



SmartEdge Fixed and ARM Program Summary

Product Highlights

SmartEdge is designed for strong credit quality borrowers seeking flexible financing options. Borrowers may have a credit event or another isolated lapse in their credit performance that may preclude qualification for another program. Credit events include, without limitation, bankruptcy, foreclosure, short sale, or any other isolated instance of breach in an otherwise acceptable credit pattern. Other isolated lapses in credit performance would be characterized as a period of slow payments on their credit report, such as 30-day delinquencies resulting from isolated circumstances.

All borrowers must exhibit an acceptable recent credit history (as defined within this product summary) and provide a written explanation for derogatory credit events. Multiple credit events that are not a result of the same cause are not permitted. (Ex. Borrower who filed bankruptcy on multiple occasions).

SmartEdge Program Matrix

PURCHASE AND RATE TERM REFINANCE⁴

Occupancy ²	Units ⁶	FICO/Credit Score	LTV/CLTV/HCLTV	Loan Amount ¹
Primary Residence	1-4 Units/ PUD Condo ⁶	720	90/90%	\$2,500,000
		680	90/90%	\$2,000,000
		700	85/85%	\$2,500,000
		720	80/80%	\$3,000,000
		660	80/80%	\$2,000,000
Second Home ³	1-2 units/PUD Condo ⁶	740	80/80%	\$3,000,000
		720	80/80%	\$2,500,000
		680	75/75%	\$2,000,000
		660	80/80%	\$1,500,000
			65/65%	\$2,000,000
Investment ³	1-4 Units/ PUD Condo ⁶	720	75/75%	\$1,500,000
			70/70%	\$2,000,000
		680	70/70%	\$1,000,000
			65/65%	\$2,000,000

CASH-OUT REFINANCE⁵

Primary Residence	1-4 Units/ PUD Condo ⁶	740	90/90%	\$2,500,000
		720	85/85%	\$2,000,000
			80/80%	\$3,000,000
		680	80/80%	\$1,500,000
		660	75/75%	\$2,000,000
Second Home	1 Unit/ PUD Condo ⁶	700	80/80%	\$1,500,000
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Investment	1-4 Units/ PUD Condo ⁶	720	70/70%	\$1,500,000
			65/65%	\$2,000,000
		680	65/65%	\$1,000,000

New Updates are highlighted in **blue**.
Retail/Wholesale 12/17/2021

			60/60%	\$2,000,000
Program Matrix Notes				
<ul style="list-style-type: none"> • If the appraiser notes the market is soft or declining a 5% reduction to the maximum LTV and a second appraisal is required. 1. First time homebuyer maximum loan amount \$1,500,000. Borrowers living rent free are not eligible. 2. Non-occupying co-borrowers allowed subject to the following: <ul style="list-style-type: none"> • 1-unit only • 5% reduction in maximum LTV • Maximum 45% DTI based on all borrower's income • Occupying borrower must be employed and contribute to qualifying income • Must be an immediate relative • Cash out refinance not permitted 3. For Second and Investment properties, first time homebuyers and non-permanent residents are not permitted. 4. Maximum cash out on a rate and term refinance not to exceed the lesser of \$2000 or 2% of the loan amount. 5. Cash Out Requirements: <ul style="list-style-type: none"> • LTV ≤60% maximum cash out \$1,000,000 • LTV >60% maximum cash out \$500,000 • For full cash out requirements, refer to Transaction Types. 6. Minimum 680 FICO for non-warrantable condos. 				

Product Detail	Product Guidelines
Amortization Type	<ul style="list-style-type: none"> • ARM • Fixed • Fixed Rate Interest Only
Appraisal Requirements	<ul style="list-style-type: none"> • Appraisals must be ordered through a Caliber approved AMC. • Appraisal Requirements <ul style="list-style-type: none"> ○ ≤\$1,500,000: One appraisal ○ >\$1,500,000: Two appraisals ○ A Comparable Rent Schedule is required for investment property when rental income is used to qualify. <p>Refer to the Appraisal Requirements in the Underwriting Addendum.</p>
ARM Caps	5/6M, 7/6M, 10/6M: 2/2/6
ARM Index	30-Day SOFR
ARM Margin	4.00
ARM Qualification	<ul style="list-style-type: none"> • ARMs: Greater of the fully Indexed Rate or the Note Rate • Interest Only ARM: Use the greater of the fully Indexed Rate or the Note Rate based on the scheduled remaining loan term at the time of recast after the interest only period has expired (Fully amortized payment based on remaining loan term (23, 25, 20 years))
AUS	<ul style="list-style-type: none"> • All loans are manually underwritten, but must be submitted to DU and receive an Approve/Ineligible or Accept/Ineligible (informational purposes only). • Interest Only loans do not require DU submission.
Documentation	Full Documentation
Escrow Waivers	Primary Residence <ul style="list-style-type: none"> • Max LTV ≤80% • CA: LTV < 90% • NM: LTV < 80%



	<p>Second Home and Investment Properties</p> <ul style="list-style-type: none"> • Max LTV ≤ 80% <p>HPML Loans require escrows held for a minimum of five years.</p>
FICO/Credit Score	660 (Minimum FICO requirements may be higher depending on loan parameters. Refer to the LTV Matrix.)
Fixed Rate Qualification	<ul style="list-style-type: none"> • Fixed Rate: Note rate • Fixed rate interest Only: Use the Note rate based on the scheduled remaining loan term at the time of recast after the interest only period has expired (Fully amortized payment based on 20-year term)
Geographical Restrictions	<ul style="list-style-type: none"> • NY Subprime loans. A NY Subprime loan is defined as loan amounts less than conforming loan limits with an APR that exceeds the Primary Mortgage Market Survey (PMMS) by more than 1.75%. • Connecticut <ul style="list-style-type: none"> ○ When the loan is an HPML primary residence refinance transaction with a loan amount ≤\$417,000: <ul style="list-style-type: none"> ▪ Homeownership counseling from an independent third-party nonprofit organization approved by HUD is required when refinancing a Special Mortgage, defined as an FHA, VA, USDA loan, or a bond loan provided by a Housing Finance Agency
Maximum Loan Amount	\$3,000,000
Minimum Loan Amount	\$100,000
Mortgage Insurance	Not required.
Net Tangible Benefit	<ul style="list-style-type: none"> • All refinance transactions that require a NTB must pass the Net Tangible Benefit test. • A Caliber NTB Worksheet must be completed for all refinance transactions in the following states: <ul style="list-style-type: none"> ○ AR, CT, IL MN, NC, NM, OH, and WA • A state specific NTB Test must be completed on refinance transactions in the following states: <ul style="list-style-type: none"> ○ CO, MA, MD, ME, RI, SC, VA, and WV <ul style="list-style-type: none"> ▪ CO requires NTB state specific forms to be completed for purchase and refinance transactions • For all other states, no NTB test is required.
Number of Financed Properties	<ul style="list-style-type: none"> • Borrower may own up to 15 financed properties, including the subject property <ul style="list-style-type: none"> ○ Non-warrantable condos maximum 10 financed properties, including the subject property. • Borrower limited to eight loans with Caliber/Newrez/Shellpoint not to exceed \$3,000,000 in aggregate • Borrower may own a maximum 10% of properties in a PUD or condominium project with Caliber. <ul style="list-style-type: none"> ○ For projects ≤ 10 total units, maximum one unit is allowed.
Occupancy	<ul style="list-style-type: none"> • Primary Residences • Second homes: <ul style="list-style-type: none"> ○ 2 unit second homes permitted when one unit is available for the borrower's exclusive use; no rental or time-sharing arrangements of the borrower's exclusive unit ○ Must be suitable for year-round use ○ Must be located in a recognized vacation area typical for second home properties ○ Must be a reasonable distance from borrower's current owner-occupied property • Investment properties <ul style="list-style-type: none"> ○ Borrowers living rent free (who are not first-time homebuyers) are not eligible for cash out on an investment property
Prepayment Penalty	Not permitted.
Program Codes	NRSE10A: NRZ SmartEdge 10/6M SOFR ARM NRSE10IOA: NRZ SmartEdge 10/6M Interest Only SOFR ARM

New Updates are highlighted in **blue**.
Retail/Wholesale 12/17/2021

	NRSE5A: NRZ SmartEdge 5/6M SOFR ARM NRSE5IOA: NRZ SmartEdge 5/6M Interest Only SOFR ARM NRSE7A: NRZ SmartEdge 7/6M SOFR ARM NRSE7IOA: NRZ SmartEdge 7/6M Interest Only SOFR ARM NRSEF30: NRZ SmartEdge 30 Year Fixed NRSEF30IO: NRZ SmartEdge 30 Year Fixed Interest Only
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1–4-unit • Warrantable and Non-Warrantable Condominiums • Leasehold estates • PUDs • Condotels <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Co-ops • Factory built Homes • Leasehold estate condo project • Manufactured housing • Modular homes • More than 20 acres • Properties with a C5 and C6 condition rating • Square Footage <ul style="list-style-type: none"> ○ Less than 750 square feet ○ Condo Less than 500 square feet • Unique properties (e.g., log homes, berth homes, dome homes and tiny homes)
Condominiums	<ul style="list-style-type: none"> • Warrantable Condos <ul style="list-style-type: none"> ○ Fannie Mae Condo Project Manager (CPM) and limited review permitted. ○ Minimum 500 square footage for all condos. ○ Detached condo units and 2-4-unit projects do not require project review or an HOA cert ○ Property insurance per applicable agency guidelines is required. ○ 2-4 unit requires bylaws and declaration if property coverage is by the individual unit owner in lieu of a master HOA policy. ○ An HOA cert is required even if project is Fannie Mae approved. ○ New projects are not eligible for limited review. ○ New or newly converted (per Fannie Mae definition) projects in Florida are eligible with a Fannie Mae Full Review and must meet the following (PERS not required): <ul style="list-style-type: none"> ▪ Maximum Caliber exposure in any one project is 20%. • Non-Warrantable Condos <ul style="list-style-type: none"> ○ All non-warrantable features are subject to Caliber approval. ○ No more than two non-warrantable features are permitted. ○ Minimum 680 credit score. ○ Maximum 45% DTI. ○ Maximum 50% commercial space and must be typical for the market and compatible with the use of the subject project. ○ Minimum 500 square feet for subject unit. ○ Single Entity Ownership: <ul style="list-style-type: none"> ▪ Maximum 49% ▪ Non-gut conversions maximum 65%: <ul style="list-style-type: none"> – Vacated units are not permitted to be released (must be listed for sale). – Existing leases do not get extended. – No bulk sales over 10%. ○ Past due HOA dues: maximum 25% of total units are 60 days or more past due.

	<ul style="list-style-type: none"> ○ Recreational leases permitted for amenities such as clubhouse, pool, recreational facilities used by unit owners only or collective HOAs (not open to the public). Mandatory golf memberships, beach clubs and dining memberships are not considered acceptable amenities. ○ Investor concentration is maximum 75% when the subject is an investment property. ○ Non-Incidental Income may not make up more than 35% of total HOA budgeted income. ○ HOA Replacement Reserve: <ul style="list-style-type: none"> ▪ <10% and > 7.5% if current reserve balance exceeds 10% of operating expenses. ▪ <7.5% and > 5.0% if current reserve balance exceeds 20% of operating expenses. ▪ <5.0% if current reserve balance exceeds 50% of operating expenses. ▪ Project balance sheet must be provided within 120 days of Note date. ○ Completion: the subject property building, and prior legal phases must be substantially complete. Substantially complete includes the common elements as being complete ○ Pre-Sale Requirements: <ul style="list-style-type: none"> ▪ Primary Residence: <ul style="list-style-type: none"> - 30% of the units must be sold or under contract as a primary residence or second home on the subject phase; or - 50% of the units must be sold or under contract as a primary residence or second home on the subject building. ▪ Second Home or Investment Property: <ul style="list-style-type: none"> - 30% of the units must be sold or under contract as a primary residence or second home on the subject phase. ○ Litigation will be considered on case-by-case basis. Litigation involving structural integrity will not be considered ○ Not permitted: <ul style="list-style-type: none"> ▪ 2-unit second homes ▪ Resale restrictions ○ For all other condominium requirements, follow Fannie Mae.
Condotels	<ul style="list-style-type: none"> ● Fannie Mae standard condo project requirements must be met with the following exceptions: <ul style="list-style-type: none"> ○ No subordinate financing. ○ Minimum FICO 680. ○ 10% LTV reduction required. ○ Minimum 500 square feet with at least one separate bedroom and a fully functioning kitchen with stove/oven (cooktop only not permissible). ○ Must be in a resort area or metropolitan area with a project associated with nationally recognized high-end hotel brand (Westin, Ritz Carlton, Four Seasons, etc.). ○ Project must be established for 3 or more years. ○ No more than 15% of HOA dues may be 60 or more days delinquent. ○ 10% HOA reserve requirements required less than 10% but greater than 7.5% if current reserve balance exceeds 10% of operating expenses. ○ No fractional ownership permitted (including timeshare). ○ Mandatory rental pools and/or rental requirements are not permitted. Borrower must have exclusive use. ○ Commercial space limited to 50% (Parking not included in calculation). ○ Rental income may not be used for qualifying. ○ Occupancy restrictions or black-out dates not permitting year-round owner occupancy are not permitted. ○ Appraised value must be supported by a minimum of 3 similar comparable sales with one comparable inside the subject project. ○ Caliber Condo/Project team to perform review.
Ratios	<ul style="list-style-type: none"> ● Maximum 50% DTI

	<ul style="list-style-type: none"> ○ If the is DTI > 43% and <50%, the following are required: <ul style="list-style-type: none"> ▪ >43% and <50% DTI residual income requirements must be met. ▪ >45% and <50% three months reserves required, in addition to product requirements. Refer to Reserves. • Maximum 45% DTI <ul style="list-style-type: none"> ○ Non-warrantable condos ○ Loan amounts > \$2,000,000 												
Reserves	<table border="1" data-bbox="467 453 1500 653"> <thead> <tr> <th style="background-color: #003366; color: white;">Loan Amount</th> <th style="background-color: #003366; color: white;"># Of Reserves</th> </tr> </thead> <tbody> <tr> <td>≤ \$1,000,000</td> <td>3 months</td> </tr> <tr> <td>> \$1,000,000 < \$2,000,000</td> <td>6 months</td> </tr> <tr> <td>≥ \$2,000,000</td> <td>12 months</td> </tr> <tr> <td>Additional financed property including pending sales</td> <td>Additional 2 months per financed property</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Maximum required reserves are the lesser of total required or 15 months • The maximum 15 months reserves are based off the subject property PITIA • Proceeds from the transaction may be used for reserves. <ul style="list-style-type: none"> • Rate and term refinance transactions do not require reserves if the following are met: <ul style="list-style-type: none"> ○ Loan amount ≤\$1,500,000 ○ Primary residence or second home ○ Mortgage history 0x30x12 on all mortgages <ul style="list-style-type: none"> ▪ Must have a full 12-month payment history making current housing payment ○ Subject property housing payment is decreasing ○ Borrower does not have a prior bankruptcy, foreclosure, short-sale, DIL, pre-foreclosure, or mortgage charge-off 	Loan Amount	# Of Reserves	≤ \$1,000,000	3 months	> \$1,000,000 < \$2,000,000	6 months	≥ \$2,000,000	12 months	Additional financed property including pending sales	Additional 2 months per financed property		
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Additional financed property including pending sales	Additional 2 months per financed property												
Secondary Financing	<ul style="list-style-type: none"> • Existing and new subordinate financing is eligible. • Not permitted when gift funds are used. 												
Seller Contributions	<table border="1" data-bbox="472 1230 1492 1371"> <thead> <tr> <th style="background-color: #003366; color: white;">Occupancy</th> <th style="background-color: #003366; color: white;">LTV/CLTV</th> <th style="background-color: #003366; color: white;">Max IPC</th> </tr> </thead> <tbody> <tr> <td>Primary Residence</td> <td>75.01% to 90%</td> <td>6%</td> </tr> <tr> <td>Second Home</td> <td>≤75%</td> <td>9%</td> </tr> <tr> <td>Investment Property</td> <td>All LTV/CLTVs</td> <td>2%</td> </tr> </tbody> </table>	Occupancy	LTV/CLTV	Max IPC	Primary Residence	75.01% to 90%	6%	Second Home	≤75%	9%	Investment Property	All LTV/CLTVs	2%
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Primary Residence	75.01% to 90%	6%											
Second Home	≤75%	9%											
Investment Property	All LTV/CLTVs	2%											
Term	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period • 5/6M SOFR ARM: 30 years • 5/6 Interest Only ARM <ul style="list-style-type: none"> ○ 5-year interest only period ○ 25-year amortization period • 7/6 SOFR ARM: 30 years • 7/6 Interest Only ARM <ul style="list-style-type: none"> ○ 7-year interest only period ○ 23-year amortization period • 10/6 SOFR ARM: 30 years • 10/6 Interest Only ARM <ul style="list-style-type: none"> ○ 10-year interest only period 												

Transaction Types	<ul style="list-style-type: none"> ○ 20-year amortization period
	<p>Eligible Transaction Types</p> <ul style="list-style-type: none"> ● Purchase ● Rate & Term Refinance ● Cash-out Refinance <ul style="list-style-type: none"> ○ Debt consolidation ○ HELOCs with draws within the past 12 months ○ Cumulative for all properties being financed, not each individual loan ○ For cash-out refinance transactions, the application date must be dated at least six months after the previous Note date of the last Smart Series cash-out refinance loan with Caliber or Newrez. <p>Ineligible Transaction Types</p> <ul style="list-style-type: none"> ● Texas 50(a)(6) ● Texas 50(f)(2)