Geo-Corp, Inc.

EARNED EQUITY PROGRAM – INCOME DOCUMENT UPDATED

SELLING GUIDE UPDATES

Effective July 28, 2026

ITINS AND TRADITIONAL W2 INCOME DOCUMENTATION

Updated Policy:

ITIN Borrower Income Requirements

To use W-2 wages for an Individual Taxpayer Identification Number (ITIN) borrower, you must provide the following documentation to prove stable income:

- **Verification of Employment:** A formal Verification of Employment (VOE) completed by the employer.
- **Bank Statements:** The most recent 3 months of bank statements to prove consistent, matching payroll deposits.
- **Tax History:** May be required
- **Income Gross-Up Rule:** If needed for qualifying purposes, net income may be grossed-up by 125% to calculate gross wages.
- **Exceptions to ITIN W2 Income Requirements:** For individuals not able to provide the required documentation, exceptions may apply with a well-documented LOE and may qualify for the traditional, bank statement only option.

BANK STATEMENT ONLY DOC TYPE

Updated Policy:

Bank Statement Only Doc Type Requirements

While standard guidelines apply, underwriters have full discretion to require **6 or 12 months of complete bank statements** if any of the following risk layers are present:

- **High Debt-to-Income (DTI):** A DTI ratio exceeding 48/55.
- **DTI Exceptions:** Any formal request for a DTI guideline exception.
- **Payment Shock:** A monthly housing payment increase exceeding 225% compared to current housing expenses.
- **Declining Assets:** Bank statement deposit averages that decrease month-over-month.
- **Profile Discrepancies:** A misalignment between the borrower's overall credit risk profile and the income stability presented in the application.

REQUIREMENTS FOR FOREIGN INCOME

Updated Policy:

Foreign Income Verification Requirements

To use foreign income for qualification, the transaction must meet the following five standards:

1. **History & Continuity:** Must show a stable, consistent **two-year history** of receipt. The underwriter must verify that the income is reasonably expected to continue for at least three years.
2. **Employment Verification:** You must provide:
   - The borrower's current, active employment contract.
   - A formal employer letter confirming ongoing, future employment.
3. **U.S. Tax Returns:** You must provide signed U.S. federal tax returns for the most recent two years reflecting the foreign income. *(Note: If the borrower is self-employed, full business tax returns are also required).*
4. **Currency Conversion:** All income and financial figures must be converted to, and listed in, **U.S. Dollars (USD)**.

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5. **Mandatory Documentation:** All foreign documentation must be verifiable. The standard file must include:
   - Recent pay stubs or earnings statements.
   - Foreign tax returns and matching bank statements showing the deposits.
   - Proof of valid work authorization (when applicable).

NEW EMPLOYMENT HISTORY

Updated Policy:

New Employment History

For homebuyers with no prior two-year work history who are brand new to the workforce, the following criteria must be met:

- **Eligible Pay Types:** Home buyer must be employed full-time and compensated via hourly or salaried rates only.
- **Mandatory Documentation:** You must provide:
  - A fully completed Written Verification of Employment **(WVOE)**.
  - The Homebuyer's most recent 2 months of consecutive pay stubs.
- **Commission Income Exception:** Commission pay structures are not automatically eligible. They will be reviewed on a case-by-case basis and require the following compensating factors:
  - A Debt-to-Income (DTI) ratio strictly under 43/50.
  - A minimum of 2 months of verified financial reserves.

PAYMENT SHOCK REQUIREMENTS

Updated Policy:

Payment Shock Guidelines

Payment shock is calculated on all transactions and is capped at a **maximum of 225%**.

- **Exceptions (Above 225%):** If payment shock exceeds 225%, the loan may still be approved **ONLY** if the borrower has a minimum 640 credit score AND meets one of the following requirements:
  - A maximum Debt-to-Income (DTI) ratio of 43/50.
  - A minimum of 3 months of verified financial reserves.
- **Exemptions:** This policy does not apply to home buyers who currently own their primary residence free and clear.

NO HOUSING HISTORY

Updated Policy:

No Housing History & Qualifying Tiers

Homebuyers are evaluated under one of three tiers based on their housing history and credit profile:

- **Tier 1: Documented Housing History (Standard)**
  - Must document the most recent **3 months of housing payments** with a formal Verification of Rent (**VOR**).
  - Minimum **580 credit score** and a minimum of **2 months of financial reserves**.
- **Tier 2: Undocumented Housing History (Restricted)**
  - Applicable if the Homebuyer cannot document 3 months of housing payments.
  - Minimum **640 credit score** and a minimum of **3 months of financial reserves**.
- **Tier 3: Owned Free and Clear (Exempt)**
  - Homebuyers who owned their previous primary residence free and clear are **fully exempt** from these housing history and reserve restrictions.

HOMEBUYER CREDIT HISTORY REQUIREMENTS

Updated Policy:

Homebuyer Credit History Requirements

Homebuyers must have a **tri-merged credit report** with a minimum qualifying score of **580**.

- **Standard Tradelines:** The credit report must feature at least 2 active tradelines with a 24-month history.
- **Alternative Tradelines:** If standard tradelines are unavailable, you may substitute them using the exact same criteria (2 accounts with a 24-month history). **No exceptions** are allowed outside of these four approved sources:
  - Major Utility Bills
  - Cell Phone Bills
  - Cable Bills
  - Medical Bills
- **Ineligible / No-Tradeline Fallback:** If a Homebuyer cannot meet either the standard or alternative tradeline criteria, the transaction may still be approved **ONLY** if you document both of the following:
  - A minimum of 24 months of verified housing history.
  - A minimum of 3 months of verified reserves.

EXCEPTIONS – GENERAL POLICY

Updated Policy:

Exceptions – General Policy

- **Standard Limit:** A maximum of one exception is allowed per loan transaction.
- **Reserve Requirement:** All exception requests require a minimum of 2 months of financial reserves (unless other program guidelines require a higher reserve amount).
- **Multiple Exceptions (High Down Payment):** If the homebuyer puts down 10% or more, multiple exceptions may be reviewed on a case-by-case basis for approval.