Junior Lien Guidelines

Gold Series Product Line | CA • ID • OR

Guideline date: August 18, 2026

01 / Loan matrices & overlays

FICO	Owner occupied 1 unit	Owner occupied 2 units	Owner occupied 3-4 units	Second home 1 unit	Investor
620-659	65%	65%	65%	65%	
660-679	75%	75%	75%	75%	60%
680-699	80%	80%	80%	80%	65%
700-719	85%	85%	85%	80%	65%
720-739	85%	85%	85%	80%	70%
740+	85%	85%	85%	85%	75%

Maximum CLTV for piggyback loans is based on first-lien terms and conditions. 620 FICO is subject to meeting company volume requirements. Blank matrix cells reproduce the source; no limit is provided.

Program overlays

Jumbo loans $500,000-$1,000,000	• 1 unit only; minimum FICO 700; maximum DTI 43%. • Major derogatory event seasoning: 7 years (foreclosure, bankruptcy, short sale, etc.). • Primary residence: up to 80% CLTV. Above 75% CLTV: maximum combined liens $8 million. Above 70% CLTV: maximum combined liens $10 million. At or below 70% CLTV: no maximum combined liens. • Second / vacation home: 75% CLTV. Investment property: 70% CLTV.
Bank statement loans	• Maximum Loan Balance: $750k • Maximum CLTV: 80% • Maximum DTI: 43% • Minimum FICO Score: 660 • HELOCs not eligible

Maximum debt-to-income ratio (DTI)

FICO / CLTV	<=60%	>60-65%	>65-70%	>70-75%	>75-80%	>80-85%	>85-90%	>90-95%
620-659	50%	43%						
660-679	50%	50%	50%	43%				
680-699	50%	50%	50%	50%	43%			
700-759	50%	50%	50%	50%	43%	43%		
760-779	50%	50%	50%	50%	50%	43%		
780+	50%	50%	50%	50%	50%	43%		

02 / Terms, income & credit

Product Terms	HELOAN: Fixed Rate. 10, 15, 20, or 30 year. Fully amortizing. HELOC: 3yr/5yr/10yr IO term - 10yr/15yr/20yr/30yr final term. ARM, indexed to Prime
Licensed states	HELOAN and HELOC: California, Idaho and Oregon.
Loan Amounts	• Minimum: $50,000 • Maximum Standalone: $1,000,000 • Maximum Piggyback: $1,000,000
Initial Draw Required	HELOC: Greater of $50,000 or 75% of the total line amount
Lifetime Floor	HELOC: Initial Fully Indexed Rate - 2%
Monthly and Lifetime Caps	HELOC: No Monthly Cap, Lifetime Cap 18%
Qualifying Rate	HELOAN: Fixed Note Rate HELOC: Fully Indexed Rate + 2%
Adjustment Period	HELOC: Monthly with a 30-day lookback
Housing Ratio	N/A
Occupancy	• Owner-Occupied • 2nd Home • Investor Properties
Income Requirements	• Income calculations must comply with all Appendix Q requirements in the ATR Final Ruling
Employment / Income Verification	• Must adhere to FNMA requirements
Short-term Rental Income	• Eligible for Purchase, Cash-out and No-Cashout Refis. Capped at 15% of total income. • Must provide: • Two years personal tax returns showing Schedule E Part I Rental Income • Two years personal tax return transcripts • Year-To-Date Print out of payout records from source of income

03 / Credit & collateral valuation

Credit Score	• Qualifying FICO must be either a Tri-Merge FICO or a Single Bureau Experian (recommended) • Single Bureau reports are permitted, however, if a Tri-Bureau report is available it must be used • When using Single Bureau reports, the qualifying credit score is from the primary wage earner. The primary wage earner is the applicant with the greatest income on application. • If Tri-merge is available, the representative credit score is the middle of 3 FICO scores, or the lower of 2 • When using Tri-Merge reports, when multiple borrowers exist, the lowest representative FICO is used • Non-traditional credit is not eligible for financing
Significant Derogatory Credit	• Foreclosure - 7 Years • Charge-Off of a Mortgage Account, DIL, Pre-foreclosure Sale, Short Sale or Short Payoff - 5 Years • Modified or Restructured of any mortgage - 4 years • Chapter 7 or 11 Bankruptcy - 4 years from discharge or 4 years from dismissal • Chapter 13 Bankruptcy - 2 years from discharge or 4 years from dismissal • See Coast 2 Coast Funding Group, Inc. Underwriting Guidelines for Multiple Derogatory Events
Trade Lines	• All trade lines must be current

Appraisal requirements

Full appraisal triggers	Full appraisals are required if any of the following conditions are true, else AVMs are acceptable: • Loan Amount > $400,000 • Loan is HPML and requires a full appraisal under CFPB guidelines • Loan is a piggyback or a first-lien HELOC with CLTV > 65% • Subject property is an investment property (2-4 units)
Full appraisal	If any conditions above are met, a full 1004 appraisal is needed • Full appraisal must be within 120 days of note date. • Appraisal recertification is allowed within 12-months of note (recertified value is at least as high as the original appraisal)
Automated valuation models (AVMs)	If none of the above conditions apply, an AVM may be used: • AVMs must be completed within 30 days of closing • If available AVMs do not meet standards below, a full appraisal is required AVM Rules for loans up to and including $250,000 One AVM with an FSD <= 0.20 or lower required AVM rules for loan Amounts $250,000.01 - $400,000 AVMs may be used only if all of the following criteria are met: • CLTV <= 75% • At least two AVMs are obtained • Coast 2 Coast Funding Group, Inc. will attempt to obtain at least one AVM with FSD <= 0.10 • If no AVM returns an FSD <= 0.10, two AVMs with FSD <= 0.20 may be used • The Subject Property Value is the lower of the two AVM values

04 / Title, housing & first liens

Title Requirements	• 2nd liens <=$250,000 require either O&E Property Report, Instant Title or Attorney Opinion Letter • 1st liens, piggybacks or loans > $250,000 require Full Title Insurance and a Closing Protection Letter • Borrower is responsible for all title insurance costs associated with the transaction
Reserve Requirements	No Reserves Required
Housing History	• Max 0x30x6, 1x30x24 mortgage payment history is required inclusive of all REO for all borrowers on the transaction • Piggyback FTHB Housing History: 1st lien provider to verify housing history on first-time homebuyer • Continuity of Obligation: at least one borrower who is on the 1st mortgage be on the Coast 2 Coast Funding Group, Inc. loan. • Piggyback transactions follow FNMA DU AUS guidance
Eligible First Liens	• Fixed Rate • ARMs: If the senior lien is an ARM, follow FNMA guidance for qualifying payment • IOs: If the senior lien is an IO loan, then the fully amortizing payment will be used to qualify • Fully amortizing • Terms up to 30 years • Mortgages must be held in title holder's name
Ineligible first Liens	• Negative Amortization or reverse mortgages • Loans with balloon payments during the life of our loan • Capitalizations or other non-standard features

Borrower eligibility

Borrower Age	• 18 years or older
Citizenship / Eligible Borrowers	• US Citizens • Permanent Residents • Non-Permanent Residents with valid US H, L, E-1, F-1 with OPT, G or TN visa or EAD card • Non-Occupant Co-Borrowers Eligible
Ineligible Borrowers	• LLCs, Corporations, Partnerships • Deferred enforced departure • POA on Cash-out deals is not permitted • Humanitarian parole • Borrower's holding diplomatic immunity • Irrevocable trusts are not permitted • Temporary protected status • Life Estates • Foreign nationals • Land Trusts

05 / Properties & transaction requirements

Eligible Property Types	• Single Family Residence (1-4 Units) • Townhouses • Condominium (Warrantable) • Modular Homes • PUDs • 1-unit Second Homes only
Ineligible Property Types	• Non-warrantable condos • Geodomes • Condotels • Working farm with ranch • New construction condos • Properties > 10 Acres • Mobile Homes • Timeshares • Manufactured Homes • Leaseholds • Commercial Operations • Tenants In Common • Properties listed for sale in the last 6 months (on cash-outs) • Property must be worth over $200,000
Condominiums	• Established projects only • Limited Project Review to be completed by lender • Confirmation of subject property not being a condotel • H06 policy is required

Transaction requirements

Mixed Use Properties	Mixed Use properties are not allowed
Piggyback Additional Requirements	• Final closing disclosure from first lien lender to confirm final CLTV and DTI Calculation • Use of existing appraisal from first lien is acceptable subject to collateral review • Agreement of sale on purchase contracts • Note, Mortgage, Deed of Trust
Liabilities	• Paying off debt is allowed for qualifying purposes • Paying down installment debt is allowed to </=10 Months • Lease payments not be excluded • Student Loan - 1% of the balance is used to calculate the payment to qualify when no payment is reported • See Coast 2 Coast Funding Group, Inc. Underwriting Guidelines for Liabilities and Ratios
Solar Panel UCC	• Recorded UCCs and liens on title do not impact lien position • Obtain copy of monthly statement unless able to obtain payment from credit report
Assumptions	• Loans are not assumable
Prepayment Penalty	• Not permitted
Escrows	• No escrow

06 / Documentation & verification

Ineligible Transaction Types	• Non-arms length transaction
Age of Documents	Expiration dates are based upon the note date • Credit documents (credit, income, and assets) - 120 days. VOE within 10 days of closing. • Credit refresh done at final Underwriting Approval, prior to clear to close • Title documents - 90 days • Appraisal/AVMs • A full appraisal must be within 120 days of the note date when used to determine the value of the home • A full appraisal can be used for HPML purposes for up to 365 days, but it cannot be used for CLTV calculation • AVMs must be within 30 days of the note date
Identity	Any of: • Valid state driver's license with photo • Birth Certificate • Valid state non-driver's license with photo • Valid Military photo ID • Valid US passport with photo • Valid Medicare card • Valid international passport with photo • Valid Military dependents photo ID • Valid Permanent Resident card with photo
Citizenship	Any of: • Valid US passport with photo • Valid Permanent Resident card with photo • Valid international passport with photo (must be accompanied by valid visa) • Valid US H, L, E-1, G or TN visa with photo • Valid Employment Authorization Document (EAD) card with photo
Social Security Verification	Any of: • Valid Social Security Card • Current Paystub • W-2 • Tax transcript

07 / Income & collateral documentation

Income: wage earners	• VOIE from The Work Number OR • Paystubs covering most recent 30 days • Borrower-provided most recent 2 years W-2
Income: self-employed	• Most recent 2 years 1040s, including all schedules • Borrower-provided most recent 2 years 1040 • Borrower-provided most recent 2 years W-2 • Paystubs covering most recent 30 days • Most recent 2 years business tax returns (>=25% ownership), including all schedules • Unaudited year-to-date profit and loss statement • Unaudited year-to-date balance sheet
Mortgage & collateral	• Latest statements for mortgage and / or additional liens on additional real estate owned • AUS DU or LP findings, if applicable • Latest HOA statement, if applicable • Completed homeowner's association questionnaire, if condo
Standalone transactions	• Latest mortgage statement for all liens on subject property • Homeowners insurance and flood insurance
Piggyback transactions	• 1003 reflecting the terms of both mortgages • 1008 reflecting the terms of both mortgages • Fully executed purchase agreement and all addenda • First mortgage approval letter • Appraisal supporting estimated value / purchase price • Title report to be reviewed by Coast 2 Coast Funding Group, Inc.