

the2nd - OO & NOO

Matrix				Owner Occupied		2nd Home		Non Owner Occupied	
				Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
				12mo or 24mo	12mo or 24mo	12mo or 24mo	12mo or 24mo	12mo or 24mo	12mo or 24mo
Loan Amount	Reserves	Max DTI %	FICO	CLTV	CLTV	CLTV	CLTV	CLTV	
75,000 to 350,000	None	50	720	90	85	80	75	85	75
			700	90	80	80	70	80	70
			680	85	75	75	65	75	65
			660	80	70	70	60	70	60
350,001 to 450,000	None	50	720	90	85	80	75	80	70
			700	90	80	80	70	75	65
			680	85	75	75	65	70	60
			660	80	70	70	60	65	55

Details	
Assets	None Required
Appraisal Requirements	<ul style="list-style-type: none"> OO/2nd Home: Previous appraisal within 12 months + Residential Appraisal Review. Review value must be equal to or greater than appraisal. -OR- New Residential Appraisal and AVM supporting value within 10% variance. Lower of two values to be used. NOO: Previous appraisal within 12 months + Residential Appraisal Review. Review value must be equal to or greater than appraisal. -OR- 2055 Appraisal and Residential Appraisal Review supporting value within 10% variance. Lower of two to be used. OO/2nd Home/NOO: Declining markets maximum 75% CLTV on Owner Occupied/2nd Home. Maximum 70% CLTV on Non Owner Occupied
Recently Listed Properties	Properties listed for sale in the last 6 months are not eligible.
Borrowers - Eligible	US Citizen Non-Permanent Resident Alien (with US Credit) Permanent Resident Alien
Borrowers - Ineligible	Non-occupant co-borrowers Vesting is not permitted to be in the name of an LLC, Corporation or Partnership.
Compliance	No Section 32 or state High Cost Loans must comply with all applicable federal and state regulations. Fully documented Ability to Repay including Borrower Attestation. Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements.
Credit - Standard Only	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.
Credit Scores	Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. Non-traditional credit ineligible.
Credit Event Seasoning	48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.
Derogatory Credit	Charge-offs or Collections acceptable if paid off over 12 months prior. No delinquent tradelines at closing.
Housing Lates	Open Medical collections < \$1000 per occurrence ok.
Eligible States	AZ, CA, CO, FL, IL, PA, MN, MD
Ineligible Senior Liens	Loans in active forbearance or deferment are ineligible. Any deferred balance must be paid through closing. Negative amortization Reverse mortgages
Interest Only Senior Lien Liens	Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien. Max 45 DTI using Senior Lien Interest Only Payment
Maximum Combined Liens	\$2.0M
Property Type	SFR, PUD, Condo-Warrantable, Modular. 2-4 Unit max 75 CLTV
Qualifying Payment	Qualifying ratios based on Full Note Rate
Title Report	ALTA Short Form - Lenders Policy
Seasoning	> = 6 months seasoning no restrictions. Less than 6 months seasoning ineligible.
Redstone Loan Eligibility Guidelines	Refer to Redstone Loan Eligibility Guidelines for details on topics not covered here.

Fixed Rate	Full Am & Interest Only	Products	Min Amt	Qual	Amort Term	Balloon Term
		10yr	75k	Note Rate	10yr	-
15yr	75k	15yr	-			
20yr	75k	20yr	-			
30yr	75k	30yr	-			
Balloon	30/15	200k	30yr	15yr		
	40/15	200k	40yr	15yr		

Income Documentation Options		
Full Doc 2Yr	Standard FNMA Documentation	NonQM and Agency Eligible <ul style="list-style-type: none"> NonQM: Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding. Agency: DU Approve/Eligible may be used. Income determined per DU findings -OR- W-2 borrowers, W-2 for most recent year and 30 day most recent paystub. Self-employed, 2 years tax returns and YTD P&L
Full Doc 1Yr	W-2 (12mo) Tax Returns (12mo)	NonQM and Agency Eligible <ul style="list-style-type: none"> NonQM: Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding. Agency: DU Approve/Eligible may be used. Wage Earner - 1 year most recent W-2 plus 30 days paystubs Self-Employed - 1 year most recent tax returns plus either: YTD P&L after April 30th. -OR- 3 months bank statements verifying cash flow (no P&L)
Bank Statement	Bank Statement (24mo, 12mo)	Personal & Business-Combined or Business (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Asset Depletion allowed with Bank Statement documentation Standard expense factors apply: 50% expense factor <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC, or EA required Minimum expense factor with 3rd party prepared P&L or letter is 20% Personal & Business Separated (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Personal used to qualify, 3 months business to show business cash flows in order to utilize 100% of business related deposits in personal account (no expense factor)

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