



Bank Statement Program

Eligibility Guide

Version
1.4
Effective
10.25.2023

Table of Contents

Windsor Statement Eligibility Matrix..... 4

Primary Residence | Purchase, Rate and Term Refinance²..... 4

Primary Residence | Cash-Out Refinance²..... 4

Second Home | Purchase, Rate and Term Refinance 4

Second Home | Cash-Out Refinance..... 4

Investment³ | Purchase | Rate and Term Refinance | Cash-Out Refinance 4

Windsor Statement Underwriting Guidelines 6

Eligible Products 6

Ineligible Products 6

Underwriting..... 6

Eligible Borrowers 6

Ineligible Borrowers..... 7

Eligible Occupancy Types 7

Documentation 7

Debt-to-Income Ratio (DTI)..... 8

LTV/CLTV/HCLTV Calculation for Refinances 8

Refinance Transactions 8

Secondary Financing 10

Texas 50 (a) (6) & Texas 50 (f) (2) Refinances 10

Construction-To- Permanent Financing 10

Credit 10

Liabilities 12

Assets..... 14

Financing Concessions 16

Seller Concessions..... 16

Personal Property 16

Multiple Financed Properties..... 17

Properties Listed For Sale 17

Income / Employment 17

Bank Statement Analysis/General Requirements 18

Personal Bank Statement Documentation Requirements..... 20

Business Bank Statement Documentation Requirements..... 20

Bank Statement Non-Sufficient Funds Policy..... 21

Table of Contents

Eligible Properties 22

Ineligible Properties 23

Non-Arm’s Length Transactions 23

Disaster Policy 23

Escrow Holdbacks 23

Appraisal Requirements 24

Version History 26

Windsor Statement Eligibility Matrix					
Fixed Rate 30-year					
Primary Residence Purchase, Rate and Term Refinance ¹					
Transaction Type	Units	Minimum FICO	Maximum LTV/CLTV/HCLTV	Maximum Loan Amount ¹	
Purchase or Rate and Term Refinance	1-4	680	80%	\$2,000,000	
		661	60%	\$2,000,000	
Primary Residence Cash-Out Refinance ²					
Transaction Type	Units	Minimum FICO	Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	Maximum Cash-Out
Cash-Out Refinance	1-4	680	75%	\$1,000,000	\$500,000
		661	60%	\$2,000,000	\$500,000
Second Home Purchase, Rate and Term Refinance					
Transaction Type	Units	Minimum FICO	Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	
Purchase or Rate and Term Refinance	1	680	80%	\$2,000,000	
		661	60%	\$2,000,000	
Second Home Cash-Out Refinance					
Transaction Type	Units	Minimum FICO	Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	Maximum Cash-Out
Cash-Out Refinance	1	661	60%	\$2,000,000	\$500,000
Investment ³ Purchase Rate and Term Refinance Cash-Out Refinance					
Transaction Type	Units	Minimum FICO	Maximum LTV/CLTV/HCLTV	Maximum Loan Amount	
Purchase or Rate and Term Refinance, Cash-Out Refinance	1-4	740	75%	\$2,000,000 Max Cash-out \$500,000	

¹First-Time Homebuyers are subject to a maximum loan amount of \$1,000,000. Loan amounts up to \$1,500,000 allowed in CA, NJ, NY, WA and CT for First-Time Homebuyers. See Eligible Borrower section for specific requirements for First-Time Homebuyers.

²TX 50(a)(6) and TX 50 (f)(2) not allowed, no refinance transactions allowed in TX. Only purchase transactions allowed in TX. Additional restrictions apply, please see Jumbo Program Eligibility Supplement Section 2(D).

³The following requirements apply for Investment Property: Purchase, Rate and Term Refinance and Cash-Out Refinance transactions:

- Florida attached condominiums limited to 50% LTV/CLTV/HCLTV
- Transaction must be arm's length
- First-Time Homebuyers not allowed

Windsor Mortgage **Statement Program Notes:**

- Minimum loan amount is \$250,000.
- Loans in New York state must be \$1 over current conforming/high balance limit set by FHFA.
- Please see Eligible Property Types for Declining Markets Policy
- Properties listed for sale or purchased within the last 12 months prior to application, require a 10% reduction to LTV for rate and term refinances.

Windsor Mortgage Statement Underwriting Guidelines	
Eligible Products	<ul style="list-style-type: none"> • Fixed Rate: 30-year term
Ineligible Products	<ul style="list-style-type: none"> • High-Cost Loans (Federal, State or Local) • Non-Standard to Standard Refinance Transactions (ATRExempt) • Balloons • Graduated Payments • Temporary BuyDowns • Loans with Prepayment Penalties • ARMs • 15, 20, 25-year terms • Points and Fees exceeding 3% see eligibility supplement section 6.E
Underwriting	<ul style="list-style-type: none"> • Manual underwrite is required. Follow Fannie Mae Selling Guide subject to Windsor overlays • AUS findings are not considered; no documentation waivers are considered. • All loans must meet the Price-Based QM definition: <ul style="list-style-type: none"> ➢ Safe Harbor = APR less than 1.50% above the applicable APOR ➢ Rebuttable Presumption = APR less than 2.25% above the applicable APOR (HPCT) ➢ QM designation must be provided in the loan file • In all cases, the loan file must document the eight (8) ATR rules. • In some cases, exceptions to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Prior exception approval required from Windsor.
Eligible Borrowers	<ul style="list-style-type: none"> • First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, first-time homebuyer requirements do not apply. <ul style="list-style-type: none"> ➢ Maximum loan amount is \$1,000,000. ➢ For transactions located in CA, NJ, NY, WA or CT, the maximum loan amount of \$1,500,000 is allowed if the following requirements are met and only apply for loan amounts over \$1,000,000 in the allowed states: <ul style="list-style-type: none"> ○ 740 Minimum FICO score ➢ Primary residence only (SFR only) ➢ 7 years seasoning required for all Credit Events ➢ 0x30 for 24 months for rental history must be provided, at least one borrower must provide a rental history. • US Citizens • Permanent Resident Aliens with evidence of lawful residency <ul style="list-style-type: none"> ➢ Must be employed in the US for the past twenty-four (24) months. • Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions: <ul style="list-style-type: none"> ➢ Primary residence only. ➢ Unexpired H1B, H2B, E1, L1 Series Visas only. ➢ Credit tradeline requirements must be met, no exceptions. ➢ Borrower must have a current twenty-four (24) month employment history in the US.

Windsor Mortgage Statement Underwriting Guidelines	
Eligible Borrowers	<ul style="list-style-type: none"> • Documentation evidencing lawful residency must be met (see Jumbo Program Eligibility Supplement for requirements). • Illinois Land Trust (see Jumbo Program Eligibility Supplement for requirements). • Inter Vivos Revocable Trust (see Jumbo Program Eligibility Supplement for requirements). • All borrowers must have a valid Social Security Number.
Ineligible Borrowers	<ul style="list-style-type: none"> • Foreign Nationals • Non- Occupant Co-Borrowers • Borrowers with diplomatic status • Life Estates • Non-Revocable Trusts • Guardianships • LLCs, Corporations or Partnerships • Land Trusts, except for Illinois Land Trust • Borrowers with any ownership in a business that is federally illegal, regardless if the income is not being considered for qualifying. • Non-Arm’s Length Transactions
Eligible Occupancy Types	<ul style="list-style-type: none"> • Primary residences for 1-4 units • Second home residences for one (1) unit properties <ul style="list-style-type: none"> ➢ Must be a reasonable distance away from borrower’s primary residence. ➢ Must be occupied by the borrower for some portion of the year. ➢ Must be suitable for year-round use. ➢ Must not be subject to a rental agreement and borrower must have exclusive control over the property. ➢ Any rental income received on the property cannot be used as qualifying income. • Investment properties for 1-4 units
Documentation	<ul style="list-style-type: none"> • All loans must be manually underwritten and fully documented. No documentation waivers based on AUS recommendations permitted. • Income calculation worksheet or 1008 with income calculation. Current Fannie Mae Form 1084, Freddie Mac Form 91 or equivalent is required for self-employment analysis. • All credit documents, including title commitment, must be no older than 120 days from the Note date. • All loans must be submitted to an automated fraud and data check tool (i.e. Fraud Guard, DataVerify, etc.). A copy of the findings report must be provided in the loan file along with any documentation resolving any deficiencies or red flags noted. • All Bank Statements must be validated by Direct VOD, or Other third Party Asset Verification Service. • QM designation is QM Safe Harbor - APOR (or similar name i.e., Price Based). • QM designation is QM Rebuttable Presumption if the loan is a Higher-Priced Covered Transaction (HPCT).

Windsor Mortgage Statement Underwriting Guidelines

Documentation	<ul style="list-style-type: none"> • QM designation is Exempt for investment property transactions when the transaction is exclusively for business purposes. (Refer to §1026.3(a) and the Official Interpretation to §1026.3(a)) <ul style="list-style-type: none"> ➢ Investment property transactions require an attestation from the borrower stating the property is used 100% of the time for business purposes and/or 100% of any cash out proceeds must be used for business purpose in order for the designation to be Exempt. ➢ If the borrower does not use the property and/or cash out proceeds 100% of the time for business purposes, the loan is subject to QM and the designation would be QM Safe Harbor or QM Rebuttable Presumption for Choice QM loans. <p>NOTE: Loans with application dates before 3.1.2021, regardless of lock date, must meet the maximum DTI of 43% and adhere to all Appendix Q documentation requirements.</p> <ul style="list-style-type: none"> • Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (RegulationZ). • Residual income calculation must be provided and meet the residual income requirements indicated in the Income/Employment section of this guide. • If subject transaction is paying off a HELOC that is not included in the CLTV/HCLTV calculation, the loan file must contain evidence the HELOC has been closed. • If the 1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral.
Debt-to-Income Ratio (DTI)	<ul style="list-style-type: none"> • Max: 50% • Loans with >=75% LTV/CLTV: 45% • First Time Home Buyers (FTHB): 43% <p><i>All loans require a residual income calculation-see Employment and Income section</i></p>
LTV/CLTV/HCLTV Calculation for Refinances	<ul style="list-style-type: none"> • Properties listed for sale or purchased within the last 12 months prior to application require a 10% reduction to LTV. • If the subject property is owned less than 9 months, the LTV/CLTV/HCLTV is based on the lesser of the purchase price or appraised value.
Refinance Transactions	<p>Rate and Term Refinance:</p> <ul style="list-style-type: none"> • The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items. <ul style="list-style-type: none"> ➢ If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months. ➢ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months. ➢ A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history.

Windsor Mortgage Statement Underwriting Guidelines	
Refinance Transactions	<ul style="list-style-type: none"> • Cash back to borrower is limited to the lesser of 2% of the principal or \$5,000. • Properties inherited less than twelve (12) months prior to application date can be considered for a Rate and Term refinance transaction if the following requirements are met: <ul style="list-style-type: none"> ➤ Must have clear title or copy of probate evidencing borrower was awarded the property. ➤ A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries. ➤ Borrower retains sole ownership of the property after the pay out of the other beneficiaries. ➤ Cash back to borrower not to exceed 2% of principal or \$5000.
	<ul style="list-style-type: none"> • Delayed Purchase Refinancing is not allowed.
	<p>Cash-Out Refinance Requirements:</p> <ul style="list-style-type: none"> • Borrower must have owned the property for at least six (6) months • Maximum cash-out limitations include the payoff of any unsecured debt, unseasoned liens and any cash in hand. • Inherited properties may not be refinanced as a cash-out refinance prior to twelve (12) months ownership. See Rate and Term Refinances for requirements.
	<p>Continuity of Obligation:</p> <p>When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements has been met.</p> <p>If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:</p> <ul style="list-style-type: none"> • The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> ➤ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or ➤ Is related to the borrower on the mortgage being refinanced. • The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction. • The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation, or dissolution of a domestic partnership. • The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> ➤ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer. ➤ The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan. <p>NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.</p>

Windsor Mortgage Statement Underwriting Guidelines	
Secondary Financing	<ul style="list-style-type: none"> • Institutional Financing only. Seller subordinate financing not allowed. • Subordinate liens must be recorded and clearly subordinate to the first mortgage lien. • If there is or will be an outstanding balance at the time of closing, the monthly payment for the subordinate financing must be included in the calculation of the borrower’s debt-to-income ratio. • Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms. The following are acceptable subordinate financing types: <ul style="list-style-type: none"> ➢ Mortgage terms with interest at market rate. ➢ Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization. • LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing.
Texas 50 (a) (6) & Texas 50 (f) (2) Refinances	<ul style="list-style-type: none"> • Not allowed
Construction-To-Permanent Financing	<ul style="list-style-type: none"> • Not allowed
Credit	<p>Tradeline Requirements:</p> <ul style="list-style-type: none"> • Minimum three (3) tradelines are required. The following requirements apply: <ul style="list-style-type: none"> ➢ One (1) tradeline must be open for twenty-four (24) months and active within the most recent six (6) months. ➢ Two (2) remaining tradelines must be rated for twelve (12) months and may be opened or closed. <p style="text-align: center;">--OR--</p> <ul style="list-style-type: none"> • Minimum two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the last twenty-four (24) months and one (1) additional open tradeline. • Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not contributing income for qualifying purposes are not subject to minimum tradeline requirements. • Authorized user accounts are not allowed as an acceptable tradeline. • Non-traditional credit is not allowed as an acceptable tradeline. <p>Disputed Tradelines:</p> <ul style="list-style-type: none"> • All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute. • Derogatory accounts must be considered in analyzing the borrower’s willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded. <p>Mortgage History Requirements:</p> <ul style="list-style-type: none"> • If the borrower(s) has a mortgage in the most recent twenty-four (24) months, a mortgage rating must be obtained. The mortgage rating may be on the credit report or a VOM. Applies to all borrowers on the loan. • OX30 in the last twenty-four (24) months.

Windsor Mortgage Statement Underwriting Guidelines

Credit

- If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required.
- Rental History Requirements:**
- If the borrower(s) has a rental history in the most recent twelve or twenty-four (12 or 24) months, a VOR must be obtained. Applies to all borrowers on the loan.
 - See First Time Home Buyer Requirements section for Rental History requirements of 0x30 for twenty-four (24) months and at least one borrower must have a 24-month rental history.
 - No 0x30 in the last twelve (12) months. 0X60 and 0X90 required in the most recent twenty-four (24) months.
 - If the landlord is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory rent history is required; otherwise, if not related or a party to the transaction a satisfactory VOR can be provided.
- Derogatory Credit:**
- Bankruptcy, Chapter 7, 11, 13 - Four (4) years since discharge / dismissal date
 - Foreclosure - Four (4) years since completion date
 - Short Sale/Deed-in-Lieu - Four (4) years since completion / sale date
 - Mortgage accounts that were settled for less, negotiated or short payoffs- Four (4) years since settlement date
 - Loan Modification - Three (3) years since modification date with no mortgage lates on any mortgage in the last twenty-four (24) months.
 - A forbearance that results in a loan modification (moving payments to the end of the mortgage) is a credit event and will not be allowed. Covid forbearance is not allowed.
 - Notice of Default - Three (3) years
 - Multiple Credit Events are not allowed. No Exceptions regardless of seasoning
 - First Time Homebuyers must have 7 years seasoning on credit events.
 - A satisfactory explanation letter from the borrower(s) must be provided addressing any of the above derogatory credit events if the event occurred in the last four (4) years.
 - Multiple derogatory credit events not allowed. A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event.
 - A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event.
 - All collections must be paid if an individual collection is equal or greater to than \$1000 or if the cumulative total of collections per loan is equal to or greater than \$2500.
- Outstanding Judgments/Tax Liens/Charge-offs/Past-Due Accounts:**
- Tax liens, judgments, charge-offs and past due accounts must be satisfied or brought current prior to or at closing. Cash-out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts.
 - Payment plans on prior year tax liens/liabilities are not allowed, must be paid in full.
- Credit Inquiries:**
- If the credit report indicates inquiries within the most recent 90 days of the credit report, the seller must confirm the borrower did not obtain additional credit that is not reflected in the credit report or mortgage application. In these instances, the borrower must explain the reason for the credit inquiry.

Windsor Mortgage Statement Underwriting Guidelines	
Credit	<ul style="list-style-type: none"> • If additional credit was obtained, a verification of that debt must be provided, and the borrower must be qualified with the monthly payment. • Confirmation of no new debt may be in the form of a new credit report, pre-close credit report or gap credit report. <p>Credit Reports-Frozen Bureaus:</p> <ul style="list-style-type: none"> • Credit reports with bureaus identified as “frozen” are required to be unfrozen and a current credit report with all bureaus unfrozen is required. • Credit Refreshes/Rescores: Windsor will allow for Credit Score refreshes; however, the closed loan file must include all documentation to support the change in score and still meet sufficient assets as required by the program guidelines.
Liabilities	<p>Liability Requirements:</p> <ul style="list-style-type: none"> • The monthly payment on revolving accounts with a balance must be included in the borrower’s DTI, regardless of the number of months remaining. If the credit report does not reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of \$10 or 5%. • If the credit report reflects an open-end or net thirty (30) day account, the balance owing must be subtracted from liquid assets. • Loans secured by financial assets (life insurance policies, 401(k), IRAs, CDs, etc.) do not require a payment to be included in the DTI if documentation is provided to show the borrower’s financial asset as collateral for the loan. • For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower’s monthly debt obligation. <ul style="list-style-type: none"> ➤ If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying. ➤ If the credit report does not provide a monthly payment or if it shows \$0 as the monthly payment, the monthly payment may be one of the options below: <ul style="list-style-type: none"> • Loan payment indicated on student loan documentation verifying monthly payment is based on an income-driven plan. • For deferred loans or loans in forbearance: <ul style="list-style-type: none"> • 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or • A fully amortizing payment using the documented loan repayment terms. • HELOCs with a current outstanding balance with no payment reflected on the credit report may have the payment documented with a current billing statement. HELOCs with a current \$0 balance do not need a payment included in the DTI unless using for down payment or closing costs. • Lease payments, regardless of the number of payments remaining must be included in the DTI. • Alimony and child support must be counted as a monthly debt and cannot be deducted from earnings. • Borrowers who have any type of interest only mortgages, and retaining the mortgage, borrower is to be qualified with the fully amortizing payment and not the interest only optional payment.

Windsor Mortgage Statement Underwriting Guidelines

Liabilities

- If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if tax transcripts show an outstanding balance due.
- A payment plan for the most recent tax year is allowed if the following requirements are met:
 - Payment plan was set up at the time the taxes were due. Copy of payment plan must be included in loan file.
 - Payment is included in the DTI.
 - Satisfactory pay history based on terms of payment plan is provided.
 - Payment plan is only allowed for taxes due for most recent tax year, prior years not allowed. For example, borrower files their 2019 return or extension in April 2020. A payment plan would be allowed for taxes due for 2019 tax year. Payment plans for 2018 or prior years would not be allowed.
 - Borrower does not have a prior history of tax liens.

Contingent Liabilities:

- **Co-Signed Loans:** The monthly payment on a co-signed loan may be excluded from the DTI if evidence of timely payments made by the primary obligor (other than the borrower) is provided for the most recent twelve (12) months and there are no late payments reporting on the account.
- **Debts Paid by Others:** Follow [Fannie Mae/Selling Guide](#)
- **Court Order:** If the obligation to make payments on a debt has been assigned to another person by court order, the payment may be excluded from the DTI if the following documents are provided.
 - Copy of court order.
 - For mortgage debt, a copy of the document transferring ownership of property.
 - If transfer of ownership has not taken place, any late payments associated with the repayment of the debt owing on the mortgage property should be considered when reviewing the borrower's credit profile.
- **Assumption with No Release of Liability:** The debt on a previous mortgage may be excluded from DTI with evidence the borrower no longer owns the property. The following requirements apply:
 - Payment history showing the mortgage on the assumed property has been current during the previous twelve (12) months or
 - The value on the property, as established by an appraisal or sales price on the HUD-1/CD results in an LTV of 75% or less.

Departure Residence Pending Sale:

- If a borrower is under contract or pending sale but the transaction for the departure residence has not closed at the time of the subject transaction, the debt must be included in the qualifying ratios.
- Two (2) months reserves must be verified for the PITIA of the departure residence.

Windsor Mortgage Statement Underwriting Guidelines

Asset Requirements:

Beyond the minimum reserve requirements and to fully document the borrowers' ability to meet their obligations, borrowers should disclose all liquid assets.

Eligible assets must be held in a US account.

Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs. Lender is responsible for verifying large deposits did not result in any new undisclosed debt. Large deposits are considered to be more than 50% of the borrower's monthly income.

Asset verification by a Fannie Mae approved asset validation provider is allowed in lieu of 2 months statements provided by the borrower. The asset verification must provide 60 days of account activity and include all items normally indicated on bank statements.

Second Homes and Investment properties require the borrower to demonstrate 10% of their own funds for the down payment.

Assets

Asset Type	% Eligible for Calculation of Funds	Additional Requirements
Checking/ Savings/ Money Market/CDs	100%	Two (2) months most recent statements.
Publicly Traded Stocks/Bonds / Mutual Funds	70%	Two (2) months most recent statements. Non-vested stock is ineligible. Margin account and/or pledged asset balances must be deducted.
Retirement Accounts (401(k), IRAs etc.)	60%	<ul style="list-style-type: none"> • Most recent statement(s) covering a two (2) month period. • Account statements should be updated with a transaction history dated within 30 days of Note date due to market volatility • Evidence of liquidation if used for down payment or closing costs. • Evidence of access to funds required for employer-sponsored retirement accounts. • Retirement accounts that do not allow for any type of withdrawal are ineligible for reserves. • 60% of the vested balance may be used towards reserves • Pension accounts are not allowed to be used for down payment, closing costs or reserves.
Cash Value of Life Insurance/ Annuities	100% of value unless subject to penalties.	Most recent statement(s) covering a two (2) month period.

Windsor Mortgage Statement Underwriting Guidelines			
Assets	1031 Exchange	<p>Allowed on second home and investment purchases only.</p> <p>Reverse 1031 exchanges not allowed.</p>	<ul style="list-style-type: none"> • HUD-1/CD for both properties. • Exchange agreement. • Sales contract for exchange property. • Verification of funds from the Exchange Intermediary. • Cannot use 1031 exchange monies for reserves
	Business Funds	<p>Allowed for down payment, closing costs and reserves with additional requirements met.</p>	<ul style="list-style-type: none"> • Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. CPA letter is also acceptable. • Business bank statements must not reflect any NSFs (non- sufficient funds) or overdrafts. • If borrower(s) ownership in the business is less than 100%, the following requirements must be met: <ul style="list-style-type: none"> ➤ Borrower(s) must have majority ownership of 51% or greater. ➤ The other owners of the business must provide an access letter to the business funds. • Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s). • Separate personal accounts may be used for cash to close, down payment and reserves when using Bank Statements for income stream- Please refer to Bank Statement section for further information
	Gift Funds	<ul style="list-style-type: none"> • Gift funds may be used once the borrower has contributed 5% (10% required for second home and investment properties) of their own funds. • Gift funds not allowed for reserves. 	<ul style="list-style-type: none"> • Donor must be family member, future spouse or domestic partner. • Executed gift letter with gift amount and source, donor’s name, address, phone number and relationship. • Seller must verify sufficient funds to cover the gift has come from the donor’s account. Evidence of the donor’s funds must be verified as being received by borrower into their personal account or into title. • Acceptable documentation includes the following: <ul style="list-style-type: none"> ➤ Copy of donor’s check and borrower’s deposit slip. ➤ Copy of donor’s bank statement and withdrawal slip and borrower’s deposit slip.

Windsor Mortgage Statement Underwriting Guidelines			
Assets		<ul style="list-style-type: none"> • Gift funds not allowed to pay off debts to qualify 	<ul style="list-style-type: none"> ➤ Copy of donor’s check to the closing agent. ➤ A settlement statement/CD showing receipt of the donor’s gift check.
	Reserve Requirements (# of Months of PITIA)**		
	Occupancy	Loan Amount	# of Months
	Primary Residence	≤\$1,000,000	6
		\$1,000,001-\$2,000,000	12
	Second Home / Investment Property	≤\$1,000,000 - \$2,000,000	12
	Additional 1-4 Unit Financed REO	<ul style="list-style-type: none"> • The borrower may own up to four (4) financed 1–4-unit properties. <ul style="list-style-type: none"> ➤ There is an additional three (3) months reserves PITIA for each property required based on the PITIA of the additional REO. • If eligible to be excluded from the count of multiple financed properties, reserves are not required. 	
Departure Residence	<p><i>Note: If departure residence pending sale or retained for rental</i></p> <ul style="list-style-type: none"> • Two (2) months additional PITIA of REO required 		
** Borrowed funds (secured or unsecured) are not allowed for reserves.			
Financing Concessions	<ul style="list-style-type: none"> • Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction. The following restrictions for interested party contributions apply: <ul style="list-style-type: none"> ➤ May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves. ➤ Maximum interested party contributions must meet Fannie Mae requirements 		
Seller Concessions	<ul style="list-style-type: none"> • All seller concessions must be addressed in the sales contract, appraisal and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, financing concessions) or any amounts not being used for closing costs or prepaid expenses. • If a seller concession is present, both the appraised value and the sales price must be reduced by the concession amount for the purposes of calculating LTV/CLTV/HCLTV. 		
Personal Property	<ul style="list-style-type: none"> • Any personal property transferred with a property sale must be deemed to have zero transfer value as indicated by the sales contract and appraisal. • If any value is associated with the personal property, the sales price and the appraised value must be reduced by the personal property value for purposes of calculating the LTV/CLTV/HCLTV. 		

Windsor Mortgage Statement Underwriting Guidelines																	
Multiple Financed Properties	<ul style="list-style-type: none"> The borrower(s) may own a total of four (4) financed, 1-4 unit residential properties including the subject property and regardless of the occupancy type of the subject property. <ul style="list-style-type: none"> If the borrower owns up to four (4) financed properties: <ul style="list-style-type: none"> Max financing for the subject transaction is allowed Additional financed 1-4 unit residential properties require three (3) months reserves for each property 1-4 unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage. Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation. 																
	<ul style="list-style-type: none"> Properties currently listed for sale (at the time of application) are not eligible. Properties listed for sale within six (6) months of the application date are not acceptable for refinance transactions. Cash-out refinances are not eligible if the property was listed for sale within twelve (12) months of the application date. Reduce LTV/CLTV by 10% if property has been listed for sale within the past 12 months for rate/term refinances 																
Properties Listed For Sale	<ul style="list-style-type: none"> Two Bank Statement documentation types are available, <ul style="list-style-type: none"> Personal Bank Statements or Business Bank Statements – 12 or 24 Months Please refer to Bank Statement Requirements within this guideline. For loans that will include a Full income and employment documentation borrower, (i.e.: borrower not filing a joint return) please refer to <i>Select Program Income, Employment and Documentation requirements</i>. <ul style="list-style-type: none"> Asset depletion and RSU/Stock Options are not eligible income sources Borrowers filing a joint return with a Bank Statement borrower are not eligible if tax returns or tax transcripts are required per Select Full Documentation requirements. <p>General Documentation Requirements:</p> <ul style="list-style-type: none"> Residual Income Calculation required for all loans. <ul style="list-style-type: none"> All loans must meet the residual income requirements below. Residual income equals Gross Qualifying Income less Monthly Debt (as included in the debt-to-income ratio) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th># in Household</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>Required Residual</td> <td>\$1550</td> <td>\$2600</td> <td>\$3150</td> <td>\$3550</td> <td>\$3700</td> </tr> </tbody> </table> <p style="text-align: center;"><i>Add \$150 for additional family members</i></p>					# in Household	1	2	3	4	5	Required Residual	\$1550	\$2600	\$3150	\$3550	\$3700
# in Household	1	2	3	4	5												
Required Residual	\$1550	\$2600	\$3150	\$3550	\$3700												
Income / Employment	<ul style="list-style-type: none"> Windsor requires a Business Narrative for the Bank Statement Program. This assists the underwriter to review the reasonableness of the expenses by the borrower. The business narrative should include details related to the size/scope of business, including: <ul style="list-style-type: none"> Detailed explanation of the business/business profile Where is business located and any associated obligations (ie; mortgages/rent) Number of employees, full time/part time or contractors Does business involve sales of goods or just services? If goods, provide estimated costs of goods and types of goods sold. Any large trucks or materials or equipment Any other details that would assist in the analysis of business to tie to expenses. 																

Windsor Mortgage Statement Underwriting Guidelines	
Income / Employment	<p>Unacceptable Sources of Income:</p> <ul style="list-style-type: none"> • Asset Depletion • Restricted Stock Units/Stock Options • Any unverified source • Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying: <ul style="list-style-type: none"> ➤ Foreign shell banks ➤ Medical marijuana dispensaries ➤ Any business or activity related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law. ➤ Businesses engaged in any type of internet gambling.
	Rental Income - Departing Primary Residence
	<ul style="list-style-type: none"> • If the borrower is converting their current primary residence to a rental property and using rental income to qualify the following requirements apply: <ul style="list-style-type: none"> ➤ Copy of current lease agreement, copy of security deposit and evidence of deposit to borrower’s account. ➤ Full Appraisal is required to document the 25% or more equity in the vacated property. Drive by appraisal is also acceptable. (SFR only-aged no more than 6 (six) months) ➤ Rent calculation is 75% of the market rent less PITIA ➤ Apply the resulting amount to income (if positive) or recurring debts (if negative). ➤ Two (2) months reserves required
Bank Statement Analysis/General Requirements	<ul style="list-style-type: none"> • When reviewing the Bank Statements, ensure the borrower’s percentage of ownership is verified within the closed loan file. Acceptable forms to document the borrower’s self-employment: <ul style="list-style-type: none"> ➤ Business license ➤ Signed written statements from a CPA or Third-Party Tax Preparer ➤ Partnership Agreement ➤ Business Certificate filed with a governmental agency • Windsor also requires for all files, a Business Narrative for this Bank Statement Program. This assists the underwriter to review the reasonableness of the expenses by the borrower. The business narrative should include details related to the size/scope of business, including: <ul style="list-style-type: none"> ➤ Detailed explanation of the business/business profile ➤ Where is business located and any associated obligations (ie; mortgages/rent) ➤ Number of employees, full time/part time or contractors ➤ Does business involve sales of goods or just services? If goods, provide estimated costs of goods and types of goods sold. ➤ Any large trucks or materials or equipment ➤ Any other details that would assist in the analysis of business to tie to expenses

Windsor Mortgage Statement Underwriting Guidelines

Bank Statement
Analysis / General
Requirements

The following requirements apply to both Personal and Business Bank statement documentation types:

Personal History

- Borrowers must have two years history of self-employment.
 - The borrower's business is required to be in existence for the past two (2) years.
- Ensure third party evidence of the business is in existence and in good standing is provided within the closed loan file.
- All parties listed on a personal bank account that is included in qualifying income, must be included as borrowers on the application.
- Statements must be consecutive and reflect the most recent months available.
- The statements should always support stable and generally predictable deposits; large and unusual deposits must be sourced and addressed, if not able to be sourced, they will be excluded.
- Any decline in earnings should be properly evaluated as that can result in a loan not being purchased by Windsor.
- If the bank statements support consistent withdrawals greater than deposits, that will be considered declining cashflow/income.
- All files must meet Windsor's policy on Non-Sufficient Funds (NSF) (See NSF/Overdraft Policy Section)
- Transfers should also be excluded unless it is a wire transfer in from another company for services rendered.
- Windsor will allow the use of other sources of income used together with the Bank Statement program including W-2 income, or fixed income such as Social Security Benefits.
 - Supplemental income cannot exceed 50% of the total qualifying income for the borrower.
 - Co-borrower wage earner income coming from self-employed borrower business is not allowed.
- Signed and dated 3rd party P&L covering the same dates as the bank statements from a CPA or a Third-Party Tax Preparer. UNLESS the fixed expense ratio is used for qualifying as listed in Business Bank Statement section. (Expense factor can never be less than 25%)
- Verification of Deposits and/or DU/LP vendors statements are ineligible for income qualification.

1003 Initial Disclosed Income:

- Income disclosed on the initial signed application should be reviewed. If income calculated is significantly higher than income stated on the 1003, the underwriter should request an explanation from the borrower to determine acceptability of the income.

Rental Income:

- Borrowers utilizing the bank statement program with rental income from investment properties not associated with a business, may do so as long as they provide a current active lease, proof of payments for the most recent 12 or 24 months (to match the bank statements used). Qualifying income will be gross rents x75%.

Windsor Mortgage Statement Underwriting Guidelines	
Personal Bank Statement Documentation Requirements	<p>Personal Bank Statement Documentation Requirements:</p> <ul style="list-style-type: none"> • 12 or 24 months complete personal bank statements. (Multiple accounts are acceptable) <ul style="list-style-type: none"> ➤ The bank statements must be dated within thirty (30) days of the application: and three (3) months business bank statements (used to support that the borrower maintains a separate business account). ➤ If business bank statements cannot be provided, then the file must be documented using business bank statements requirements. ➤ Transaction histories are not acceptable • Initial URLA/1003 income must be disclosed - Income disclosed on the initial signed application should be reviewed. <ul style="list-style-type: none"> ➤ If income calculated is significantly higher than income stated on the 1003, the underwriter should request an explanation from the borrower to determine acceptability of the income. • Windsor Business Narrative prepared by borrower explaining at minimum the nature of the business, operations and must include the number of Full-Time employees and or contractors. • Bank statements reflecting other individuals who are not applicants on the loan are not eligible. <p>The following apply when analyzing personal bank statements:</p> <ul style="list-style-type: none"> • 100% of personal bank account deposits. • Large deposits (defined as 50% of qualifying monthly income) must be sourced. • Transfers will be excluded unless they are from a documented business account. • Qualifying income will be the total net deposits divided by 12/24 months- (If no business bank statements provided, this will result in a reduction by applicable expense ratio below)
Business Bank Statement Documentation Requirements	<p>Business Bank Statement Documentation Requirements:</p> <ul style="list-style-type: none"> • Twelve (12) or twenty-four (24) months of complete business bank statements from the same account. (If an account has been moved to a different Bank and is shown to be one and the same, that will be acceptable). <ul style="list-style-type: none"> ➤ Co-mingling of multiple accounts to generate a full 12 or 24 months is not permitted. • Each loan requires a CPA or borrower prepared and signed Windsor Business Narrative that includes at minimum details related to the description, nature, size (full-time employees and or contractors) and scope of the business. The underwriter will evaluate the reasonableness of the expenses listed by the borrower. Initial 1003 with monthly income disclosed (Signed). • A 3rd Party Tax Preparer or CPA prepared P&L that covers the same time frame as the bank statements, is required UNLESS the fixed expense ratio is used for qualifying as listed below. (Expense factor can never be less than 25%) <p>The following apply when analyzing business bank statements:</p> <ul style="list-style-type: none"> • Reasonable and Customary Eligible Business Expenses from personal bank accounts: <ul style="list-style-type: none"> ➤ Personal bank accounts that are addressed to a DBA. ➤ Personal bank accounts that can evidence use for business expenses.

Windsor Mortgage Statement Underwriting Guidelines

<p>Business Bank Statement Documentation Requirements</p>	<ul style="list-style-type: none"> • Wire transfers from other accounts must be either documented or excluded. • Declining balances will require an LOE. • Transaction histories are not acceptable. • Borrower must be at least 50% owner of the business. If multiple owners, then the income used will be based on ownership percentage(s). • Third-Party verification of business existence. • Business Bank Statements must be consecutive and from the most recent period. <p>Qualifying Income will be determined based on one of the following calculations below:</p> <ul style="list-style-type: none"> • Percentage of Gross deposits as calculated using a fixed expense ratio factor of 50% or expense ratio provided by a CPA/Third Party Tax Preparer <p style="text-align: center;">--OR--</p> <ul style="list-style-type: none"> • Percentage of Gross deposits as calculated using a fixed expense ratio factor as provided by a CPA/Third Party Tax Preparer. CPA/licensed tax preparer must attest that they have audited the business financial statements or reviewed working papers provided by the borrower. CPA/licensed tax preparer must attest that they are not related to the borrower or associated with the borrower's business. (Expense factor can never be less than 25%)
<p>Bank Statement Non-Sufficient Funds Policy</p>	<p><i>Bank statements reflecting Non-Sufficient Funds (NSF) checks and overdraft protection transfers may indicate cash flow problems and each event or occurrence must be considered. In all cases, their financial strength of the self-employed borrower's business must be satisfactory.</i></p> <ul style="list-style-type: none"> • NSFs should be covered with deposits shortly after they are incurred. • NSFs require and acceptable letter of explanation from the borrower to evaluate that they are not due to financial mishandling and/or indicative of insufficient income. • The following tolerance for NSFs and overdrafts is allowed: <ul style="list-style-type: none"> ➤ No occurrences in the most recent three (3) months ➤ Each NSF is considered an occurrence (i.e. there may be multiple NSFs in each month that must be counted toward the cumulative total) <p><u>The NSF occurrences may only be excluded from the tolerances above if one of the following is met:</u></p> <ul style="list-style-type: none"> • Overdraft protection from another depository account (a personal account must be used when using personal bank statements and a business account must be used when using business bank statements) when the statements for the linked account confirm all of the following: <ul style="list-style-type: none"> ➤ The account balance at the time of the transfer exceeded the amount of the overdraft transfer. ➤ The accounts balance did not report as zero or negative at any point during the statement period of transfer. ➤ The account did not itself receive overdraft protection proceeds during the statement period of the transfer. • Overdraft protection from a business line of credit (a personal line of credit cannot be used for overdraft protection) when the statements for the linked account confirm that the lines credit limit was not exceeded during the statement period of transfer

Windsor Mortgage Statement Underwriting Guidelines

**Eligible
Properties**

- 1-4 Unit Owner Occupied Properties
- 1 Unit Second Homes
- 1-4 Unit Investment Properties
- Condominiums – Attached – Warrantable – Follow Fannie Mae Condo Warrantability requirements.
- Full Review Only allowed. No Limited Review or Fannie Mae Condo Project Manager (CPM)
 - A project warranty is valid for three months preceding the date of the Note.
 - Florida condominiums limited to 50% LTV/CLTV/HCLTV on investment transactions.
 - Condominium documents to support condominium eligibility review must be no older than 120 days from the Note date.
- Modular homes
- Planned Unit Developments (PUDs)
- Properties with ≤10 Acres
- Properties Subject to Existing Oil/Gas Leases must meet the following:
 - Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land which is subject to an oil and/or gas lease.
 - No active drilling. Appraiser to comment or current survey to show no active drilling.
 - No lease recorded after the home construction date. Re-recording of a lease after the home was constructed is permitted.
 - Must be connected to public water.

NOTE: Properties that fall outside these parameters are ineligible.

Declining Markets Policy:

- Windsor will purchase properties located within a declining market.
 - Cash out transactions are ineligible when the appraiser determines the subject property is in a declining market.

Declining Markets:

- Applies to loans with LTVs >65%

Declining Market Full Appraisal Housing Trends

Property Value	Demand	Marketing Time	Reduction to LTV
Declining	Shortage or In Balance	< 3 Months	5%
Declining	Shortage	3-6 Months	5%
Declining	In Balance	3-6 Months or > 6 Months	10%
Declining	Over Supply	> 6 Months	10%

Windsor Mortgage Statement Underwriting Guidelines	
Eligible Properties	<p>Miscellaneous:</p> <ul style="list-style-type: none"> • Properties with leased solar panels must meet Fannie Mae requirements. <p>Acceptable Forms of Ownership:</p> <ul style="list-style-type: none"> • Fee Simple with title vesting as: <ul style="list-style-type: none"> ➢ Individual ➢ Joint Tenants
Ineligible Properties	<ul style="list-style-type: none"> • Cooperatives • Non-Warrantable Condos • A condominium project which contains more than 35 percent of its total space dedicated to non-residential or commercial use. • Projects in which a single entity owns more than the limits established below: <ul style="list-style-type: none"> ➢ Projects with 21 units or more with 20 percent or more of the units owned by one entity. ➢ Projects with 5–20 units with more than 2 units owned by one entity. • Condotels • Leaseholds • Deed/Resale restricted properties • 2–4-unit second home properties • Manufactured Homes/Mobile Homes • Mixed-use properties • Model Home Leasebacks • Properties with condition rating of C5/C6 • Properties with construction rating of Q6 • Properties located in Hawaii in lava zones 1 & 2 • Properties located in areas where a valid security interest in the property cannot be obtained • Properties >10 acres • Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant • Tenants-in-Common projects (TICs) • Unique properties • Working farms, ranches or orchards
Non-Arm's Length Transactions	<ul style="list-style-type: none"> • Not Allowed
Disaster Policy	See Jumbo Program Eligibility Supplement for requirements.
Escrow Holdbacks	Not allowed unless the holdback has been disbursed and a certification of completion has been issued prior to purchase by Windsor.

Windsor Mortgage Statement Underwriting Guidelines

Appraisal
Requirements

- Transferred appraisals are not allowed.
- Appraisals must be completed for the subject transaction. Use of a prior appraisal, regardless of the date of the prior appraisal, is not allowed.
- Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged but less than 180 days aged from Note.
 - The appraiser must inspect the exterior of the property and provide a photo.
 - Appraiser must review current market data to determine whether the property as declined in value since the date of original appraisal. If the value has declined since original appraisal, a new full appraisal is required.
 - The appraisal Update (1004D) must be dated within 120 days of the Note date.
- Investment properties must contain a rent comparable schedule.
- Collateral Underwriter (CU) score in lieu of a CDA or CCA.
 - The use of the Collateral Underwriter (CU) score in lieu of CDA/CCA is allowed with the following requirements:
 - UCDP SSR included in loan file with a Fannie CU score of 2.5 or less.
- **Note:** CU score cannot be used if a CDA/CCA has been pulled and value is not supported within a 10% tolerance, further value support is required by a Clear Capital or Consolidated Analytics, Field Review, or 2nd full appraisal.
- Collateral Desktop Analysis (CDA) ordered from Clear Capital, or a Consolidated Collateral Analysis (CCA) ordered from Consolidated Analytics is required to support the value of the appraisal. The Seller is responsible for ordering the CDA or CCA.
 - If the CDA or CCA returns a value that is “Indeterminate” or if the CDA or CCA indicates a lower value than the appraised value that exceeds a 10% tolerance, then the following requirements must be met:
 - A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal.
 - If two (2) full appraisals are provided, a CDA or CCA is not required.
- For properties purchased by the seller of the property within 90 days of the fully executed purchase contract the following requirements apply:
 - Second full appraisal is required.
 - Property seller on the purchase contract is the owner of record.
 - Increases in value should be documented with commentary from the appraiser and recent paired sales.

The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed-in lieu.
- Higher-Priced Mortgage Loans (HPML)
 - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt.
 - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller’s acquisition price by more than 20% then a second full appraisal is required. Bank owned properties are not exempt.

If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals.

Windsor Mortgage Statement Underwriting Guidelines

Appraisal requirements based on loan amount:

**Appraisal
Requirements**

First Lien Amount	Appraisal Requirements
Purchase Transactions	
≤\$1,500,000	1 Full Appraisal
>\$1,500,001	2 Full Appraisals
Refinance Transactions	
≤\$1,500,000	1 Full Appraisal
>\$1,500,000	2 Full Appraisals

- When two (2) appraisals are required, the following applies:
 - Appraisals must be completed by two (2) independent companies.
 - The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion.
 - Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled.
 - If the two appraisals are done “subject to” and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon.

Version History

Version Number	Date	Description of Change
1.0	04.11.22	<ul style="list-style-type: none"> New Program Guide introduced.
1.1	09.12.22	<ul style="list-style-type: none"> Added a 24 month and 1099 income calculation option to the Bank Statement Section (Bank Statement Program / Underwriting Guidelines / <i>Bank Statement General Requirements / 1099</i>) Added verbiage to the Assets section to include guidance on using other accounts when using Bank Statement income stream (Bank Statement Program / Underwriting Guidelines / <i>Assets</i>) Reduced minimum loan amount to \$250,000 (Bank Statement Program / Underwriting Guidelines / <i>Eligibility Matrix notes</i>) Increased minimum score within Eligibility section from 661 to 700 across primary and second homes (Bank Statement Program / Underwriting Guidelines / <i>Eligibility Matrix</i>) Reduced maximum LTV for Primary Residence from 90% to 80% LTV/CLTV/HCLTV (Bank Statement Program / Underwriting Guidelines / <i>Eligibility Matrix</i>) Added Texas restrictions to allow for Purchase Transactions only (Bank Statement Program / Underwriting Guidelines / <i>Eligibility Matrix notes</i>) Reduced maximum acreage from 40 to 10 with Eligible Property section (Bank Statement Program / Underwriting Guidelines / <i>Eligible Property</i>) Updated Mortgage late requirements to allow only 1x30 within past 24 months from 12 months (Bank Statement Program / Underwriting Guidelines / <i>Credit</i>) Added geographic restrictions to cap at 75% LTV/CLTV/HCLTV in NY, NJ, CT and IL (Bank Statement Program / Underwriting Guidelines / <i>Eligibility Matrix notes</i>) Amended reserves to separate based on occupancy. See Reserves section (Bank Statement Program / Underwriting Guidelines / <i>Assets</i>)
1.2	01.03.2023	<ul style="list-style-type: none"> Added Declining Markets properties as an eligible property for Windsor to purchase with 5% LTV/CLTV/HCLTV reduction to apply as well as LTV/CLTV caps based on transaction (Bank Statement Program / Underwriting Guidelines / <i>Eligible Properties</i>) Added Consolidated Analytics as additional vendor to use for additional value support (Bank Statement Program / Underwriting Guidelines / <i>Appraisal Requirements</i>)

Version Number	Date	Description of Change
1.3	4.172023	<ul style="list-style-type: none"> • Eligibility Section, removed 20,25 year as eligible products (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Removed LTV of max 75% for loans in NY, IL and NJ (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Eligibility Section Primary Residence transactions, minimum credit score reduced from 700-680/661. Increased minimum loan amount from \$1,500,000 to \$2,000,000 for all Purchase Rate and Term transactions (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Eligibility Section Primary Residence Cash Out, increased min loan amount from \$1,500,000 to \$ 2,000,000 (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Eligibility Section Second Homes, reduced minimum score from 720 to 680/661, increased minimum loan amount from \$1,500,000 to \$2,000,000 (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Eligibility Section Investment Properties increased maximum LTV/CLTV from 50% to 75%. Increased minimum score from 680 to 740 (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix</i>) • Eligibility Investment Properties Notes removed 20,25-year term as eligible (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix Notes</i>) • Eligibility Bank Statement Notes Section added note tied to reducing LTV/CLTV 10% for properties purchased or listed in past 12 months (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix Notes</i>) • Eligibility Bank Statement Notes Section added loans with LTV/CLTVs greater than or equal to 75% have a max DTI of 45% (Bank Statement Program / Underwriting guidelines / <i>Eligibility Matrix Notes</i>) • Removed 20,25 year out of the Eligible Products section in the Underwriting Guidelines /Eligible Properties (Bank Statement Program / Underwriting guidelines / <i>Eligible Properties</i>) • Added 20,25 year into ineligible products (Bank Statement Program / Underwriting guidelines / <i>Ineligible Products</i>) • Updated First Time Home Buyer requirements to minimum 740 credit score, 7 years seasoning on credit events and 0x30 for 24 months on rent (Bank Statement Program / Underwriting guidelines / <i>Eligibility Borrowers</i>) • Added Non-Arm's Length Transactions as ineligible, (Bank Statement Program / Underwriting guidelines / <i>Ineligible Borrowers</i>) • Removed G Series Visas as being acceptable (Bank Statement Program / Underwriting guidelines / <i>Eligible Borrowers</i>) • Added Seller to provide a Fraud Report/Data Check tool for all loans with findings/red flags cured using the Bank Statement program (Bank Statement Program / Underwriting guidelines / <i>Documentation</i>)

Version Number	Date	Description of Change
1.3	4.17.2023	<ul style="list-style-type: none"> • Removed credit score layering in debt to income. Max DTI is now 50% with LTVs of 75% or greater capping at 45% and added First Time Home Buyer Max DTI of 43% (Bank Statement Program / Underwriting guidelines / <i>Debt-to-income</i>) • Amended residual income requirements to require on all loans, versus DTIs between 45%-49.99% (Bank Statement Program / Underwriting guidelines / <i>Debt-to-income</i>) • Updated seasoning requirements for properties listed and purchased in past 12 months. 10% reduction in LTV is now required (Bank Statement Program / Underwriting guidelines / <i>LTV-CLTV Calculation for Refinances</i>) • Reduced seasoning from 12 months to 9 months to use lesser of purchase price or current appraised value (Bank Statement Program / Underwriting guidelines / <i>LTV-CLTV Calculation for Refinances</i>) • Amended Rate and Term transaction from allowing 1% cash back to the lesser of 2% of principal or \$5000 (Bank Statement Program / Underwriting guidelines / <i>Refinance Transactions</i>) • Removed Delayed Purchase Refinancing as eligible (Bank Statement Program / Underwriting guidelines / <i>Refinance Transactions</i>) • Removed Employer Subordinated Debt Section (Bank Statement Program / Underwriting guidelines / <i>Refinance Transactions</i>) • Removed Construction to Perm refinance as being eligible (Bank Statement Program / Underwriting guidelines / <i>Refinance Transactions</i>) • Updated Mortgage lates from 0x30 x12 to 0x30x24 (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Updated rental history requirements to 0x30x24 from 1x30x12 and must have a rental history verified for 24 months if one is attainable (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Removed Multiple Credit Events section and added Multiple Credit events as not eligible regardless of seasoning and no exceptions allowed (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Updated Modification and Notice of Default seasoning from 2 years to 3 years (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Updated Forbearance to not allowed. Regardless of hardship including Covid Forbearance (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Updated collections requirements from allowing a \$10,000 aggregate to pay current up to \$1000 or \$2500 aggregate (Bank Statement Program / Underwriting guidelines / <i>Credit</i>) • Updated alimony and child support to be treated as a debt and removed from earnings (Bank Statement Program / Underwriting guidelines / <i>Liabilities</i>) • Added qualifying methods for interest only loans (Bank Statement Program / Underwriting guidelines / <i>Liabilities</i>)

Version Number	Date	Description of Change
1.3	4.17.2023	<ul style="list-style-type: none"> • Updated Departing Residence Pending Sale Section removing Corporate Buyout and Relocation section, also included language to not allow any payments to be omitted from qualifying if property has not sold prior to transaction closing. Added two months reserves to be verified (Bank Statement Program / Underwriting guidelines /<i>Liabilities</i>) • Updated large deposits are more than 50% of borrower's monthly income (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Added Second Homes and Investment Properties require a minimum of 10% borrower contribution (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Updated Retirement Accounts section, added 30-day seasoning requirement, amended vested amount to 60%, removed retirement age restrictions, removed pension accounts as acceptable retirement account (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Amended use of stock accounts from 100% to 70% (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Added 1031 exchange monies cannot be used for reserves (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Added CPA letter to address use of business funds impacting business as acceptable (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Updated gift funds to require donors' ability to give, and ensure on Second Home and Investment properties, borrowers contribute 10% of own funds to transaction (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Updated reserve requirements for Departing Residence Pending Sale to 2 months reserves required (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Update number of financed properties to max of 4 properties and 3 months reserves remains (Bank Statement Program / Underwriting guidelines /<i>Assets</i>) • Removed reference to 1099 income only option as that is no longer an acceptable method (Bank Statement Program / Underwriting guidelines /<i>Income/Employment</i>) • Updated Income and Employment removing all Full Doc Income requirements. See added commentary in Underwriting Guidelines/Bank Statement Analysis/General Requirements (Bank Statement Program / Underwriting guidelines /<i>Income/Employment</i>) • Residual Income requirements updated to require calculation for all loans using Bank Statement program (Bank Statement Program / Underwriting guidelines /<i>Income/Employment</i>) • Added Windsor's Business Narrative as required on all loans by borrower or CPA (Bank Statement Program / Underwriting guidelines / <i>Income/Employment</i>)

Version Number	Date	Description of Change
1.3	4.17.2023	<ul style="list-style-type: none"> • Removed RSU and Stock Options as eligible Income Source, (Bank Statement Program / Underwriting guidelines /<i>Income/Employment</i>) • Amended requirements for Rental Income on Departing Residence. Added requirement of a full appraisal or drive by (2055) supporting 25% or more equity in departing residence- added two months reserves required (Bank Statement Program / Underwriting guidelines /<i>Income/Employment</i>) • Updated language in to cap multiple financed properties at 4 versus 10 or unlimited. (Bank Statement Program / Underwriting guidelines /<i>Multiple Financed Properties</i>) • Bank Statement Section updated language tied to Personal and Business Bank Statement approach, including qualifying methods. Removed the 4 expense factors for business bank statement approach. Windsor now allows for two primary methods to qualify via 50% expense factor or CPA or Third-party prepared statement validating expense factor (Bank Statement Program / Underwriting guidelines /<i>Bank Statement Analysis / General Requirements</i>) • Updated Rental Income Section addressing the use of rental properties not associated with a business (Bank Statement Program / Underwriting guidelines /<i>Bank Statement Analysis / General Requirements</i>) • Updated Condominium requirements to not allow any Limited Reviews. Full Review for Warrantability allowed only. Project Warranty good for three months preceding Note date (Bank Statement Program / Underwriting guidelines /<i>Eligible Properties</i>) • Updated declining market policy to a 10% reduction from 5% and marked Cash out transactions as ineligible in declining markets (Bank Statement Program / Underwriting guidelines /<i>Eligible Properties</i>) • Added further clarity to ineligible condominium types, leaseholds, deed restricted properties and second home units (Bank Statement Program / Underwriting guidelines /<i>Ineligible Properties</i>) • Marked Non-Arm's Length as ineligible transaction (Bank Statement Program / Underwriting guidelines /<i>Non-Arm's Length Transactions</i>) • Updated Appraisal requirements. Removed BPO/Value Reconciliation as acceptable value method. Added CU score as eligible secondary valuation method (Bank Statement Program / Underwriting guidelines /<i>Appraisal Requirements</i>) • Updated number of appraisals required with loan amounts greater than \$1,500,000 to 2 full appraisals on a Purchase Transaction from only one full appraisal (Bank Statement Program / Underwriting guidelines /<i>Appraisal Requirements</i>)

Version Number	Date	Description of Change
1.4	08.21.2023	<ul style="list-style-type: none"> Updated Credit Documents age from 90 days to 120 days (Bank Statement /Underwriting Guides/Documentation) Updated Credit Inquiry letters to be within 90 days from 120 days (Bank Statement/Underwriting Guidelines/Credit) Added language from Jumbo Eligibility Supplement as tied to credit refresh and credit rescues (Bank Statement/Underwriting Guidelines/Credit) Updated Financing Concessions bullet to follow Fannie Mae guides (Choice Expanded/Underwriting Guidelines/Financing Concessions) Updated Declining Markets Policy for LTVs greater than 65% (Bank Statement/Appraisal/Declining Markets)