

This document is applicable to loans locked prior to 4.21.2025

For loans locked on or after 4.21.25, refer to the

[Third Party Origination Product Snapshot | Cardinal Non-QM Flex Prime Non-Agency Lock Date on or after 4.21.25](#)

Cardinal Financial offers the Non-QM Flex product through Octane which provides features beyond the criteria waestablished for Qualified Mortgages. Features include alternative income documentation, Interest Only and DTI ratios that exceed normal agency guidelines. Below is a summary of requirements and features. Please see the [Cardinal Non-QM Flex Lending Guide](#) for the full product requirements. Guidelines are subject to change without notice.

Refer to the [Jumbo Comparison Matrix Resource Document](#) > TPO Non-QM Comparison tab as an additional resource.

Prime - Standard Documentation

Primary Residence		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	80	80
	\$2,500,000	80	75	75
	\$3,000,000	75	70	70
700	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
	\$3,000,000	75	70	65
680	\$1,000,000	90*	85	75
	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
	\$3,000,000	70	65	65

660	\$1,000,000	80	80	75
	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65
*2-4 Unit properties maximum LTV/CLTV = 85%				

Second Home & Investment		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720	\$2,000,000	85	80	75
	\$2,500,000	80	75	75
700	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
680	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
660	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65

Prime Standard Documentation Program Parameters	
Eligible Transactions	<ul style="list-style-type: none"> 30-Yr Fixed 30-Yr Fixed Interest Only 15-Yr Fixed 5 / 6 ARM 5 / 6 ARM Interest Only 7 / 6 ARM 7 / 6 ARM Interest Only

	<ul style="list-style-type: none"> 10 / 6 ARM 10 / 6 ARM Interest Only 																				
Octane Programs	<table> <tr> <th colspan="2">Octane Product Codes</th></tr> <tr> <td>NQFP30SD</td><td>Non-QM Flex Prime 30 Year Fixed - Standard Doc - Cardinal Financial</td></tr> <tr> <td>NQFP30SDIO</td><td>Non-QM Flex Prime 30 Year Fixed - Standard Doc - Interest Only - Cardinal Financial</td></tr> <tr> <td>NQFP15SD</td><td>Non-QM Flex Prime 15 Year Fixed - Standard Doc - Cardinal Financial</td></tr> <tr> <td>NQFP5/6SD</td><td>Non-QM Flex Prime 5/6 ARM - Standard Doc - Cardinal Financial</td></tr> <tr> <td>NQFP5/6SDIO</td><td>Non-QM Flex Prime 5/6 ARM - Standard Doc - Interest Only - Cardinal Financial</td></tr> <tr> <td>NQFP7/6SD</td><td>Non-QM Flex Prime 7/6 ARM - Standard Doc - Cardinal Financial</td></tr> <tr> <td>NQFP7/6SDIO</td><td>Non-QM Flex Prime 7/6 ARM - Standard Doc - Interest Only - Cardinal Financial</td></tr> <tr> <td>NQFP10/6SD</td><td>Non-QM Flex Prime 10/6 ARM - Standard Doc - Cardinal Financial</td></tr> <tr> <td>NQFP10/6SDIO</td><td>Non-QM Flex Prime 10/6 ARM - Standard Doc - Interest Only - Cardinal Financial</td></tr> </table>	Octane Product Codes		NQFP30SD	Non-QM Flex Prime 30 Year Fixed - Standard Doc - Cardinal Financial	NQFP30SDIO	Non-QM Flex Prime 30 Year Fixed - Standard Doc - Interest Only - Cardinal Financial	NQFP15SD	Non-QM Flex Prime 15 Year Fixed - Standard Doc - Cardinal Financial	NQFP5/6SD	Non-QM Flex Prime 5/6 ARM - Standard Doc - Cardinal Financial	NQFP5/6SDIO	Non-QM Flex Prime 5/6 ARM - Standard Doc - Interest Only - Cardinal Financial	NQFP7/6SD	Non-QM Flex Prime 7/6 ARM - Standard Doc - Cardinal Financial	NQFP7/6SDIO	Non-QM Flex Prime 7/6 ARM - Standard Doc - Interest Only - Cardinal Financial	NQFP10/6SD	Non-QM Flex Prime 10/6 ARM - Standard Doc - Cardinal Financial	NQFP10/6SDIO	Non-QM Flex Prime 10/6 ARM - Standard Doc - Interest Only - Cardinal Financial
Octane Product Codes																					
NQFP30SD	Non-QM Flex Prime 30 Year Fixed - Standard Doc - Cardinal Financial																				
NQFP30SDIO	Non-QM Flex Prime 30 Year Fixed - Standard Doc - Interest Only - Cardinal Financial																				
NQFP15SD	Non-QM Flex Prime 15 Year Fixed - Standard Doc - Cardinal Financial																				
NQFP5/6SD	Non-QM Flex Prime 5/6 ARM - Standard Doc - Cardinal Financial																				
NQFP5/6SDIO	Non-QM Flex Prime 5/6 ARM - Standard Doc - Interest Only - Cardinal Financial																				
NQFP7/6SD	Non-QM Flex Prime 7/6 ARM - Standard Doc - Cardinal Financial																				
NQFP7/6SDIO	Non-QM Flex Prime 7/6 ARM - Standard Doc - Interest Only - Cardinal Financial																				
NQFP10/6SD	Non-QM Flex Prime 10/6 ARM - Standard Doc - Cardinal Financial																				
NQFP10/6SDIO	Non-QM Flex Prime 10/6 ARM - Standard Doc - Interest Only - Cardinal Financial																				
Loan Purpose	<ul style="list-style-type: none"> Purchase Rate/Term Refinance Cash Out Refinance <ul style="list-style-type: none"> No maximum cash out restrictions 																				
Acreage	<ul style="list-style-type: none"> Maximum acreage up to 20 acres, not meeting the rural definition Property cannot be rural or zoned rural 10 or more acres limited to max LTV/CLTV 80% 																				
Appraisals	<ul style="list-style-type: none"> Two appraisals required when any of the following conditions exist: <ul style="list-style-type: none"> Loan amounts > \$2,000,000, The transaction is a flip as defined in the Property Flipping section of this guide, 																				

	<ul style="list-style-type: none"> ○ As required under the Appraisal Review guidelines below. ● When a second appraisal is provided, the “appraised value” will be the lower of the two appraisals.
Appraisal - Declining Market	<p>If the appraisal report identifies the property in a declining market:</p> <ul style="list-style-type: none"> ● Maximum LTV/CLTV is limited to 85% for purchase and 80% for rate/term and cash-out refinance transactions ● Maximum loan amount is limited to \$2,000,000
Appraisal Review	<p>An appraisal review product is required on every loan unless a second appraisal is obtained. Four (4) options are available:</p> <ul style="list-style-type: none"> ● A Collateral Underwriter (CU) or Loan Collateral Advisor (LCA) with an eligible score of 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). Only one score is required, but if both scores (CU & LCA) are provided, both are required to be 2.5 or less; or ● AVM from Clear Capital dated within 90 days of the Note date, or ● Collateral Desktop Analysis (CDA) from Clear Capital, or ● A second appraisal. <p>If the CU/LCA score exceeds 2.5, the file must include either an AVM from Clear Capital, a CDA from Clear Capital, or a second appraisal.</p> <p>The AVM must show an acceptable FSD score range of 0.00 to 0.13 and the AVM value must be within 10% of the appraised value.</p> <ul style="list-style-type: none"> ● If the AVM reflects a value more than 10% below the appraised value or cannot provide a value, the file must include an acceptable CDA from Clear Capital or a second appraisal. <p>If the CDA Desk Review reflects a value more than 10% below the appraised value or cannot provide a validation, the next option would be a second appraisal.</p> <p>A second appraisal must support the original appraised value, else the lower of the two appraisals must be used in the LTV/CLTV calculation.</p> <p>Any appraisal review product or second appraisal may not be from the same appraiser or appraisal company as the original report.</p>
Asset Documentation	<p>Minimum of 30 days asset verification required</p> <ul style="list-style-type: none"> ● Any large deposit must be sourced
Credit Score	<p>Use the representative credit score of the borrower with the highest qualifying income.</p>
Document Age	<ul style="list-style-type: none"> ● 120 day validity date for the following: <ul style="list-style-type: none"> ○ Income verification ○ Mortgage / rental verification

	<ul style="list-style-type: none"> ○ Asset documents / bank statements ○ Credit report ○ Title Commitment <ul style="list-style-type: none"> ■ A 24-month title history is required showing transfer dates, price, and buyer and seller names ● Appraisals must be dated within 365 days of the Note date, but a recertification of value (1004D) would be required if an appraisal will be more than 120 days old on the date of the Note.
DTI Requirements	<ul style="list-style-type: none"> ● Standard maximum 50% ● Primary Residence - up to 55% allowed based on the following: <ul style="list-style-type: none"> ○ Minimum residual income of \$3,500 ○ Max LTV/CLTV <= 80% ○ Standard documentation 2 years ○ Minimum 12 months reserves ○ First time homebuyer not eligible ● Condominium with LTV 90% - 45% DTI maximum ● First time homebuyers maximum: See below
Escrow Accounts	<p>Escrows for hazard insurance, property taxes and flood (if applicable) are required</p> <ul style="list-style-type: none"> ● See Escrows - Impound Accounts for full details along with waiver requirements
First-Time Home Buyers	<p>Eligible with the following restrictions:</p> <ul style="list-style-type: none"> ● Primary residence only ● DTI may not exceed 45% ● Minimum six (6) months of reserves ● 12-month rental history is required reflection 0x30 ● First-time homebuyers without a documented 12-month rental history are eligible subject to: <ul style="list-style-type: none"> ○ DTI may not exceed 43% ○ LTV may not exceed 80%
Gift Funds	<ul style="list-style-type: none"> ● Eligible after minimum down payment has been made by the borrower from their own funds: <ul style="list-style-type: none"> ○ Primary Residence and Second Home: 5% down payment is required before gift funds can be applied ○ Investment: 10% down payment is required before gift funds can be applied.
Derogatory Event Seasoning	BK/FC/SS/ DIL: >= 48 months
Housing Payment History	1x30x12

Income Requirements	<ul style="list-style-type: none"> Wage/Salary: Paystubs, W-2 for 2 years Self Employed: 2 years of personal and Business Tax Returns, YTD P&L Verbal VOE required within 10 days of Note Date
Interest Only	<p>Eligible</p> <ul style="list-style-type: none"> 30-year total loan term with qualification based upon 20-year amortizing payment <ul style="list-style-type: none"> Fixed rate: Qualified at the Note rate ARM: Qualified at the higher of the fully indexed rate or the Note rate
Loan Amounts	<ul style="list-style-type: none"> Minimum: \$150,000 Maximum: \$3,000,000
Occupancy	<ul style="list-style-type: none"> Primary Second Home Investment
Prepayment Penalty - Investment Property Only	<p>Where permitted by applicable laws and regulations on an investment property, a prepayment charge may be assessed in the period between one (1) and five (5) years following the execution date of the Note. The following structure is allowed:</p> <ul style="list-style-type: none"> Six (6) months of interest <ul style="list-style-type: none"> The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period. <p>The following state restrictions apply:</p> <ul style="list-style-type: none"> Penalties not allowed in AK, KS, MI, MN, MS, NM, and RI <ul style="list-style-type: none"> Only declining prepayment penalty structures are allowed in MS, and Cardinal does not offer this structure. Penalties not allowed on loans vested to individuals in IL and NJ Prepayment penalties are not allowed in District of Columbia (DC), MD, or LA if the business purpose is marked "no" inside the system of record Penalties not allowed on loan amounts less than \$319,777 in PA
Property Type	<ul style="list-style-type: none"> Attached/Detached SFR: No restrictions 2-4 Units: Max LTV/CLTV 85% Condominium Max LTV/CLTV <ul style="list-style-type: none"> Primary Purchase 90% <ul style="list-style-type: none"> Maximum DTI 45% All other transactions 85% Condo Hotel

	<ul style="list-style-type: none"> ○ Max LTV/CLTV 85% ○ Max Loan Amount \$2,500,000 ○ Occupancy allowed: Primary, Second Home and Investment ○ Note: Full guidelines relating to condotel acceptability are found in the Cardinal Non-QM Flex Lending Guide. <ul style="list-style-type: none"> ■ Non-warrantable condominium projects are not eligible on this product outside of the condotel guidelines. ● Rural: Not eligible ● California Condominiums <ul style="list-style-type: none"> ○ An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire or appraisal. ○ Projects with unacceptable or no inspection are ineligible. ● Florida Condominiums <ul style="list-style-type: none"> ○ A structural inspection is required for projects: <ul style="list-style-type: none"> ■ Three (3) stories or greater; and ■ Over 30 years old (or 25 years old if within 3 miles of the coast). ○ Projects with an unacceptable or no inspection are not eligible. 										
Reserve Requirements	<table border="1"> <thead> <tr> <th colspan="2">Required PITIA Reserves</th> </tr> </thead> <tbody> <tr> <td>LTV ≤ 85%</td><td>6 months</td> </tr> <tr> <td>LTV > 85%</td><td>12 months</td> </tr> <tr> <td>Loan Amount > \$1,500,000</td><td>9 months</td> </tr> <tr> <td>Loan Amount > \$2,500,000</td><td>12 months</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ● Cash out may be used to satisfy this requirement <ul style="list-style-type: none"> ○ Follow guidance located in Reserves 	Required PITIA Reserves		LTV ≤ 85%	6 months	LTV > 85%	12 months	Loan Amount > \$1,500,000	9 months	Loan Amount > \$2,500,000	12 months
Required PITIA Reserves											
LTV ≤ 85%	6 months										
LTV > 85%	12 months										
Loan Amount > \$1,500,000	9 months										
Loan Amount > \$2,500,000	12 months										
Residual Income	<p>Residual income is the amount of monthly income remaining once a borrower has paid all monthly debt obligations.</p> <p>Residual Income = Gross Monthly Income minus total monthly debt</p> <p>The Minimum Residual Income requirements are calculated using the table below. An additional \$250 is added for the first dependent and \$125 for each additional dependent. A dependent is any person other than the borrower or spouse in the household.</p>										

	Occupancy	Maximum LTV	Minimum Residual Income
	Primary	90%	\$2,500
	Primary - DTI > 50%	80%	\$3,500
	Second Home	80%	\$2,500
State Restrictions	State Overlays for CT, FL, IL, NJ, and NY <ul style="list-style-type: none"> Maximum LTV/CLTV limited to 85% for purchase and 80% for rate/term and cash-out refinance transactions Maximum loan amount is limited to \$2,000,000 Ineligible locations: Puerto Rico, Guam and the US Virgin Islands		
Tradelines	<ul style="list-style-type: none"> If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived When the primary borrower has less than three credit scores, each borrower must meet the following minimum tradeline requirements. <ul style="list-style-type: none"> At least three (3) tradelines reporting for a minimum of 12 months, with activity in the last 12 months, or At least two (2) tradelines reporting for a minimum of 24 months, with activity in the last 12 months. Borrowers who do not meet one of the above tradeline requirements, but have a minimum of two credit scores, can alternatively satisfy the tradeline requirements found here: Tradelines 		

Prime - Alternative Documentation

Primary Residence Bank Statements, 1099		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	80	80

	\$2,500,000	80	75	75
	\$3,000,000	75	70	70
700	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
	\$3,000,000	75	70	65
680	\$1,000,000	90*	85	75
	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
	\$3,000,000	70	65	65
660	\$1,000,000	80	80	75
	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65

*2-4 Unit properties maximum LTV/CLTV = 85%

Primary Residence Asset Utilization		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	80	80
	\$2,500,000	80	75	75
	\$3,000,000	75	70	70

700	\$1,000,000	90*	85	80
	\$1,500,000	90*	85	80
	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
	\$3,000,000	75	70	65
680	\$1,000,000	90*	85	80
	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
	\$3,000,000	70	65	65
640	\$1,000,000	80	80	75
	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65

*2-4 Unit properties maximum LTV/CLTV = 85%

Primary Residence Lite, Written Verification of Employment		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$1,000,000	80	75	70
	\$1,500,000	80	75	70
	\$2,000,000	80	75	70
	\$2,500,000	80	75	70
700	\$1,000,000	80	75	70
	\$1,500,000	80	75	70

	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
680	\$1,000,000	80	75	70
	\$1,500,000	80	75	70
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65

Second Home & Investment Bank Statements, 1099		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$2,000,000	85	80	75
	\$2,500,000	80	75	75
700	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
680	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
660	\$1,000,000	80	80	75
	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65
Second Home & Investment Asset Utilization		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$2,000,000	85	80	75

	\$2,500,000	80	75	75
700	\$2,000,000	85	75	70
	\$2,500,000	75	70	65
680	\$1,500,000	85	80	75
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
640	\$1,000,000	80	80	75
	\$1,500,000	80	75	75
	\$2,000,000	75	70	65
	\$2,500,000	70	65	65

Second Home & Investment Lite, Written Verification of Employment		Maximum LTV / CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
720 +	\$1,000,000	80	75	70
	\$1,500,000	80	75	70
	\$2,000,000	80	75	70
	\$2,500,000	80	75	70
700	\$1,000,000	80	75	70
	\$1,500,000	80	75	70
	\$2,000,000	80	75	70
	\$2,500,000	75	70	65
680	\$1,000,000	80	75	70
	\$1,500,000	80	75	70

	\$2,000,000	80	75	70
	\$2,500,000	75	70	65

Prime Alternative Documentation Program Parameters

Eligible Transactions	<ul style="list-style-type: none">30-Yr Fixed30-Yr Fixed Interest Only15-Yr Fixed5 / 6 ARM5 / 6 ARM Interest Only7 / 6 ARM7 / 6 ARM Interest Only10 / 6 ARM10 / 6 ARM Interest Only																		
Octane Program Codes	<table><tr><th colspan="2">Octane Product Codes</th></tr><tr><td>NQFP30AD</td><td>Non-QM Flex Prime 30 Year Fixed - Alt Doc - Cardinal Financial</td></tr><tr><td>NQFP30ADIO</td><td>Non-QM Flex Prime 30 Year Fixed - Alt Doc - Interest Only - Cardinal Financial</td></tr><tr><td>NQFP30ADL</td><td>Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Cardinal Financial</td></tr><tr><td>NQFP30ADLIO</td><td>Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Interest Only - Cardinal Financial</td></tr><tr><td>NQFP30AU</td><td>Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Cardinal Financial</td></tr><tr><td>NQFP30AUADIO</td><td>Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Interest Only - Cardinal Financial</td></tr><tr><td>NQFP15AD</td><td>Non-QM Flex Prime 15 Year Fixed - Alt Doc - Cardinal Financial</td></tr><tr><td>NQFP15ADL</td><td>Non-QM Flex Prime 15 Year Fixed - Alt Doc Lite - Cardinal Financial</td></tr></table>	Octane Product Codes		NQFP30AD	Non-QM Flex Prime 30 Year Fixed - Alt Doc - Cardinal Financial	NQFP30ADIO	Non-QM Flex Prime 30 Year Fixed - Alt Doc - Interest Only - Cardinal Financial	NQFP30ADL	Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Cardinal Financial	NQFP30ADLIO	Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Interest Only - Cardinal Financial	NQFP30AU	Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Cardinal Financial	NQFP30AUADIO	Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Interest Only - Cardinal Financial	NQFP15AD	Non-QM Flex Prime 15 Year Fixed - Alt Doc - Cardinal Financial	NQFP15ADL	Non-QM Flex Prime 15 Year Fixed - Alt Doc Lite - Cardinal Financial
Octane Product Codes																			
NQFP30AD	Non-QM Flex Prime 30 Year Fixed - Alt Doc - Cardinal Financial																		
NQFP30ADIO	Non-QM Flex Prime 30 Year Fixed - Alt Doc - Interest Only - Cardinal Financial																		
NQFP30ADL	Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Cardinal Financial																		
NQFP30ADLIO	Non-QM Flex Prime 30 Year Fixed - Alt Doc Lite - Interest Only - Cardinal Financial																		
NQFP30AU	Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Cardinal Financial																		
NQFP30AUADIO	Non-QM Flex Prime 30 Year Fixed - Asset Utilization - Interest Only - Cardinal Financial																		
NQFP15AD	Non-QM Flex Prime 15 Year Fixed - Alt Doc - Cardinal Financial																		
NQFP15ADL	Non-QM Flex Prime 15 Year Fixed - Alt Doc Lite - Cardinal Financial																		

	NQFP15AU	Non-QM Flex Prime 15 Year Fixed - Asset Utilization - Cardinal Financial
	NQFP5/6AD	Non-QM Flex Prime 5/6 ARM - Alt Doc - Cardinal Financial
	NQFP5/6ADIO	Non-QM Flex Prime 5/6 ARM - Alt Doc - Interest Only - Cardinal Financial
	NQFP5/6ADL	Non-QM Flex Prime 5/6 ARM - Alt Doc Lite - Cardinal Financial
	NQFP5/6ADLIO	Non-QM Flex Prime 5/6 ARM - Alt Doc Lite - Interest Only - Cardinal Financial
	NQFP5/6AU	Non-QM Flex Prime 5/6 ARM - Asset Utilization - Cardinal Financial
	NQFP5/6AUADIO	Non-QM Flex Prime 5/6 ARM - Asset Utilization - Interest Only - Cardinal Financial
	NQFP7/6AD	Non-QM Flex Prime 7/6 ARM - Alt Doc - Cardinal Financial
	NQFP7/6ADIO	Non-QM Flex Prime 7/6 ARM - Alt Doc - Interest Only - Cardinal Financial
	NQFP7/6ADL	Non-QM Flex Prime 7/6 ARM - Alt Doc Lite - Cardinal Financial
	NQFP7/6ADLIO	Non-QM Flex Prime 7/6 ARM - Alt Doc Lite - Interest Only - Cardinal Financial
	NQFP7/6AU	Non-QM Flex Prime 7/6 ARM - Asset Utilization - Cardinal Financial
	NQFP7/6AUADIO	Non-QM Flex Prime 7/6 ARM - Asset Utilization - Interest Only - Cardinal Financial
	NQFP10/6AD	Non-QM Flex Prime 10/6 ARM - Alt Doc - Cardinal Financial
	NQFP10/6ADIO	Non-QM Flex Prime 10/6 ARM - Alt Doc - Interest Only - Cardinal Financial
	NQFP10/6ADL	Non-QM Flex Prime 10/6 ARM - Alt Doc Lite - Cardinal Financial
	NQFP10/6ADLIO	Non-QM Flex Prime 10/6 ARM - Alt Doc Lite - Interest

		Only - Cardinal Financial
	NQFP10/6AU	Non-QM Flex Prime 10/6 ARM - Asset Utilization - Cardinal Financial
	NQFP10/6AUADIO	Non-QM Flex Prime 10/6 ARM - Asset Utilization - Interest Only - Cardinal Financial
Loan Purpose	<ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash Out Refinance <ul style="list-style-type: none"> ◦ No maximum cash out restrictions 	
Acreage	<ul style="list-style-type: none"> • Maximum acreage up to 20 acres, not meeting the rural definition • Property cannot be rural or zoned rural • 10 or more acres limited to max LTV/CLTV 80% 	
Appraisals	<ul style="list-style-type: none"> • Two appraisals required when any of the following conditions exist: <ul style="list-style-type: none"> ◦ Loan amounts > \$2,000,000, ◦ The transaction is a flip as defined in the Property Flipping section of this guide, ◦ As required under the Appraisal Review guidelines below. • When a second appraisal is provided, the “appraised value” will be the lower of the two appraisals. 	
Appraisal - Declining Market	<p>If the appraisal report identifies the property in a declining market:</p> <ul style="list-style-type: none"> • Maximum LTV/CLTV is limited to 85% for purchase and 80% for rate/term and cash-out refinance transactions • Maximum loan amount is limited to \$2,000,000 	
Appraisal Review	<p>An appraisal review product is required on every loan unless a second appraisal is obtained. Four (4) options are available:</p> <ul style="list-style-type: none"> • A Collateral Underwriter (CU) or Loan Collateral Advisor (LCA) with an eligible score of 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). Only one score is required, but if both scores (CU & LCA) are provided, both are required to be 2.5 or less; or • AVM from Clear Capital dated within 90 days of the Note date, or • Collateral Desktop Analysis (CDA) from Clear Capital, or • A second appraisal. <p>If the CU/LCA score exceeds 2.5, the file must include either an AVM from Clear Capital, a CDA from Clear Capital, or a second appraisal.</p>	

	<p>The AVM must show an acceptable FSD score range of 0.00 to 0.13 and the AVM value must be within 10% of the appraised value.</p> <ul style="list-style-type: none"> If the AVM reflects a value more than 10% below the appraised value or cannot provide a value, the file must include an acceptable CDA from Clear Capital or a second appraisal. <p>If the CDA Desk Review reflects a value more than 10% below the appraised value or cannot provide a validation, the next option would be a second appraisal.</p> <p>A second appraisal must support the original appraised value, else the lower of the two appraisals must be used in the LTV/CLTV calculation.</p> <p>Any appraisal review product or second appraisal may not be from the same appraiser or appraisal company as the original report.</p>
Asset Documentation	<p>Minimum of 30 days asset verification required</p> <ul style="list-style-type: none"> Any large deposit must be sourced
Credit Score	Use the representative credit score of the borrower with the highest qualifying income
Document Age	<ul style="list-style-type: none"> 120 day validity date for the following: <ul style="list-style-type: none"> Income verification Mortgage / rental verification Asset documents/bank statements Credit report Title Commitment <ul style="list-style-type: none"> A 24-month title history is required showing transfer dates, price, and buyer and seller names Appraisals must be dated within 365 days of the Note date, but a recertification of value (1004D) would be required if an appraisal will be more than 120 days old on the date of the Note.
DTI Requirements	<ul style="list-style-type: none"> Standard maximum 50% Condominium LTV 90% - 45% maximum DTI Borrowers living rent-free max DTI is 43%; see full guidelines for details First-time homebuyers maximum: See below Asset Utilization Documentation maximum 43%
Escrow Accounts	<p>Escrows for hazard insurance, property taxes and flood (if applicable) are required</p> <ul style="list-style-type: none"> See Escrows - Impound Accounts for full details along with waiver requirements
First-Time Home Buyers	<p>Eligible with the following restrictions:</p> <ul style="list-style-type: none"> Primary residence only DTI may not exceed 45%

	<ul style="list-style-type: none"> Minimum six (6) months of reserves 12-month rental history is required reflection 0x30 First-time homebuyers without a documented 12-month rental history are eligible subject to: <ul style="list-style-type: none"> DTI may not exceed 43% LTV may not exceed 80% Written Verification of Employment program maximum LTV 70% and no gift funds are allowed
Gift Funds	<ul style="list-style-type: none"> Eligible after minimum down payment has been made by the borrower from their own funds: <ul style="list-style-type: none"> Primary Residence and Second Home: 5% down payment is required before gift funds can be applied Investment: 10% down payment is required before gift funds can be applied.
Derogatory Event Seasoning	BK/FC/SS/ DIL: >= 48 months
Housing Payment History	0x30x12
Income Requirements - Personal Bank Statements	<ul style="list-style-type: none"> 24 or 12 months of Personal bank statements and 2 months of business bank statements required Qualifying income is determined by the total eligible deposits from the 24 or 12 months of personal bank statements divided by the number of statements The business bank statements must reflect business activity and transfers to the personal account. Pricing adjustments apply to 12-month documentation option
Income Requirements - Business Bank Statements	<ul style="list-style-type: none"> 24 or 12 months of business bank statements required Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> Fixed Expense Ratio (50%), or Expense ratio provided by a 3rd party (CPA or EA); minimum ratio of 10%, or 3rd party prepared Profit & Loss Statement (CPA or EA) Pricing adjustments apply to 12-month documentation option
Income Requirements - IRS Form 1099	<ul style="list-style-type: none"> 2 years or 1 year of 1099 statements required Fixed Expense Ratio of 10% YTD Documentation to support continued receipt from same source Pricing adjustments apply to 1 year documentation option
Income Requirements - Lite	<ul style="list-style-type: none"> 24 or 12-month CPA / EA / CTEC / Tax Attorney prepared Profit & Loss Statement required

	<ul style="list-style-type: none"> CPA / EA / CTEC/ Tax Attorney must attest they have completed or filed the borrower's most recent business tax return
Income Requirements - Written Verification of Employment	<ul style="list-style-type: none"> FNMA Form 1005 required Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements First-time home buyer maximum LTV 70% and no gift funds allowed
Income Requirements - Asset Utilization	<p>Eligible assets are divided by 60 to determine a monthly income stream</p> <ul style="list-style-type: none"> Min Credit Score: 640
Interest Only	<p>Eligible</p> <ul style="list-style-type: none"> Minimum credit score = 660 30-year total loan term with qualification based upon 20-year amortizing payment <ul style="list-style-type: none"> Fixed rate: Qualified at the Note rate ARM: Qualified at the higher of the fully indexed rate or the Note rate
Loan Amounts	<ul style="list-style-type: none"> Minimum: \$150,000 Maximum: \$3,000,000
Occupancy	<ul style="list-style-type: none"> Primary Second Home Investment
Prepayment Penalty - Investment Property Only	<p>Where permitted by applicable laws and regulations on an investment property, a prepayment charge may be assessed in the period between one (1) and five (5) years following the execution date of the Note. The following structure is allowed:</p> <ul style="list-style-type: none"> Six (6) months of interest <ul style="list-style-type: none"> The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period. <p>The following state restrictions apply:</p> <ul style="list-style-type: none"> Penalties not allowed in AK, KS, MI, MN, MS, NM, and RI <ul style="list-style-type: none"> Only declining prepayment penalty structures are allowed in MS, and Cardinal does not offer this structure. Penalties not allowed on loans vested to individuals in IL and NJ Prepayment penalties are not allowed in District of Columbia (DC), MD, or LA if the business purpose is marked "no" inside the system of record Penalties not allowed on loan amounts less than \$319,777 in PA

Property Type	<ul style="list-style-type: none"> Attached/Detached SFR: No restrictions 2-4 Units: Max LTV/CLTV 85% Condominium Max LTV/CLTV <ul style="list-style-type: none"> Primary Purchase Bank Statement Alt Doc 90% <ul style="list-style-type: none"> Maximum DTI 45% All other transactions 85% Condo Hotel <ul style="list-style-type: none"> Max LTV/CLTV 85% Maximum loan amount \$2,500,000 Occupancy allowed: Primary, Second Home and Investment Note: Full guidelines relating to condotel acceptability are found in the Cardinal Non-QM Flex Lending Guide. <ul style="list-style-type: none"> Non-warrantable condominium projects are not eligible on this product outside of the condotel guidelines. Rural: Not eligible California Condominiums <ul style="list-style-type: none"> An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire or appraisal. Projects with unacceptable or no inspection are ineligible. Florida Condominiums <ul style="list-style-type: none"> A structural inspection is required for projects: <ul style="list-style-type: none"> Three (3) stories or greater; and Over 30 years old (or 25 years old if within 3 miles of the coast). Projects with an unacceptable or no inspection are not eligible. 										
Reserve Requirements	<table border="1"> <thead> <tr> <th colspan="2">Required PITIA Reserves</th> </tr> </thead> <tbody> <tr> <td>LTV <= 85%</td><td>6 months</td></tr> <tr> <td>LTV > 85%</td><td>12 months</td></tr> <tr> <td>Loan Amount > \$1,500,000</td><td>9 months</td></tr> <tr> <td>Loan Amount > \$2,500,000</td><td>12 months</td></tr> </tbody> </table> <ul style="list-style-type: none"> Cash out may be used to satisfy this requirement <ul style="list-style-type: none"> Follow guidance located in Reserves 	Required PITIA Reserves		LTV <= 85%	6 months	LTV > 85%	12 months	Loan Amount > \$1,500,000	9 months	Loan Amount > \$2,500,000	12 months
Required PITIA Reserves											
LTV <= 85%	6 months										
LTV > 85%	12 months										
Loan Amount > \$1,500,000	9 months										
Loan Amount > \$2,500,000	12 months										
Residual Income	Residual income is the amount of monthly income remaining once a borrower has paid all monthly debt obligations.										

	<p>Residual Income = Gross Monthly Income minus total monthly debt</p> <p>The Minimum Residual Income requirements are calculated using the table below. An additional \$250 is added for the first dependent and \$125 for each additional dependent. A dependent is any person other than the borrower or spouse in the household.</p> <table><tr><th>Occupancy</th><th>Maximum LTV</th><th>Minimum Residual Income</th></tr><tr><td>Primary</td><td>90%</td><td>\$2,500</td></tr><tr><td>Second Home</td><td>80%</td><td>\$2,500</td></tr></table>	Occupancy	Maximum LTV	Minimum Residual Income	Primary	90%	\$2,500	Second Home	80%	\$2,500
Occupancy	Maximum LTV	Minimum Residual Income								
Primary	90%	\$2,500								
Second Home	80%	\$2,500								
State Restrictions	<p>State Overlays for CT, FL, IL, NJ, and NY</p> <ul style="list-style-type: none">Maximum LTV/CLTV limited to 85% for purchase and 80% for rate/term and cash-out refinance transactionsMaximum loan amount is limited to \$2,000,000 <p>Ineligible locations: Puerto Rico, Guam and the US Virgin Islands</p>									
Tradelines	<ul style="list-style-type: none">If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waivedWhen the primary borrower has less than three credit scores, each borrower must meet the following minimum tradeline requirements.<ul style="list-style-type: none">At least three (3) tradelines reporting for a minimum of 12 months, with activity in the last 12 months, orAt least two (2) tradelines reporting for a minimum of 24 months, with activity in the last 12 months.Borrowers who do not meet one of the above tradeline requirements, but have a minimum of two credit scores, can alternatively satisfy the tradeline requirements found here: Tradelines									

Cardinal Financial Company, Limited Partnership is an Equal Housing Opportunity Lender. This is not a commitment to lend. This is not an advertisement pursuant to 12 C.F.R. 1026.2(a)(2). The above information is not intended as an advertisement or for public dissemination. Rather the information is general in nature, intended for mortgage professionals, and subject to change at any time. Any unauthorized use, dissemination or distribution of this document is strictly prohibited. See Cardinal's program guidelines for loan specific details and eligibility requirements. ©2019 Cardinal Financial Company, Limited Partnership. All rights reserved. Company NMLS #66247.