

Fix & Flip Loan Program <sup>2</sup>				
Max Leverage: Non-Owner Occupied - 1-4 Units				
TRANSACTION TYPE PURCHASE/RATE & TERM	BORROWER/GUARANTOR EXPERIENCE IN PAST 3 YEARS	MAX INITIAL LTC	Max Total LTC	MAX LTARV
STANDARD REHAB	1-2	80%	85%	75%
	3 -5	85%	85%	75%
	6+	85%	90%	75%

Non-Cumulative Adjustments to Max ILTC/LTC & LTARV <sup>1</sup>				
CASH-OUT REFINANCE		-5%	-5%	-5%
NON-WARRANTABLE CONDO		Lesser of 10% or 65%	0%	Lesser of 10% or 65%
<sup>1</sup> Non-cumulative adjustments do not add on top of each other. If multiple adjustments apply, the lowest leverage will be applicable <sup>2</sup> Properties in the following New York counties are subject to a 10% reduction in leverage ratios: Bronx County, Kings County, Nassau County, New York County, Queens County, Richmond County, Suffolk County				

Fix & Flip Loan Program <sup>1</sup>				
Max Leverage: Non-Owner Occupied – 5-20 Unit Multi Family Residential				
TRANSACTION TYPE PURCHASE/RATE & TERM	BORROWER/GUARANTOR EXPERIENCE IN PAST 3 YEARS	MAX INITIAL LTC	Max Total LTC	MAX LTARV
STANDARD REHAB	3 -5	70%	75%	70%
	6+	75%	75%	75%

Adjustments to Max ILTC/LTC & LTARV				
CASH-OUT REFINANCE		-5%	-5%	-5%
<sup>1</sup> Properties in the following New York counties are subject to a 10% reduction in leverage ratios: Bronx County, Kings County, Nassau County, New York County, Queens County, Richmond County, Suffolk County				

Fix & Flip Loan Program <sup>3</sup>				
Max Leverage: Non-Owner Occupied – 1-4				
TRANSACTION TYPE PURCHASE/RATE & TERM	BORROWER/GUARANTOR EXPERIENCE IN THE PAST 3 YEARS	MAX INITIAL LTC	MAX TOTAL LTC	MAX LTARV
HEAVY REHAB <sup>1</sup>	3-5	80%	80%	75%
	6+	80%	90%	75%

Non-Cumulative Adjustments to Max ILTC/LTC & LTARV <sup>2</sup>				
CASH-OUT REFINANCE		-5%	-5%	-5%
NON-WARRANTABLE CONDO		Lesser of 10% or 65%	0%	Lesser of 10% or 65%

	<p><sup>1</sup><b>Heavy Rehab</b> is defined a project with rehab costs that are between 50% and 100% of the lower of appraised value and purchase price, and (1) greater than \$50,000, (2) involves more than a 20% expansion of the property of at least 750 square feet, (3) involves a change of use (unless a certificate of occupancy has been issued for the new use), or (4) for any 1-4 family properties with an "As Repaired" value which is greater than 3x the lesser of as is value or purchase price if within the last 12 months.</p> <p><sup>2</sup>Non-cumulative adjustments do not add on top of each other. If multiple adjustments apply, the lowest leverage will be applicable</p> <p><sup>3</sup>Properties in the following New York counties are subject to a 10% reduction in leverage ratios: Bronx County, Kings County, Nassau County, New York County, Queens County, Richmond County, Suffolk County</p>			

PRODUCTS	All Products
EXPERIENCE	<p>Eligible Experience:</p> <ul style="list-style-type: none"> <li>Eligible experience includes completed fix and flip projects in which the borrower/guarantor acquired, rehabilitated, and sold a property; completed ground up construction (defined as acquired, built, and sold) and ownership or sale of rental property (residential, commercial, industrial, and mixed-use) within the last 3 years. Borrower must have had minimum 25% ownership in each completed project to qualify</li> </ul> <p>Ineligible Experience:</p> <ul style="list-style-type: none"> <li>Includes in-process fix and flip projects (mid-rehab but not yet been sold), vacant land, primary residence, second/vacation home, recently vacated primary residence (&lt;2 months), and scenarios where the borrower/guarantor was an unvested partner or general contractor on a project and/or had less than 25% ownership as a partner in a project</li> <li>Loans to Borrowers with 0 past projects require second level review</li> </ul> <p>CEL Elite = 5 Prior Successful CEL Payoffs 10+ Experience automatically qualifies for CEL Elite Benefits</p>
CEL ELITE BENEFITS	<ul style="list-style-type: none"> <li>Automatically qualify for maximum leverage on all F&amp;F and Bridge loan projects.</li> <li>No GC approval needed for Heavy Rehab</li> <li>No budget feasibility study needed for standard rehab loans</li> </ul>
TERM	12 or 18 months 3-month extensions available on a case-by-case basis
MINIMUM LOAN AMOUNT	\$75,000
MAXIMUM LOAN AMOUNT	\$2MM
AMORTIZATION	Interest Only, Fixed Rate
INTEREST CHARGE	Full or Drawn Balance
MINIMUM INTEREST	120 days minimum interest for 12-month terms.
FOREIGN NATIONALS	Not permitted
PROPERTIES	1-4 units, Condos, Townhomes, 5–20 unit multi-family residential
MINIMUM FICO	680
CASH-OUT REFINANCE	<ul style="list-style-type: none"> <li>Maximum cash-out amount for each loan: Lesser of 50% of loan amount or \$500,000.</li> <li>Cash-out is defined as the borrower receiving &gt;\$5,000 at closing in cash or to consolidate business related (non-personal) debt</li> <li>Loan-funded interest reserve holdbacks are not included in cash-out amount calculation</li> <li>If property is owned free and clear the max cash out is \$500,000</li> <li>See Delayed Financing Section below</li> </ul>
DELAYED FINANCING	<p>Delayed Financing transactions are cash-out refinances coded as Rate &amp; Term Refinance for leverage and pricing purposes. Delayed Financing is a transaction in which a property was purchased within the last 90 days of the original disbursement date and meets the following criteria:</p> <ul style="list-style-type: none"> <li>The original purchase was a non-arm's length transaction</li> </ul>

	<ul style="list-style-type: none"> <li>The original purchase was documented by a settlement statement confirming that the borrower did not utilize mortgage financing</li> <li>The preliminary title search confirms that there are no existing liens attached to the subject property</li> <li>The source of the funds for the original purchase transaction can be documented</li> <li>Cash-out proceeds can be used to meet reserve requirements, cash to close and budget reserve requirements</li> </ul> <p>Delayed Financing Transactions are used by borrower/investor/sponsor to take equity out of the subject property in the form of cash out proceeds to recoup initial investment funds. Delayed Financing loan amounts are limited to adjusted LTV limits (see above) of the original purchase price documented on the original settlement statement</p>		
<b>SECOND LIEN</b>	Any loan where the borrower is paying off a 2 <sup>nd</sup> lien will require 2 <sup>nd</sup> level approval		
<b>INELIGIBLE PROJECTS</b>	<b>Ineligible Projects</b>	<b>Exception Only Projects</b>	
	Tear Down	Adding additional stories	
	Modular Homes	Adding additional units	
	New Construction or New Construction Like Scopes of Work	Additions >750 sq ft	
	Adding a detached ADU	Removal of multiple exterior walls	
	Manufactured Housing	Conversions of Use	
	Unique Properties		
	Properties with illegal zoning or use		
<b>COST BASIS FOR SEASONING</b>	<6 months less of purchase price + work already completed or As-Is Value >6 months – As-Is Value		
<b>CREDIT EVENT SEASONING (MEASURING FROM DATE OF EVENT COMPLETION TO NOTE DATE)</b>	<ul style="list-style-type: none"> <li>At least 3 years must have elapsed since any of the following derogatory credit events               <ul style="list-style-type: none"> <li>Foreclosure</li> <li>Deed-in-lieu</li> <li>Short sale</li> <li>Modification (excluding extensions)</li> <li>2x30 real estate delinquencies</li> <li>1x60 real estate delinquencies</li> <li>Bankruptcy</li> <li>Notice of Default (NOD)</li> </ul> </li> <li>Borrowers/Guarantors with 2 or more derogatory events within the last 10 years are ineligible</li> </ul>		
<b>VERIFICATION OF MORTGAGE (VOM) FOR REFINANCE TRANSACTIONS</b>	<ul style="list-style-type: none"> <li>Verification of mortgage (VOM) is required for refinance transactions. The following restrictions apply:               <ul style="list-style-type: none"> <li>2x30 delinquencies not permitted</li> <li>1x60 delinquencies not permitted</li> <li>Modification (excluding extensions) not permitted</li> <li>Notice of Default (NOD) not permitted</li> <li>Refinance of distressed mortgage not permitted</li> </ul> </li> <li>In lieu of VOM, a 12 month payment history require a second level review</li> <li>Maturity defaults require a second level review</li> </ul>		
<b>ASSIGNMENT FEES</b>	<ul style="list-style-type: none"> <li>Third party/arms-length assignment fees are permitted subject to the following:               <ul style="list-style-type: none"> <li>Assignment fee may not exceed lesser of 10% of purchase price or \$40,000</li> <li>Assignment fee is included in cost basis</li> </ul> </li> </ul>		
<b>MID-REHAB PROJECTS</b>	Case-by-case – no prior construction financing allowed for refinances		
<b>MAX LOAN AMOUNT</b>	Lesser of: Max loan amount based on Cost = Total project cost*approved LTC Max loan amount based on Value = After Repaired Value		
<b>INTEREST RESERVES</b>	6 or 12 months optional		
<b>LIQUIDITY/ RESERVES REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>6 months of payments, plus 10% of any rehab budget</li> <li>The liquidity required is based on post-closing liquidity (net of down payment or similar closing costs)</li> <li>Liquid assets must be sourced or seasoned for 60 days. Most recent 2 months consecutive bank statements, quarterly statements or similar documentation is required to evidence seasoning and sourcing</li> <li>Reserves = down payment + closing costs + 10% of holdback + any equity shortage + required reserves</li> </ul>		
<b>VALUATION REQUIREMENTS</b>	<b>Standard Rehab</b>		
	Full 1004 appraisal with as-is/ARV		
	*Full 1004 appraisal required		
	*Full commercial narrative appraisal required on all 5+ unit multi-family loans. <u>Declining Market</u> – 5% reduction in LTARV for all loans with properties listed in markets identified in the CEL guidelines. The reduction in leverage is applied at origination. If the appraiser		

	designates the property as being in a declining market the total leverage reduction remains 5%.	
	Transfer appraisals are not permitted	
<b>TENANCY IN COMMON</b>	Ineligible	
<b>BANK STATEMENT</b>	One quarterly or two months most recent bank statement from a liquid account (Checking, Savings, Brokerage, Money Market, etc.)	
<b>EQUITY SHORTAGE</b>	If the loan structure does not support funding 100% of the budget the borrower will self-fund the equity shortage before CEL will disburse any draw funds	
<b>INSURANCE REQUIREMENTS</b>	Builders Risk coverage required on all transactions	
	Must cover total insurable value of the property and be written on a replacement cost basis – coverage must cover 100% of the budgeted rehab	
<b>LIABILITY INSURANCE</b>	Premises Liability on all standard rehab loans. Coverage of at least \$500,000 is required in the name of the borrowing entity on all transactions	
<b>FLOOD INSURANCE</b>	Must carry flood insurance, if applicable Same requirements as the NFIP	
<b>STANDARD REHAB PROJECT REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>• Permits are required prior to the first draw for any projects requiring permits</li> <li>• 100% of all rehab costs must be financed into the loan.</li> <li>• A budget feasibility study is required for any project where the budget exceeds the greater of \$50,000 or 25% of the cost basis.</li> <li>• Title date down for any mechanic liens will be performed after 6 months or when 50% of the budget has been disbursed, whichever comes first</li> <li>• Final draw for any amounts completed over 90% of the rehab budget require a title date down for any mechanics liens, certificate of occupancy/proof of completion, and a final unconditional lien waiver</li> <li>• 10% budget contingency must be included in all budgets</li> </ul>	
<b>ELIGIBLE PROJECT SOFT COSTS</b>	<ul style="list-style-type: none"> <li>• Permit fees</li> <li>• Contractor's fee (20% max)</li> <li>• Surveys</li> <li>• Contingency (10% max)</li> <li>• Tap fees</li> <li>• Utility Connection Fees</li> <li>• Architect or Engineering Fees- up to 5% of budget up to \$20,000</li> </ul>	