MORTGAGEONE™

# PATHWAY

## PROGRAM GUIDELINES

**VERSION 1.2**

Effective August 15, 2026

MortgageOne, Inc. | NMLS #898812 | Equal Housing Lender

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# Pathway at a Glance

*Snapshot only — the sections and matrix that follow are binding. Where this page and a program section differ, the section governs.*

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| **Occupancy** | Owner-occupied primary residence and second home. |
| **Loan Amounts** | $100,000 – $3,000,000. Two appraisals required > $2,000,000. |
| **FICO** | Minimum 620. Lowest representative score among all borrowers determines matrix eligibility. |
| **Max LTV** | Purchase / Rate-Term: 80%. Cash-Out: 75%. Per matrix by FICO and loan amount. |
| **Products** | 30-Year Fixed; 30-Year Fixed Step (purchase only, ≤ 70% LTV, ≥ 700 FICO); temporary buydowns (2-1, 1-0) permitted. No ARMs, no IO. |
| **Income / DTI** | Income documentation not required. Income is not stated and DTI is not calculated. |
| **Reserves** | 6 mo PITIA ≤ 75% LTV; 9 mo > 75% LTV. Additional financed properties: +1.5% of aggregate UPB. |
| **Property Types** | SFR (up to 2 ADUs), PUD, condo (warrantable & non-warrantable), 2–4 unit (ADUs permitted), modular, log, mixed-use. |
| **Major Credit Events** | Foreclosure / short sale / DIL: 24 months. Bankruptcy: 24 months from discharge; 12 months if dismissed. Housing history 0x30x12. |
| **Cash-Out** | Max 75% LTV; 6-month ownership seasoning except permitted delayed-financing and inheritance/legal-award cases; no separate dollar cap on proceeds. |
| **Escrows** | Impound accounts required regardless of LTV. |
| **Key Ineligible States** | CT, DC, DE, MA, MD, ME, NH, NJ, NV, NY, PA, RI, VT, WA; PR, Guam, USVI. No TX 50(a)(6). |

## Top Hard Stops — INELIGIBLE, no exceptions

- Texas Section 50(a)(6) transactions
- Ineligible states and territories (see Section 4)
- ITIN borrowers; foreign nationals; DACA/TPS
- Non-occupant co-borrowers
- ARMs, interest-only, prepayment penalties
- No-score borrowers (minimum 620 required)
- C5 / C6 property condition grades
- Condotels, co-ops, manufactured/mobile homes
- Working farms, ranches, orchards
- Marijuana-use properties; HI lava zones 1–2
- Active major derogatory credit events
- Non-arm's-length transactions; contract assignments

# 1. Program Overview

*Empowering the dreams of diverse homeowners and underserved communities by providing non-traditional access to prime capital for underbanked borrowers and communities.*

| The Five C's of Credit | |
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| **Character** | Measures the borrower's reputation, record of accomplishment, and experience of repayment. |
| **Collateral** | Measures the lender's security for the loan. |
| **Capital** | Measures the borrower's equity contribution and level of seriousness. |
| **Capacity** | Measures the borrower's capacity to repay the loan. |
| **Conditions** | Measures the terms of the loan versus the purpose of the loan. |

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| **Order of Precedence** | The Pathway Eligibility Matrix controls over these Program Guidelines in the event of a direct conflict.<br>As between these Guidelines, applicable MortgageOne policy, and the Fannie Mae Single Family Selling Guide, the more restrictive Pathway requirement governs unless expressly stated otherwise. |
| **Defined Terms** | Must / Required: mandatory; no deviation without an approved exception.<br>May / Permitted / Acceptable: allowed when stated conditions are met; not required.<br>Underwriter Discretion: a documented judgment call; the file must contain the underwriter's rationale. |
| **Exceptions** | Unless a requirement is specifically identified as eligible for exception, program eligibility requirements may not be waived without written approval from Credit Policy or the Chief Credit Officer. The exception and its approval must be documented in the loan file. |

# 2. CDFI Overview

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| **A. CDFI Certification** | MortgageOne, Inc. is certified as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury, as defined in 12 C.F.R. § 1805.104. CDFI certification number and notice of certification are maintained on file. |
| **B. CDFI Exemption (ATR Exemption)** | Under Applicable Law, a loan originated by a CDFI is exempt from the Ability-to-Repay (ATR) requirements set forth in Section 1411 of the Dodd-Frank Act and Regulation Z. So long as the originator is certified as a CDFI when it originates the loan, the exemption to ATR is effective and unconditional.<br>Accordingly, the originator or purchaser of such loan shall not have any liability with respect to claims or legal actions brought by borrowers based on originator's failure to comply with the ATR requirement. |
| **C. Fair Lending** | MortgageOne does not discriminate in any aspect of a credit transaction on the basis of sex, gender identity or expression, sexual orientation, marital status, familial status, race, color, ethnicity, religion, national origin, age, handicap or disability status, income derived from public assistance, military status, or the good faith exercise of rights under the Consumer Credit Protection Act. |

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| **D. Selling Guide Reference** | Mortgage loans must be originated and underwritten in accordance with the Fannie Mae Single Family Selling Guide and must comply with any overlay requirements noted in this Program Guide, subject to the Order of Precedence in Section 1. It is MortgageOne's responsibility to monitor for guide updates as published by Fannie Mae. |

# 3. Eligibility Matrix — Primary Residence & Second Home

Refer to the MortgageOne Pathway Eligibility Matrix for the complete grid. Summary below. The lowest representative credit score among all borrowers determines matrix eligibility.

| TIER 1 — LOAN AMOUNTS $100,000 TO $2,000,000 | | | |
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| **FICO** | **Purchase / R-T** | **Cash-Out** | **Reserves / Notes** |
| **740+** | **80%** | **75%** | • Applies to all FICO tiers in this band:<br>• ≤ 75% LTV: 6 mo PITIA · > 75% LTV: 9 mo PITIA<br>• 30-Year Fixed; 30-Year Fixed Step (purchase only, ≤ 70% LTV, ≥ 700 FICO)<br>• Owner-Occupied Primary Residence & Second Home<br>• Max 4 borrowers per transaction |
| **720** | **80%** | **70%** | |
| **680** | **75%** | **65%** | |
| **660** | **75%** | **65%** | |
| **620** | **65%** | **60%** | |

| TIER 2 — LOAN AMOUNTS $2,000,001 TO $3,000,000 | | | |
|---|---|---|---|
| **FICO** | **Purchase / R-T** | **Cash-Out** | **Reserves / Notes** |
| **740+** | **80%** | **70%** | • Applies to all FICO tiers in this band:<br>• Same reserve tiers as Tier 1<br>• Two appraisals required for loan amounts > $2,000,000<br>• 30-Year Fixed; 30-Year Fixed Step (purchase only, ≤ 70% LTV, ≥ 700 FICO)<br>• Owner-Occupied Primary Residence & Second Home |
| **720** | **75%** | **70%** | |
| **680** | **75%** | **65%** | |
| **660** | **75%** | **65%** | |

| LTV ADJUSTMENTS | |
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| **Condominium — Warrantable** | Purchase / Rate-Term Max LTV 80%; Cash-Out Max LTV 70%. |
| **Condominium — Florida** | Standard matrix LTVs apply. A Full Condominium Review is required when LTV exceeds 70%. |
| **Condominium — Non-Warrantable** | Maximum LTV 50% (all transaction types). |
| **Two Appraisals Required** | Two appraisals required for loan amounts greater than $2,000,000. |

# 4. Program Requirements

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| **Loan Type** | 30-Year Fixed Rate.<br>30-Year Fixed Step: a 30-year fixed-rate, fully amortizing product on which payments begin at a reduced level and step up on a fixed, pre-disclosed schedule to the fully amortizing payment. Step schedule, disclosures, and final terms are governed by the Pathway Fixed Step Product Addendum. Permitted for purchase transactions only, maximum 70% LTV, minimum 700 FICO. |

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| **Assumability** | Not assumable. |
| **Balloon Payment** | None. |
| **Cash Out** | No separate dollar cap applies to cash-out proceeds. Cash-out transactions remain subject to the maximum cash-out LTV, loan amount limits, seasoning, and all other program restrictions. |
| **High-Cost / HOEPA Loans** | Ineligible. Federal and state or local high-cost loans are not permitted. |
| **TILA HPML** | Eligible, subject to TILA HPML requirements. |
| **Interest Only** | Ineligible. |
| **Minimum Loan Amount** | $100,000. |
| **Maximum Loan Amount** | $3,000,000. |
| **Prepayment Penalties** | Ineligible. |
| **Temporary Buydown** | Permitted. Temporary interest-rate buydowns (2-1 and 1-0 structures; seller- or lender-funded) are eligible and must be structured in accordance with Fannie Mae Selling Guide requirements. Buydown funds must be held in a custodial escrow account. |

### State Eligibility & Restrictions

| State | Status | Restriction |
|---|---|---|
| **Ineligible** | Not permitted | CT, DC, DE, MA, MD, ME, NH, NJ, NV, NY, PA, RI, VT, WA; Puerto Rico, Guam, U.S. Virgin Islands. DC, MD, ME, NV, PA, and WA do not honor the CDFI exemption to ATR. |
| **IA** | Eligible | Minimum loan amount $125,000. |
| **NC** | Eligible | Minimum loan amount $300,000. |
| **TX** | Eligible | Texas Section 50(a)(6) transactions are not permitted. Purchase and Rate/Term Refinance are eligible on all Pathway-eligible occupancy types; cash-out is eligible only where the transaction does not constitute a Texas Section 50(a)(6) extension of credit (e.g., second homes). |
| **CO** | Eligible | Colorado LO Reasonable Inquiry Attestation and Colorado Housing Enhanced HUD Counseling required. See Sections 5 and 7. |

# 5. Transaction Eligibility

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| **Flip Transactions** | For all HPML transactions only — where the subject property was purchased by the seller within 6 months of the new subject purchase contract date and the contract price exceeds the seller's acquisition price by:<br>More than 10% if the seller acquired the property in the past 90 days, or more than 20% if the seller acquired the property in the past 91–180 days.<br>A second appraisal is required from a MortgageOne approved AMC. Second appraisal must be dated prior to loan consummation/note date. Property seller on the purchase contract must be the owner of record. The cost of the second appraisal is borne by the borrower as a third-party charge.<br>Increases in value must be supported with appraiser commentary and recent comparable sales. |
| **Ineligible Transactions** | • Assignment of Contracts<br>• Builder Bailout & Model Leasebacks<br>• Construction Loans<br>• Conversion Loans<br>• Daily Simple Interest Loans<br>• Rent Credits<br>• Non-Arm's Length Transactions<br>• Lease Option |
| **Rate/Term Refinance** | **Value Basis:** If seasoned ownership is 12 months or greater, current appraised value is used. If less than 12 months, use the lesser of the original purchase price or current appraised value.<br>**Cash in Hand:** Borrower proceeds are limited to the lesser of 2% of the loan amount or $5,000.<br>**Subordinate Payoff:** Any subordinate loan not used in the initial acquisition of the subject property is eligible for payoff if: closed-end loan with at least 12 months seasoning; or HELOC with at least 12 months seasoning and total draws over the most recent 12 months less than $2,000. The HELOC must be closed. |
| **Cash-Out Refinance** | **Path 1 — Standard Cash-Out:** The borrower must have owned the subject property for at least 6 months prior to the note date. Value basis: current appraised value.<br>**Path 2 — Delayed Financing (< 6 months, cash purchase):** See Delayed Financing below. Value basis: the lower of the initial purchase price plus documented improvements or current appraised value.<br>**Path 3 — Inheritance / Legal Award:** Properties acquired through inheritance or legal award (divorce, separation, dissolution of a domestic partnership) are exempt from the 6-month seasoning requirement. Value basis: current appraised value may be used.<br>**LLC Ownership:** If the property was owned by an LLC majority-owned or controlled by the borrower(s), time held by the LLC counts toward the 6-month requirement. Title must be transferred to the borrower's name prior to application.<br>**Prior Cash-Out:** A prior cash-out transaction within the last 12 months makes the loan ineligible for cash-out unless a documented benefit exists. A documented benefit means a net tangible benefit evidenced in the loan file, such as a rate or P&I reduction, consolidation or payoff of debt, or a documented borrower liquidity need. |

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| **Properties Recently Listed for Sale** | **Rate/Term Refinance:** Properties listed for sale within the past 6 months must be taken off the market prior to the application date.<br>**Cash-Out Refinance:** Properties listed for sale within the past 6 months must be taken off the market prior to the application date, and the borrower must provide written confirmation of intent to retain and occupy the property. If the listing was active within 30 days of the application date, the maximum LTV/CLTV is reduced by 5%.<br>**Documentation:** Evidence of cancellation or expiration of the listing (e.g., MLS printout) must be retained in the loan file. |
| **Delayed Financing** | Applies to borrowers who purchased the subject property within the past 6 months using no mortgage financing (cash purchase). Properties acquired through inheritance or legal award are addressed separately under Cash-Out Refinance, Path 3, and are not delayed-financing transactions.<br>Loan-amount limit: the new loan amount may not exceed the actual documented amount of the borrower's initial investment in purchasing the property plus financed closing costs, prepaid fees, and points — subject to the maximum LTV/HCLTV ratios for the refinance based on the lower of initial purchase price or current appraised value.<br>The preliminary title report must confirm no existing liens on the subject property, and the source of funds for the original purchase must be documented. |
| **Required Disclosures** | Borrower(s) must execute the following forms: IRS Form 4506-C; IRS Form 8821; ADA / CDFI Attestation. The IRS forms are required for fraud-prevention and identity-verification purposes even though income is not used for qualification.<br>Colorado: All loan files require the fully executed Colorado LO Reasonable Inquiry Attestation. |

# 6. Underwriting & Documentation

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| **Underwriting Philosophy** | • Borrowers often need credit underwriters to consider compensating factors or alternative documentation due to limited or irrelevant quantitative underwriting factors when establishing a reasonable expectation of repayment.<br>• Character & Credit History: underwriting seeks to understand a borrower's character, which can include reference letters, community activities, and reputation as well as credit history. Compensating analysis supplements — but does not waive — the minimum representative credit score and other objective requirements of the Eligibility Matrix.<br>• Income: borrowers who meet Pathway eligibility requirements are not required to provide income documentation. Income is not calculated or stated on the loan application (URLA/Form 1003) or transmittal (Form 1008), and a debt-to-income ratio is not calculated.<br>• Loan Documentation: underwriting uses a common-sense approach with alternative and compensating forms of documentation to evaluate a reasonable expectation of repayment.<br>• Focus populations: low-income individuals and communities; underserved and/or underbanked borrowers; limited income history; limited credit history (all borrowers must meet the minimum representative credit score — no-score borrowers are not eligible); inadequate income documentation. |

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| **Credit Decision Framework** | Because income is not documented and DTI is not calculated, the underwriter must document each of the following in the loan file to support approval:<br>(1) Housing history meets the stated standard or a permitted alternative under Section 8 (renters, rent-free borrowers, first-time homebuyers); (2) credit history meets minimum standards, including tradelines (or the three-score waiver) and representative score; (3) liquidity meets reserve requirements; (4) equity meets the applicable LTV; (5) major credit events meet seasoning; (6) payment history evaluated; (7) compensating factors documented where applicable; and (8) an overall repayment-expectation narrative signed by the underwriter.<br>Items (1)–(5) are objective eligibility requirements and are not subject to discretion. Items (6)–(8) are underwriter judgment and must be documented. |
| **Documentation Requirements** | Handwritten VODs are ineligible for asset documentation.<br>Handwritten Verifications of Mortgage (VOM) or Verifications of Rent (VOR) are ineligible. Cancelled checks, bank statements, or a credit supplement are acceptable. |
| **Age of Loan Documentation** | Credit reports and asset documents (and any other documentation obtained, when applicable) must be dated within 120 days of the note date. |
| **Fraud Detection** | Data integrity is crucial to quality loan file delivery and mitigation of fraud risk. MortgageOne has a zero-tolerance policy as it relates to fraud. Requirements:<br>Transaction participants must be included in the fraud report: Borrowers/Guarantors and Property Sellers.<br>An industry-recognized fraud and data vendor must be used (e.g., Fraud Guard, CoreLogic, DataVerify, TransUnion TLOxp, LexisNexis SmartLinx / Instant ID, or other industry-recognized vendor).<br>A copy of the findings report from the vendor must be in the loan file with all 'high' alerts or 'red flags' addressed and/or cleared.<br>Fraud reports must include the following exclusionary lists: HUD's Limited Denial Participation (LDP); HUD's General Services Administration (GSA); Federal Housing Finance Agency (FHFA) Suspended Counterparty Program; Freddie Mac Exclusionary List. |
| **OFAC Search** | The Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury administers and enforces economic and trade sanctions. A clear OFAC search for individuals and foreign countries is required.<br>Individuals: individuals identified on OFAC's SDN list are not eligible. All individuals involved in the transaction must be screened through exclusionary lists and cleared through OFAC's SDN list, regardless of citizenship status. Search via U.S. Department of Treasury: http://sanctionssearch.ofac.treas.gov. Include Borrowers/Guarantors and Property Sellers. When title is held in a trust, all trustees and settlors must be included.<br>Foreign Countries: borrowers or guarantors who are citizens or residents of an OFAC comprehensively sanctioned country, or whose funds originate from such a country, are not eligible. |

# 7. Borrower Eligibility

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| **Eligible Borrowers** | U.S. Citizens; Permanent Resident Aliens; Non-Permanent Resident Aliens. Maximum of 4 borrowers allowed per transaction. |
| **U.S. Citizens** | An individual who was born or naturalized as a citizen of the United States. Must have a valid Social Security Number. |

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| **Permanent Resident Aliens** | An individual legally authorized to reside and work in the United States indefinitely. Must have a valid Social Security Number. |
| **Non-Permanent Resident Aliens** | An individual legally authorized to reside and work in the United States but does not hold a green card. All Pathway-eligible transaction types are permitted. Valid Social Security Number and U.S. credit are required.<br>Allowable Visa classifications: E-1, E-2, E-3, EB-5, G-1 through G-5, H-1B, L-1, NATO, O-1, R-1, and TN NAFTA.<br>Copies of the borrower's passport and unexpired visa must be obtained. Acceptable alternative documentation: I-797 (Notice of Action) with valid extension dates plus I-94 (Arrival/Departure Record). Borrowers unable to provide evidence of lawful residency status are not eligible.<br>A valid Employment Authorization Document (EAD) must be obtained if the visa is not sponsored by the borrower's current employer. If the visa will expire within 6 months of the note date, an employer letter documenting continued employment and continued visa renewal sponsorship is acceptable (employer must match the unexpired visa). |
| **Second Home Occupancy** | Second homes are eligible and must meet all of the following: occupied by the borrower for some portion of the year; located a reasonable distance from the borrower's current residence; under the borrower's exclusive control; and not a rental property or subject to a timeshare agreement.<br>A VOR is required if the borrower does not currently own a home and the subject property is a second-home purchase or refinance transaction. |
| **Ineligible Borrowers / Vesting** | • Non-Occupant borrowers/co-borrowers<br>• Any borrower suspended, debarred, or otherwise excluded per LDP/GSA and/or OFAC/SAM findings<br>• Irrevocable or Blind Trusts<br>• Land Trusts<br>• Applicants with temporary protected status (e.g., DACA, Asylum)<br>• ITIN borrowers<br>• Non-profit organizations<br>• Diplomats, Diplomatic Immunity holders, Foreign Nationals<br>• Limited or General Partnerships, LLCs, Corporations, S-Corporations<br>• Tenants in Common with parties who are NOT borrowers on the transaction<br>• Qualified Personal Residence Trust (QPRT)<br>• Life Estates |
| **Homebuyer Education** | Counseling is required on all transactions, including refinances. At least one borrower must complete counseling from the Framework Online Homebuyer Course ($75 BPOC).<br>Colorado Specific: Colorado Housing Enhanced HUD Counseling ($125) is required on all Colorado property transactions in lieu of the Framework Course, plus a fully executed Colorado LO Reasonable Inquiry Attestation.<br>All Homeowner Education completion certifications are valid up to 12 months. |
| **Power of Attorney** | No 'General' POAs. The POA must identify the property and be specific to the transaction. POA is not permitted on cash-out refinances or when title is taken in a trust. The POA must be notarized no more than 60 days prior to the Note date. |

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| **Trusts** | Revocable Living Trusts allowed. Provide a copy of the Trust and an Attorney Opinion Letter verifying all of the following:<br>The trust was validly created and duly exists under applicable law. The trust is revocable. The borrower is the settlor of the trust and the beneficiary of the trust. The trust assets may be used as collateral for a loan. The trustee is duly qualified, the borrower, the settlor, and fully authorized under the trust documents and applicable law to pledge or otherwise encumber the trust assets. |

# 8. Credit

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| **Credit Scores** | Minimum Credit Score — refer to Eligibility Matrix.<br>Representative Credit Score per borrower: the middle score when three (3) agency scores are provided; the lower score when only two (2) agency scores are provided.<br>Transaction score: when there are multiple borrowers, the lowest representative score among all borrowers determines matrix eligibility. |
| **Credit Report** | A credit report is required for each individual borrower. Either a three-bureau merged report or a Residential Mortgage Credit Report is required, with merged credit data from Experian, TransUnion, and Equifax.<br>A written explanation for all inquiries within 90 days of application is required, disclosing whether new debt resulted; any new liability must be documented and considered. All past-due accounts must be brought current prior to closing. Security freezes must be resolved prior to an underwriting decision.<br>If the borrower has resolved missed payments through a loss-mitigation solution, they are eligible for a new mortgage loan if they have at least three (3) timely payments. FNMA forbearance reinstatement requirements apply. |
| **Disputed Tradelines** | If the disputed tradeline is paid as agreed, or is tied to medical debt/collections: no further action is required.<br>If the disputed account reports derogatory payments within the most recent 24 months, apply the following decision rule:<br>(a) Reporting is erroneous — obtain a credit supplement confirming the derogatory payments are removed or reported in error; no further action required.<br>(b) Reporting is accurate — the dispute must be removed and credit repulled so the borrower's qualifying FICOs reflect the late payments. |
| **Housing History** | 0 x 30 last 12 months on all mortgages. The mortgage being paid off through the transaction must be current and cannot be currently past due. All disclosed mortgage payment history is subject to review at underwriter discretion.<br>For VOMs tied to private mortgages: 12 months of recent cancelled checks and/or bank statements are required to support the VOM, plus a copy of the original Note and any Riders or subsequent Modifications to confirm the loan being paid off is current and not past its maturity date.<br>Borrowers without a mortgage: current renters must document 12 months 0x30 rental history via institutional VOR or 12 months cancelled checks/bank statements (private landlords). Borrowers living rent-free must provide a letter of explanation from the party providing housing. First-time homebuyers and borrowers without 12 months of housing history are eligible subject to underwriter review with compensating documentation; the FTHB VOR provision in Tradeline Requirements applies. |

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| **Tradeline Requirements** | Two (2) tradelines reporting for 12+ months OR one (1) tradeline reporting for 24+ months — all with activity in the most recent 12 months. At least one borrower must meet the tradeline requirement. Three-score waiver: if every borrower on the transaction has three agency credit scores, the minimum tradeline requirement is waived for the transaction. First-Time Homebuyers may apply a 12-month recent and satisfactory VOR toward the tradeline requirement.<br>The following are NOT acceptable tradelines: 'non-traditional' credit as defined by Fannie Mae; any liabilities in deferment status; accounts discharged through bankruptcy; authorized user accounts; charge-offs or collection accounts; foreclosures, deeds in lieu, or short sales. |
| **Significant Credit Events** | Foreclosure: 24 months. Bankruptcies (Chapter 7, 11, 13): 24 months from discharge date; dismissed bankruptcies: 12 months from dismissal date. Short Sale, Deed in Lieu: 24 months.<br>Decision rule: the event is seasoned when (a) at least 24 months (12 for a dismissed bankruptcy) have elapsed from the event settlement/discharge date to the note date, AND (b) re-established credit of at least two (2) tradelines paid as agreed for the most recent 12 months is documented. If the event was included in a bankruptcy, measure from the earlier of the bankruptcy discharge date or the event completion date. If re-established credit is not documented, the event date governs. Active major derogatory events: INELIGIBLE.<br>All major derogatory events require a letter of explanation from the borrower, and the situation causing the event must be adequately documented as resolved. |

# 9. Liabilities

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| **Collections / Charge-Offs** | Acceptable. Collections and charge-offs are treated identically: all open collections and charge-offs reporting in the most recent 36 months totaling more than $25,000 in aggregate must be paid in full prior to or at closing. Compensating documentation may be required at underwriter's discretion. Medical collections are not included. |
| **Liens & Judgments** | All open judgments and garnishments must be paid off prior to or at loan closing. Acceptable LOE required. |
| **Tax Liens** | Tax liens (federal, state, and local) are acceptable with proof of release. LOE required. State limitations apply. Compensating documentation may be required at underwriter's discretion. |

# 10. Assets

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| **Gift Funds** | A gift can be provided by: the borrower's family member; the borrower's employer or labor union; a close friend with a clearly defined and documented interest in the borrower; or a governmental agency or public entity that has a program providing homeownership assistance to low- to moderate-income families or first-time homebuyers. The gift donor may not be a person or entity with an interest in the transaction.<br>Documentation: gifts must be evidenced by a letter signed by the donor specifying the dollar amount, including the donor's statement that no repayment is expected, and indicating the donor's name, address, telephone number, and relationship to the borrower. Sufficient funds must be documented in the donor's account or transferred to the borrower's account or directly to the closing agent. Follow Fannie Mae requirements.<br>Gifts of equity are NOT permitted. Gift funds for reserves are NOT permitted. |
| **Large Deposits** | Verification required for any single deposit ≥ 10% of the loan amount on purchase transactions only; multiple smaller deposits are not aggregated. For refinances, documentation or explanation is not required; however, it must be clear that any borrowed funds, including any related liability, are considered. |
| **Reserve Requirements** | Refer to Eligibility Matrix. Reserves are calculated off actual P&I plus taxes, insurance, and HOA fees (PITIA).<br>Additional financed properties: additional reserves equal to 1.5% of the aggregate UPB of all mortgages tied to additional financed properties. Example: $800,000 aggregate UPB on other financed properties → $12,000 in additional reserves.<br>Cash-out proceeds toward reserves — loans under $1,000,000: 100% of the reserve requirement may be satisfied with cash-out proceeds at any LTV. Loans of $1,000,000 or more: proceeds-only at LTV ≤ 70%; above 70% LTV, 2 months must come from the borrower's own documented funds and the remainder may be satisfied with proceeds. Example: $1.25MM cash-out at 72% LTV requiring 6 months PITIA — up to 4 months may come from proceeds; at least 2 months must be documented borrower funds.<br>Publicly traded stocks/bonds/mutual funds: 100% may be used for reserves. Vested retirement and deferred compensation accounts: 100% may be considered for reserves. Gift funds may NOT be used for reserves. Business funds are acceptable for reserves, calculated based on the borrower's percentage of ownership. |
| **Stocks / Bonds / Mutual Funds / Retirement** | 100% of the account(s) value may be considered for assets, including down payment, closing costs, and reserves. For down payment and closing costs, if funds have not been liquidated, confirm the borrower can access/withdraw funds. Outstanding loans must be reduced from the vested balance. For reserves, terms of withdrawal are not required. |
| **Foreign Assets** | **Reserves:** May be held in a foreign account provided statements are translated to English and the foreign bank maintains a U.S. branch, U.S. affiliate, or U.S. correspondent banking relationship.<br>**Funds to Close:** Must be transferred to a traditional U.S. bank account in U.S. Dollars at least 10 days prior to closing, or proof sent directly to the settlement agent or escrow account, with documentation showing 30 days of seasoning.<br>**Sanctions:** Funds from an OFAC-sanctioned country cannot be used. |

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| **Subordinate Financing** | When subordinate financing exists, the maximum CLTV/HCLTV is 75%. Secondary financing must be institutional. Seller-held subordinate liens are NOT permitted. Existing secondary financing must be subordinated and recorded, refinanced, paid off, or closed. HELOC CLTV must be calculated at the maximum available line amount unless the borrower provides documentation that the line of credit is past its draw period. |
| **Interested Party Contributions** | Permitted up to 6%. All Interested Party Contributions must be properly disclosed in the sales contract, appraisal, loan estimate, and closing disclosure, and must be compliant with applicable federal, state, and local law. Interested party contributions may only be used for closing costs and prepaid expenses (financing concessions) and may NEVER be applied to any portion of the down payment or contributed to the borrower's financial reserve requirements. |

# 11. Property Eligibility

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| **Eligible Property Types** | SFR, including SFR with up to two (2) Accessory Dwelling Units (ADUs); PUD; Condominium (Warrantable & Non-Warrantable); 2–4 Unit, including 2–4 Unit properties with ADUs (maximum two ADUs per property); Modular and Log Homes; Mixed-Use (see below); Agriculturally/Rural-zoned properties where the property's use is residential — properties with income-producing agricultural operations (working farms, ranches, orchards) are ineligible regardless of zoning.<br>ADUs must comply with applicable zoning and be reflected in the appraisal. All properties must meet Fannie Mae property requirements except as expressly modified by this Guide. |
| **Mixed-Use Properties** | The property must be a 1-unit dwelling the borrower occupies as a primary residence. The borrower must be both the owner and the operator of the business. The property must be primarily residential in nature. The dwelling may not be modified in a manner that has an adverse impact on its marketability. The appraisal must provide a detailed description of the mixed-use characteristics of the subject property. |

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| **Ineligible Properties** | • Manufactured / Mobile Homes<br>• Zoned Retail / Commercial<br>• Residential units with ≥ 5 units<br>• Cooperatives<br>• Condotels<br>• Unpermitted additions<br>• Builder Model Leasebacks<br>• Boarding Houses / Group Homes<br>• Fractional Ownership / Timeshares / Theme Park Resort Properties<br>• Assisted Living / Continuing Care Facilities<br>• Mandatory Country Club Memberships<br>• Zoning Violations<br>• Hawaii properties located in lava zones 1 and/or 2<br>• Multiple dwellings on the same lot (except ADUs — maximum two per property)<br>• Working Farms, Ranches, Orchards<br>• C5 or C6 Property Condition Grades<br>• Live/Work Condos<br>• Earth Berm Homes / Geodesic Domes<br>• Houseboats<br>• Homes on Native American Land (Reservations)<br>• Properties used for cultivation, distribution, manufacture, or sale of marijuana |
| **Condominiums** | Warrantable and Non-Warrantable Condominium projects are eligible. Reviews of Warrantable Condo Projects must follow the Fannie Mae Selling Guide unless additional criteria are specified. Non-Warrantable reviews must follow the Full Review requirements and the criteria in the MortgageOne Non-Warrantable Condominium Addendum. Florida: a Full Condominium Review is required when LTV exceeds 70%.<br>Documentation: HOA Condominium Questionnaire is required for all units in a condo project. A new review is required for each loan transaction. Master property, liability, and flood insurance certificate including HO6. Current Budget (Full Review). Recorded declarations / CC&Rs and by-laws (new construction and conversion only). Litigation court documents, if applicable. |
| **Deed Restrictions** | Follow Fannie Mae requirements. Limited to age-restricted developments. |
| **Escrow Holdbacks** | Escrow holdbacks are permitted in accordance with Fannie Mae requirements. |
| **Leasehold** | Eligible. Refer to Fannie Mae Requirements. |
| **Purchase Contracts** | A copy of the fully executed purchase contract and all attachments or addenda is required. Personal property may not be included in the purchase agreement/sales contract. Items customary to residential real estate transactions (such as lighting fixtures, kitchen appliances, window treatments, and ceiling fans) are not considered personal property for purposes of this section. |

# 12. Appraisal Requirements

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| **Appraisal & Property Valuation** | All appraisals must comply with and conform to USPAP and the Appraisal Independence Requirements. The appraiser must not have a direct or indirect interest, financial or otherwise, in the property or transaction. An appraisal prepared by an individual selected or engaged by a borrower, property seller, real estate agent, or other interested party is NOT acceptable. Assigned/transferred appraisals are acceptable, unless ordered by the borrower.<br>Two appraisals are required for loan amounts > $2,000,000.<br>All appraisals must be dated within 120 days of the Note date. At 121 days, a new full appraisal is required. Legal non-conforming zoned properties must indicate the subject can be 100% rebuilt if severely damaged or destroyed. Appraisals with condition or quality ratings of C5 or C6 are not eligible for financing. |
| **Appraisal Review** | Loans must be submitted with either a Clear Capital Collateral Desktop Analysis (CDA) or a Stewart Valuation (formerly Protek Valuation) for all loans not requiring a second appraisal. A CDA or Stewart Valuation satisfies the desk-review requirement for loans with a Collateral Underwriter (CU) score greater than 2.5; no separate desk review is required when one is provided or when two appraisals are obtained.<br>The appraised value (or lowest if two are required) is the only value used to determine the property value for the subject loan. Any secondary valuation products are provided only to support the value of the origination appraisal.<br>If the Appraisal Review Product reflects a value more than 10% below the appraised value or cannot provide validation, a field review or second appraisal is required. |
| **FEMA Disaster Areas** | Sellers are responsible for identifying areas impacted by disasters and ensuring that the subject property has not been adversely impacted. When there is knowledge of an adverse event occurring near or around the subject property — including but not limited to earthquakes, floods, tornadoes, or wildfires — additional due diligence is required to determine when disaster area guidelines must be followed.<br>Disaster area guidelines must be followed for 90 days from the incident period, unless a completed appraisal dated post-incident is provided. Damage that impacts the safety or habitability of the property, or damage in excess of $2,000, is ineligible. |

# 13. Escrows & Insurance

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| **Hazard Insurance** | 100% of the replacement cost value of the improvements as of the current property insurance policy effective date, OR the unpaid principal balance of the loan — provided it equals no less than 80% of the replacement cost value of the improvements as of the current property insurance policy effective date.<br>Policies must provide for claims to be settled on a Replacement Cost basis. Actual cash value or policies that limit, depreciate, reduce, or otherwise settle losses for less than a replacement cost basis are NOT eligible. Maximum deductible: 5% of the dwelling coverage amount. |
| **Flood Certificate** | Life of Loan Flood Certificate Required. |
| **Flood Insurance** | Refer to Fannie Mae guidelines for complete guidance. NFIP or Private Flood Insurance. Minimum coverage: the lesser of 100% replacement cost value, maximum coverage from NFIP, or the unpaid principal balance. Maximum deductible for an individual flood policy is $10,000. |

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| **Escrow / Impound Accounts** | Required regardless of LTV. Escrow accounts must be established to hold funds allocated for the payment of a borrower's property taxes and insurance as they are received each month, in accordance with the borrower's mortgage documents, and until such time as they are disbursed to pay the related bills. |

# 14. Title & Closing

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| **E-Signatures** | E-signatures are permitted with the exception of the following documents, which require a wet signature:<br>Note; Mortgage / Deed of Trust; Closing Disclosure; Power of Attorney; documents that require a Notary signature; Riders / Addendums; any state-regulated disclosures. |

# 15. Disclaimer & Confidentiality

This Program Guide does not constitute legal advice. All loans must be originated in compliance with applicable federal, state, and other regulatory requirements.

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Version 1.2 — Effective 08/15/2026 | MortgageOne | Pathway Program Guidelines

# Appendix A — Glossary

| Term | Definition |
|---|---|
| **ADU** | Accessory Dwelling Unit |
| **AMC** | Appraisal Management Company |
| **ATR** | Ability-to-Repay (Dodd-Frank §1411 / Regulation Z) |
| **BPOC** | Borrower-Paid Outside of Closing |
| **CDA** | Collateral Desktop Analysis (Clear Capital) |
| **CDFI** | Community Development Financial Institution |
| **CLTV / HCLTV** | Combined / Home-Equity Combined Loan-to-Value |
| **CU** | Collateral Underwriter (Fannie Mae appraisal risk score) |
| **DTI** | Debt-to-Income ratio (not calculated under Pathway) |
| **EAD** | Employment Authorization Document |
| **FICO** | Fair Isaac Corporation credit score |
| **FTHB** | First-Time Homebuyer |
| **GSA** | General Services Administration exclusionary list |
| **HPML** | Higher-Priced Mortgage Loan (TILA) |
| **LDP** | HUD Limited Denial of Participation list |
| **LOE** | Letter of Explanation |
| **NFIP** | National Flood Insurance Program |
| **OFAC** | Office of Foreign Assets Control |
| **PITIA** | Principal, Interest, Taxes, Insurance, and Association dues |
| **POA** | Power of Attorney |
| **R/T** | Rate/Term Refinance |
| **SAM** | System for Award Management exclusion list |
| **SDN** | Specially Designated Nationals list (OFAC) |
| **UPB** | Unpaid Principal Balance |
| **USPAP** | Uniform Standards of Professional Appraisal Practice |
| **VOD / VOM / VOR** | Verification of Deposit / Mortgage / Rent |

# Appendix B — Revision History

| Version | Effective Date | Material Changes |
|---|---|---|
| **1.0 / 1.1** | 03/10/2026 | v1.0 initial publication 03/10/2026; v1.1 amendments 06/2026. |
| **1.2** | 08/15/2026 | • Second homes; Fixed Step; temporary buydowns added<br>• Max loan $3.0MM; tier step-down at $2.0MM; 660/620 LTV tiers expanded<br>• FTHB reserve add-on removed<br>• Tax lien, gift-donor, large-deposit, retirement-asset provisions revised<br>• Mixed-use, modular, log homes, up to two ADUs (incl. 2–4 unit) added<br>• Recently-listed-property policy added<br>• State eligibility restated incl. CDFI non-honoring jurisdictions<br>• Clarity revisions: precedence, defined terms, credit decision framework, cash-out paths, glossary |