CAPSTONE LENDING CORPORATION	PJA - PORTFOLIO JUMBO ALTERNATIVE MATRIX	December 15, 2015

Product Codes

PJA: PORTFOLIO JUMBO ALTERNATIVE PROGRAM

Fully amortized 30 year term, 5/1 ARM
Interest Rate Caps: 2/ 2/ 6, Margin 4.0%, Index 1 Year LIBOR
Interest rate floor equals Margin

Portfolio Jumbo Alternative – ARM and Fixed

Occupancy	Minimum FICO	DTI	LTV	Loan Amount
PURCHASE AND RATE TERM REFINANCE[1,2]				
Primary	680	≤ 43%	90	$2,500,000
Primary	660	≤ 43%	85	$2,500,000
Primary	660	≤ 50%	80	$2,500,000
Second Home	700	≤ 43%	80	$1,500,000
Second Home	680	≤ 43%	75	$1,500,000
CASH-OUT REFINANCE[3]				
Primary	660	≤ 43%	80	$1,500,000
Second Home	700	≤ 43%	75	$1,500,000

FOOTNOTES

1 Delayed Financing may be underwritten and priced as a rate term refinance. Maximum LTV per Matrix. Maximum loan amount per Matrix. Rate term cash back amount restriction does not apply.
2 For Rate term transactions, maximum cash back amount is $2,000.
3 For Cash Out transactions, maximum cash back amount is $750,000.

Portfolio Jumbo Alternative Reserves

Occupancy	LTV	# of Months PITI
Primary Residence Second Home	≤ 80%	6 months
	> 80% - 85%	9 months
	> 85%	12months
Additional Reserves for Each Financed Property	NA	6 months

Product Detail	Product Guidelines
Program Highlights	• High LTV with no MI • Sources of income can include Asset Depletion calculation and Restricted Stock Units • Up to 50 acres • Non Traditional Credit allowed • 100% Gifts from family member
Amortization Type	• 5/1 Adjustable • 30 year fixed
Appraisals	• Purchases: o One appraisal required for all loans ≤ $1,500,000 o Two appraisals required for all loans > $1,500,000 • Refinances: o One appraisal required for all loans ≤ $1,000,000 o Two appraisals required for all loans > $1,000,000 ➢ Appraisal must provide at least six comparable sales. Preferably all comparable sales should be closed sales. If the appraiser is unable to provide six comparable closed sales, the appraiser may use comparable listings or pending sales, but at a minimum 4 of the comparable sales must be closed sales. ➢ 1 unit properties require a Collateral Desk Review (CDA). ➢ If 2 appraisals are required based on the loan amount and transaction type, the CDA must be ordered on the lower of the 2 appraisals. ➢ 2-4 unit properties require a field review. ➢ Value will be assessed at the lesser of the appraised values or field review. If the difference of value between the appraisal and the CDA is within the acceptable variance tolerance percentage per the below waterfall, the appraised value may be utilized. ➢ A new appraisal is required for both purchase and refinance transactions (appraisal update/recertification of value is not permitted).
Arm Qualification	• 5/1 arm must be qualified at the higher of the fully indexed rate or Note Rate.
Assets	• Full asset documentation is required for both funds to close and reserves. For most asset types, this would include all pages of the most recent two months statements or the most recent quarterly statement. • Gift and gifts of equity are allowed for down payment, closing costs, and reserves with the following restrictions: o If the gift/gift of equity is coming from a relative, a minimum borrower contribution from borrower's own funds is not required. All funds needed to complete the transaction can come from a gift. - Relative: borrower's spouse, child, or other dependent or any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship, domestic partner (an unrelated individual who shares a committed relationship with the primary wage earner, currently resides in the same household as the primary wage earner, and intends to occupy the security property with the primary wage earner), fiancé, or fiancée to pay part of the closing costs or to supplement his or her financial reserves. o If the gift/gift of equity is not coming from a relative, 5% minimum borrower contribution is required regardless of LTV. After the minimum borrower contribution has been met, gifts can be used to supplement the down payment, closing cost, and reserves. o Primary residence only o Gifts are not allowed on non-arms length transactions o Gift/gift of equity are not required to meet seasoning requirement. o Executed gift letter required. o Evidence that sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrowers' account is required. • Borrower must disclose, and lender must verify, all qualifying assets. • Business accounts may be used for down payment, closings, and reserves if the borrower is 100% owner of the business. A cash flow analysis or a letter from the business accountant is required to confirm that the withdrawal will not impact the business. • Stocks/Bonds/Mutual funds – 70% may be used for reserves. • Vested Retirement Account funds – 60% may be considered for reserves. The terms of withdrawal must show the borrower has access to the funds. • If needed to close, verification that funds have been liquidated (if applicable) is required. • Large deposits in excess of 25% of monthly qualifying income or any large deposit that is out of the

	ordinary are required to be explained and source documented in the file.
AUS	• Manual underwriting is required; however, an AUS is required to demonstrate the borrower is not eligible for agency product.

Credit Requirements	Credit Score
	• Each borrower must have a minimum of 2 open tradelines (installment, revolving, mortgage, etc.) that have been reporting for a minimum of 12 months. Joint accounts count as one tradeline for each borrower.
	    o One of the 2 must be open and active within the last 12 months.
	• Authorized user accounts cannot be used to satisfy minimum tradeline or Fico requirements.
	• A borrower not using income to qualify and showing $0 earned or is not employed; does not need to meet the minimum tradeline requirements listed above.
	• Credit disputes must be removed.
	
	Non-Traditional Credit
	• If the borrower cannot meet the above tradeline requirements, the following can be considered to offset the absence of standard credit reporting:
	    o Provide a minimum of 2 account references with 0x30 payment history in the most recent 12 months (monthly, quarterly, semi-annual, and annual payments are allowed). 2 of the following may be used as credit references:
	        - Rental housing payment (per the below housing payment history requirements)
	        - Utility Bills (if utilities are not included into a rental housing payment) which could included but not limited to electricity, gas, water, phone or cable/satellite television service
	        - Medical insurance that is not deducted from payroll
	        - Automobile insurance
	        - Life insurance policies
	        - Payment of household or renters insurance
	• Credit references must be in the borrower's name.
	• Credit references are required to be provided to a credit reporting vendor to create a non-traditional credit report to validate payment history.
	• Non-traditional credit is allowed with the following parameters;
	    o Primary residence only
	    o Purchase and rate term refinance transactions only
	    o Max DTI 43%
	    o Refer to program summary for FICO requirements
	    o 3 additional months of reserves per program guidelines
	    o Non Traditional credit is not allowed to be used for a 0 FICO or 0 reporting accounts. Non Traditional credit must be used in conjunction with existing established credit.
	
	Housing Payment History
	• 0 x 30 in the most current 24 months is required on all mortgage/rental history as evidenced by a credit report; 24 months cancelled checks, or an institutional VOM/VOR covering 24 months. Private VOM/VOR is allowed with a 24 month history and the most recent 18 months cancelled checks or bank statements.
	    o Borrowers owning their primary residence free and clear: For any time period where a mortgage payment was not required, proof that all property tax payments, hazard insurance premium payments, flood insurance premium payments, ground lease payments, and homeowners' assessments, as applicable, have been paid and must be included in the file. The monthly (or annual) payments may continue to be recognized as a monthly housing liability.
	    o Gaps in primary housing history or borrowers with > 18 months housing history but ≤ 24 months of housing history have the following restrictions:
	        - Letter of explanation (LOE) regarding the gap in payment history
	        - Limited to a Primary Residence
	        - No more than 6 months gap
	        - 43% DTI
	• Borrowers that do not have the required VOR or VOM history in the last 12 months that are living with family members rent free must meet the following guidelines:
	    o Letter of explanation (LOE) received from immediate family member (parent, child, grandparents, aunt or uncle) confirming that there is no monthly obligation
	    o Max DTI 43%
	    o Refer to Program Summary for FICO requirements
	    o First time home buyer allowed
	    o Primary residence only

	o Purchase only Additional credit requirements • A written explanation for all inquires within 90 days is required • No bankruptcy, pre-foreclosure, foreclosure, mortgage charge-off, deed-in-lieu of foreclosure, short sale or modifications on any property within the last 4 years from the application date. • Multiple derogatory housing events are not allowed within the most recent 7 years. • A subsequent refinance of a previously modified mortgage is not allowed. • All judgments or liens affecting title must be paid prior to or at closing. • Non-title charge-offs and collections exceeding $1,000(either individually or in aggregate) must be paid subject to additional factors. • Medical collections; o If the aggregated balance is ≤ $2,000, the balance does not need to be paid off prior to close o If the aggregated balance is > $2,000 but ≤ $5,000, the borrower is not required to pay off the collection but is required to have a 5% payment included in the DTI calculation based upon the balance reported on the credit report. o If the aggregated balance is > $5,000, the borrower is required to pay off the collection prior to closing with proof paid provided. • Student Loan Collections: o If the aggregated balance is < $25,000, the borrower is not required to payoff the collections but is required to have a 5% payment (or actual payment if in payment plan) included in the DTI calculation based upon the balance reported on the credit report. • All past due accounts must be brought current prior to closing • Borrowers with a history of collection accounts should be required to pay off derogatory accounts.
Declining Markets	If appraiser notes market as declining, reduce maximum LTV by 5% from maximum financing limits.
Documentation	All loans must meet ATR requirements to be eligible. Full Income and Asset documentation is required in compliance with Appendix Q requirements.
Eligible Borrowers	• U.S. Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens with an unexpired visa and a minimum two-year history of credit and employment in the U.S. • Non-arms length transactions on a primary residences only • First time homebuyers • Non-occupant co-borrowers are allowed with the following requirements o Non-occupying co-borrower's income may be used for qualifying purposes. o Non-occupying co-borrower's assets may be used to meet minimum borrower contribution requirements. o Non-occupying co-borrowers liabilities must be included in the combined DTI. o Combined DTI of ≤ 43%. o All borrowers, regardless of occupancy status, must sign the security instrument and mortgage note. o The non-occupying arrangement may not be used to develop a portfolio of rental properties. o Non-occupant co-borrower must be family member.
Escrow Waivers	**Not allowed.** Per HPML requirements, an escrow account must be established before consummation of the loan for payment of property taxes and premiums for mortgage-related insurance. The escrow account must be maintained for at least five years after the date of consummation.
Event Seasoning	No derogatory credit events permitted in the last 4 years from completion date to application date.
FICO/Credit Score	660 (minimum FICO requirement may be higher depending on loan parameters. Please see matrix for details.)
Income	Eligible Income • Full income documentation is required per Appendix Q • Employed borrowers: Most recent paystub dated within 90 days of note date, but no more than 30 days prior to application date. Paystub should cover a minimum of 30 days. Two years W-2's are required. If a Request for Verification of Employment is used, the file must also include paystubs covering a 30 day period and the most recent year's W-2. If tax returns are required, they must be signed and dated. If an automated verification system, such as The Work Number is utilized, then no

paystub or W-2 is required. If the paystub does not contain YTD earnings, then a WVOE of employment is required.

- Self-employed borrowers (sole proprietorships, corporations, "S" corporation/limited liability, or partnership), where borrower has 25% or more ownership interest must provide the following documentation:
    - Signed, dated individual tax returns, with all applicable schedules for the most recent two years,
    - For a corporation, "S" corporation, or partnership, signed copies of Federal business income tax returns for the past 2 years, with all applicable schedules;
    - Full profit and loss (P & L) statement and balance sheet for current year to date.
    - Income documents are required regardless of whether income is being used for qualifying purposes per Appendix Q.
- 4506T/Tax Transcript Policy:
    - IRS Form 4506T is required to be signed and executed during the origination process, and transcript documentation for the most recent two years must be provided in the closed loan file.
    - For self-employed borrowers, this applies to both personal returns and business returns (for businesses where borrower has 25%).
    - Full 1040 tax transcripts for all years of income received must match W-2s and signed tax returns
    - Form 4506T must also be signed at closing.
- Rental income calculation:
    - If property was acquired subsequent to the most recent tax filing year, a signed lease agreement should be used to calculate qualifying rental income.
    - Rental income should be calculated using the 1040 tax return (Schedule E) information.
        - In the event rental income is reporting for only 1 year, a 12 month average of the rental income can be used.
        - If the rental property has been owned by the borrowers for equal to or more than two years, the rental income should be calculated using 1040 tax return (Schedule E) information averaged for the last 24 months. If the rental income declined in the most recent tax return then a 12 month average of the prior year rental income should be used.
        - Per Appendix Q, a current lease agreement is always required to verify that the property will continue to be rented.
- Boarder income:
    - Rental income from roommates or boarders in a single family property occupied as a primary residence is acceptable.
    - The rental income may be considered effective income if shown on the borrower's tax return. If not on the tax return, rental income paid by the roommate or boarder may not be used in qualifying.

Asset Depletion

- Applicants of retirement age may use Checking, Savings and Investment Accounts as Qualifying Income per the below guidelines.
    - The assets must be housed in a U. S. financial institution
    - The account must be immediately accessible in its entirety
    - Terms and conditions of the account must confirm that no penalties are present for liquidation purposed
    - If assets are housed in an investment account the funds must be fully vested
    - Calculation: 70% of the balance of investment accounts and 100% of balance of liquid accounts less any funds required to complete the transaction (e.g., down payment, closing costs, prepaids/escrows), divided by 180 months regardless of loan term or account balance.
- Applicants not yet of retirement age (59.5 years old) may use Employment-Related Assets as Qualifying Income per the below guidelines.
    - Only retirement assets may be use as a basis of qualifying income for the borrower. Checking, saving accounts and investment accounts CANNOT be used as a basis of qualifying income.
        - The retirement assets must be in a retirement account recognized by the Internal Revenue Service(IRS) (e.g., 401K, IRA)
        - Borrower(s) must be sole owner
        - The account must be immediately accessible in its entirety
        - Account funds must not be subject to a penalty
        - The borrower's rights to the funds in the account must be fully vested
    - Calculation: 70% of the balance of the retirement assets less any funds required to complete the transaction (e.g., down payment, closing costs, financing costs,

	prepaids/escrows), divided by 180 months, regardless of loan term or account balance. Residual Income Requirements • All loans are required to be validated thru the residual Income Table. • The residual income must be equal to or more than the minimum requirement per the Residual Income Table. Loans that fail to meet the minimum requirements are not eligible for loan approval. • Residual income is calculated per the below: o Add all proposed housing costs, including monthly mortgage payments, insurance and taxes or the monthly escrow account charges. Also include the estimated of monthly utility charges, such as electricity, water, and if applicable heating oil or natural gas. For estimated maintenance and utilities, multiply the square feet living area of the property by $0.14. o Add the total monthly payments that the borrower makes for car loans, credit cards, alimony, child support and other regularly recurring monthly debts. o Add the proposed housing costs and monthly payments together. o Subtract the combined totals of the proposed housing costs and monthly payments from the monthly gross income, and, if applicable the spouse's gross income. Restricted Stock Unit (RSU) Income • Restricted Stock Unit (RSU) income is eligible to be utilized for qualifying income s long as the below parameters are met. Documentation: • Two years year-end paystubs evidencing receipt of RSU income • Two years W-2's • RSU vesting schedule • Written VOE and Verbal VOE Requirements: • Must be employed at current employer for ≥ 5 years • Minimum 680 FICO • Maximum 80% LTV • Maximum 43% DTI Methodology: • Usable income is derived from the RSU award listed on the year-end paystub from the borrowers. • The award amount is required to be consisted with previous years or increasing. • Awarded income value is averaged over a 24 month period. • IF awards are inconsistent over the most recent 24 months (declining or a gap of earnings), a 36 month average can be utilized as qualifying income with an acceptable letter of explanation. • Vesting schedule is required to confirm that the borrower has a history of receipt exceeding the last two years. • Written VOE and Verbal VOE are required per standard underwriting requirements prior to closing. Standard VVOE guidelines apply. • Income must b calculated using the RSU calculation worksheet.
Lien Position	First
Mortgage Insurance	Not required.
Maximum Loan Amount	$2,500,000(Maximum loan amount may be lower depending on loan parameters. Please see matrix for details.)
Minimum Loan Amount	Conforming limit + $1 (i.e. $417,001 for 1 unit)
Number of Financed Properties	• Primary residence o Unlimited Financed Properties • Second Home o Maximum 10 financed properties • CSL will finance 4 properties with a maximum UPB of $4,000,000
Occupancy	• 1-4 unit Primary Residence • 1 unit Second Home
Payment History	0 x 30 in most recent 24 months on all mortgages/rentals.

Program Codes	PJA-30: Portfolio Jumbo Alternative 30 year fixed PJA-51: Portfolio Jumbo Alternative 5/1 Libor ARM
Property Types	• Single Family (Detached, Semi Detached, Attached) • 2-4 units • PUD (Detached, Attached) • Warrantable Condominium (Detached, Attached) • Non-Warrantable Condominiums (Detached, Attached) including Condotels
Ratios	Max 50% DTI (Maximum DTI requirement may be lower depending on loan amount parameters. Please see matrix for details.)
Residual Income Calculation	See Residual Income Calculation Table Examples below

Residual Income Calculation Table Examples

UPB	Factor	Residual Income	UPB	Factor	Residual Income
$2,500,000	0.45%	$11,250	$1,200,000	0.45%	$5,400
$2,400,000	0.45%	$10,800	$1,100,000	0.45%	$4,950
$2,300,000	0.45%	$10,350	$1,000,000	0.45%	$4,500
$2,200,000	0.45%	$9,900	$900,000	0.45%	$4,050
$2,100,000	0.45%	$9,450	$800,000	0.45%	$3,600
$2,000,000	0.45%	$9,000	$700,000	0.45%	$3,150
$1,900,000	0.45%	$8,550	$600,000	0.45%	$2,700
$1,800,000	0.45%	$8,100	$500,000	0.45%	$2,250
$1,700,000	0.45%	$7,650	$400,000	0.45%	$1,800
$1,600,000	0.45%	$7,200	$300,000	0.45%	$1,350
$1,500,000	0.45%	$6,750	$200,000	0.45%	$900
$1,400,000	0.45%	$6,300	$100,000	0.45%	$450
$1,300,000	0.45%	$5,850	$50,000	0.45%	$225

Secondary Financing	Not allowed
Seller contributions	6% Principal Residence or Second Home
Temporary Buydowns	Not allowed
Term	5/1 ARM: 30 year fixed 30 year fixed

Transaction Type	Purchase
	• Rent-backs: Renting the property back to the seller after closing for any time period is not allowed.
	
	Rate Term Refinance(Limited Cash-out)/Delayed Financing
	• Payoff of a non-purchase money closed end and HELOC 2nd liens will be considered a rate/term refinance if they are seasoned > 12 months and the draw on the HELOC is not greater than $2,000 within the last 12 months
	• Payoff of home improvement junior lien that is seasoned less than a year subject to the following restrictions:
	    o A final inspection is required if the appraisal is made subject to completion of the improvements.
	    o If completed, improvements must have been completed within the 12 months prior to the loan application, and the appraisal must note the improvements being made.
	    o Closing costs, financing costs, and pre-paid costs may be financed.
	• Cash back to the borrower in an amount no greater than $2,000
	• No seasoning of first mortgage

- Borrower owned the property for less than 12 months (measured from the HUD-1/Closing Disclosure closing date to the application date of the new loan): The LTV is based on the lesser of the current appraised value or the sales price plus any documented improvement costs.
- Refinancing a first lien that was previously a cashout refinance requires the loan to be seasoned for a minimum of 12 months in order to be considered a rate and term refinance.
- Properties listed for sale: the listing agreement must be cancelled at least six months prior to the application date. A copy of the cancelled /expired listing should be placed in the file and a search of the current multiple listing services should be completed to verify that the property is not currently listed by a different agency.
- Evidence of continuity of obligation is not required; however, evidence that the borrower is the owner of record on title is required.
- Delayed financing is allowed.
  - Borrowers who purchased the subject property within the past 12 months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a rate term refinance if all of the following requirements are met.
  - **Note:** if the appraiser notes a declining market, the transaction must be treated as a cash-out refinance transaction.
  - The original purchase transaction was an arms-length transaction.
    - The borrower(s) may have initially purchased the property as one of the following: a natural person'
    - An eligible inter vivos revocable trust, when the borrower is both the individual establishing the trust and the beneficiary of the trust;
    - An eligible land trust when the borrower is the beneficiary of the land trust; or
    - An LLC or partnership in which the borrower(s) have an individual or joint ownership of 100%
  - The original purchase transaction is document by a HUD-1/Closing Disclosure, which confirms that no mortgage financing was used to obtain the subject property. (A recorded trustee's deed [or similar alternative] confirming the amount paid by the grantee to trustee may be substituted for a HUD-1/Closing Disclosure if a HUD-1/Closing Disclosure was not provided to the purchaser at time of sale). The preliminary title search or report must confirm that there are no existing liens or subject property.
  - The sources of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property).
  - If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject property (such as a HELOC secured by another property), the HUD-1/Closing Disclosure for the refinance transaction must reflect that all cash-out proceeds be used to pay down, if applicable, the loan (unsecured or secured by an asset other than the subject property) used to purchase the property. Any payments on the balance remaining form the original loan must be included in the debt-to-income ratio calculation for the refinance transaction. **Note:** funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.
  - The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan.
  - May be underwritten and priced as a rate term refinance
  - Maximum LTV is per the LTV Matrix. LTV is based on the lesser of the purchase price or current appraised value.
  - Maximum loan amount is per the LTV Matrix. Rate term cash back amount restrictions does not apply.

Cash Out Refinance

- The mortgage amount may include the present first mortgage payoff, subordinate liens, closing cost, payoff of debt and additional cash to the borrower
- Borrower must have owned the property of a minimum of 6 months (date vested on title to note date).
- All liens on the property must be seasoned six months in order the loan to be eligible for a cash-out refinance transaction.
- Borrower owned the property for less than 12 months (measured from the HUD-1/Closing Disclosure closing date to the application date of the new loan): The LTV is based on the lesser of the current appraised value or the sales price plus any documented improvement costs.
- Properties listed for sale: the listing agreement must be cancelled at least six months prior to the application date. A copy of the cancelled /expired listing should be placed in the file and a search of the current multiple listing services should be completed to verify that the property is not currently listed by a different agency.
- Cash back to the borrower in an amount not greater than $750,000.00
- The maximum cash-out limit is the aggregated amount between debt being paid off (including non-

	purchase money 2nds) and cash in hand. • Evidence of continuity of obligation is not required; however, evidence that the borrower is the owner of record on title is required. ❖ Section 32 (HOEPA) loans or State high cost loans not allowed ❖ Total points & fees must be < 5%
Underwriting	General Guidelines • Loans must be manually underwritten. Loan amounts ≤ conforming/high balance loan limits must be run through AUS to determine if Capstone Lending Portfolio Loan product meets the borrower's best execution. Loan is ineligible for a Capstone Lending Portfolio Loan product if the borrower qualifies for an Agency product unless the property is a Non-Warrantable Condo. • The following must be included in the loan file to verify borrower's best execution requirements: o AUS Approve Ineligible or Refer Ineligible findings indicating that the borrower does not qualify for an Agency product. o Underwriting Transmittal Summary (1008) with Underwriter's signature and explanation as to why the borrower does not qualify for an Agency product. o Borrower ATR Attestation • Underwriter ATR Attestation • Cash out may not be used to pay down debt to qualify for the loan. • Borrowers cannot pay down revolving debt within 90 days of the credit report in order to qualify for the loan nor pay down installment debt to 10 payments or less to exclude payment from DTI calculations. Revolving and installment debt can be excluded from calculations if the accounts are closed and proof is provided. • Conversion to investment property, 2nd home or listed for sale follows Fannie Mae guidelines. Payment Shock Requirements • Payment shock not to exceed 250% for: o First time homebuyers o Borrowers with less than 5 years job history and or consistent earned income. (If the borrower sold their home within the last 180 days, use the prior mortgage payment for purposes of payment shock calculation. A copy of the HUD1 for the sale of the home is required.) • Calculation: Difference in payment/Existing PITIA x 100 = Payment Shock % o Example: - Proposed PITIA is $5000 - Existing PITIA is $3000 - Payment differential is $2000 - $2000 (payment differential) / $3000 (existing PITIA) = 0.6667 - 0.6667 * 100 = 66.667% payment shock

Appraisal Valuation Waterfall Chart:

Screening Criteria	Initial Review Type	CDA Recommends Field Review	Variance	≤ 65.00%	65.01 – 75.00%	> 75.00%
1- Unit	CDA	No	No Variance	Approve	Approve	Approve
			> 0% and < 5%	Approve	Approve	Review and Approve CDA
			>= 5% and < 8%	Approve	Review and Approve CDA	Subsequent Field Review Required
			>=8% or Indeterminate	Subsequent Field Review Required	Subsequent Field Review Required	Subsequent Field Review Required
		Yes	No Variance	Approve	Approve	Approve
			> 0% and < 5%	Approve	Review and Approve CDA	Review and Approve CDA
			>= 5% and < 8%	Review and Approve CDA	Review and Approve CDA	Subsequent Field Review Required
			>=8% or Indeterminate	Subsequent Field Review Required	Subsequent Field Review Required	Subsequent Field Review Required
2 - 4 Unit	Field Review	N/A	N/A	Default to Field Review	Default to Field Review	Default to Field Review
Field Review Variance Threshold				**8%**	**8%**	**5%**