General Information

- Approved Brokers are eligible to submit loans

- Brokers must be licensed in the state where the subject property is located

- The Standalone Digital HELOC offers the following features:
  - 75% minimum initial draw required at closing
  - Eligible for free and clear properties; HELOC can go in first lien position

- HELOC proceeds can be used for home improvement, major purchases including automobiles and other real estate, etc.

- Installment debt paid down prior to closing can be excluded from the DTI ratio
  NOTE: Installment debt with ten (10) or fewer monthly payment may be excluded

- Revolving accounts are allowed to be paid at closing to exclude the payment from the DTI ratio

- The Digital HELOC Portal will:
  - Allow the borrower to apply and view application status
  - Allow the broker, broker point of contact, and additional designees to view status and obtain reports
  - Provide disclosures as follows:
    - Broker disclosures are sent to the borrower to complete
    - The following states require the MLO to sign the Initial Disclosures
      - CA, TX, NY, IL, NC, WA, IN, MD, MS, WI, MN, SC, AL, LA, IA, NV, NE, ID, ME, RI, MT, DE, ND, WY, DC
  - Include a chat feature which provides support to both Brokers and borrowers

Pricing and Fees

HELOC Interest Rates

- Variable rates based on Prime + Variable Margin; rates are generally 250-500 bps higher than prevailing first mortgages

Fees

- There are nominal closing costs paid to third parties which are netted against the loan amount

General Assistance

- Borrowers and Brokers can request assistance or status related questions using one of the following communication methods:
  - **Borrower Support**
    - Chat feature in the borrower's Digital HELOC Portal, **or**
    - Via email: support@nftydoor.com, **or**
    - Phone: 844-975-5150
  - **Broker Support**
    - Chat feature in the Broker's Digital HELOC Portal, **or**
    - Text: (844) 925-5102 (**no** phone calls), **or**
    - Via email: hbheloc@nftydoor.com
- Support is available from 8:00 am PST to 5:00 pm PST Monday - Friday

Standalone Digital HELOC FAQ

General Eligibility Requirements

Available Loan Terms

- **HELOC**: 5-year Interest Only draw period with 25-year repayment amortization (TN only: 10-year repayment amortization)
    - Minimum 75% initial draw required at closing

Loan Amount

- Minimum loan amount: $25,000
- Maximum loan amount
    - HELOC in Second Lien Position: $400,000
    - HELOC in First Lien Position: $400,000

Max DTI

- 680+: 50% maximum
- 640-679: 45% maximum

Eligible States

- Available in all states
- See the **Standalone Digital HELOC Quick Reference Guide** for additional State requirements

Eligible Borrowers

- U.S. citizens
- Permanent Resident Aliens
- Non-Permanent Resident Aliens (with established U.S. Credit)

    NOTE: Individuals classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced Departure or Humanitarian Parole are not eligible

Property Types

- **Eligible:** Single Family Residences, 2-4 units, PUDs, most Condominiums

- **Ineligible:** Co-ops, Commercially Zoned Real Estate, Multi-family (5+) real estate, Manufactured Housing, Earth or Dome homes, Timeshares, Log Homes, Houseboats, Timeshares, Leaseholds, Ground Lease and Mixed-use Properties

Occupancy Types

- Available on primary, second home and investment properties (second homes and investment properties ineligible in Texas; investment properties limited to 10 financed properties)

Credit

- Prior to submitting a request, the Broker must have an indication of the borrower's FICO
- At the time the borrower applies, a soft credit check is performed
- A hard credit check is performed at the time the borrower accesses their application
- Credit is obtained from Experian (FICO 8)

    - The borrower must contact Experian directly to inquire about the credit information, to file a dispute, or for issues with the credit score
    - Experian can be contacted via phone or mail:
        - (866) 200-6020 or (888) 397-3742
        - P.O. Box 4500, Allen, TX 75013

General Eligibility Requirements (cont.)

Employment/Income Verification

- Employment is verified by The Work Number, TRUV or Plaid (third-party vendors)

- **Borrower Income:** Income will be validated by one of the following options within the online application. The borrower must select one of the following:

  - **Wage Earner Borrowers**
    - The Work Number, *OR*
    - Link income information from employer payroll system (TRUV) *OR*
    - Upload two most recent paystubs **and** most recent W-2

  - **Self-Employed Borrowers**
    - Link bank account information (Plaid), *OR*
    - Upload prior two year's tax returns

Property Value Determination

- **Loan Amounts ≤ $400,000**: AVM with 80 Confidence Score and .20 FSD
  - In the event AVM results are not acceptable, a BPO will be required

- Properties located in a FEMA disaster declaration area require a Property Condition Report

Standalone Digital HELOC FAQ

Closing

Property Ownership

- Closing docs may be drawn as Sole Ownership, Joint, or Revocable Trust; LLCs are **ineligible**
- The borrower must be the be legal owner of the property as verified per county records
- When vesting in a Revocable Trust, the borrower must provide a complete copy of the Trust Agreement for review

Power of Attorney (POA)

- Borrowers requesting to close via a POA are reviewed on a case-by-case basis

Notary Process

- Online video notary sessions are required in counties that permit electronic notarization. If the borrower is in a county that requires a "wet signature", a notary appointment will be arranged
- To interact with the eNotary, the following requirements apply:
  - Borrower will need a device that has a camera and microphone
  - Borrower must provide a valid legible photo ID (acceptable forms include: Driver's License, State ID or Passport)
- For additional signer(s), the borrower will enter their information during the loan process. The additional signer will receive an email with details on how to log in to complete their own eNotary session

Title Requirements

- Loan Amounts < $250,000: Legal and Vesting Report; title Insurance not required
- Loan Amounts ≥ $250,000 (1st Lien): ALTA Policy Required

Property and Flood Insurance

  - Hazard insurance is not required for HELOCs in 2nd position
- Flood insurance is required for properties located in flood zone A or V

Closing/Funding Timeline

- Primary residences: Can close in as few as 5 business days, funding after the 3 day right of recission
- Second homes: Can close in as few as 5 business days with same day funding
- Investment properties: Can close and fund in as few as 5 business days
  NOTE: Some states have additional requirements that may delay funding

After Closing

HELOC Transactions

- The borrower is required to take a minimum draw of 75% at closing

Prepayment Penalty

- There is no prepayment penalty

Payments

- All payments are due on the 1st day of the month
- Broker payment will be via ACH or check; ACH is preferred

Miscellaneous

Changes to Applications

- Borrowers can make changes to loan amounts in the Portal provided the Final Offer has not been accepted
- Property address changes: A new application is required

Wait Periods to Apply

- There are no wait periods to apply from time of last lien closing; however, the borrower must be currently vested on title in order to apply

Multiple Home Equity Loans

- A borrower can apply for up to three (3) loans under the Digital HELOC product
- The aggregate amount of the loans is subject to a limit of $750,000 per borrower

Account Access

- The borrower can log in to their account directly from the "Log in" option on the top right of the Digital HELOC website: www.nftydoor.com/login
- Once logged in to their account, the borrower will have access to the application details and/or loan, including the documents, statements, and tax forms, managing payments, changing the bank account, and requesting a payoff
- There is no mobile app available at this time

Tax Deduction

- Home Equity Loans may be tax deductible; borrowers should consult with their tax advisor for additional information

Subordinating the Digital HELOC After Closing

- The Digital HELOC will not subordinate below 2nd position after closing