

**BRADESCO BAC FLORIDA BANK
RESIDENTIAL FOREIGN NATIONAL AND DOMESTIC
ONE YEAR CMT ARM LOAN PROGRAM and LTV LIMITS FLORIDA, NY, TEXAS
8-01-2021**

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| Product Offering Types: | <ul style="list-style-type: none"> • 3/1 ARMs, 5/1 ARMs, 7/1 ARMs (Fully Amortizing) • Interest Only Options: (Non TRID Loans – 3/1 & 5/1, TRID Loans- 5/1). 3/1 and 5/1 ARM requires a 5% LTV reduction for Interest Only Option |
| Description: | An adjustable rate mortgage based on the following Index. The Index is the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board, also known as the One Year Constant Maturity Treasury (1-year CMT) |
| ARM Margin: | The current margin is 3.75%. |
| ARM Caps and Floor: | The interest rate may not increase or decrease by more than 2 percent above or below the previous rate. In addition, the interest rate has a life-of-loan cap of 6 percent above the initial interest rate. The initial rate is the floor rate. |
| Terms: | 30 or 15 years |
| Late Charge Fee: | 7% of overdue principal and interest payment if not paid within 10 calendar days of the due date. (Florida Only) |
| Occupancy: | <ul style="list-style-type: none"> • Primary • Second Homes • Investment Properties |
| Prepayment Penalties: | Prepayment Penalties are (3/2/1). 3% first year; 2% second year and 1% third year. A partial principal reduction of 20% of the original balance is allowable with no penalty. |
| Escrows: | Escrow waivers are NOT allowed. No exceptions. |
| Lending Areas: | Lending Areas: Florida, Texas, New York (Manhattan, Brooklyn, Queens, Long Island) |
| Non- Acceptable Collateral Types: | <ul style="list-style-type: none"> • Studios (are allowed only in New York City) • Efficiencies • Condo Hotels in Central Florida |
| Insurance Requirements: | <ul style="list-style-type: none"> • Hazard insurance and Flood Insurance (if Required) • HO-6 on all Condo Loans |

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| <p>Documentation:</p> | <p>The following documentation is required to be present in the loan files prior to underwriting:</p> <ol style="list-style-type: none"> 1. Complete Residential Mortgage Application (FNMA 1003), signed and dated by the borrower and the interviewer. Complete executed 1003s must be received prior to scheduling closing. Resume or CV on loans over \$1,000,000 are encouraged. 2. Self-employed Foreign National borrowers require an Accountant/CPA Letter verifying income figures for the last two years and providing a year-to-date income figure. Salaried employees must provide a letter from the employer stating their current monthly salary or a valid pay stub. <p>Domestic borrowers require full income documentation which may include; two years personal and/or corporate tax returns; paystubs; W2s, a standard VOE, or employment letter.</p> <p>See Pg. 10 for Asset Depletion Underwriting Guidelines</p> <ol style="list-style-type: none"> 3. Tri-Merged US Credit Report, accessing at least three repositories on all loans. (U.S. citizens and resident aliens must have a middle credit score of 680). International credit reports are required for Canadian borrowers. 4. Verification of Initial Down payment, cash to close, and post-closing reserves are required. 5. Reserve requirements and cash to close as follows: <p><u>Foreign National borrower post-closing liquid assets requirements:</u></p> <p>All Foreign National borrowers must have acceptable liquid assets that are commensurate with borrowers provided financial and income information. At a minimum, post-closing reserves must be equivalent to no less than 12 months of PITI and HOA, with at least 6 months in a US Bank.</p> <p>Loan amounts greater than \$1,000,000 will require verification of additional liquid assets. (Call Account Rep for guidance)</p> |
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Documentation Continued:

Reserves must be on deposit and verified in countries not subject to capital and/or currency controls. (See Country Specific Guidelines, page #8, for additional criteria)

Proof and verification that cash required to close comes from the borrower's or guarantor's verified US Bank Account, or borrower's/guarantor's verified foreign account (subject to a three month bank statement review if a foreign account).

All Foreign National Borrowers must verify their bank account in their country of domicile.

Domestic borrower post-closing liquid assets requirements:

Post- closing liquid assets must be equivalent to current conforming and jumbo residential loan underwriting standards.

6. Escrow Letter is required along with verification and sourcing of down payment, if escrow letter does not indicate it was received by the buyer.
7. Mortgage Verification, when applicable.
8. One letter of reference from a banking or financial institution.
9. Fully Executed Sales Contract, when applicable.
10. Appraisal by an approved BRADESCO BAC Florida Bank appraiser. (All appraisals will be ordered by BRADESCO BAC)
11. Copy of Borrower's passport and visa (when applicable), if foreign national, or copies of green card, if resident alien.
12. Foreign National Borrowers must set up an Auto Payment Debit Account with a U.S. banking institution. Mandatory ACH for mortgage payments must be signed prior to scheduling closing and be accompanied by a voided check.
13. A Waiver of the ACH debit payment requirement will be allowed by increasing the rate by 1%

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| | <p>14. All letters, documents, and bank statements must be translated if in a foreign language.</p> <p>15. Corporate title acceptable. (Shell Corps. ONLY). All corporate owners must file applications and guarantee the debt.</p> <p>16. Gift funds are not acceptable on Foreign National loans, except for LTV's of 50% or less. The donor and source of gift funds must be verified.</p> <p>17. Condo Questionnaire on all condo loans</p> |
| Qualifying Ratios: | For QM Loans the Debt to Income ratios should not exceed 43% for the total obligation / income ratio. Non QM loans max is 50% |
| Credit Score / Domestic Borrower Only: | Quality credit is mandatory on all loans. Minimum United States credit score for domestic borrowers is 680. |

DOMESTIC BORROWER / ENTIRE STATE OF FLORIDA

| Property Type | Purpose | \$175M to \$499M | \$500M to \$1,500M | \$1,501M to \$4,000M | > \$4,000M |
|---|-----------------------------------|------------------|--------------------|----------------------|--------------|
| <u>Single Family – Primary Residence</u> | Purchase or Rate & Term Refinance | 80% | 80% | 75% | CASE BY CASE |
| | Cash-Out Refinance | 60% | 60% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |
| <u>Single Family – Second Home</u> | Purchase or Rate & Term Refinance | 80% | 80% | 75% | CASE BY CASE |
| | Cash Out Refinance | 60% | 60% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |
| <u>Single Family – Investment</u> | Purchase or Rate & Term Refinance | 75% | 75% | 75% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |

| Property Type | Purpose | \$175M to \$499M | \$500M to \$1,500M | \$1,501M to \$4,000M | > \$4,000M |
|---|-----------------------------------|------------------|--------------------|----------------------|--------------|
| <u>Condominium – Primary Residence</u> | Purchase or Rate & Term Refinance | 75% | 80% | 75% | CASE BY CASE |
| | Cash Out Refinance | 60% | 60% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |
| <u>Condominium – Second Home</u> | Purchase or Rate & Term Refinance | 75% | 75% | 75% | CASE BY CASE |
| | Cash Out Refinance | 60% | 60% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |
| <u>Condominium – Investment</u> | Purchase or Rate & Term Refinance | 70% | 70% | 70% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | 60% | CASE BY CASE |



NRA - FOREIGN NATIONAL BORROWER / ENTIRE STATE OF FLORIDA (EXCLUDING CENTRAL FLORIDA)

(Dade and Broward, minimum loan amount \$200,000 Single Family, \$175,000 Condo)

| Property Type | Purpose | \$175M to \$1,500M | \$1,501M to \$4,000M | > \$4,000M |
|---|-----------------------------------|--------------------|----------------------|--------------|
| <u>Single Family – Primary Residence</u> | Purchase or Rate & Term Refinance | 80% | 75% | CASE BY CASE |
| | Cash-Out Refinance | 60% | 60% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Second Home</u> | Purchase or Rate & Term Refinance | 75% | 75% | CASE BY CASE |
| | Cash Out Refinance | 60% | 60% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Investment</u> | Purchase or Rate & Term Refinance | 75% | 75% | CASE BY CASE |
| | Cash Out Refinance | 60% | 60% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

| Property Type | Purpose | \$175M to \$1,500M | \$1,501M to \$4,000M | > \$4,000M |
|--|-----------------------------------|--------------------|----------------------|--------------|
| <u>Condominium – Primary Residence **</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Second Home **</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Investment **</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

**** FOREIGN NATIONAL CONDO LTV ENHANCEMENT ****

For condo loans that are Purchase Money Loans, with a minimum sales price equal to or greater than \$1,000,000, LTV's can be increased by 5%. Not applicable for asset depletion loans. See rate sheet for pricing adjustment

**NRA - FOREIGN NATIONAL BORROWER / CENTRAL FLORIDA
(Lake, Seminole, Orange, Polk, and Osceola Counties)**

| Property Type | Purpose | \$200M to \$1,500M | \$1,501M to \$3,000M | > \$3,000M |
|--|-----------------------------------|--------------------|----------------------|--------------|
| <u>Single Family – Primary Residence</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash-Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Second Home</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Investment</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

| Property Type | Purpose | \$200M to \$1,500M | \$1,501M to \$3,000M | > \$3,000M |
|--|-----------------------------------|--------------------|----------------------|--------------|
| <u>Condominium – Primary Residence</u> | Purchase or Rate & Term Refinance | 65% | 60% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Second Home</u> | Purchase or Rate & Term Refinance | 65% | 60% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Investment</u> | Purchase or Rate & Term Refinance | 65% | 60% | CASE BY CASE |
| | Cash Out Refinance | 50% | 50% | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

Condo Hotels are ineligible in Central Florida

**NRA - FOREIGN NATIONAL AND DOMESTIC BORROWER / NEW YORK
(Manhattan, Brooklyn, Queens, Long Island)**

| Property Type | Purpose | Up to \$5,000M |
|--|-----------------------------------|----------------|
| <u>Single Family – Owner Occupied</u> | Purchase or Rate & Term Refinance | 75% |
| | Cash-Out Refinance | CASE BY CASE |
| | Asset Depletion | 60% |
| <u>Single Family – Second Home</u> | Purchase or Rate & Term Refinance | 75% |
| | Cash Out Refinance | CASE BY CASE |
| | Asset Depletion | 60% |
| <u>Single Family – Investment</u> | Purchase or Rate & Term Refinance | 75% |
| | Cash Out Refinance | CASE BY CASE |
| | Asset Depletion | 60% |

| Property Type | Purpose | Up to \$3,000M | >\$3,000M to \$5,000M |
|--|-----------------------------------|----------------|-----------------------|
| <u>Condominium – Owner Occupied</u> | Purchase or Rate & Term Refinance | 70% | 65% |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% |
| <u>Condominium – Second Home</u> | Purchase or Rate & Term Refinance | 70% | 65% |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% |
| <u>Condominium – Investment</u> | Purchase or Rate & Term Refinance | 70% | 65% |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% |

Cash-out refinances never to exceed 50% LTV

NRA FOREIGN NATIONAL BORROWER / STATE OF TEXAS

| Property Type | Purpose | \$225M to \$1,000M | \$1,001M to \$2,000M | > \$2,000M |
|---------------------------------------|-----------------------------------|--------------------|----------------------|--------------|
| <u>Single Family – Owner Occupied</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Second Home</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Single Family – Investment</u> | Purchase or Rate & Term Refinance | 75% | 70% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

| Property Type | Purpose | \$225M to \$1,000M | \$1,001M to \$2,000M | > \$2,000M |
|-------------------------------------|-----------------------------------|--------------------|----------------------|--------------|
| <u>Condominium – Owner Occupied</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Second Home</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |
| <u>Condominium – Investment</u> | Purchase or Rate & Term Refinance | 70% | 65% | CASE BY CASE |
| | Cash Out Refinance | CASE BY CASE | CASE BY CASE | CASE BY CASE |
| | Asset Depletion | 60% | 60% | CASE BY CASE |

Cash-out refinances never to exceed 50% LTV

Asset Depletion Underwriting Methodology

BRADESCO BAC Florida Bank also allows in certain circumstances an asset depletion underwriting methodology. BRADESCO BAC Florida Bank is aware that income can be derived from the borrower's / guarantor's asset sources. Asset depletion is a method for calculating monthly income by dividing a borrower's / guarantor's available total liquid assets by a set number of months. The borrower / guarantor is not required to cash in their assets as they're only used to demonstrate an ability to make the mortgage and housing payments. Borrowers / guarantors who use the asset depletion program to demonstrate qualification do not need to verify any employment, but if currently employed they must indicate employment information on the loan application. Eligible borrowers / guarantors can rely on an asset depletion calculation based on a combination of verified after closing cash, retirement, and investment monies divided by 120 months including a return factor based upon the 10 year US treasury yield at the time of underwriting. Assets are generally qualified with 100% of cash accounts and investment accounts and 70% of retirement accounts (if under 62 years old, if over 62, 100%). All eligible assets include cash or cash equivalents in US Banks or US Securities, and/or deposits at other acceptable banks at the discretion of BRADESCO BAC Florida Bank.

Cash or cash equivalents include the following:

- Money market accounts, savings accounts, checking accounts, CD's
- Trust Funds
- Investment portfolios: stocks, bonds, mutual funds, etc.
- Retirement accounts (IRA's, etc.)

The asset depletion methodology can be used with a minimum down payment or equity of \$250,000. Qualifying ratios for the asset depletion underwriting should not exceed 43% for the primary housing expense / income ratio and 50% for the total obligation / income ratio.

