



**Silvergate Bank Correspondent Lending (SCL)  
Non-QM 5/1 & 7/1 ARM Product Matrix**

Effective Date: 6/19/2019

Loans meeting the parameters outlined in this guideline matrix must be consistent with the Dodd Frank Wall Street Reform and Consumer Protection Act Ability to Repay (ATR). Documentation standards are designed to ensure borrowers have demonstrated a reasonable ability to repay the debt based on a reasonable, good-faith determination. Programs are 100% ATR compliant.

**See Rate Sheet for interest rates, index, margin, rate cap structures, interest only and other rate adjustments**

**"Silver Standard" (Full Doc) & "Silver 24" (Alt-Doc) - Eligibility Chart  
Owner Occupied And Second Home Properties**

| Loan Purpose           | Property Type    | Credit Score | LTV/CLTV       | Max Loan Amount |
|------------------------|------------------|--------------|----------------|-----------------|
| Purchase / Rate & Term | 1 Unit SFR / PUD | 700+         | 65% / 70%      | \$3,000,000.00  |
|                        |                  | 660+         | 60% / 70%      |                 |
|                        |                  | 680+         | 80% / 80%      |                 |
|                        |                  | 660-679      | 70% / 70%      | \$1,500,000.00  |
|                        |                  | 640-659      | 65% / 70%      |                 |
|                        |                  | 620-639      | 60% / 70%      |                 |
|                        | Condominium      | 700+         | 80% / 80%      | \$1,500,000.00  |
|                        |                  | 680-699      | 75% / 75%      |                 |
|                        |                  | 660-679      | 60% / 70%      |                 |
|                        |                  | 640-659      | 55% / 70%      |                 |
|                        | 2-4 Units        | 700+         | 65% / 70%      | \$3,000,000.00  |
|                        |                  | 660-699      | 60% / 70%      | \$2,000,000.00  |
| 640-659                |                  | 55% / 70%    | \$1,500,000.00 |                 |
| 620-639                |                  | 50% / 70%    |                |                 |
| Cash-Out Refinance     | 1 Unit SFR / PUD | 700+         | 60% / 70%      | \$3,000,000.00  |
|                        |                  |              | 75% / 75%      | \$2,000,000.00  |
|                        |                  | 680-699      | 70% / 70%      |                 |
|                        |                  | 660-679      | 60% / 70%      | \$1,500,000.00  |
|                        |                  | 640-659      | 55% / 70%      |                 |
|                        |                  | 620-639      | 50% / 70%      |                 |
|                        | Condominium      | 700+         | 70% / 70%      | \$1,500,000.00  |
|                        |                  | 680-699      | 65% / 70%      |                 |
|                        |                  | 660-679      | 55% / 70%      |                 |
|                        |                  | 620-659      | 50% / 70%      |                 |
|                        | 2-4 Units        | 700+         | 60% / 70%      | \$2,500,000.00  |
|                        |                  |              | 70% / 70%      | \$1,500,000.00  |
| 660-699                |                  | 55% / 70%    |                |                 |
| 620-659                |                  | 50% / 70%    |                |                 |

**"Silver 12" (Alt-Doc) & "Silver Limited" (Alt-Doc) - Eligibility Chart  
Owner Occupied And Second Home Properties**

| Loan Purpose           | Property Type    | Credit Score | LTV/CLTV  | Max Loan Amount |
|------------------------|------------------|--------------|-----------|-----------------|
| Purchase / Rate & Term | 1 Unit SFR / PUD | 700+         | 60% / 70% | \$3,000,000.00  |
|                        |                  | 660+         | 55% / 70% |                 |
|                        |                  | 700+         | 75% / 75% |                 |
|                        |                  | 680-699      | 70% / 70% | \$2,000,000.00  |
|                        |                  | 660-679      | 60% / 70% |                 |
|                        |                  | 640-659      | 55% / 70% |                 |
|                        | Condominium      | 620-639      | 50% / 70% | \$1,500,000.00  |
|                        |                  | 700+         | 75% / 75% |                 |
|                        |                  | 680-699      | 70% / 70% |                 |
|                        |                  | 660-679      | 55% / 70% |                 |
|                        | 2-4 Units        | 620-659      | 50% / 70% | \$3,000,000.00  |
|                        |                  | 700+         | 60% / 70% |                 |
| 660-699                |                  | 55% / 70%    |           |                 |
| 640-659                |                  | 55% / 70%    |           |                 |
| Cash-Out Refinance     | 1 Unit SFR / PUD | 620-639      | 50% / 70% | \$1,500,000.00  |
|                        |                  | 700+         | 60% / 70% |                 |

|                                |                  |           |           |                |
|--------------------------------|------------------|-----------|-----------|----------------|
| Cash-Out Refinance (Continued) | 1 Unit SFR / PUD | 700+      | 75% / 75% | \$2,000,000.00 |
|                                |                  | 680-699   | 70% / 70% |                |
|                                |                  | 660-679   | 60% / 70% |                |
|                                |                  | 640-659   | 55% / 70% |                |
|                                |                  | 620-639   | 50% / 70% |                |
|                                | Condominium      | 700+      | 70% / 70% | \$1,500,000.00 |
|                                |                  | 680-699   | 65% / 70% |                |
|                                |                  | 660-679   | 55% / 70% |                |
|                                |                  | 620-659   | 50% / 70% |                |
|                                | 2-4 Units        | 700+      | 60% / 70% | \$1,500,000.00 |
| 660-699                        |                  | 55% / 70% |           |                |
| 620-659                        |                  | 50% / 70% |           |                |

**Investment Properties  
Full Doc, Limited Doc, 12 & 24 Month Bank Statement Programs**

| Loan Purpose           | Property Type         | Credit Score | LTV/CLTV  | Max Loan Amount |
|------------------------|-----------------------|--------------|-----------|-----------------|
| Purchase / Rate & Term | SFR / PUD / 2-4 Units | 700+         | 70% / 70% | \$2,500,000.00  |
|                        |                       | 680+         | 65% / 70% | \$1,000,000.00  |
|                        |                       | 620-679      | 50% / 70% |                 |
|                        | Condominium           | 700+         | 70% / 70% | \$1,000,000.00  |
|                        |                       | 680-699      | 65% / 70% |                 |
|                        |                       | 620-679      | 50% / 70% |                 |
| Cash-Out Refinance     | SFR / PUD / 2-4 Units | 700+         | 60% / 70% | \$2,500,000.00  |
|                        |                       | 620+         | 55% / 70% | \$1,000,000.00  |
|                        | Condominium           | 700+         | 60% / 70% | \$1,000,000.00  |
|                        |                       | 620-699      | 55% / 70% |                 |

**Asset Depletion - Eligibility Chart  
Primary Residence, Second Home, and Investment Properties**

| Purchase, Rate & Term Refinance, and Cash Out Refinance  |               |                      |           |                 |
|--|---------------|----------------------|-----------|-----------------|
| See Rate Sheet for interest rates, index, margin, rate caps structures, interest only and other rate adjustments |               |                      |           |                 |
| Owner Occupied And Second Home Properties  |               |                      |           |                 |
| Loan Purpose   | Property Type | Minimum Credit Score | LTV/CLTV  | Max Loan Amount |
| Purchase / Rate & Term Refinance / Cash-Out Refinance  | All           | 620                  | 55% / 55% | \$1,000,000.00  |
|  |               |                      | 50% / 50% | \$2,500,000.00  |

| Investment Properties                                 |               |                      |           |                 |
|---|---------------|----------------------|-----------|-----------------|
| Loan Purpose  | Property Type | Minimum Credit Score | LTV/CLTV  | Max Loan Amount |
| Purchase / Rate & Term Refinance / Cash-Out Refinance | All           | 620                  | 50% / 50% | \$2,500,000.00  |

Interest Only y Loans are interest only for the initial h hybrid period (i.e. 5 years or 7 years) and fully amortizing thereafter.

In addition to the refinance of any properties owned free and clear, the payoff/pay down of any debt except the following will be considered cash-out transactions: First Mortgages Liens; Home Equity Lines of Credit which have had no draws taken in past 12 months; Purchase Money Second Mortgage Liens; Closed-End Second Mortgage Liens at least 12 months old.

\*Cash Out transactions with an LTV ≤ 55% are not limited to the cash in hand the borrower can receive. Transactions with an LTV > 55% are limited to \$300,000 cash in hand to the borrower.

**Full Documentation Summary**

|                          |   |
|--------------------------|---|
| <b>Eligibility</b>       | Wage earner or self-employed borrower   |
| <b>Income</b>            | Two (2) years of most recent tax returns or two (2) years of most recent W-2s and a paycheck stub reflecting the most recent 30 day period are required. Processed 4506-T, IRS transcripts are also required. |
| <b>Assets</b>            | Minimum of two (2) most recent bank statements (SCL reviewer may request/require additional months of bank statements).   |
| <b>"Silver Standard"</b> | Standard Full Income Documentation Program as reflected above.  |

**Alternative Documentation Summaries**

|                    |   |
|--------------------|---|
| <b>Eligibility</b> | Self-employed borrowers defined as an individual who files schedule C or corporate tax returns, and have a minimum 25% ownership interest in a Business.  |
|                    | Salaried and/or commission borrowers may only utilize "Silver Limited" Alt-Doc Programs 530 & 531 or 730 & 731 or "Silver Standard" Full-Doc Programs 500 & 001 or 700 & 701.   |
|                    | Borrowers classified as investors (i.e. Real Estate Investors; day traders; etc.) are <b>not eligible</b> for the Alternative Documentation Programs and must go Full Doc.  |
|                    | Self-employed borrower's Business phone number must be verifiable via 411 or the internet.<br>Self-employed borrowers may have Co-Borrower that earns W -2 income.<br><b>First time homebuyers are limited to 43% DTI when using Alternative Documentation.</b> |

|   |   |
|---|---|
| <b>Income</b>   | Tax returns and IRS form 4506-T will be not required unless noted.<br>Rental income not diverted to a separate account must be taken into consideration when calculating the borrower's monthly income from bank statement for qualification purposes.  |
| <b>Assets</b>   | Minimum of two (2) most recent bank statements (SCL reviewer may request/require additional months of bank statements).   |
| <b>"Silver 24" 24 Months Bank Statements</b>                  | Alt-Doc/Bank Statement Programs are available to Self Employed Borrowers with a 25% or greater ownership interest in a business.  |
|   | Borrowers must have a minimum <b>50% ownership</b> interest in a business to utilize Business Bank Statements.<br>Twenty-four (24) months of personal bank statements to determine income derived from Business - Income stated on 1003. If eligible, business bank statements may be utilized.<br>Income is considered to be transfers or deposits from business accounts, deposits from business accounts through an ATM, or payroll check deposits. Average monthly income over twenty-four (24) months.<br>Twenty-Four (24) month P&L prepared by borrower or 3rd party CPA/tax preparer and covering the same time period to further validate the income shown in the bank statements when submitting Business Bank statements.<br>Evidence must be provided showing borrower has been self-employed in the same business for a minimum of two (2) years.  |
|   | Alt-Doc/Bank Statement Programs are available to Self Employed Borrowers with a 25% or greater ownership interest in a business.  |
|   | Borrowers must have a minimum <b>50% ownership</b> interest in a business to utilize Business Bank Statements.<br>Twelve (12) months of personal bank statements to determine income derived from Business - Income stated on 1003. If eligible, business bank statements may be utilized.<br>Income is considered to be transfers or deposits from business accounts, deposits from business accounts through an ATM, or payroll check deposits. Average monthly income over twelve (12) months.<br>Twelve (12) month P&L prepared by borrower or 3rd party CPA/tax preparer and covering the same time period to further validate the income shown in the bank statements when submitting business statements.<br>Evidence must be provided showing borrower has been self-employed in the same business for a minimum of two (2) years.  |
| <b>"Silver Limited" 1 Year Tax Return or 1 Year W -2</b>      | Available to wage earners or self-employed borrowers.<br><b>Self Employed Borrower</b> must provide most recent year tax return (personal and business, if applicable), and a YTD P&L and/or paystub showing YTD income.<br>In addition, evidence of the existence of the business for at least two (2) years is required.<br><b>Commission/Salary + Commissions Borrowers</b> must provide the most recent year <b>tax return and the most recent paystub showing YTD income.</b><br><b>All other Salaried Borrowers</b> must provide the most recent year W 2 and the most recent paystub showing YTD income.<br>Most recent two (2) months personal bank statements to validate required reserves.<br>Processed 4506-T, IRS transcripts required for 1-year, in line with W -2 or tax return.<br>All non-Self Employed borrowers must also provide a written VOE reflecting the income for the same period as the single year tax return/ W -2 and evidence of employment in the same line of work for at least 2 years. |
|   | Asset depletion (AD) can be used to meet ATR requirements on a stand-alone basis or to supplement other income in order to lower the DTI, subject to limitations listed below.  |
|   | Eligible assets include cash or cash equivalents, marketable securities (i.e. CDs, money market accounts, savings, stocks, bonds, and mutual funds).<br>Ineligible assets include equity in real estate and private (not publicly traded) stocks.<br>Retirement assets may only be used for AD if the borrower is retirement age (59 ½).  |
|   | All assets considered for AD must be verified through either an account statement from the most recent 30-day period or a Verification of Deposit (when available).   |
| <b>Credit Standards</b>                                       |   |
| <b>Mortgage/Rent</b>  | 0 x 30 in past twelve (12) months.  |
| <b>Trade lines</b>  | Two (2) Active Trade-Lines reporting for at least twenty-four (24) months with activity in the last 12 months is required.  |
| <b>Foreclosure, short sale, bankruptcy, loan modification</b> | Must be seasoned at least twelve (12) months. (See rate sheet for adjustment for seasoned less than thirty-six (36) months.)  |
| <b>Loans to One Borrower</b>                                  | Not to exceed 5 properties, and/or \$3,000,000  |
| <b>Maximum Financed Properties</b>                            | Borrowers are allowed up to fifteen (15) financed properties including subject. If purchasing an O/O Primary Residence, there is no limit to the number of properties financed.   |

|   |   |   |
|---|---|---|
| <b>Credit Documentation</b>                             | May not be more than 90 days old at the time of close   |   |
| <b>Underwriting</b>                                     |   |   |
| <b>Minimum Loan Amount</b>                              | \$50,000  |   |
| <b>Debt to Income Ratio (DTI)</b>                       | Defined as a roll-up of all monthly debt obligations (all debts as defined by ATR rules).   |   |
|   | <b>LTV</b>  | <b>MAX DTI</b>  |
|   | ≤ 65%   | 55%   |
|   | ≥ 65.01%  | 50% (Can Exceed 50% on an Exception Basis)            |
|   | Loans with DTI ratios ≤ 43%, then no residual income required.<br>Loans with DTI ≥ 43.01% require residual income (see below).  |   |
| <b>Residual Income</b>                                  | Defined as the cash flow remaining after all monthly obligations have been paid. Requirement – 0.0045 (.45%) of the UPB. (UPB x 0.0045 = required residual income)  |   |
| <b>Secondary Financing</b>                              | Only institutional secondary financing is acceptable. (SCL does not provide secondary financing).   |   |
| <b>Condominiums</b>                                     | Must be warrantable by FNMA; non-warrantable condominiums will be reviewed on a case by case basis.   |   |
| <b>Seasoning</b>  | No Seasoning Requirements for refinance transactions (both rate/term and Cash-Out).   |   |
| <b>Vesting</b>  | Loans must be closed in the name of an individual (no Trust, LLC, etc.).  |   |
| <b>Assets/Reserves</b>                                  |   |   |
| <b>Minimum Reserve Requirements</b>                     | <b>Loan Amount</b>  | <b>Required Reserves</b>                              |
|   | \$50,000 - \$650,000  | 6 months, Verified PITI                               |
|   | \$650,001 - \$1,500,000   | 9 months, Verified PITI                               |
|   | \$1,500,001 - \$3,000,000   | 12 months, Verified PITI                              |
| <b>Appraisals</b>                                       |   |   |
| <b>Appraisal Requirements</b>                           | <b>Loan Amount</b>  | <b>Appraisal Requirements</b>                         |
|   | ≤ \$1,500,000   | One (1) full appraisal with 3 sold comps < 6 months   |
|   | > \$1,500,000   | Two (2) Full Appraisals with 5 sold comps < 12 months |
| <b>Compliance Note</b>                                  | The ECOA Valuations Rule requires that copies of appraisals and other written valuations be delivered to borrowers promptly upon completion; or within three (3) business days of closing.  |   |
| <b>Borrower and Property Eligibility</b>                |   |   |
| <b>Eligible Borrowers</b>                               | <ul style="list-style-type: none"> <li>• US Citizens</li> <li>• First Time Homebuyers (defined as a qualifying borrowers who has not had ownership in a residence (principal or otherwise) during the three (3) year period ending on the date of the purchase of the property).</li> </ul> |   |
|   | • Permanent Resident Aliens with appropriate documentation  |   |
| <b>Eligible Borrowers (Continued)</b>                   | • Non-occupant Co-borrowers (must be disclosed on the initial application; cannot be added at a later date to qualify; and must be related to the primary borrower).  |   |
| <b>Ineligible Borrowers</b>                             | Applicants Possessing Diplomatic Immunity   |   |
| <b>Ineligible Properties</b>                            | Ineligible properties include but are not limited to:   |   |
|   | •Leasehold Properties; • Co-ops • Condotels •Timeshares •Income Producing and   |   |
| <b>Ineligible Properties (Continued)</b>                | Commercial Enterprise Properties (Farms; Ranches; Bed and Breakfasts; Assisted Living; etc.) •Manufactured Homes (Including Log cabins)<br>•Properties > 5 acres (as identified on the appraisal).  |   |
| <b>State Eligibility</b>                                | Loans are eligible for properties in all states except New York (max LTV is 65%), US Territories. Cash Out not allowed in Texas.  |   |
|   | In all cases, state specific regulations supersede guidelines stated herein.  |   |
| <b>Gift Funds</b>                                       |   |   |
| <b>Gift Funds</b>                                       | Gift funds are acceptable after a minimum down payment has been made from the borrowers own resources as outlined below:  |   |
|   | <b>Owner Occupied Transactions</b>  | <b>Non Owner Occupied</b>                             |
|   | 10% of Borrowers' Funds   | 30% of Borrowers' Funds                               |
| <b>Assumption, HPML, Points/Fee's, &amp; Note Terms</b> |   |   |
| <b>Assumability</b>                                     | ARM Loans may be assumed by a qualified borrower after the initial fixed term   |   |
| <b>HPML</b>   | HPML loans are eligible for purchase but are required to comply with the HMPL Appraisal Rule, <b>and to establish and fund an escrow account for property taxes and insurance for a minimum of 5 years.</b>   |   |
| <b>Points and Fees</b>                                  | Owner occupied transactions are limited to points and fees of not more than 3%; Non-Owner Occupied transactions are limited to points and fees of not more than 5%.   |   |
| <b>Note Terms</b>                                       | ARM Documents: 5/1 or 7/1 ARM; 5-2-5 caps; floor rate is equal to the margin; 1 Year LIBOR Index; Margin is 3.75%; may use Fannie Mae (FNMA) ARM Note 3528.   |   |

| Product Type           | ARM Features      |         |              |               | Interest Only Features |                |                    |
|------------------------|-------------------|---------|--------------|---------------|------------------------|----------------|--------------------|
|                        | Product           | Margin  | Caps         | Index         | Amort Term             | Final Maturity | Interest Only Term |
|                        | 5/1 ARM           | 3.75%   | 5-2-5        | 1 Year LIBOR  | 25 Years               | 30 Years       | 60 Month Term      |
|                        |                   |         |              | 30 Years      | 40 Years               | 120 Month Term |                    |
| 7/1 ARM                | 3.75%             | 5-2-5   | 1 Year LIBOR | 23 Years      | 30 Years               | 84 Month Term  |                    |
|                        |                   |         |              | 30 Years      | 40 Years               | 120 Month Term |                    |
| <b>Silver Standard</b> |                   |         |              |               |                        |                |                    |
| ARM                    |                   |         |              | Interest Only |                        |                |                    |
| Product                | ARM Type          | Term    | Code         | Product       | I/O Term               | Term           | Cdoe               |
| 5/1 ARM                | Full Amortization | 30 Year | 500          | 5/1 ARM       | 5 Yr.                  | 30 Year        | 501                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Year            |
| 7/1 ARM                | Full Amortization | 30 Year | 700          | 7/1 ARM       | 7 Yr.                  | 30 Year        | 701                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Yaer            |
| <b>Silver 24</b>       |                   |         |              |               |                        |                |                    |
| ARM                    |                   |         |              | Interest Only |                        |                |                    |
| Product                | ARM Type          | Term    | Code         | Product       | I/O Term               | Term           | Code               |
| 5/1 ARM                | Full Amortization | 30 Year | 510          | 5/1 ARM       | 5 Yr.                  | 30 Year        | 511                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Year            |
| 7/1 ARM                | Full Amortization | 30 Year | 710          | 7/1 ARM       | 7 Yr.                  | 30 Year        | 711                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Yaer            |
| <b>Silver 12</b>       |                   |         |              |               |                        |                |                    |
| ARM                    |                   |         |              | Interest Only |                        |                |                    |
| Product                | ARM Type          | Term    | Code         | Product       | I/O Term               | Term           | Code               |
| 5/1 ARM                | Full Amortization | 30 Year | 520          | 5/1 ARM       | 5 Yr.                  | 30 Year        | 521                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Year            |
| 7/1 ARM                | Full Amortization | 30 Year | 720          | 7/1 ARM       | 7 Yr.                  | 30 Year        | 721                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Yaer            |
| <b>Silver Limited</b>  |                   |         |              |               |                        |                |                    |
| ARM                    |                   |         |              | Interest Only |                        |                |                    |
| Product                | ARM Type          | Term    | Code         | Product       | I/O Term               | Term           | Code               |
| 5/1 ARM                | Full Amortization | 30 Year | 530          | 5/1 ARM       | 5 Yr.                  | 30 Year        | 531                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Year            |
| 7/1 ARM                | Full Amortization | 30 Year | 730          | 7/1 ARM       | 7 Yr.                  | 30 Year        | 731                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Yaer            |
| <b>Asset Depletion</b> |                   |         |              |               |                        |                |                    |
| ARM                    |                   |         |              | Interest Only |                        |                |                    |
| Product                | ARM Type          | Term    | Code         | Product       | I/O Term               | Term           | Code               |
| 5/1 ARM                | Full Amortization | 30 Year | 540          | 5/1 ARM       | 5 Yr.                  | 30 Year        | 541                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Year            |
| 7/1 ARM                | Full Amortization | 30 Year | 740          | 7/1 ARM       | 7 Yr.                  | 30 Year        | 741                |
|                        |                   |         |              |               | 10 Yr.                 |                | 40 Yaer            |

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