

- (ii) for all loan programs other than SP I1 and SP I2; a Borrower need not occupy the Subject Property if such Borrower is a parent of an occupying Borrower, and if each of the following are true:

- (a) the non-occupying Borrower is a parent of one of the one or more of the occupying Borrowers;
- (b) no more than four Borrowers are obligated on the Loan;
- (c) at least one of the occupying Borrowers is an owner of the Subject Property;
- (d) the non-occupying Borrowers live in the United States;
- (e) for purchase transactions, not less than 5% of the purchase price of the Subject Property is derived from the occupying Borrowers' funds; and
- (f) the occupying Borrowers must not have previously owned real property (must be first time homebuyers).

4.4 All programs Restricted to Natural Persons except Programs SPI1- Investor DSC SPI2 - Foreign Investor, which Permit LLCs and Corporations.

For all loan programs except SPI1- Investor DCS and SPI2 - Foreign Investor each Borrower must be a natural person. For programs SPI1-Investor DSC and SPI2 - Foreign Investor the borrower may be either a natural person, an LLC, or a Corporation.

4.5 Natural persons must guaranty LLCs and Corporations

If one or more of the borrowers obligated on a Loan is not a natural person, then each owner of each borrower that is not a natural person must guaranty the Loan, and each shall be deemed a Guarantor.

If any borrower obligated on a Loan is owned, in whole or in part by a person that is not a natural person, then the Loan is not eligible for sale to Sprout (entities may not own entities).

4.6 Guarantors Must Meet the Requirements for Borrowers

Each Guarantor must (i) file a loan application, (ii) guaranty the loan, and (iii) meet the requirements set forth in Subsections 4.7 Citizenship; Domestic Borrowers, 4.8 OFAC, 4.9 Diplomatic Immunity and 4.10 Limitation on Mortgages for which Borrowers are Obligated, and Section 5 Credit Scores and Credit History

4.7 Citizenship; Domestic Borrowers

For all programs except SP I2 – Foreign Investor and **SP J6 Foreign Second Home**, each Borrower who is a natural person must either be a United States citizen, be a

permanent resident alien with an alien registration “Green Card” (I-151 or I-551), or be a non-permanent resident alien with an unexpired H1, B1 or TN Visa.

For programs SPI1 – Investor DSC, and SPI2 Foreign Investor, borrowers that are LLCs or Corporations must have been formed under the law of one of the fifty states or the District of Columbia of the United States, and the mortgage file must include a copy of the formation or incorporation filing of the borrower.

For program SPI1 – Investor DSC, each Guarantor must either be a United States citizen, be a permanent resident alien with an alien registration “Green Card” (I-151 or I-551), or be a non-permanent resident alien with an unexpired H1, B1 or TN Visa.

For program SP J6 – Foreign Second Home, no borrower may be a citizen of a country subject to United States sanctions; and for program SP I2 – Foreign Investor, no Borrower and no guarantor may be a citizen of a country subject to United States sanctions. For the purposes hereof, the following countries are deemed subject to United States sanction, and if a citizen of one of these countries is a borrower or guarantor of a Loan, then such Loan is not eligible for sale to Sprout:

Afghanistan
Belarus
Burma
Central African Republic
Cote d’Ivoire
Cuba
Iran
Lebanon
Mali
Myanmar
North Korea
Palestinian Territories
Somalia
Sudan
Syria
Venezuela
Yemen
Zimbabwe

In addition, for program SP I2 – Foreign Investor at least one borrower or one guarantor must not be a citizen of the United States, and for program SP J6 – Foreign Second Home, no borrower may be a citizen of the United States.

4.8 OFAC

No Borrower may be listed on the United States Treasury’s OFAC website.

For programs SPI1 Investor DSC, and SPI2, Foreign Investor, no Guarantor may be listed on the United State Treasury's OFAC website.

4.9 Diplomatic Immunity

No Borrower or Guarantor may have diplomatic immunity

4.10 Limitation on Mortgages for Which Borrowers and Guarantors are Obligated

No person may be obligated, whether as Borrower or Guarantor, on more than 5 loans that have been sold to Sprout. If a person obligated on a Loan is already obligated, whether as Borrower or Guarantor, for 5 loans that have been sold to Sprout, then additional Loans on which such person is either a Borrower or Guarantor are ineligible for sale to Sprout.

No person may be obligated, whether as Borrower or Guarantor, on loans sold to Sprout that have an aggregate original principal balance of more than \$5 million. If the purchase by Sprout of a Loan would cause the aggregate principal balance of all loans that have been purchased by Sprout which are the obligation of a particular person (either as Borrower or Guarantor) to exceed \$5 million, then the Loan is ineligible for sale to Sprout.

4.11 Residency rules for program SP J6; Borrower declarations required

For a loan to be eligible for sale to Sprout under loan program SP J6, none of the borrowers may be residents of any of the states or territories of the United States, or the District of Columbia. In addition, no borrower obligated on the loan may possess or have had a "green card," work visa, driver's license or voter registration card issued by the United States or a state or territory thereof, or by the District of Columbia at any time over the last three years.

Sprout requires that lenders review the passport of each borrower to determine what periods the borrower was in the United States during each of the past three years. For a loan to be eligible for sale to Sprout under program SP J6, a complete copy of the passport for each borrower must be included in the loan file, including the passport cover (if the passport of a borrower was issued less than three years ago, that borrower's prior passport must be copied with the copies included in the loan file). In addition, Sprout will search databases to determine if a borrower obligated on a loan possesses a "green card," work visa, driver's license or voter registration card.

Each borrower obligated on a loan to be delivered to Sprout under loan program SP J6 must sign an affidavit using Sprout form FSH-1.