance loan proceeds based on the lesser of the following:

- Initial Loan to Cost (ILTC) – Initial loan amount divided by the purchase price or as-is value
- Total Loan to Cost (TLTC) - Total loan amount divided by the purchase price/As-is value + the construction budget for the project
- After Repair Loan to Value (ARLTV*) - based on (After-Repair Value or "ARV") – Total loan amount divided by the After-repair value of the property once completed

Maximum LTC and LTV levels are adjusted based on several factors including but not limited to

- product type
- borrower experience level
- collateral characteristics
- loan structure
- FICO and tradelines
- liquidity

For any project involving rehab or construction, the After Repair Value (ARV) must be no less than 115% of the total costs (purchase price + rehab budget) of the project.

Maximum leverages for bridge with or without rehab are per BPL Mortgage RTL LTV Matrix Appendix I.

5.2.1 Initial Advance

Proceeds disbursed at loan origination used toward purchase of subject property or the payoff of the existing lien on the subject property plus closing costs. Cash-in-hand to borrower greater than 2% will be considered a cash-out transaction and is limited in availability per the BPL Mortgage RTL Matrix. Appendix I

5.2.2 Holdback Escrow Requirements

Bridge loans with no renovations or renovations less than minimum $10,000 threshold, may not require an escrow holdback for renovation costs.

The construction rehab costs must be escrowed at loan closing, disbursed through one or more draws upon completion and reconciliation of renovation elements against project scope of work.

5.2.2.1 Draw Disbursement

Draw process is done in reimbursement style disbursement upon completion and reconciliation of renovation elements against project scope of work.

5.3 New Construction (Ground Up) – See **Appendix G**

6. Borrowing Entity Requirements

BPL Mortgage will require at least one (1) qualifying individual to provide a guarantee for a loan with a Borrowing Entity. The Guarantor must have equal to or greater than 20% direct or indirect ownership interest in the Borrowing Entity.

Entity must demonstrate its primary creation is for real estate investment purposes.

Eligible Borrowing Entity Types:

- Limited Liability Company **(**LLC)
- Sole Proprietorship
- Limited Partnership (LP)
- Limited Liability Partnership (LLP)
- Limited Liability Limited Partnership (LLLP)
- Corporations (C and S Corp)
- Revocable Living Trusts are eligible, subject to a full and satisfactory Trust review to confirm eligibility

A Series LLC is permitted. LLCs within a Series LLC and subsidiary LLCs that are wholly owned by a Borrowing Entity will require submission of new entity documentation when established. Series Entity structures must have identical entity structure including the following:

- Consistent members
- Managers
- General LLC structure

Ineligible Borrowing Entity Types:

- Irrevocable Trusts

- Community Land Trusts
- Cooperatives and Joint Ventures
- Fund LLCs (LLCs which combine money from multiple investors to invest in a specific strategy)

Borrower entity documentation requirements are outlined in Appendix A

6.1 Permitted Entity Debt

Recourse Exposure: Entity recourse loans are permitted to have debt outside of the subject Loan so long as the additional debt has no lien on or claim to the subject collateral property.

Non-Recourse Exposure: An Entity non-recourse loan is not permitted.

6.2 Minimum Guarantor Requirements

All guarantors are required to be at least 21 years of age at application date and have an economic interest in the subject collateral, including the borrowing entity (if applicable).

BPL Mortgage will require a guaranty from at least one (1) qualifying individual that directly or indirectly has an ownership interest equal to or greater than 20% in the borrowing entity, where legally permitted. If no individual owns more than 20% of the borrowing entity, then a personal guarantee is required from an individual or individuals that own an aggregate of 20% or more ownership in the borrowing entity where legally permitted.

- All recourse will be joint and several in the case of multiple guarantors

Guarantors can be U.S. Citizens, Legal Permanent Resident Aliens, and Non-Permanent Resident Aliens that reside in the United States.

7. Borrower & Guarantor Profile

Lender undertakes a review of each borrower and its guarantor(s) and principal(s) (as applicable) to establish the acceptability of the application as described below.
Lender will carefully evaluate the quality, financial condition, and integrity of:

- all parties that control the Borrower including Managers
- Any Guarantor(s), **AND**
- Any party which owns 20% or more of the borrower directly or indirectly (collectively the "Key Principals and Entities")

Lender requires background checks on all Guarantors from an approved vendor which includes criminal history, OFAC searches, identity verification, litigation, judgment, and lien searches.

- In the case of Foreign National Guarantors or Key Principals, Lender may require an International Background search from an approved vendor if a domestic background check yields no results
- In the case of Dual Citizenship, International and US Background searches from an approved vendor
- Guarantor(s) with tax liens, whether federal, state, property or personal may be required to provide evidence of release/satisfaction prior to closing as determined through title review. In the case of property tax liens, IRS documentation or other acceptable evidence of release is required or evidence of IRS payment plan in place for no less than 6 months and paid current. Property tax liens that do not affect the subject property may not be required to be paid or satisfied

7.1 Ineligible Borrowers

- Borrowers who have been Delinquent 120+ days on a BPL Mortgage loan, including foreclosure or short sale
- Borrowers with 0 Paid in Full loans and a bounced payment in the last 6 months
  - If the bounced payment is determined to be a servicing related error, the borrower may continue to submit loans via exception

- Any Borrower with RTL Express program loans or requests that exceed the following parameters must establish a Line of Credit Exposure
  - 4 closed loans with 50% or less progress OR
  - 1.5 MM in exposure (single or total exposure)
- Borrowers who have been determined to have misrepresented, submitted fraudulent documentation, or any other misrepresentation of intent including false budgets with no draws may be deemed ineligible for all lending products
- Borrowers with active stalled projects
- Borrowers with credit scores of less than 600

7.1.1 Criminal History

7.1.1.1 Financial Crimes

An applicant with a felony conviction relating to or arising out of financial theft, financial fraud, and financial misrepresentation, money laundering, or other financially related crime is ineligible.

7.1.1.2 Non-Financial Felonies

Felony convictions (maximum of one 1) that occurred more than 3 years prior to the note date will be considered on a case-by-case basis, subject to approval by Lender's Underwriting Credit Manager, based on the totality of all circumstances. Evidence of court records or a letter of explanation for the conviction must be provided for review.

- Felony convictions (maximum of one 1) more than 3 years ago may be allowed and will be considered on a case-by-case basis. Evidence of court records or a letter of explanation for the conviction must be provided for review. Convictions including but not limited to fraud, financial crime, misrepresentation, and acts of moral turpitude may be restricted
- **Bankruptcy:** The borrower/guarantor shall not have experienced bankruptcy during the prior three (3) years. The requirement is measured after any applicable final bankruptcy discharge date to the application date. The borrower must have evidence of re-established credit
- **Foreclosure:** The borrower/guarantor shall not have experienced a foreclosure during the prior three (3) years. The requirement is measured after settlement of the subject foreclosure to the application date.
- An OFAC check is required for Borrowers, Guarantors, Key Principals, and any entity Managers

Individuals will not be permitted to serve as majority owners, control parties or guarantors where there is evidence of:

- Bankruptcies, foreclosures, short sales, or deeds-in-lieu in the past 3 years to the application date.
- Unapproved past felony convictions
- Outstanding tax liens, other material liens, or material unpaid judgements (> $10,000)
- A Borrower's minimum liquidity requirement is increased by the amount of any outstanding liens or judgements.
- Inclusion on the OFAC list

A Power-of Attorney (POA) is not acceptable on a Personal Guaranty or documents that require a Guarantor signature.

7.2 Representative FICO:

Lender requires tri-merge credit reports from an approved vendor on all individuals serving as guarantor(s) for the borrowing entity.

The maximum loan-to-value/loan-to-cost will be determined by using the median FICO credit score as indicated by the borrower/guarantor's tri-merge credit report.

If only two (2) scores are returned, the higher of the two (2) will be used as the representative score.
Representative scores below 680 will be ineligible unless previously approved by Lender.
In the case of multiple Guarantors, the highest representative median FICO score will be used for qualifying.

Any/all proposed Borrowers/Guarantors must have a minimum credit score of 600 to be eligible from any credit repository (TransUnion/Equifax/Experian). Qualifying/representative FICO score must be 680 or greater.

7.2.1 Trade Line Requirements

- A minimum of three (3) Trade Lines (open or closed) must be established
- Minimum of two (2) Active Trade Lines (account must be active last 60 days from credit report date or account has an active balance)
- At Least one (1) Trade Line (open or closed) with 24+ month rating
- Authorized user accounts are not eligible trade line
- Derogatory accounts and collection accounts are not an eligible trade line

BPL Mortgage will consider verifying non-reporting mortgage tradeline accounts to meet minimum tradeline requirements. Borrowers who do not meet minimum tradeline requirements will not be eligible for RTL loans.

7.3 Guarantor Residency

Guarantors can be U.S. Citizens, Legal Permanent Resident Aliens, and Non-Permanent Resident Aliens that reside in the United States. Foreign Nationals will be considered eligible to serve as Guarantor so long as they are domiciled in a country permitted by Lender and have a valid credit report and credit score. All Foreign National borrowers will be evaluated under the Lender Non-Permanent Resident Alien / Foreign National Guidelines. Foreign National guarantors are required to borrow in the name of a U.S. based entity. (See Appendix F).

7.4 Mortgage History

For all mortgages reporting to the credit bureau, the borrower may not be more than 1x30 in the last 12 months based on all mortgages combined. If the subject property mortgage loan is not reporting on the credit bureau and this is a refinance transaction, a verification of mortgage or equivalent 12 months payment history is required.

Guarantor(s) must be current on all/any obligations unless previously approved by Lender.

8. Liquidity

For all loans with construction holdbacks and loan amounts equal to or greater than $1 Million, a minimum of 10% of budget is required to be evidenced as liquidity and net of downpayment on a purchase, closing costs, and construction budget funds not funded by the loan.

8.1 Guarantor's Liquidity (Line of Credit, Foreign Nationals and New Construction only)

Eligible Assets for Liquidity Consideration	
Asset	**Maximum Consideration**
Checking Account (DDA)	100%
Money Market Savings (SAV)	
Certificate of Deposit	
Brokerage Accounts (Mutual Funds, Stocks and Bonds)	
Business bank or brokerage account in the name of the borrowing entity regardless of ownership percentage of the guarantor on the loan.	
Life Insurance (Net Cash Surrender Value Only) may be used to qualify/meet reserve requirements only	
IRA (Traditional/Roth); 401(K); Annuity/Pension (need terms of withdrawal-applicant must have access to full balance w/ no restrictions)* IRA accounts can only be utilized to meet reserve requirements unless the Borrower is of retirement age or borrower shows liquidation.	50%*
Home Equity Line of Credit (HELOC)	50%
Refinance Proceeds (BPL Mortgage or affiliate only)	50%
Business bank or brokerage account in the name of NON borrowing entity	Based on ownership Percentage
Assets Ineligible for Liquidity Consideration	
Pledged/Margined Accounts	
Assets not owned/vested in the Borrower's or Guarantor's name, excluding other borrower/guarantor owned entities.	
Fixed/Non-Liquid Assets (Real Estate/Vehicles/equipment/etc.)	
Other: Inventory/Accounts Receivable	
Stock Options and Restricted Stocks	
Unsecured Loan Proceeds (Signature loans, credit card or cash advances, student loans, peer to peer loans, business loans, and payday loans)	
College Savings Account (529, etc.)	
Digital Currency (Bitcoin, etc.)	
Custodial accounts	
Payable on death (POD), Transfer on death (TOD) where borrower is the beneficiary and In trust for (ITF) accounts	

* Use of 401k or IRA reserves will be considered for use to a MAXIMUM of 50% of net cash value (after loans or other pledged funds are subtracted); verification of withdrawal is not required unless ANY of the following are true:

- Using 401k reserves for any part of closing funds/cash to close – then liquidation or terms of withdrawal must be evidenced

OR

- When 401k funds are the **SOLE** source of reserves – then terms of withdrawal will be required

8.1.1 Assets Eligible for Cash to Close Only

The following assets may only be applied to the borrower's cash to close requirement and may not be used to meet requirements. Any excess funds over and above what is needed to close the loan is not to be counted toward the requirement.

- 1031 Exchange funds held by an appropriate 1031 Exchange
    - Purchase transactions only
    - May not be eligible to cover all transaction fees as determined by title/exchange administrator
- Gift funds
    - See section 8.4 Gift Funds

8.2 Asset Documentation Verification Requirement

BPL Mortgage will review two (2) complete account statements, covering the most recent 60 days of transaction history on the accounts that are needed to satisfy the reserve requirement.

The most recent bank statements must be provided for review, dated within 45 days of the initial application date and within 90 days of the consummation date. If updated statements are provided, liquidity calculations may need to be re-analyzed.

Liquidity will be verified via account statements from a U.S. depository institution. Liquidity requirements are set forth as follows:

- A minimum of the two (2) most current account statements or
- The most recent quarterly account statement

The ending balance of the account statement or acceptable printout will be used to calculate the available liquidity.

For assets to be evaluated and considered for liquidity purposes, valid bank/brokerage/retirement statements must include the following:

- Banking/brokerage institution name
- Validation of account ownership
- Borrower(s)/Guarantor(s) name and Business name if applicable
- Account number to include at least three (3) digits of account number
- Visible and legible dates
- Statements include all pages (i.e. deposit/credit details are required)
- Microsoft Excel workbooks or other editable forms are not acceptable
- Liquidity for foreign nationals must be in a U.S. depository institution (i.e. FDIC insured)

Online printouts can only be used as a supplement to a full bank statement. It must clearly show the following to be acceptable:

- Source URL evident on the printout
- Borrower Name
- Account Number
- Financial Institution
- Date
- Account Balance

8.2.1 Asset Documentation for Business Accounts Other than the Borrowing Entity

Additional documentation is required to determine the eligibility of a bank or brokerage account which is held in the name of an entity other than the borrowing entity. The following additional documentation is required:

- Full Operating Agreement that details ownership of the entity and access to funds in the entity's bank/brokerage account(s) **OR**
- Official documentation (i.e. letter from the bank) substantiating the applicant is an authorized signer and has access to business account funds
- Percent (%) of funds that will be applied to liquidity will be based on % of Guarantor ownership

8.2.2 Trust Account requirements

Bank or brokerage account held in the name of a Revocable Living Trust

- Full Trust Agreement that details beneficiary and access to funds in the trust's bank/brokerage account(s) is required
    - Must document conditions under which the borrower has access to the funds
    - If borrower's access to funds is limited/restricted use of the funds for reserves may not be eligible – escalate to underwriting manager

8.3 Liquidity Sourcing Requirements/Large Deposit

- When bank statements are used to qualify, they must be evaluated to determine if large deposits are present. Large deposits that are verified as any of the below do not need to be sourced:
  - Payroll; bonus compensation
  - Social Security; Disability income
  - Unemployment income
  - Transfers between borrower/guarantor's personal accounts
  - Tax refunds
  - Pension payments
- Large deposits that are not identified as one of the sources above are defined below and are required to be sourced if needed to qualify for reserve levels. If the Underwriter can back out the deposit(s) or accounts(s) and the liquidity is still sufficient the deposits are not required to be sourced.
- Large Deposit is defined as a single large deposit representing more than 75% of the monthly average bank statement deposits (average of two (2) most recent months total deposits = baseline).
  - If single deposit is < than baseline, then no additional documentation is required
  - If single deposit exceeds baseline and is < or = 10k, then no additional documentation is required
  - If single deposit exceeds baseline and is >10k but less than or equal to 50k, then LOX is sufficient documentation
  - If single deposit is > baseline and is > $50k then letter of explanation (LOX) and source of large deposit documentation is required

8.4 Gift Funds

Gift funds are allowed only to represent no more than 50% of the total required liquidity for the subject transaction.

8.4.1 Eligible Gift Donors

A gift can be provided by a relative, defined as the borrower's spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship; or. a fiancé, fiancée, or domestic partner.

8.4.2 Gift Letter Requirements:

An acceptable Gift letter must include the following:

- specify the dollar amount of the gift
- specify the date the funds were transferred
- indicate the donor's name, address, telephone number, and relationship to the borrower
- include the donor's statement that no repayment is expected
- Be signed by both parties
- Include a copy of the cancelled check or wire as confirmation for the funds

9. Borrower Experience

- Lender seeks to primarily acquire loans guaranteed by experienced rehab investors, landlords and developers. The primary method of verification of Borrower experience will be satisfied by reviewing HUD statements, county records, or other verifiable third-party sources.
- Investment projects consist of any property the guarantor has/had ownership in and associated experience operating the renovation or rental property during the time period which such properties are being accounted for as part of the project experience. Projects with a larger scope are subject to experience determination by Lender. See experience sourcing below
- Investment property experience types consist of:
  - Retained Project: Property currently owned and operated as an investment property will count as one (1) investment project. Includes active rentals and properties with completed renovations listed for sale

- Resale Project: Property sold within the past 3 years (or otherwise set forth in these guidelines) will count as one (1) investment project
- Major Renovation Project: Any major permitted renovation greater than $20,000 on a primary residence may be counted as one (1) investment project. Evidence of renovation must include invoice and permit including cost, address and scope of work for the property

Real estate industry experience includes, but is not limited to: Agent/Broker, Appraiser, Property Manager, Real Estate Investor, Inspector, Development, and/or Construction.

Vacant land does not count towards investment property experience.

9.1.1 Experience level Requirements

- Silver (0–2 Completed RTL projects): Apply baseline leverage caps.
    - Must own primary residence
- Gold (3–4 Completed RTL/GUC projects)
- Platinum (5+ Completed RTL/GUC projects): Eligible for top-tier leverage within each classification

9.2 Maximum Borrower Loan Exposure

Outstanding Lender loan exposure to any single borrower may not exceed $10,000,000 without prior approval from Lender.

10. Borrower Due Diligence

Lender employs a standard due diligence process when underwriting and relies on complete and accurate information to make appropriate credit decisions. This approach requires the timely receipt of critical documents from sellers and third parties. Sellers are responsible for several items to facilitate the due diligence process. Lender may at any time during due diligence request additional information not included in these guidelines that it deems necessary for making a purchase decision.
Borrower due diligence as described above is required to be current as of the date of any loan approval as outlined below:

Expiration for Borrower & Guarantor Due Diligence	
Credit Report	No more than 90 days from Note Date
Background Search	No more than 90 days from Note Date
OFAC	No more than 90 days from Note Date
Appraisal	No more than 120 days from Note Date
Liquidity Verifications (Foreign Nationals and New Construction)	No more than 90 days from Note Date

11. Transaction Type Definitions

11.1.1 Purchase

The property was purchased by the borrower within 180 days prior to the loan origination date as reflected on the executed note. This also includes delayed financing for properties owned free and clear by the borrower and acquired within 180 days prior to the loan origination date (this concept is otherwise known as “Delayed Purchase”). Delayed Purchases will be treated and underwritten as a Purchase, as outlined in this document.

11.1.1.1 Delayed Purchase Transaction (<180 days with no debt)

Properties acquired by the borrower/guarantor within the last 180 days from acquisition date to Note date may be treated as a rate/term no cash-out transaction based on LTC/LTV grid for purchase transaction provided that the loan advance is structured based on the borrower’s acquisition price and there are no outstanding mortgage liens on the property.

The Underwriter must also carefully consider the prior trade dates and price of the subject property.

Delayed Financing is designed to allow the recoup the initial cost (Purchase Price) of the investment ONLY.
It does not allow recouping improvements that have been completed AFTER the initial Purchase of the property.

LTC/LTV will be based on the lowest of

- Initial Purchase price OR
- Current Appraised AS-IS Value

11.1.2 Refinance

The property was purchased by the borrower or an affiliate more than 90 days prior to origination. A refinance does not include financing a property without existing debt within 180 days of purchase. Such transactions would be considered a delayed purchase.

Approval for refinance transactions for incomplete properties/projects will be heavily scrutinized by the Lender underwriter.

11.1.2.1 Cash Out

In the event the borrower is refinancing existing debt on the property and the borrower receives net proceeds (excluding third party expenses reflected on the HUD) from the refinancing that exceeds 2% of the original loan amount. Financing of properties owned free and clear and acquired more than 180 days prior to the loan origination date is also considered a cash out refinance.

11.1.2.2 No Cash Out (Rate & Term Refinance)

A refinance that is not a Cash out Refinance.

12. Property Type

The property held as collateral may not be occupied by the borrower(s)/guarantor(s). The properties may be currently vacant, uninhabitable, or occupied by a non-arm's length tenant.

12.1 Eligible Properties

Lender provides financing secured against residential units for rehab and profitable resale or for the purpose of generating rental income. The property should be in a stable or improving market. The project to be repaired and improved should be well conceived with a realistic profitability opportunity. The costs spent to repair the property must create more than the commensurate value. In all cases a business purpose affidavit is required.

Financed properties must be in an eligible location the United States and require a valid first mortgage or deed of trust lien

12.2 Eligible Property Types

- Single Family (SFR)
- Townhome
- PUD
- Condominium (Warrantable & Non-warrantable) requires the following
  - Excluded from Ground up Construction
  - Less than 4 stories
  - Requires typical Condominium documentation to determine warrantability.
- 2-4 Unit Properties (2-4 Unit)

12.3 Ineligible Properties

- Unique properties
- Properties that exhibit functional obsolescence

- Properties in Declining Markets
- Properties occupied by or leased by a borrower or immediate family member of a borrower are ineligible
- Any property or residence with 2 or more units in which any residential living unit is less than 500 square feet
- Any single residential unit which is less than 700 square feet
- Any property not permanently attached to a foundation. – Allowable only on GUC product
- Cooperatives
- Acreage greater than 20 acres
- Bed and breakfast homes
- Hawaii properties in Lava Zone 1 or 2
- Dome or Geothermal homes
- Log homes
- Working farms, ranches, vineyards, or orchards
- Total or partially condemned property (including threatened or pending eminent domain) – Allowable only on GUC product
- Property occupied by borrower/guarantor, member or shareholder of borrowing entity, or their immediate family members
- Community apartments
- Rural properties
- Properties with a private transfer covenant
- Areas where more than 10% of other properties within a 2-block radius are either clearly vacant, abandoned and/or boarded-up. May be considered on an exception only basis
- Non-residential commercial properties
- Condotels or condo-hotels; including projects managed or operated as a hotel or motel and projects that contain hotel or motel in the name
  - Projects with mandatory membership fees for the use of recreational amenities, such as country club facilities and golf courses, owned by an outside party (including the developer or builder) are ineligible; however, if membership fees are paid for the use of recreational amenities owned exclusively by the HOA or master association, projects are eligible
- Mixed-use properties
- Mobile Homes - Dwellings that currently have or once had towing hitches, wheels and/or axles
- Manufactured Homes (unless stick built/framed and clicked together at site for a prefab style home) – Modular homes are permitted on case-by-case
- Timeshare, fractional or segmented ownership
- Industrial zoning
- Unimproved land which is not intended for building
- Properties with buried oil tanks
- Live-work projects or entities – Projects or entities that permit individual residential unit owners to operate and run a small business from their residential unit (i.e., projects are usually used for artist's studio, workshops, factories, or galleries)
- Student Housing
- Assisted Living, Rehab, sober living, boarding houses, halfway houses, medically related facilities including residential properties being utilized as such
- Agricultural properties include farms, ranches, or orchards
- Land Trusts
- Leasehold estates
- Fee tail estates (May appear in MA, ME, DE, RI)
- Life estates
- Projects or properties currently in litigation
- Properties on Indian (Native American) tribal or Indian trust land or restricted land or where Borrower has a leasehold interest in same

- Properties located in an area that is deemed an environmental risk, including properties subject to hazardous substances, hazardous conditions or near Environmental Protection Agency hazardous or superfund sites – Refer to Fannie Mae Guides for lists/examples of unacceptable environmental conditions
- Properties with previous sink hole; as noted on purchase contract, preliminary title policy, recorded permit and/or remediation, property seller's disclosures, etc.
- Unique properties in which the marketability cannot be established including, but not limited to, earth homes, berm homes, dome homes, geodesic homes, etc.
- Properties not readily accessible by roads that meet local standards
- Projects with property that is not real estate, such as houseboat projects, yachts, and airplanes
- Projects with covenants, conditions, and restrictions that split ownership of the property or curtail an individual Borrower's ability to utilize the property
- Properties with resale deed restrictions other than an age deed restriction
- Marijuana dispensary or grow facilities
- Properties used for not-for-profit organizations such as schools, churches, places of worship, etc.
- Raw land
- Mid process ground up construction and FNF projects. (Requires BPL mortgage executive management exception)
- Loans with rehab budgets that exceed 100% of the lower of purchase price or as-is value of the property are prohibited unless previously approved by Lender (other than ground up new construction)
- 5+ Unit Properties

12.4 Property Land Use and Zoning

The valuation or other diligence report must indicate if specific property zoning for the subject property presents:

- A legal conforming use
- A legal non-conforming (grandfathered) use
- An illegal use under the zoning regulations, **OR**
- That there is no local zoning
- If a property is legal conforming use, it will be eligible for financing
- If the property is a legal non-conforming use, the following will be used in evaluating appropriate exposure:
  - The property is one-to four-unit property and the use of the land, and the appraisal analysis does not reflect an adverse effect on the value/or marketability of the property, OR
  - The property is a condo unit, and the improvements can be rebuilt to current density in the events of partial or full destruction, OR
  - The property is a 2 – 4 multi-family property and the use of the land, and the appraisal analysis does not reflect an adverse effect on the value/or marketability of the property.

If a property is illegally used under the zoning regulations, it will be ineligible for financing.
A property with a designation of "no-zoning" is acceptable where the designation is consistent with the market.

12.5 Property-use conversions

Property use and zoning conversions will not be permitted.

13. Appraisal & Valuation

Lender will determine individual property values for any collateral being pledged as part of the loan request through independent valuations completed by a pre-approved AMC (Appraisal Management Company) for Lender. The transfer of valuation from any other institution must be approved by Lender's Director of Credit or delegate and will require a review to ensure compliance with Lender valuation standards.

The valuation must indicate the As-Is value and the After-Repair value, where applicable. If improvements, demolition, or any change has been made to the property since the appraisal which may affect the property's value, then the loan may be ineligible or the Lender may, at its discretion, accept the loan subject to further inspection(s).

Appraisals/ Valuations must be no more than 120 days from Note Date.

The interior appraisals must be on the applicable form required by the Fannie Mae Guidelines for 1-4 family properties, or a form approved by the Lender:

- 1 Unit Residential forms are FNMA 1004/FH 70
- Individual Condo forms are FNMA 1073/FH 465
- 2-4 Unit Residential forms are FNMA 1025/FH 72

There should be at least three (3) comparable sales for after repair value and three (3) comparable sales for As-Is value within 2 miles of the subject property. Otherwise, the Lender Underwriter should carefully consider other compensating factors to ensure integrity of the appraised value(s).

13.1 Appraiser Qualifications

BPL Mortgage requires all appraisals to be ordered through an independent Appraisal Management Company.

13.1.1 Non-Approved AMC Appraisals

Appraisals from non-approved AMCs will be accepted on a case-by-case basis.

13.1.2 Transfer Appraisal Requirements

Lender will allow for the transfer of appraisals ordered by non-affiliated parties if the transferred appraisal is provided with an appropriate release letter, and the appraisal is approved by Lender.

13.2 Preferred Vendors

13.2.1 AMCs

All loans in which an appraisal or valuation report are required must be completed by an approved BPL mortgage vendor.

See the AMC Vender chart for a list of Preferred and Approved AMCs. For alternative valuation products for loans which are eligible the following are allowable:

- Richer Values – Valuation Product – Max loan amount of $500,00

Additional Restrictions may be applied when not utilizing a preferred BPL vendor.

14. Property Seasoning Requirements

14.1 Acquisitions and Short-Term Refinances (Less Than 180 Days)

For new property acquisitions and refinances of properties owned for 180 days or less from the date of closing, the initial advance will be determined by the lower of the property purchase price, as adjusted by LTC (Loan-to-cost) requirements, and As-Is Value, as adjusted by LTV requirements.

14.2 Seasoned Refinances (> 180 days)

The as-is value may be used for properties acquired 90 Days prior to the date of application with the prior approval of Lender. Such loans will not be considered an exception to policy.

If the scope of work for any project is less than $5,000, the as-is value may be used in place of the after- repair value, therefore an after-repair value may not be required to calculate the advance formula.

If the borrower acquired the property through an inheritance, or was legally awarded the property through divorce, separation, or dissolution of a domestic partnership the seasoning may be recognized from original acquisition date of the subject property.

14.3 Borrower Equity

Lender requires that Borrowers maintain hard equity in each loan and contribute a portion of the total costs towards every individual loan. A minimum equity investment of $7,500 is required for all properties.
The LTV may be used to meet the equity requirement on a refinance transaction.

Assignment Fees: Acquisition and applicable Refinance transactions require verification of property acquisition.

- The borrower must provide copies of HUD-1, trustee receipt, or other satisfactory proof of purchase for all properties. Any assignment fees charged on behalf of a business or individual working as an intermediary will be capped at lesser of $40,000 or 110% of the lowest sale price within the prior 12 months

These fees are usually added after a sale/bid fee and are not classified as broker commissions tied to the sale.
Additional costs and purchase fees may apply towards the determination of final purchase price if they are considered to be market appropriate expenses up to 10% of purchase price. Note, these fees are not allowed when properties are transferred by intermediaries and subject to the 110% cap above.

- Allowable costs must originate from the original seller/owner on title, or a third-party auction service/business working on behalf of the seller
- These include but are not limited to winning bid, sales/purchase price, buyer's premium, technology fees/web fees, and preservation fees
- Seller concessions will be deducted from any final purchase price
- Interested Party Contributions (IPCs) are costs that are normally the responsibility of the property purchaser that are paid directly or indirectly by someone else who has a financial interest in or can influence the terms and sale or transfer of the subject property
- Additional carry costs and processing fees will not be applied to the final purchase price. Examples of these fees include late fees, property inspection fees, BPO fees, insurance fees, title fees, unpaid taxes, mailing costs, filing fees, closing fees, review fees, taxes/transfer/recording fees, escrow items, fees payable in connection with a loan and processing fees
- Acquisition fees paid to any entity owned by the purchaser will not be applicable
- If the realtor fee is customary / reasonable, the fee will not be treated as a concession

14.4 Property Inspection

The Borrower must submit a complete budget, which will indicate the entire project cost, including the cost of acquisition, hard construction, repair costs and all soft costs. However, this is generally not required if there is less than $5,000 in repairs, or Lender uses the "As-Is" value as the "After- Repair Value" (e.g. a cash out refinance on a completed property or a loan without construction draws).

14.5 Seismic and Environmental

Environmental Screen Assessments: Multifamily properties with either (i) a Maximum Loan Amount greater than $1 million, (ii) a current environmentally exposed use including a dry cleaner, gas station, or others as determined by Lender, or (iii) where the appraisal indicates any environmental concerns, must have an Environmental Screen Assessment or a Phase 1 assessment.

Phase 1 Assessment: Required for a Maximum Loan Amount > $5 MM, any Environmental Screen Assessment with an "Elevated Risk" or "High Risk", or any property being converted from a commercial use to a multifamily.

Seismic Assessment: Any Maximum Loan Amount >= $3 MM (or lower amounts where the appraisal indicates any seismic construction concerns) with a Peak Ground Acceleration ("PGA") >= 0.15g as computed by the Unites States Geological Survey (https://earthquake.usgs.gov/hazards/interactive/) will require a Level 1 Seismic Risk Assessment ("SRA") when a third party evaluation determines that any of the following conditions are present:

- Any property with a certificate of occupancy issued prior to 1980 with residential units above ground floor commercial, retail, or tuck under parking.
- Any wood framed building was constructed before 1950
- Any unreinforced masonry construction regardless of seismic retrofit

If the results from a Level 1 SRA determine that there is more than a 20% and up to a 40% probable maximum loss ("PML") earthquake insurance is required. Any PML greater than 40%, any building constructed of unreinforced masonry with no seismic retrofit, or any building constructed on a hillside with a slope exceeding a 30-degree angle (50% slope) is not an eligible property for Lender.

14.6 Sinkholes

Florida properties located in the 10 high risk counties listed below will have additional underwriting due diligence performed including review of:

- Preliminary title report for exceptions
- Online property listing validation of address against available Florida sink hole county

High risk counties can be located at the following website:
https://www.researchgate.net/figure/Map-of-sinkhole-hazard-rankings-by-county-from-the-Florida-Division-of-Emergency_fig2_321411626

15. Construction Inspection and Draw Process

Lender will order inspections from a preferred construction inspection vendor. The inspection must be completed in a form satisfactory to Lender. The borrower will be responsible for the cost of all inspections and Lender out of pocket costs related to the draw review and release of funds. Lender will review and approve the vendor Draw Inspection Report, and the Construction Escrow Draw Request prior to authorizing the release of any loan proceeds, repair proceeds, or funds held in escrow by Lender. Any loan which had a Project Review / Feasibility Study requires the subsequent rehab draw property inspections to be performed by the same firm unless otherwise approved by Lender.

Loans with a Project Review will fund the renovation draws or escrow releases based on the budget line allocations as determined by the initial Project Review unless otherwise approved by Lender. Lender reserves the right to order a new or updated Project Review at its discretion prior to any draw.

For loans where there is a contemplated change in intended use or zoning (i.e. condo conversions), Lender requires proof that the project has received the required permitting and approved plans stamped by the city prior to funding rehab draws. Super Rehab loans, and Light Rehab loans with a Rehab Budget of $150,000 or greater.

Inspections will be used to verify current property conditions and improvements during the construction process. As applicable – Inspection forms, photos of work, supporting documentation, lien waivers, permits, and property status updated may be required.

Draw management may require evidence of permits prior to releasing any draw funds based on city, county and state requirements for the work being done.

15.1 Suspension of Construction

Lender will track, and if applicable, may take appropriate action if:

- Lender becomes aware of any unresolved pending liens, or material inactivity at the site / project, or
- The Borrower is in default on the loan agreement, and the cure period has expired

16. Insurance Coverage

All properties are required to be insured as set forth in **Appendix C**.

17. Title Requirements

Satisfactory title insurance coverage will be obtained for all loans. Lender will confirm that the collateral property will be free of any encumbrance of lien, other than the lien of Lender security instrument. A lender's title insurance policy must include ISAOA language and will be required in an amount at least equal to or greater than the original principal amount of the mortgage from a title insurer satisfactory to Lender. Title Indemnity Agreements and Mechanic Lien Endorsements are required by Lender. Lender may require receipts of appropriate lien waivers prior to disbursement of proceeds if the construction inspection report and budget are inconsistent with the draw request.

- Each property must be comprised of at least one (1) parcel which constitutes a separate tax lot and does not constitute a portion of any other tax lot
- There must not be any liens for delinquent charges or unpaid assessments for homeowner's association dues or improvements as it pertains to the subject property

No subordinate debt permitted at the time of closing and no re-subordination will be allowed for the duration of the loan. Municipal forgivable liens may be considered on a case-by-case basis.

The title policy must be written on the 2021 where applicable or 2006 American Land Title Association (ALTA) standard form. The title insurance policy must ensure that the title is generally acceptable and that the mortgage constitutes a lien of the required priority on a fee simple property. Lender will confirm the collateral property is free of any tax encumbrance and that all taxes are paid and current by closing.
Property survey: Not required if the title agent indicates that the appropriate survey endorsement will be issued with the final policy; otherwise, a valid survey will be required.

17.1 Effective Title Date

Because the 2021/2006 ALTA forms provide protection for the time between loan closing and recordation of the mortgage, policies written on those forms may be effective as of loan closing.

17.2 Utilities

Each property must have adequate rights of access to public or private utilities and public rights of way. If public sewer and/or water facilities, those that are supplied and regulated by local government are not available, community or private well and septic facilities must be available and utilized by the subject property. Private well or septic facilities must be located on the subject site. If there is reference in the valuation or inspection to environmental hazards or any other conditions that will affect well, septic, or public water facilities, the valuation must address the effect of the hazards on the value and marketability of the subject property.

17.3 Private Road Maintenance Agreements

Properties located on private roads without private road maintenance agreements are acceptable. Each property must be able to be accessed via a road which emergency and passenger vehicles can access the property in all types of weather. Private roads must be protected by permanent recorded easement (non- exclusive and non-revocable easement without trespassing from the property to a public road) or the road must be owned and maintained by homeowners' association (HOA). Shared driveways must also meet these requirements.

18. Tiering Requirements

18.1 Minimum ownership percentage requirements

- To utilize qualifying exits from any previous non-borrowing entity or individual, in the past 36 months, a minimum 20% ownership is required to be evidenced to utilize exit as a part of a completed project. BPL may review lessor percentages of ownership on a case-by-case basis.
- For entities that have been in existence for more than 90 days, the experience of members added within 180 days from application submission will be considered on a case-by-case basis and may require additional compensating factors.

18.2 Tiering Qualifications

18.2.1 RTL Experience requirements – Fix & Flip

Silver 0-2 Verified/Completed Projects

- Minimum Experience of one (1) investment project over the past three (3) years or real estate industry experience to include but not limited to:
    - Agent/broker
    - Appraiser
    - Property Manager
    - Real Estate Investor
    - Inspector
    - Development
    - Construction

Gold 3-4 Verified/Completed Projects

- Minimum Experience of three (3) investment projects over the past three (3) years. (flip or rental)
    - At least two (2) documented flips required (flip/sell or buy/rehab/hold acceptable)

Platinum 5+ Verified/completed Projects

- Minimum experience of five (5) investment projects over the past three (3) years. (flip or rental)
    - At least three (3) documented flips required (flip/sell or buy/rehab/hold acceptable

18.2.2 GUC Experience Requirements

Gold 3-4 Verified/Completed Projects

- Minimum Experience of three (3) investment projects over the past three (3) years. (flip or rental)
    - At least two (2) documented flips required (flip/sell or buy/rehab/hold acceptable)
    - At least one (1) documented GUC project over the last 3 years

Platinum 5+ Verified/completed Projects

- Minimum experience of five (5) investment projects over the past three (3) years. (flip or rental)
    - At least three (3) documented flips required (flip/sell or buy/rehab/hold acceptable)
    - At least one (1) documented GUC project over the last 3 years

18.2.3 Ineligible experience includes

- In Process Fix and Flip projects (Mid-rehab or post rehab but not yet sold)
- Vacant land
- Less than 20% ownership in a project
- Primary residence owned less than 2 months.
- Primary residence with rehab less than 20K
- GC Experience when GC is not the guarantor
- Certificate only experience (online classes with no other experience)

19. Rehab Types

Light Rehab

- Cosmetic or minor update or repairs with limited system replacements
- Budget is equal to <25% of the lower of the As-is value or the Purchase price
- No Wall, roof removal or floor plan changes

Standard rehab

- Moderate renovations including multiple systems replacement or partial structural work
- Budget is equal to or greater than 25% and less than 50% of the lower of the As-is value or the purchase price.

- May include limited framing, Mechanical/Electrical/Plumbing work, or addition of less than or equal to 10% of GLA with a proper permit.

Super Rehab

- Major renovations or rebuild including expansion or system overhaul including large basement additions
- Budget is greater than or equal to 50% up to 250% of the lower of the As-is value or the purchase price
- May include major framing or addition of up to less than or equal to 25% GLA, with proper permits. Adding ADU and Fire damaged properties

Ground Up Construction

- See Appendix G for full guidelines.

20. General Contractors

The borrower/guarantor may serve as a general contractor (GC) if they are appropriately licensed, bonded and insured with a Builder's Risk policy.

Outside GC requirements:

- An executed construction contract between borrower and builder is required. Contract must be assignable to BPL
- Full GC/License Contractor review including resume, license, E&O, and bond insurance review is required
- Commercial General liability insurance will be in GC name. Notes section must indicate lender as an additional insured.

Borrower as GC:

- No construction contract is required
- Commercial General liability insurance will be in borrower/borrower entity name

If No GC/GC License Required

- Commercial General liability insurance will be in borrower/borrower entity name
- Commercial General liability insurance, and copy of unexpired license for any sub-contractor completing work on the following will be required prior to BPL disbursing any draws related to them:
  - Foundation
  - Electrical
  - Plumbing
  - Roofing
  - HVAC

Licensing requirements are dependent upon state and local licensing requirements

Appendix A: Borrower and Guarantor Requirements

Borrower Level Due Diligence			
Document	FNF/Bridge no rehab	GUC	Description
Application	X	X	RTL Application must be signed with all applicable fields completed, including declarations if applicable
Background Check	X	X	All Individual Borrower(s)/Guarantor(s)
Credit Report	X	X	For all Individual Borrower(s)/Guarantor(s)
OFAC	X	X	For all Individual Borrower(s), /Guarantor(s), Manager(s), Key Principle(s)
Identification	X	X	Copy of government issued ID or Passport
Occupancy Declaration	X	X	Guarantor(s) must sign non-occupancy declaration at closing
Liquidity Requirements (When required)	X	X	Most recent consecutive full 2 months statements for any account provided based on application date to evidence seasoned liquidity at least equal to the following: Purchase down payment (if applicable); plus Asset reserves as required based on product/program
Track Record	X	X	Report covering properties purchased, repaired, sold or rented within the past 36 months with supporting HUD;s or ither verification for recent transactions (see Borrower Experience for detail). Proof of purchase, ownership, or other documentation may be required to verify experience
Entity Level Due Diligence (If Applicable)			
Document	FNF/Bridge no Rehab	GUC	Description
Articles of Incorporation / Formation	X	X	• All pages required • Required for all entity types
EIN or W9	X	X	• Required for all entity types
If Borrowing Entity is an LLC: • LLC Operating Agreement - Must be signed/executed - Must be single business purposes - Must include Membership interest - Must include management authority to sign and bind	X	X	• All pages are required to have clearly identified ownership interests and include an authorization to borrow and designated signers • eSignatures must be verified/authenticated
If Borrowing Entity is a Corporation: • Corporate By-Laws or Comparable organization document/Shareholder Agreement or comparable organization document • A Corporate Resolution designating authorized signors • Stock Certificate / Share Ledger and Corporate Resolution, (if applicable)	X	X	• All pages required with clearly identified ownership interests • List of officers and directors • By-laws must be signed
Certificate of Good Standing (COGS) or an "Active Status" report from the State	X	X	• Must be no more than 90 days from the Note Date. - Entities formed in the last 6 months do not require a COGS.
Certificate of Foreign Qualifications. (If Applicable)	X	X	• If the borrowing entity is formed in a state other than where the property is located, a valid Certificate of Foreign Registration is required - Foreign registration process is lengthy and extensive; it is advisable to be started as soon as possible

Note: Layered entities are subject to the above requirements except for Foreign Qualification. Certificate of good standing is not required for layered entity owners.

Appendix B: Property Documentation and Diligence Requirements

Property Level Due Diligence				
Document	Bridge No Rehab	FNF	GUC	Description
Lease Agreement for subject property (if applicable)	X			Existing lease information must be provided when property is tenant occupied.
Purchase Contract	X	X	X	Fully executed Purchase and Sale Agreement executed by all parties
HUD/Settlement statement and Warranty Deed	X	X	X	Validating transfer of property title and consideration
Title Commitment, Closing Protection Letter and Wire Instructions	X	X	X	Must be effective within 90 days or less from Note Date and reflect BPL Mortgage Trust LLC, LLC ISAOA/ATIMA or Fay Servicing, LLC ISAOA/ATIMIA as Proposed Insured
Appraisal or Valuation	X	X	X	Must have a "As-is" and After Repair value (if applicable) – Both "As-is" and After repair comparable sales comps must be gridded within the appraisal. Using ARV value and adjusting down to obtain "As-is" value without comparable sale support is unacceptable.
Scope of work/ Construction Budget		X	X	Detailed cost estimate and scope of renovations or repairs planned for the subject project. Should be specific to include planned materials, quantity, and type to support finish value. Scope of work should include detailed description of any changes to floor plan; room count or other structural changes.
Plans/Specs (if Applicable per rehab classification matrix)		X	X	Stamped approved plans are required per product and rehab classification matrix.
Feasibility reports (If applicable per experience matrix)		X	X	Feasibility reports are required per for product and rehab classification matrix. CFSI or Trinity are approved vendors for Feasibility reports.
Title Commitment	X		X	Title commitment endorsements are required to insure/allow for increasing UPB, mechanical lien waivers and environmental issues. These endorsements commonly have the following endorsement numbers (numbers vary by title company or local) examples include: Increasing UPB: Alta 32 or 33 or comparable endorsement Mechanical Lien waivers: Environmental: Alta 8.1 or 8.2 or comparable endorsement See guide to title insurance endorsement guide:
Proof of Insurance including Builders Risk, Commercial Liability, and General Hazard	X		X	See Insurance Appendix C
Condominium Covenants and Restrictions, if applicable	X	X		Required. Need to check for any deed restrictions
Condominium Questionnaire, if applicable	X	X		Required. Need to determine if the HOA has any open litigations
Surveys (if applicable per state requirements or rehab classification matrix)		X	X	Required for Super and GUC Builds – Survey waiver is not allowed. In states where surveys are required, BPL Mortgage will require surveys.
Pre-sale agreement (if applicable)		X	X	Would need complete, fully executed agreement and all supporting deposits per agreement. Should detail who borrower, seller, subject property address(es), sales price, contingencies, deposits to evidence pre-sale of subject property.
General Contractor (GC)/Sub-contractor (where/when required by rehab classification matrix, experience, or local ordinance)		X	X	Copy of GC license, E&O insurance, experience, and or Sub-contractor documents including contracts between GC/Sub-GC and borrower will be required when budget/SOW contemplates licensing requirements to complete or pull permits per state and or local ordinance.

Appendix C: Insurance Coverage Requirements

BPL Mortgage requires that each property be insured by insurance policies providing coverage as set forth in the loan agreement.

The insured as shown on the policy must be in the name of the Borrowing Entity or the Guarantor(s) for the loan.

The insurance policy must cover a full 12 months and must be paid in full at the time of closing/disbursement, in the event that the current policy in place on the property expires within 30 days of the Note date, a copy of the policy renewal must be provided. If the current EOI shows that the policy is on Auto Renewal, then the requirement may be waived if proof of payment for the renewal is provided or if the premium for the renewal is collected and paid at closing.

Lender and its affiliate must be listed as the Mortgagee and Lender's Loss Payable on the Evidence of Property Insurance as follows:

BPL Mortgage, LLC ISAOA/ATIMA
c/o Fay Servicing
PO BOX 7047
Troy, MI 48007-7047
Loan #

Table funded loans should reflect the following:
Name of approved table funding broker/ISAOA/ATIMA
c/o Fay Servicing
PO BOX 7047
Troy, MI 48007-7047
Loan #

CANCELLATION NOTICE

Provide for at least 10 days prior to notice to the Lender for termination or cancellation for all causes of cancellation or nonrenewal (or such periods, not less than 10 days, as may be required by applicable law).

DEDUCTIBLE

The maximum allowable deductible varies based on policy type.

Policy Type	Deductible MAX (of the property insurance coverage amount)
Dwelling/ Fire/ Property	5%
Wind/Hail/Hurricane	10%
Flood*	NFIP (National Flood Insurance Program) minimums - refer to info below (minimum vs. maximum)

* Flood Policy - The following describes the minimum deductible allowed by BPL for an NFIP or a private flood insurance policy.

NFIP has minimum deductibles based on building coverage: $1,000 minimum for $100,000 or less in coverage and $1,250 for more than $100,000 of coverage

HAZARD/PROPERTY INSURANCE

Each Borrower has the right to select his or her own insurance carrier to provide property insurance for the security property, provided that the insurance policy and coverage meet BPL Mortgages requirements. The policy must be written by a carrier that meets the minimum rating requirements as outlined in the Insurer Ratings Requirements section.

Acceptable hazard insurance policies must protect against loss or damage from fire and lightning and other hazards covered by the standard extended coverage endorsement.

The coverage must provide for claims to be settled on a replacement cost basis. Extended coverage must include, at a minimum, wind, civil commotion (including riots), smoke, hail, and damages caused by aircraft, vehicles, or explosion.

Named storm/hurricane coverage is required for Florida and Louisiana properties and must be identified on dec page and final policies.

Hazard/Property Insurance coverage is not required at closing for ground up construction projects where the property is newly built from vacant land at the start of the construction or on full tear down loans.

Limits of Insurance

For a property with an individually held insurance policy, BPL Mortgage requires coverage equal to the lesser of the following:

- 100% of the insurable value of the improvements, as established by the property insurer; or
- The unpaid principal balance of the mortgage

In any event not less than the amount necessary or containing such endorsements as are necessary to avoid the operation of any coinsurance provisions.

Co-Insurance

If the policy has a coinsurance provision, the insurance will be ineligible unless the policy specifically identifies the coinsurance is 100% and co-insurance provisions below 100% will be ineligible. This requirement is applicable to both full and partial loss scenarios and if the insurance documentation provided does not clearly identify that co-insurance is not applicable or that the 100% co-insurance is applicable to all loss types then the fully policy must be obtained to make that determination. For example, if the property has a fire that damages 25% of the property resulting in a $50,000 loss and the 80% co-insurance will result in the payout on the loss to be 80% of the $50,000 the policy will be ineligible.

Condominium and Attached PUD Insurance Requirements

Attached PUD and Condominium property types require the homeowners' association (HOA) must maintain a master property insurance policy that provides coverage for the full insurable replacement cost of the project improvements including the units. Detached condos may follow single-family property insurance requirements (Selling Guide B7-3-03, Determining the Amount of Required Property Insurance Coverage,) if the legal documents allow individual policies to be held.

Attached PUD and Condominium properties require an HO6 Policy equal to no less than 20% of the appraised as-is value if the interior "walls-in" and "betterments and improvements" are not insured under the Master Insurance Policy carried by the Homeowners Association.

Insurer Rating Requirements

Acceptable insurers must be domiciled in the United States and/or licensed to do business in the state(s) in which the subject property/properties are located and must be written by a carrier that meets the following rating requirements. The carrier needs to meet only one of the following rating categories:

Rating Agency	Minimum Rating	Minimum Size
AM Best Insurance Reports	B	N/A
AM Best Insurance Reports Non-US Edition	A	VIII
Demotech Financial Stability Ratings	A	N/A
Standard and Poor's Ratings Direct Insurance Service	BBB	N/A

State Fair Access to Insurance Requirements (FAIR) plans are exempt from rating requirements.

FLOOD INSURANCE

Flood Insurance is required for any property determined to be located in a FEMA declared flood disaster area. Insurance coverage up to the lesser of loan amount, maximum $250,000 or the maximum allowable amount per the National Flood Insurance Program is required. A BPL Mortgage Underwriter will obtain a flood determination certificate from Core Logic or a similar provider in order to verify if the property is located in a flood zone. Acceptable policies for flood insurance:

- A Policy Declaration page with a paid in full receipt
- Fully executed flood application, Accord form and paid in full receipt

Master flood insurance policy maintained by the project must cover the subject units.
The coverage amount for the building must be at least equal to the lesser of:

- 80% of the replacement cost, or
- The maximum insurance available from NFIP per unit (which is currently $250,000 per unit)

The special flood hazard area disclosure must be signed and uploaded to the loan.

GENERAL LIABILITY

General Liability Insurance is required on all loans. Coverage should be illustrated on the "occurrence" form with a limit no less than $300,000 per property.

BUILDER'S RISK AND LIABILITY INSURANCE

Builder's Risk Insurance is required on all new construction projects or major renovations, as defined as projects classified Super Rehab and any project which requires a GC. For projects which require a GC, the GC is to be the insured on the policy.

Appendix D: Required Documents

The following legal documents are required on all loans:

- Loan Agreement
- Promissory Note
- Security Instrument
- Personal Guaranty
- Declaration of Non-Owner Occupancy and Indemnity
- Business Purpose Certificate
- Hazard Insurance Disclosure
- Language Capacity Declaration
- Compliance Agreement
- Arbitration Agreement
- Environmental Indemnity Agreement, if applicable
- ACH Authorization

Appendix E: Foreign National Guidelines and Non-US Citizen Requirements

FOREIGN NATIONAL GUIDELINES

BPL Mortgage will consider Foreign Nationals subject to the underwriting policies depicted below. Foreign National borrowers are defined as citizens of another country who have a valid Visa to visit the US for business or leisure. Foreign Nationals are not Non-Permanent Resident Aliens, Permanent Resident Aliens, or U.S. Citizens. Foreign Nationals do not have Green Cards and are not authorized to work in the U.S. Their primary residence is in their country of origin.

BPL will allow foreign nationals to serve as guarantors so long as they are domiciled in a country not on the Ineligible Countries list. Foreign National guarantors are required to borrow in the name of a US based entity. In addition, BPL Mortgage will require the following for Foreign National owned borrowing entities:

- No more than two (2) foreign nationals are permitted to be guarantors, have equal to or greater than 20% ownership, or serve as managing member(s) of the borrowing entity
- The borrowing entity must be held directly by natural persons with no other entity owners
- A registered agent (CSC Corporation, another company, attorney, or other individual) for the borrowing entity in the states where they are qualified to do business
- The borrowing entity must be domestic entity registered in the U.S.
- The borrower/guarantor must have assets on deposit with a US Banking Institution

All Foreign National Borrowers/guarantors are required to provide valid identification to confirm they can legally enter the United States. Legal entry can be validated by any of the following:

- Copy of the borrower/guarantor(s) valid and unexpired passport from their country of residence/citizenship Valid US Visa (if not subject to Visa Waiver Program)
- USCIS Approval documentation showing the borrower/guarantor(s) have a valid Visa Class

The following classifications are **not eligible** for the Foreign National Borrower/Guarantor:

- Undocumented Aliens
- Deferred Deportation (DACA) – C33 annotation on EAD card
- Borrowers/Guarantors with Diplomatic Immunity (A/G/NATO Visa types)
- Foreign Entities (Corps, LLC, LLPs, etc.)
- Temporary Protected Status (TPS)
- All Trusts

REPRESENTATIVE FICO SCORE

Foreign Nationals who meet the above criteria and have a valid US Based Credit Score from at least 2 of the 3 major repositories may be priced according to the representative FICO from the rate sheet. Foreign nationals must have a valid FICO score.

A Tri-Merge Credit Report is required and must meet Loan Program guidelines. If there are any of the following derogatory items present in the borrower/guarantor profile the loan will be ineligible:

- Bankruptcy
- Foreclosure
- Short-Sale
- Deed-in-Lieu
- Borrower/Guarantor initiated Loan Modification

LIQUIDITY

Foreign Nationals must provide proof of liquidity.
Liquidity for foreign nationals must be from a U.S. depository institution (i.e. FDIC insured) and seasoned for at least 60 days.
Borrower must demonstrate their liquidity position and have liquid assets based on the grid below. Borrower must meet minimum verified liquidity of at least $50,000.00.

Borrower/Guarantor Transaction Experience in past 3 Years	Minimum Liquidity
0 – 2 (Silver)	Ineligible
3 – 4 (Gold)	25% of the Loan Amount
5+ (Platinum)	20% of the Loan Amount

INELIGIBLE COUNTRIES LIST INCLUDE BUT NOT LIMITED TO:

Afghanistan	Libya
Balkans	Nicaragua
Belarus	North Korea
Bosnia-Herzegovina	Russia
Burma (Myanmar)	Saudi Arabia
Burundi	Somalia
Central African Republic	South Sudan
Crimea	Sudan
Cuba	Syria
Democratic Republic of the Congo	Turkey
Egypt	Ukraine
Eritrea	United Arab Emirates
Haiti	Vanuatu
Iran	Venezuela
Iraq	Yemen
Lebanon	Zimbabwe
Liberia	

NON-U.S. CITIZEN BORROWER/GUARANTOR REQUIREMENTS

Permanent and Non-Permanent Resident Aliens

BPL Mortgage will make loans to maximum terms for lawful Permanent and Non-Permanent residents of the United States if they can meet the requirements outlined in this section below.

PERMANENT RESIDENT ALIEN REQUIREMENTS

Permanent Resident Alien Definition

BPL Mortgage defines a Permanent Resident Alien as an individual who has been granted permanent residency in the U.S.

Permanent Resident Alien Documentation Requirements

Borrower/Guarantor must provide a valid, unexpired Green Card. If the Green Card is expired or will expire prior to final approval they must show that they have applied for renewal. If there is any reason for BPL Mortgage to believe the borrower/guarantor's renewal application for permanent residency would not be granted the borrower will be qualified as a Foreign National.

Permanent Resident Alien General Requirements

In addition to the standard requirements applicable to all borrowers the following general requirements are applicable to Permanent Resident Aliens:

- The borrower/guarantor's background must not reflect any criminal activity after the date of issue of their latest Green Card. Any criminal activity after the issue date of their Green Card will require a clearance letter from the USCIS
- The file documentation must support the borrower/guarantor is currently residing in the U.S. (Credit Report will validate)
- A borrower that fails to meet the above requirements will be underwritten as a Foreign National

Non-Permanent Resident Alien Definition

BPL Mortgage defines a Non-Permanent Alien as anyone currently residing lawfully in the United States meeting the following:

- Legal Resident Alien with an unexpired valid VISA from the acceptable VISA requirements list below, with at least six (6) months remaining at the time of final approval
  USCIS link
- Legal Resident Alien with an unexpired valid VISA from the acceptable VISA requirements list below, with less than six (6) months remaining at final approval, but who can document they are eligible for and applied for renewal of their VISA or that has applied for permanent resident status. If there is any reason for BPL Mortgage to believe the borrower/guarantor's renewal application for permanent residency would not be granted the borrower will be qualified as a Foreign National
- Legal Resident Alien that has been granted Asylum. Asylum approval documentation is required
- Legal Resident that has been granted Refugee status
- Legal Resident Alien who is currently under a Temporary Protected Status (TPS) that has a minimum of 12 months remaining on the status approval at final approval. In addition, regardless of length remaining on the TPS there can be no decision by the U.S. to remove the TPS after expiration. If status is being removed the borrower/guarantor must be underwritten as a Foreign National

Non-Permanent Resident Alien Acceptable VISA Requirements

The following VISAs are acceptable under the Non-Permanent Resident Alien Designation:

An I-797, Notice of Action form, or Passport, or EAD card can be provided to show acceptable visa

- CW-1
- E-1/E-2/E-2C/E-3
- EB (1-5)
- F-1
- H1-B/H1-B1/H1-C/H2-A/H-2B/H-3
- I-1 (non-derivative)
- L-1A/L-1B/L-2
- J-1/J-2
- K-3/K-4
- M-1
- O-1 (A&B)/O-2
- P-1 (A&B)/P-2/P-3
- Q-1
- R-1/R-2
- T-1
- TN (NAFTA)
- U-1

Any borrower holding a VISA not on the list above will be underwritten as a Foreign National.

Appendix F: Approved Property Costs

Approved and Ineligible costs are generally defined as follows*:

Approved Cost Item
Property Acquisition
Prior renovations
Demolition
Landscaping
Foundation / Structural
Countertops
Cabinets
Appliances
Carpet
Hardwood
Tile
Vinyl
HVAC
Electrical
Plumbing
Painting
Drywall
Trim
Fixtures
Doors
Bathroom(s)
Windows
Roofing
Pool
Siding
Cleanup
Up to 10% Contingency is allowable

Ineligible Costs
Plans and Architect Drawings
Permit and Impact Fees
Builder's Fee
Builder's Risk Insurance
Surveys
Soil Testing
Misc. Fees in excess of 5% of total budget
Closing Costs
Carrying Costs
Regulatory Fees
Tap Fees
Utility Connection Fees
Other Site Fees

**Lists are not all inclusive – final budget review is required by underwriter/budget desk*

Appendix G: New Construction (Ground Up)

NEW CONSTRUCTION DETERMINATION

New Construction classification is akin to a complete teardown, where collateral value reaches a state close to land value. The more extensive rehab, the greater the risk. During the renovation process, collateral value decreases as the home becomes uninhabitable. Projects which exceed super rehab eligibility, which include full removal of the roof, expansion of more than 25% of the GLA, removal of 2 or more exterior walls or that exceed 250% of the lower of the AS-is value or the purchase price will be classified as Ground up construction.
Whether a project is classified as new construction is determined by the Feasibility team. Determination of whether a project is new construction may not be consistent with local permitting authorities' definition.

"Red flags" include:

- Vacant land w/ ground-up development planned
- Substantial additions (>=100% increase in sq. ft.)
- Structural replacement of the roof and more than one exterior wall while retaining existing foundation
- Structural replacement of the roof and all interior framing; Note: the addition of a 2nd floor will likely require the structural replacement of the roof

GUARANTOR TYPE

- Foreign Nationals are ineligible

EXPERIENCE AND LIQUIDITY:

New Construction loans require proof of liquidity.

The borrower is required to demonstrate their liquidity position and shall have liquid assets based on below grid. Liquidity must be seasoned for at least 60 days as of loan application date unless otherwise approved by Lender. Borrower must meet minimum verified liquidity of at least $50,000.00.

Borrower/Guarantor Transaction Experience in Past 3 Years	Minimum Liquidity
0 – 2 (Silver)	Ineligible
3 – 4 (Gold)	20% of the Construction Budget Amount*
5+ (Platinum)	20% of the Construction Budget Amount*

*Liquidity amount must be net of downpayment on a purchase, closing costs, and construction budget funds not funded by the loan.

CONSTRUCTION ADVANCE:

Lender will advance 50% of the lesser of:

1. The As-Is appraised site value of the land, **OR**
2. Borrower's costs basis in the land, until all applicable building permits are properly submitted

Once all permits are submitted and approved by Lender Loan's underwriter:

- Lender may advance an additional funds based on the lesser of (1) or (2) above
- Lender will not advance more than 70% of land value at the time of closing subject to Ground Up Leverage Matrix

APPRAISAL REQUIREMENT:

A full land appraisal or valuation report will be required if Lender is advancing more than $100,000 against the land value.

A subject to completion appraisal report based on the plans, specs and construction costs is required.
If the Borrower has owned the land for over a year, the Borrower may request the initial advance of a loan based on the appraised value of the land vs purchase price.

PROJECT FEASIBILITY REVIEW:

A project feasibility review is required to be completed by Lender's third-party vendor to evaluate the scope of work and practicality of project to current market costs as good indicator to determining project success.

Physical inspection is generally not required on vacant land.

LOAN REQUIREMENTS:

- Scope of Work shall be submitted in the form of a Contractor Sworn Statement
- The minimum construction loan amount shall be no less than $75,000
- The maximum construction loan amount shall not exceed $4,000,000
- Loan amount >$2,000,000 are subject to credit committee review and approval
- The square footage of the subject property will be no less than 750 sf.
- Properties located in rural geographic regions are ineligible
- The total loan advance shall not exceed the lesser of 90% of the total overall project cost or 70% of the as-completed appraised value
- Any advance against the construction budget may not exceed 90% of the total project cost
- The property has a defined parcel with legal Tax ID
- Property must have access to all required public utilities. Access is defined as utilities available without additional approval from the local municipality, neighboring landowners, or access requiring infrastructure installation from the public utility company
- When a Borrower requests their first new construction loan with Lender, the Underwriter will verify that the Borrower has liquid assets equal to 20% of the construction expenses (excluding initial advance equity contribution, if required)
- Improvements must generally be completed within 18 months of the closing date, subject to extreme weather
- At closing, the construction proceeds, including the contingency amount, may be held in a designated custodial account
- Any increase in costs during the construction period will be funded exclusively by the Borrower
- The minimum draw amount is $10,000
- The drawn proceeds may be sent to the Borrower in the form of a two-party check payable to the Borrower and the contractor
- The remaining funds will be released upon Lender's approval of the completion of the work
- Guaranteed Maximum Price (GMP) Contract
  - Lender may require GMP contract from the General Contractor if the total construction budget of the project exceeds $1,000,000
- All major subcontracts may be assigned to Lender
- Bonding Requirements
  - Lender may require that all contracts that exceed 25% of the total budget be bonded
- Lot must be vertical ready/build ready, all horizontal work must be completed

The following new construction restrictions will apply:

- Cash out is considered on a case-by-case basis
- Rural properties are ineligible

INSURANCE REQUIREMENTS:

- Liability Insurance Policy issued by the property insurer with coverage of no less than $1,000,000 per occurrence and $2,000,000 total (minimum) is required
- Builder's Risk Insurance is required on all new construction projects
- Hazard insurance is not required for vacant land and full tear down projects at time of closing

Lender will require, if necessary, an updated property insurance policy to show an increase in dwelling coverage upon the completion of construction work, if the policy obtained at closing does not cover.

GENERAL CONTRACTOR REQUIREMENTS:

The Borrower/Guarantor may serve as general contractor if they are appropriately licensed, bonded and insured with a Builder's Risk policy.
All construction on the property must be built by a licensed general contractor. Status to be reviewed per: http://www.contractors-license.org/

- Title date down and endorsement with every construction draw may be required
- Lien waiver and contractor sworn statement may be required at every construction draw request
- Property inspection and project completion status may be required at every construction draw request

INELIGIBLE AS FINISHED PROPERTY TYPES

- Condo
- 5+ Units
- Vacant Land
- Manufactured homes
- Properties not secured to a permanent foundation
- Houseboats

Appendix H: Line of Credit Exposure

Lender will underwrite Borrowers for a Line of Credit exposure approval. Line of Credit approvals will be determined by a diligence and underwriting review of the borrower and guarantor(s).

SUBMISSION REQUIREMENTS

- Loan application/authorization form
- Credit report
- Track Record/SREO with all owned properties
- Bank statements/assets – 2 months statements for each account
- Unexpired photo ID
- Business operating overview if applicable

PURPOSE OF LINE OF CREDIT EXPOSURE

Line of Credit permits a Borrower to obtain multiple property loans (one loan per property) up to approved exposure amount within their Line of Credit availability period (12 months from the date of the Line of Credit approval). Borrowers that meet minimum requirements may be eligible for the following exposure limits:

- Recourse Line of Credit up to $10,000,000

A borrower is required to apply for the line of credit product once they have total exposure of either 4 or more open projects/properties with BPL or $1.5MM in open financing/projects. Or are looking to finance 4 or more properties at one time.

BORROWER FINANCIALS

Liquidity: Borrower is required to demonstrate their liquidity position and shall have liquid assets based on the grid below. Cash-out proceeds for any property loan(s) submitted to Lender simultaneously with a Line of Credit can be considered in the liquidity. Borrower must meet minimum verified liquidity of at least $50,000.00 for a Line of Credit exposure approval

Grade	Minimum Liquidity
Platinum	20% of the Line Amount*
Gold	20% of the Line Amount
Silver	25% of the Line Amount

*Borrowers who have completed more than 10+ investment properties in the past 36 months and have at least (2) active flips can provide liquidity of at least 10% of the Line of Credit amount. This calculation occurs at the time of Line of Credit approval. Active flips are investment projects currently under construction, renovation, listed, or pending sale.

CALCULATING LINE OF CREDIT EXPOSURE

Calculating the line of credit exposure is the lessor of the two following equations which sets the maximum exposure limit to the guarantor.

CALCULATING LIQUIDITY

Total assets x combined verified liquidity factor = exposure limit

Liquidity: The Borrower/Guarantor shall have a minimum liquidity of no less than 20% of the line amount

CALCULATING NET WORTH

Total Assets + Total Equity in REO owned – Credit Obligations = Net worth Total

Net Worth: The Borrower/Guarantor shall have a minimum net worth of no less than 30% of the line amount.

BUSINESS PLAN AND ORGANIZATIONAL REVIEW

Lines of Credit greater than or equal to $1,000,000 require experience detail and overview. The Borrower Operating Overview provides information specific to market experience, track records detail, renovation scope and target exit strategies. For Lines of Credit equal or greater to $1,000,000, Lender will evaluate an overall profile which includes the Borrower's financial capacity, the Borrower's track record and experience in the renovation business, the property "As-Is" valuation, the repair budget and potential to achieve the "After-Repair" value. These elements, together with the marketing strategy, the exit strategy and the overall Borrower financial project expectation will be considered.

LINE OF CREDIT RENEWAL OR INCREASE

An approved Line of Credit exposure is good for a term of one (1) year. Properties submitted under the approved Line must meet property eligibility requirements.
Borrowers are required to renew their Line of Credit to be eligible for future property loans against the Line. Lender will require the most recent 2 (two) months of bank statements, and updated Credit Report from all Borrowers. Borrowers must meet eligibility requirements.
Lender may consider a line amount increase request no earlier than 3 months from previous Line of Credit Approval. The subject line should show utilization of over 50% of the approved facility before a request is submitted. Lender will require the most recent 2 (two) months of bank statements, an updated Personal Financial Statement, and an updated Credit Report from all Borrowers. Lender will review for material changes in liquidity, net worth, and experience. Additional items supporting borrower financial or credit standing, and operational changes may be required at the request of the underwriter.

Appendix I: RTL Matrix

Bridge with or without Rehab
Effective 2.1.2026

Borrower/Guarantor Transaction Experience in Past 3 Years	Loan/Project Type		Max Initial LTC	Max Total LTC	Max LTARV
0-2 (Silver) Minimum experience of zero to two completed and exited investment projects over the past three (3) years	Bridge (No Rehab)		75%	N/A	N/A
	Light Rehab		85%	90%	75%
	Standard Rehab (GC required)		80%	85%	75%
	Super Rehab		NA	NA	NA
3-4 (Gold) Minimum experience of three (3)completed and exited investment projects over the past three (3) years. (flip or rental) At least (2) documented flips required (flip or buy/rehab/hold)	Bridge (No Rehab)		75%	N/A	N/A
	Light Rehab		85%	90%	75%
	Standard Rehab		85%	90%	75%
	Super Rehab (Feasibility required)		75%	85%	70%
5+ (Platinum) Minimum experience of five (5) completed and exited investment projects over the past three (3) years. (flip or rental) At least (3) documented flips required (flip or buy/rehab/hold)	Bridge (No Rehab)		75%	N/A	N/A
	Light Rehab		85/90%*	90/95%*	75%
	Standard		85/90%*	90/95%*	75%
	Super Rehab (Feasibility required)		80%	85%	75%
Non-Cumulative Adjustments to Max LTV, ILTC/LTC & LTARV (These adjustments do not add on top of each other. If multiple adjustments apply, the lowest leverage will be applicable)	Cash-Out Refinance (Not allowed for Silver)		-5%	-5%	-5%
	Foreign National (credit score required)		-5%	-5%	-5%
	New York Counties	(see below)**	-15%	-15%	-15%
		Suffolk & Nassau	-5%	-5%	-5%
	FL and TX		-5%	-5%	-5%
	Non-warrantable Condo		Lesser of 10% or 65%	0%	Lesser of 10% or 65%

Amount of Budget Financed	Minimum Loan Amount	Max Loan Amount	FNF Loans	Minimum FICO
100%	$75,000	$2,000,000	>1MM require liquidity 10% of budget	680

Properties in the following New York Counties are subject to the reduction stated in the above chart:

Bronx	New York	Richmond	Kings	Queens

Classification	Description	Mathematical Threshold[1]	Structural / Physical Criteria[3]	Resulting Designation
Light Rehab	Cosmetic or minor updates with limited system replacements.	< 25% of the lower of As-Is Value or Purchase Price.	No wall, roof removal, or floor plan changes	Light
Standard Rehab	Moderate renovations including multiple systems or partial structural work.	≥ 25% and < 50% of the lower of As-Is Value or Purchase Price.	May include limited framing, M.E.P[2] work, or addition of ≤10% of GLA. with a proper permit	Standard
Super Rehab	Major renovation or rebuild including expansion or system overhaul including large basement additions.	≥ 50% up to 250% of the lower of As-Is Value or Purchase Price.	May include major framing or addition of up to ≤ 25% of GLA (with a proper permit(s) Adding ADU, Fire damaged properties.	Super

*To qualify for 90% ILTC and/or 95% LTC, the loan must have the following characteristics:

- Purchase transaction
- Single Family Residence Only
- Light Rehab and Standard: Minimum FICO 720

[1]Percentages are calculated as Rehab budget ÷ lower of purchase price or As-Is Value.
[2]M.E.P = Mechanical, Electrical, Plumbing.
[3]Properties with purchase price/as-is values <$100,000 structural/physical criteria outweigh mathematical thresholds

Appendix J: Ground-Up Construction Matrix

Effective 1.1.26

Borrower/Guarantor Transaction Experience in Past 3 Years	Loan/Project Type		Max Initial LTC	Max Total LTC	Max LTARV
0-2 (Silver)	Ground-up		NA	NA	NA
3-4 (Gold)	Ground-up		50%/65%*	85%	70%
5+ (Platinum)	Ground-up		50%/70%*	90%	70%
Non-Cumulative[1] Adjustments to Max LTV, ILTC/LTC & LTARV	Foreign National (credit score required)		-5%	-5%	-5%
	New York Counties	(see below**)	-15%	-15%	-15%
		Suffolk & Nassau	-5%	-5%	-5%
	FL and TX		-5%	-5%	-5%
Eligible Property Types	SFR, 2-4, and PUD				

Properties in the following New York Counties are subject to the reduction stated in the above chart:				
Bronx	New York	Richmond	Kings	Queens

Amount of Construction Financed	Minimum Loan Amount	Max Loan Amount	Minimum FICO	Cash Out Refinance
100%	$75,000	$2,000,000	700	Not Allowed

Ineligible property types	Condo	MFR	Mixed Use	Mid-construction projects

[1] Non-cumulative

These adjustments do not add on top of each other. If multiple adjustments apply, the lowest leverage will be applicable.

***Purchase Transactions:**

65%/70% Max Initial LTC can be advanced when the following can be documented:

- Clear exit plan has been provided
- Fully detailed scope of work
- Plans & permits eminent

Otherwise, Max initial LTC is 50%

***Rate & Term Refinance**

70% Max initial LTC can be advanced when the following can be documented:

- Stamped and approved plans
- Permits eminent

Otherwise, Max initial LTC is 50%