

CARE (Community Affordable Real Estate) Product

TPO Originations

	Ultimate CARE
1. Product Description	<p>The Community Affordable Real Estate (CARE) Product Suite is modeled after Fannie Mae's HomeReady Mortgage and designed by Associated Bank to help low to moderate income individuals and families realize the dream of home ownership.</p> <ul style="list-style-type: none"> • No Mortgage Insurance Required • No Borrower Contribution from own funds (on one-unit primary residence) • Up to 97% LTV • Amortization 241-360 months
2. Product Codes	<p><u>Product Code</u></p> <ul style="list-style-type: none"> • p30ultcare
3. Index	N/A
4. Margin	N/A
5. Initial Adjustment Cap	N/A
6. Annual Adjustment Cap	N/A
7. Lifetime Adjustment Cap	N/A
8. Rate at Adjustment	N/A
9. Conversion Option	N/A
10. Temporary Buy downs	Not Eligible
11. Qualifying Rate	Note Rate
12. Qualifying Ratios	<ul style="list-style-type: none"> • Ratios of 37 (front-end) and 47 (back-end) are required for all loans based on documented and verified income.
13. Purpose of Loan	<ul style="list-style-type: none"> • Purchase • Limited Cash out Refinance

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14. Loan Amount and LTV/CLTV Limits	<table><tr><th colspan="5">Purchase and Limited Cashout Refinance Mortgages</th></tr><tr><th>Property Type</th><th>Max Loan Amount</th><th>Max. LTV w/o sec. fin.</th><th>Max. CLTV w/ sec. fin.</th><th>FICO</th></tr><tr><td>1 unit O/O</td><td>\$453,100</td><td>97%</td><td>97%¹</td><td>≥ 640</td></tr><tr><td>2 unit O/O</td><td>\$580,150</td><td>95%</td><td>95%¹</td><td>≥ 670</td></tr><tr><td colspan="5">¹The maximum CLTV is 105% if using a Community Second</td></tr></table>	Purchase and Limited Cashout Refinance Mortgages					Property Type	Max Loan Amount	Max. LTV w/o sec. fin.	Max. CLTV w/ sec. fin.	FICO	1 unit O/O	\$453,100	97%	97% ¹	≥ 640	2 unit O/O	\$580,150	95%	95% ¹	≥ 670	¹ The maximum CLTV is 105% if using a Community Second				
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15. Secondary Financing	<ul style="list-style-type: none">Refer to #14. Loan Amount and LTV/CLTV LimitsNo Associated Bank 2nd Mortgages are allowed																									
16. Property Types	<ul style="list-style-type: none">Single Family DetachedTownhouseCondo¹PUD AttachedPUD Detached2-unit <p>¹Warrantable Condos only <i>Note: Manufactured Homes, Non-warrantable condos, and 3-4-unit properties are not eligible for CARE</i></p>																									
17. Occupancy Types	<ul style="list-style-type: none">Primary Residence																									
18. Geographic Locations /Restrictions	<p>Associated Bank will accept loans from the following CRA Assessment Areas broken down by county:</p> <table><tr><td>Appleton</td><td>La Crosse, WI</td><td>Oshkosh-Neenah WI</td></tr><tr><td><ul style="list-style-type: none">CalumetOutagamie</td><td><ul style="list-style-type: none">La Crosse</td><td><ul style="list-style-type: none">Winnebago</td></tr><tr><td></td><td>Lake County-Kenosha County, IL-WI</td><td>Peoria, IL</td></tr><tr><td></td><td><ul style="list-style-type: none">LakeKenosha</td><td><ul style="list-style-type: none">PeoriaTazewell</td></tr></table>	Appleton	La Crosse, WI	Oshkosh-Neenah WI	<ul style="list-style-type: none">CalumetOutagamie	<ul style="list-style-type: none">La Crosse	<ul style="list-style-type: none">Winnebago		Lake County-Kenosha County, IL-WI	Peoria, IL		<ul style="list-style-type: none">LakeKenosha	<ul style="list-style-type: none">PeoriaTazewell													
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18. Geographic Locations /Restrictions (cont.)	Chicago-Naperville-Joliet, IL <ul style="list-style-type: none"> • Cook • DeKalb • DuPage • Kane • Kendall • McHenry Eau Claire, WI <ul style="list-style-type: none"> • Chippewa • Eau Claire Fond du Lac, WI <ul style="list-style-type: none"> • Fond du Lac Green Bay, WI <ul style="list-style-type: none"> • Brown • Kewaunee • Oconto Janesville, WI <ul style="list-style-type: none"> • Rock 	Madison, WI <ul style="list-style-type: none"> • Columbia • Dane • Iowa • Green Milwaukee, WI <ul style="list-style-type: none"> • Milwaukee • Ozaukee • Washington • Waukesha Minneapolis-St. Paul-Bloomington, MN-WI <ul style="list-style-type: none"> • Anoka • Chisago • Dakota • Hennepin • Ramsey • Scott • Washington • Pierce • St. Croix 	Racine, WI <ul style="list-style-type: none"> • Racine Rochester, MN <ul style="list-style-type: none"> • Olmstead Rockford, IL <ul style="list-style-type: none"> • Winnebago Sheboygan, WI <ul style="list-style-type: none"> • Sheboygan St. Louis, IL-MO <ul style="list-style-type: none"> • Madison • Monroe • St. Clair Wausau, WI <ul style="list-style-type: none"> • Marathon Detroit-Warren-Dearborn, MI <ul style="list-style-type: none"> • Wayne • Oakland • Macomb • Livingston • St. Clair • Lapeer 	
19. Assumable	No			
20. Escrows	• Escrows are required until the LTV falls below 80%; requests to discontinue escrows must be made via servicing.			
21. Prepayment Penalty	N/A			
22. Underwriting	<ul style="list-style-type: none"> • All loans must be submitted to Desktop Underwriter. Loans that receive a recommendation other than Approve/Eligible require a manual underwrite and must meet portfolio credit guidelines as described in box 25 of this matrix. • All submissions regardless of Desktop Underwriter recommendation require a minimum credit score of 640 • When a credit score is not present for one of the borrowers, and Desktop Underwriter Approve/Eligible recommendation is 			

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	received, at least one borrower must meet the minimum 640 credit score requirement. All loans regardless of DU recommendation must meet all other portfolio guidelines other than box 25.
23. Borrower/Co-Borrower Eligibility	<p>Income Limits:</p> <ul style="list-style-type: none"> Must be less than 80% of Area Median Income (AMI) (based on income of applicants) Look up Census Demographic Data here https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx (AMI is referred to as Family Median Income on FFIEC) <p>Borrower Education:</p> <ul style="list-style-type: none"> At least one borrower must complete pre-purchase home-buyer education or counseling on all purchase transactions. Borrower education can be provided in one of the following ways: <ul style="list-style-type: none"> Framework, an online program approved by Fannie Mae (\$75) or A HUD-Approved counseling agency if a community second mortgage or DPA is used, or Customized one-on-one counseling from a HUD-approved nonprofit agency with completed Fannie Mae form 1017 prior to the borrower signing the purchase contract. <p>Additional Requirements:</p> <ul style="list-style-type: none"> Borrower may not own another residence at time of closing U.S. Citizen Permanent Resident Alien¹ Non-Permanent Resident Alien¹ Loans to LLC's (Limited Liability Companies) and Trusts are not allowed however; loans to individuals may be considered when collateral is vested to an LLC or a Revocable Trust. <p>¹ Lender must obtain verification that a non-U.S. Citizen is legally present in the United States. The lender should make a determination of the non-U.S. citizen's status based on the individual's case using the appropriate documentation. If the documentation provided is called into question, then Associated Bank's Underwriter will determine if the documentation is deemed appropriate documentation per the individual case.</p>
24. Co-Signer	Not Allowed
25. Credit	<p>Additional credit guidelines for loans that do not receive an Approve/Eligible recommendation through DU:</p> <ul style="list-style-type: none"> A minimum number of 4 trade lines must be present in the credit report. One must be a mortgage or rental verification. Qualifying Credit Score <ul style="list-style-type: none"> When three credit scores are present the middle score will be the borrower's score. If only two credit scores are given the lower of the two scores will be the borrower's score. If only one credit score is given, then this will be the borrower's score If more than one borrower has applied for the loan, the lowest score of all the applicable credit scores is the representative credit score of the file. Bankruptcies are required to be fully discharged for a minimum of 4 years, measured from discharge/dismissal date to disbursement date of new loan, and borrower has re-established credit depth to include a minimum of 4 trade lines with a recent 12 month history of use and no derogatory credit in the last 24 months. One trade must be housing. These trade

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25. Credit (cont.)	<p>lines must have been opened after the discharge of the bankruptcy.</p> <ul style="list-style-type: none"> • Foreclosures are required to be settled for a minimum of 7 years, measured from sale/execution date to disbursement date of new loan, and borrower has re-established credit depth to include a minimum of 4 trade lines with a recent 12 month history of use and no derogatory credit in the last 24 months. One trade must be housing. These trade lines must have been opened after the date of sale/execution. • Short Sales/Deeds in Lieu are required to be discharged a minimum of 4 years, measured from sale/execution/transfer date to disbursement date of new loan, and borrower has re-established credit depth to include a minimum of 4 trade lines with a recent 12 month history of use and no derogatory credit in the last 24 months. One trade must be housing. These trade lines must have been opened after the date of sale/execution/transfer. • All delinquent credit obligations should be paid prior to closing with no serious trend in credit delinquencies in the previous <ul style="list-style-type: none"> ○ 12 months, defined as 1x30 on mortgage or 2x30 on other trades ○ 24 months, defined as 1x60 on any debt. ○ Medical collection may be waived if there is documentation proving the collection item is currently in process for insurance reimbursement. ○ Disputed Accounts do not need to be resolved if the balance is zero and the accounts are at least 6 months old. All other credit must meet posted guidelines. ○ The maximum age of all credit documents is 120 days. The age is determined from the date the Note is signed. A one-time extension of 120 days can be granted by an Underwriter, if notified within 2 business days of the Commitment letter/Loan Acceptance Letter expiration date. ○ Student loan payments must be included in the borrower's total debt obligation (whether deferred or not). The credit report payment will be used if present. If a payment is not reflected on the credit report an account statement may be provided. If no statement is available, then a monthly payment of 1% of the outstanding balance will be used for qualifying the borrower. ○ Installment and revolving debt may be paid off to qualify. The borrower may either: <ul style="list-style-type: none"> ○ Have the debt paid off and closed through the loan closing proceeds or; ○ Pay off the debt prior to closing, with proof of funds used to satisfy debts (showing the account is closed and paid off). <p><u>CARE non-traditional credit guidelines:</u></p> <ul style="list-style-type: none"> • These guidelines are not a replacement for poor credit or to overcome negative credit/payment information discovered in the application verification process • For applicants with "no score" and/or those with a "thin credit file" (thin credit file being defined as not having the minimum 4 trade lines on the credit report per current Loan Policy), an acceptable nontraditional credit profile must be established which includes the following:

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25. Credit (cont.)	<ul style="list-style-type: none"> ○ A minimum of four sources of nontraditional credit with at least one being a Tier I source, or a minimum of three sources if all three are Tier I sources. All sources must have 12 months of satisfactory payment history. ○ Trade lines reporting on the credit report with a satisfactory pay history for a minimum of 12 months are able to be included in the non-traditional credit profile. Housing related trades will count as a Tier 1. All others will count as a Tier II. <ul style="list-style-type: none"> • Tier I credit (housing) includes payments for any of the following: <ul style="list-style-type: none"> ○ Housing related source, i.e., rent. VOR cannot be completed by a family member. ○ Utilities, if the utilities are not included in the rental housing payment. Utilities include electricity, gas, water, and payments for telephone (cell and/or landline), cable/satellite television, and internet service. • Tier II credit includes payments for: <ul style="list-style-type: none"> ○ medical insurance coverage (excluding payroll deductions), ○ automobile insurance, ○ life insurance policies (excluding payroll deductions), and ○ payments for household or renter's insurance. • Tier III credit includes: <ul style="list-style-type: none"> ○ payments to local stores, such as department stores, furniture stores, appliance stores, specialty stores, etc.; ○ rental payments related to durable goods, such as automobiles; ○ payment of medical bills; ○ payment of school tuition; ○ payments for child care; or ○ a loan obtained from an individual. The repayment terms must be documented in a written agreement and the borrower must provide copies of canceled checks to indicate the payments are of a continuing nature.

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26. Funds for Closing	<p>Borrower Investment</p> <p><u>1 Unit Primary Residence</u></p> <ul style="list-style-type: none"> No minimum borrower investment. <p><u>2 Unit Primary Residence</u></p> <ul style="list-style-type: none"> 3% of Borrower's own funds must be invested <p>Seller Contributions</p> <p><u>Primary Residence</u></p> <ul style="list-style-type: none"> 3% for LTV/CLTV >90% & ≤ 97% 6% for LTV/CLTV > 75% & ≤ 90% 9% for LTV/CLTV ≤ 75% <p>Gift Funds</p> <ul style="list-style-type: none"> Gift funds must be from an eligible source: relative, domestic partner, fiancé, church, municipality, or nonprofit organization. The name, address, phone number, amount of the gift, and relationship of the donor must be disclosed. 				
27. Reserves	<ul style="list-style-type: none"> 401K's, IRA's, Annuities will be used at 60% of the vested balance, less any outstanding loans. Stocks, bond and mutual funds will be used at 70% of the current statement balance. Primary Residence reserve requirements are calculated using all outstanding liens on the subject property only. <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Loan Amount</td><td style="text-align: center;">PITI Reserve Requirements (months)</td></tr> <tr> <td style="text-align: center;">All Loan Amounts</td><td style="text-align: center;">Greater of 1 month or DU Findings</td></tr> </table>	Loan Amount	PITI Reserve Requirements (months)	All Loan Amounts	Greater of 1 month or DU Findings
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28. Appraiser Requirements	<ul style="list-style-type: none"> Appraisers must be selected following Associated Bank's appraisal policy. 				
29. Appraisal Requirements	<ul style="list-style-type: none"> The Maximum for conforming product is 10 acres, with the appraisal containing comparables of similar size acreage. Dome and earth homes are not acceptable. Appraisals must be completed on a current Uniform Residential Appraisal Report and be compliant with the Uniform Appraisal Dataset (UAD). 				

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29. Appraisal Requirements (cont'd)	<ul style="list-style-type: none"> Loans must have an interior and exterior appraisal performed on the Uniform Residential Appraisal Report (1004/1073/1025) Properties that have an unusual feature such as design or location must include comparable sales to address the concerns. Properties must be off market for 6 months; if property was listed for sale within the last 12 months, then the LTV is capped at 70%.
30. Mortgage Insurance	<ul style="list-style-type: none"> Mortgage insurance is not required
31. Documentation Types	<p>Documentation Requirements: Conforming Loan Amount documentation requirements will be the greater of documentation determined by the DU findings and the documentation outlined below.</p> <ul style="list-style-type: none"> Current paystub dated within 30 days of the application that contains at least 30 days of year-to-date earnings 2-years W-2 Statements 2-years federal income returns; 2-years business returns and YTD Profit & Loss statement, if applicable^{1 2} 2-months of most recent asset statements. Self-employed persons must provide two years tax returns showing income from self-employment. A borrower is self-employed if they own 25% interest or greater in a business and they must be self-employed for a minimum of two years before the income can be considered for qualifying. <p>¹ An established customer to Associated Bank is defined as follows:</p> <ul style="list-style-type: none"> Has an active loan account with Associated Bank for the past 12 months with no delinquent payments OR Has an active deposit account or relationship for the past 12 months <p>² Tax returns and tax transcripts are required on all new borrowers. Also, tax returns may be required in the following instances, but not limited to: self-employed borrowers, truck drivers, seasonal workers, construction workers, borrowers with tip income, all commissioned workers, borrowers with potential job expenses, regional or area managers, interest, or dividend income, borrowers who work for family members, and sole proprietors or if a borrower's interest in a partnership, S-Corp or corporation is 25% or greater.</p> <p>Boarder income (relatives or non-relatives): up to 30% of the qualifying income with evidence of shared residency for the last 12 months. Documentation of income would include bank statements, canceled checks, money order receipts. If borrower is unable to provide the full 12 months of documentation, a minimum of 9 months is required. All income will be averaged over 12 months (i.e., 9 months of money order receipts will be averaged over 12 months)</p> <p>Accessory Dwelling units: Rental income may be considered in qualifying the borrower per secondary market rental income guidelines.</p> <p>An individual may not be considered for multiple purposes from a qualifying perspective. An accessory dwelling unit tenant cannot be considered a boarder and vice versa.</p>