Wholesale Lending Division

NON-QM LOAN ELIGIBILITY GUIDELINES

Version 6.0 v.2 — Summary of Changes

Effective: October 22, 2026

VERSION 6.0 V.2 — SUMMARY OF CHANGES

The following is a summary of all updates made to the CAKE NON-QM Eligibility Guidelines from Version 5.0 to Version 6.0. Please review all changes prior to October 22, 2026.

SECTION	CHANGE SUMMARY
Section 2.1.2 – Permanent Resident Aliens	With respect to a non-expired foreign passport containing a non-expired I-551 stamp, removed the requirement that the stamp must be valid for a minimum of 3 years.
Section 2.3 – Eligible Vesting and Ownership	Clarified that fractional ownership is not allowed when vesting as Tenants in Common.
Section 2.8.5 – Non-Occupant Co-Borrower	Added language that co-signers that do not wish to take title may be reviewed on a case-by-case basis.
Section 2.8.6 – Eligible Occupancy Types	Clarified transaction types and documentation requirements for primary residences where parents are providing housing for disabled children or where children are providing housing for parents. Changed language with respect to rental income. Instead of requiring that the property not be used as a rental property, the guides now align with Fannie Mae who says that if rental income is identified from the property, the loan is still eligible as a second home provided the rental income is not used to qualify and all other requirements for second homes are met.
Section 3 – Eligible Transactions	Added language stating that all refinance transactions must demonstrate a net tangible benefit.
Section 3.2 – Rate/Term Refinance	Clarified that a PPP does not apply if prohibited by state law for investment properties that have been listed for sale within 90 days of the loan application.
Section 3.3 – Cash-Out Refinance	Updated ownership seasoning requirements from 90 days to 0 days. Properties owned ≤ 90 days (acquisition date to Note Date) are subject to the following: 1) No credit exceptions allowed, 2) Additional 6 months in reserves required, 3) Full Doc and Bank Statement only, and 4) Transferred appraisals not allowed. Properties acquired through inheritance or legal award (divorce, separation, dissolution of domestic partnership) are not subject to these requirements. Clarified that a PPP does not apply if prohibited by state law for investment properties that have been listed for sale within 90 days of the loan application.
Section 3.5 – Non-Arm's Length Transactions	Added language stating that the loan transaction is ineligible if the borrower is also the noteholder of the seller mortgage(s) being paid off.
Section 4.2 – Credit Score Requirements	Clarified that when only one borrower is on the loan and the borrower has only two credit scores, the higher of the two credit scores is the representative qualifying credit score.
Section 6.4 – P&L with Bank Statements	Reduced the number of months of bank statements required to support the P&L from 3 months to 2 months.
Section 6.5 – IRS Form 1009	Removed verbal VOE requirement. YTD documentation must comply with Age of Document Requirements in Section 11.1.
Section 7.7 – Collections and Charge-Offs	Removed reference to IRS repayment plans
Section 7.8 – Federal Income Tax Installment Agreements	Renamed section from Income Tax Liens to Federal Income Tax Installment Agreements. Updated language to align with Fannie Mae requirements.

SECTION	CHANGE SUMMARY
Section 8.3 – Asset Verification Requirements	Added language stating that a VOD can be obtained to document assets as an alternative to bank statements.
Section 8.6 – Gift Funds Documentation	Added additional documentation alternatives relative to documenting gift funds transfer from the donor.
Section 9.1.2 – Second Appraisals	Clarified that when two appraisals are obtained, the same appraiser cannot complete both appraisals.
Section 9.1.3 – Accessory Dwelling Units (ADU)	Aligned with DSCR guides and clarified qualifying rent figure to be utilized for an ADU.
Section 9.1.5 – Appraisal Review Requirements	For enhanced desk reviews, removed an ARA from Computershare as an option. Also added clarifying language stating that when a field review is obtained in addition to the original appraisal and the field review reports a different value than the original appraisal, the lesser of the two values must be used to calculate LTV.
Section 9.1.8 – Appraiser Assignment Limitation	New section with language that mirrors our AMC Engagement Letter whereby no individual appraiser can be assigned more than three (3) appraisal assignments for the same borrower.
Section 9.4 – Eligible Property Types	Added language stating that each property (or each unit for 2+ unit properties) must have a functioning kitchen that is common to the property type and location.
Section 9.5 – Ineligible Property Types	Added language indicating that log homes may be considered on a case-by-case basis if common to the area.
Section 9.11 – Condominium Projects	Removed state specific requirements in California and Florida that the HOA attest to required structural inspections. Utilize Cake's existing Full Condo Questionnaire (Form 1076).

This document reflects all guideline updates effective October 22, 2026. The full updated guidelines are available in the CAKE NON-QM Eligibility Guidelines Version 6.0 document.