

Junior Lien Guidelines

GOLD



January 8, 2026

Contact us at lending@buttonfinance.com to get started

Price loans: modelportal.buttonfinance.com

BUTTON FINANCE		Junior Liens				
		Owner Occupied 1-unit	Owner Occupied 2-units	Owner Occupied 3-4 units	2nd Home 1-unit	Investor
620-659	65%	65%	65%	65%		
660-679	75%	75%	75%	75%	60%	
680-699	80%	80%	80%	80%	65%	
700-719	85%	85%	85%	80%	65%	
720-739	85%	85%	85%	80%	70%	
740+	85%	85%	85%	85%	75%	

Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions; 620 FICO is subject to meeting company volume requirements

Overlays for Jumbo Loans \$500k to \$1mm	<ul style="list-style-type: none"> Unit Count: 1-unit only Maximum DTI: 43% Minimum FICO Score: 700 Major Derogatory Event Seasoning Requirements: 7 years (Foreclosure, Bankruptcy, Short Sale, etc.) 	<ul style="list-style-type: none"> Maximum CLTV Primary Residence: up to 80% Above 75% CLTV: max combined liens of \$8mm Above 70% CLTV: max combined liens of \$10mm At or below 70% CLTV: no max combined liens Second / Vacation Home: 75% Investment Property 70%
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Overlays for Bank Statement Loans	<ul style="list-style-type: none"> Maximum Loan Balance: \$750k Maximum CLTV: 80% Maximum DTI: 43% Minimum FICO Score: 660 HELOCs not eligible
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TERMS AND ELIGIBILITY		Junior Liens																																																																																						
Product Terms	HEOLAN: Fixed Rate. 10, 15, 20, or 30 year. Fully amortizing.	HELOC: 3yr/5yr/10yr IO term - 10yr/15yr/20yr/30yr final term. ARM, indexed to Prime																																																																																						
States	HEOLAN: AL, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, KS, MD, ME, MI, NC, NE, NJ, OH, O	HELOC: Available in all HEOLAN states except Texas																																																																																						
Loan Amounts	<ul style="list-style-type: none"> Minimum: \$50,000 Maximum Standalone: \$1,000,000 Maximum Piggyback: \$1,000,000 																																																																																							
Initial Draw Required	HELOC: Greater of \$50,000 or 75% of the total line amount																																																																																							
Lifetime Floor	HELOC: Initial Fully Indexed Rate - 2%																																																																																							
Monthly and Lifetime Caps	HELOC: No Monthly Cap, Lifetime Cap 18%																																																																																							
Qualifying Rate	HEOLAN: Fixed Note Rate	HELOC: Fully Indexed Rate + 2%																																																																																						
Adjustment Period	HELOC: Monthly with a 30-day lookback																																																																																							
Debt to Income (DTI) Limits	<table border="1"> <thead> <tr> <th rowspan="2">FICO / CLTV</th> <th colspan="8">Max DTI</th> </tr> <tr> <th>60</th> <th>65</th> <th>70</th> <th>75</th> <th>80</th> <th>85</th> <th>90</th> <th>95</th> </tr> <tr> <th>< = 60</th> <th>>60-65</th> <th>>65-70</th> <th>>70-75</th> <th>>75-80</th> <th>>80-85</th> <th>>85-90</th> <th>>90-95</th> </tr> </thead> <tbody> <tr> <td>620-659</td> <td>50%</td> <td>43%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>660-679</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>43%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>680-699</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>43%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>700-759</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>43%</td> <td>43%</td> <td></td> <td></td> </tr> <tr> <td>760-779</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>43%</td> <td></td> <td></td> </tr> <tr> <td>780+</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>43%</td> <td></td> <td></td> </tr> </tbody> </table>	FICO / CLTV	Max DTI								60	65	70	75	80	85	90	95	< = 60	>60-65	>65-70	>70-75	>75-80	>80-85	>85-90	>90-95	620-659	50%	43%							660-679	50%	50%	50%	43%					680-699	50%	50%	50%	50%	43%				700-759	50%	50%	50%	50%	43%	43%			760-779	50%	50%	50%	50%	50%	43%			780+	50%	50%	50%	50%	50%	43%										
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Housing Ratio	N/A																																																																																							
Occupancy	<ul style="list-style-type: none"> Owner-Occupied 2nd Home Investor Properties 																																																																																							
Income Requirements	• Income calculations must comply with all Appendix Q requirements in the ATR Final Ruling																																																																																							
Employment / Income Verification	<ul style="list-style-type: none"> Must adhere to FNMA requirements 																																																																																							
Short-term Rental Income	<ul style="list-style-type: none"> Eligible for Purchase, Cash-out and No-Cashout Refis. Capped at 15% of total income. Must provide: <ul style="list-style-type: none"> Two years personal tax returns showing Schedule E Part I Rental Income Two years personal tax return transcripts Year-To-Date Print out of payout records from source of income 																																																																																							
Credit Score	<ul style="list-style-type: none"> Qualifying FICO must be either a Tri-Merge FICO or a Single Bureau Experian (recommended) Single Bureau reports are permitted, however, if a Tri-Bureau report is available it must be used <ul style="list-style-type: none"> The qualifying credit score is from the primary wage earner. The primary wage earner is the applicant with the greatest income on application. If Tri-merge is available, the representative credit score is the middle of 3 FICO scores, or the lower of 2 When multiple borrowers exist, the lowest representative FICO is used Credit scores must be available from at least 2 credit bureaus in case of frozen credit Non-traditional credit is not eligible for financing 																																																																																							
Significant Derogatory Credit	<ul style="list-style-type: none"> Foreclosure – 7 Years Charge-Off of a Mortgage Account, DIL, Pre-foreclosure Sale, Short Sale or Short Payoff – 5 Years Modified or Restructured of any mortgage – 4 years Chapter 7 or 11 Bankruptcy – 4 years from discharge or 4 years from dismissal Chapter 13 Bankruptcy – 2 years from discharge or 4 years from dismissal See Button Finance Underwriting Guidelines for Multiple Derogatory Events 																																																																																							
Trade Lines	• All trade lines must be current																																																																																							

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JUNIOR LIEN GUIDELINES																	
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Appraisal Requirements	<p>Full appraisals are required if any of the following conditions are true, else AVMs are acceptable:</p> <ul style="list-style-type: none"> • Loan Amount > \$400,000 • Loan is HPML and requires a full appraisal under CFPB guidelines • Loan is a piggyback or a first-lien HELOC with CLTV > 65% • Subject property is an investment property (2-4 units) <table border="1"> <tr> <td>Full Appraisals</td><td>Automated Valuation Models (AVMs)</td></tr> <tr> <td>If any conditions above are met, a full 1004 appraisal is needed</td><td>If none of the above conditions apply, an AVM may be used:</td></tr> <tr> <td> <ul style="list-style-type: none"> • Full appraisal must be within 120 days of note date. • Appraisal recertification is allowed within 12-months of note (recertified value is at least as high as the original appraisal) </td><td> <ul style="list-style-type: none"> • AVMs must be completed within 30 days of closing • If available AVMs do not meet standards below, a full appraisal is required </td></tr> <tr> <td></td><td>AVM Rules for loans up to and including \$250,000</td></tr> <tr> <td></td><td>One AVM with an FSD ≤ 0.20 or lower required</td></tr> <tr> <td></td><td>AVM rules for loan Amounts \$250,000.01 – \$400,000</td></tr> <tr> <td></td><td>AVMs may be used only if all of the following criteria are met:</td></tr> <tr> <td></td><td> <ul style="list-style-type: none"> • CLTV ≤ 75% • At least two AVMs are obtained • Button will attempt to obtain at least one AVM with FSD ≤ 0.10 • If no AVM returns an FSD ≤ 0.10, two AVMs with FSD ≤ 0.20 may be used • The Subject Property Value is the lower of the two AVM values </td></tr> </table>	Full Appraisals	Automated Valuation Models (AVMs)	If any conditions above are met, a full 1004 appraisal is needed	If none of the above conditions apply, an AVM may be used:	<ul style="list-style-type: none"> • Full appraisal must be within 120 days of note date. • Appraisal recertification is allowed within 12-months of note (recertified value is at least as high as the original appraisal) 	<ul style="list-style-type: none"> • AVMs must be completed within 30 days of closing • If available AVMs do not meet standards below, a full appraisal is required 		AVM Rules for loans up to and including \$250,000		One AVM with an FSD ≤ 0.20 or lower required		AVM rules for loan Amounts \$250,000.01 – \$400,000		AVMs may be used only if all of the following criteria are met:		<ul style="list-style-type: none"> • CLTV ≤ 75% • At least two AVMs are obtained • Button will attempt to obtain at least one AVM with FSD ≤ 0.10 • If no AVM returns an FSD ≤ 0.10, two AVMs with FSD ≤ 0.20 may be used • The Subject Property Value is the lower of the two AVM values
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Title Requirements	<ul style="list-style-type: none"> • 2nd liens <=\$250,000 require either O&E Property Report, Instant Title or Attorney Opinion Letter • 1st liens, piggybacks or loans > \$250,000 require Full Title Insurance and a Closing Protection Letter • Texas Loans closing in a Trust require Full Title Insurance and a Survey • Borrower is responsible for all title insurance costs associated with the transaction 																
Reserve Requirements	No Reserves Required																
Housing History	<ul style="list-style-type: none"> • Max 0x30x6, 1x30x24 mortgage payment history is required inclusive of all REO for all borrowers on the transaction • Piggyback FTHB Housing History: 1st lien provider to verify housing history on first-time homebuyer • Continuity of Obligation: at least one borrower who is on the 1st mortgage be on the Button Finance, Inc. loan. • Piggyback transactions follow FNMA DU AUS guidance 																
Eligible First Liens	<ul style="list-style-type: none"> • Fixed Rate • ARMs: If the senior lien is an ARM, follow FNMA guidance for qualifying payment • IOs: If the senior lien is an IO loan, then the fully amortizing payment will be used to qualify • Fully amortizing • Terms up to 30 years • Mortgages must be held in title holder's name 																
Ineligible first Liens	<ul style="list-style-type: none"> • Negative Amortization or reverse mortgages • Loans with balloon payments during the life of our loan • Capitalizations or other non-standard features • TX 50(a)(6). Texas regulations allow for only one 50(a)(6) loan on a property at a time 																

OTHER REQUIREMENTS	
Borrower Age	<ul style="list-style-type: none"> • 18 years or older
Citizenship / Eligible Borrowers	<ul style="list-style-type: none"> • US Citizens • Permanent Residents • Non-Permanent Residents with valid US H, L, E-1, F-1 with OPT, G or TN visa or EAD card • Non-Occupant Co-Borrowers Eligible
Ineligible Borrowers	<ul style="list-style-type: none"> • LLCs, Corporations, Partnerships • POA on Cash-out deals is not permitted • Borrower's holding diplomatic immunity • Temporary protected status • Foreign nationals • Deferred enforced departure • Humanitarian parole • Irrevocable trusts are not permitted • Life Estates • Land Trusts
Eligible Property Types	<ul style="list-style-type: none"> • Single Family Residence (1-4 Units) • Condominium (Warrantable) • PUDs • Townhouses • Modular Homes • 1-unit Second Homes only
Ineligible Property Types	<ul style="list-style-type: none"> • Non-warrantable condos • Condotels • New construction condos • Mobile Homes • Manufactured Homes • Commercial Operations • Properties listed for sale in the last 6 months (on cash-outs) • Geodomes • Working farm with ranch • Properties > 10 Acres • Timeshares • Leaseholds • Tenants In Common • Property must be worth over \$200,000
Condominiums	<ul style="list-style-type: none"> • Established projects only • Limited Project Review to be completed by lender • Confirmation of subject property not being a condotel • HOA policy is required

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Geographic Restrictions: Texas	Minimum FICO	Max CLTV					HELOCs not available in Texas	
		Owner Occupied Cash Out	Owner Occupied Purchase & Rate / Term	2nd Home Cash Out	2nd Home Purchase & Rate / Term	Investment		
620-659	65%	65%	65%	65%	65%			
660-679	75%	75%	75%	75%	60%			
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720-739	80%	85%	80%	80%	70%			
740+	80%	85%	85%	85%	75%			
Owner Occupied 2-4 units, Purchase / Rate and Term - refer to HEOLAN Max CLTV limits								
Maximum CLTV for Piggyback loans is based off first Lien Terms and Conditions								
Mixed Use Properties	Mixed Use properties are not allowed							
Piggyback Additional Requirements	<ul style="list-style-type: none"> Final closing disclosure from first lien lender to confirm final CLTV and DTI Calculation Use of existing appraisal from first lien is acceptable subject to collateral review Agreement of sale on purchase contracts Note, Mortgage, Deed of Trust 							
Liabilities	<ul style="list-style-type: none"> Paying off debt is allowed for qualifying purposes Paying down installment debt is allowed to </=10 Months Lease payments not be excluded Student Loan - 1% of the balance is used to calculate the payment to qualify when no payment is reported See Button Finance Underwriting Guidelines for Liabilities and Ratios 							
Solar Panel UCC	<ul style="list-style-type: none"> Recorded UCCs and liens on title do not impact lien position Obtain copy of monthly statement unless able to obtain payment from credit report 							
Assumptions	<ul style="list-style-type: none"> Loans are not assumable 							
Prepayment Penalty	<ul style="list-style-type: none"> Not permitted 							
Escrows	<ul style="list-style-type: none"> No escrow 							
Ineligible Transaction Types	<ul style="list-style-type: none"> Non-arms length transaction 							
Age of Documents	Expiration dates are based upon the note date <ul style="list-style-type: none"> Credit documents (credit, income, and assets) - 120 days. VOE within 10 days of closing. Credit refresh done at final Underwriting Approval, prior to clear to close Title documents - 90 days Appraisal/AVMs <ul style="list-style-type: none"> A full appraisal must be within 120 days of the note date when used to determine the value of the home A full appraisal can be used for HPMI purposes for up to 365 days, but it cannot be used for CLTV calculation AVMs must be within 30 days of the note date 							
Identity	Any of: <ul style="list-style-type: none"> Valid state driver's license with photo Valid state non-driver's license with photo Valid US passport with photo Valid international passport with photo Valid Permanent Resident card with photo Birth Certificate Valid Military photo ID Valid Medicare card Valid Military dependents photo ID 							
Citizenship	Any of: <ul style="list-style-type: none"> Valid US passport with photo Valid Permanent Resident card with photo Valid international passport with photo (must be accompanied by valid visa) Valid US H, L, E-1, G or TN visa with photo Valid Employment Authorization Document (EAD) card with photo 							
Social Security Verification	Any of: <ul style="list-style-type: none"> Valid Social Security Card Current Paystub W-2 Tax transcript 							
Income	Wage Earners: <ul style="list-style-type: none"> VOIE from The Work Number OR Paystubs covering most recent 30 days Borrower provided most recent 2 years W2 		Self-Employed <ul style="list-style-type: none"> Most recent 2 years 1040s, including all schedules Borrower provided most recent 2 years 1040 Borrower provided most recent 2 years W2 Paystubs covering most recent 30 days Most recent 2 years business tax returns ($\geq 25\%$ ownership), including all schedules Unaudited Year-to-date Profit and Loss Statement Unaudited Year-to-date Balance Sheet 					
Mortgage and Collateral	<ul style="list-style-type: none"> Latest statements for mortgage and / or additional liens on additional real estate owned AUS DU or LP Findings, if applicable Latest HOA statement, if applicable Completed homeowner's association questionnaire, if condo 				Piggyback Transactions <ul style="list-style-type: none"> 1003 reflecting the terms of both mortgages 1008 reflecting the terms of both mortgages Fully-executed purchase agreement and all addenda First Mortgage Approval Letter Appraisal supporting estimated value/purchase price Title report to be reviewed by Button Finance 			