CORRESPONDENT LENDING Announcement

26-018: New LLPAs for Agency and Gov Loans

Date: 06/01/2026
Programs: Agency | Government

Merchants Bank will update our Agency and Government LLPAs on our Correspondent Channel for loans locked on or after Monday, June 1, 2026.

Please see the attached grids for more information.

For Questions

If you have any questions regarding any information in this announcement, please contact your Merchants Account Executive or Client Manager.

ADDRESS 410 Monon Blvd., Carmel, IN 46032 | **WEB** www.bankmerchants.com

Conventional Adjustments Prior to June 1

Product Feature LLPAs

Product Feature	LTV ≤ 30%	30.01 – 60%	60.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 90%	90.01 – 95%	95.01 – 97%
Second Home	-1.125	-1.125	-1.625	-2.125	-3.375	-4.125	-4.125	n/a	n/a
Investment Property	-1.125	-1.125	-1.625	-2.125	-3.375	-4.125	n/a	n/a	n/a
Attached Condo	0.000	0.000	-0.125	-0.125	-0.750	-0.750	-0.750	-0.750	-0.750
Manufactured Home	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500
Manufactured Home Additional	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2-4 Units	0.000	0.000	-0.375	-0.375	-0.625	-0.625	-0.625	-0.625	-0.625
DTI Ratio > 40%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subordinate Financing	-0.625	-0.625	-0.625	-0.875	-1.125	-1.125	-1.125	-1.875	-1.875
High Balance Cash-Out Refi	-1.250	-1.250	-1.500	-1.500	-1.750	n/a	n/a	n/a	n/a
High Balance Purchase & LCOR	-0.500	-0.500	-0.750	-0.750	-1.000	-1.000	-1.000	-1.000	n/a
Escrow Waiver Fee	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	n/a	n/a
Temporary Buydown	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MBI FICO 680 – 719	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020
MBI FICO 660 – 679	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070
MBI FICO 620 – 659	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100

Loan Amount LLPAs

Loan Amount	Adjustment	
< $50,000	-1.250	
$50,000 - $99,999	-0.375	
$100,000 - $149,999	-0.150	
$150,000 - $199,999	-0.050	
$200,000 - $249,999	-0.020	
$250,000 - $299,999	0.000	
$300,000 - $349,999	0.020	
$350,000 - $549,999	0.030	
$550,000 - $650,000	0.040	
> $650,000	-0.100	
HighBal ≥ $1MM	0.000	To be removed

CORRESPONDENT LENDING ANNOUNCEMENT

Conventional Adjustments on/after June 1

Product Feature LLPAs

	LTV									
Product Feature	≤ 30%	30.01 – 60%	60.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 90%	90.01 – 95%	95.01 – 97%	
Second Home	-1.125	-1.125	-1.625	-2.125	-3.375	-4.125	-4.125	n/a	n/a	
Investment Property	-1.125	-1.125	-1.625	-2.125	-3.375	-4.125	n/a	n/a	n/a	
Attached Condo	0.000	0.000	-0.125	-0.125	-0.750	-0.750	-0.750	-0.750	-0.750	
Manufactured Home	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	
Manufactured Home Additional	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
2-4 Units	0.000	0.000	-0.375	-0.375	-0.625	-0.625	-0.625	-0.625	-0.625	
DTI Ratio > 40%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Subordinate Financing	-0.625	-0.625	-0.625	-0.875	-1.125	-1.125	-1.125	-1.875	-1.875	
High Balance Cash-Out Refi	-1.250	-1.250	-1.500	-1.500	-1.750	n/a	n/a	n/a	n/a	
High Balance Purchase & LCOR	-0.500	-0.500	-0.750	-0.750	-1.000	-1.000	-1.000	-1.000	n/a	
25yr Term	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	New LLPA
20yr Term	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	New LLPA
10yr Term	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	New LLPA
Escrow Waiver Fee	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	n/a	n/a	
Temporary Buydown	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
MBI FICO ≥ 720	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.030	New LLPA
MBI FICO 680 – 719	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020	-0.020	-0.030	-0.050	
MBI FICO 660 – 679	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.080	-0.100	
MBI FICO 620 – 659	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.100	-0.110	-0.130	

Loan Amount LLPAs

Loan Amount	Adjustment
< $50,000	-1.400
$50,000 - $99,999	-0.420
$100,000 - $149,999	-0.160
$150,000 - $199,999	-0.070
$200,000 - $249,999	-0.030
$250,000 - $299,999	0.000
$300,000 - $349,999	0.020
$350,000 - $549,999	0.030
$550,000 - $650,000	0.040
> $650,000[(1)]	-0.100

[(1)] Applies to conventional and high balance conventional

CORRESPONDENT LENDING ANNOUNCEMENT

Conventional Change

Product Feature LLPAs

	LTV								
Product Feature	≤ 30%	30.01 – 60%	60.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 90%	90.01 – 95%	95.01 – 97%
Second Home	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Investment Property	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a	n/a
Attached Condo	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Manufactured Home	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Manufactured Home Additional	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2-4 Units	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DTI Ratio > 40%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Subordinate Financing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
High Balance Cash-Out Refi	0.000	0.000	0.000	0.000	0.000	n/a	n/a	n/a	n/a
High Balance Purchase & LCOR	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a
25yr Term	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030	-0.030
20yr Term	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070	-0.070
10yr Term	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120	-0.120
Escrow Waiver Fee	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Temporary Buydown	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MBI FICO ≥ 720	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.030
MBI FICO 680 – 719	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.030
MBI FICO 660 – 679	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.030
MBI FICO 620 – 659	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.030

Loan Amount LLPAs

Loan Amount	Adjustment		
< $50,000	-0.150		
$50,000 - $99,999	-0.045		
$100,000 - $149,999	-0.010		
$150,000 - $199,999	-0.020		
$200,000 - $249,999	-0.010		
$250,000 - $299,999	0.000		
$300,000 - $349,999	0.000		
$350,000 - $549,999	0.000		
$550,000 - $650,000	0.000		
> $650,000[1]	0.000	HighBal <1MM	-0.100
HighBal ≥ $1MM	Removed		

[1] Applies to conventional and high balance conventional

Government Adjustments Prior to June 1

FICO LLPAs

FICO	Adjustment
≥ 740	0.050
720 – 739	0.000
700 – 719	0.000
680 – 699	-0.050
660 – 679	-0.150
640 – 659	-0.250
620 – 639	-0.375
600 – 619	-1.250

Product Feature LLPAs

Product Feature	Adjustment	
25 Year Term	-0.050	To be removed
20 Year Term	-0.100	To be removed
2 – 4 Units	0.000	
Manufactured Home	-0.500	
Temporary Buydown	-0.125	

Loan Amount LLPAs

Loan Amount	Adjustment
< $50,000	-1.500
$50,000 - $99,999	-0.500
$100,000 - $149,999	0.010
$150,000 - $199,999	0.040
$200,000 - $249,999	0.000
$250,000 - $299,999	-0.030
$300,000 - $349,999	-0.070
$350,000 - $549,999	-0.100
$550,000 - $726,200	-0.150
> $726,200	-0.150

Government Adjustments on/after June 1

FICO LLPAs

FICO	Adjustment
≥ 740	0.000
720 – 739	0.000
700 – 719	0.000
680 – 699	-0.060
660 – 679	-0.140
640 – 659	-0.230
620 – 639	-0.350
600 – 619	-1.250

Product Feature LLPAs

Product Feature	Adjustment
2 – 4 Units	0.000
Manufactured Home	-0.500
Temporary Buydown	-0.125

Loan Amount LLPAs

Loan Amount	Adjustment	
< $50,000	-1.500	
$50,000 - $99,999	-0.500	
$100,000 - $149,999	0.010	
$150,000 - $199,999	0.040	
$200,000 - $249,999	0.000	
$250,000 - $299,999	0.030	
$300,000 - $349,999	0.040	
$350,000 - $549,999	-0.030	
$550,000 - 832,750	-0.130	Update to loan amt range
> $832,750[1]	-0.130	Update to loan amt range

[1] Applies to conventional and high balance conventional

Government Change

FICO LLPAs

FICO	Adjustment
≥ 740	-0.050
720 – 739	0.000
700 – 719	0.000
680 – 699	-0.010
660 – 679	0.010
640 – 659	0.020
620 – 639	0.025
600 – 619	0.000

Product Feature LLPAs

Product Feature	Adjustment
25 Year Term	Removed
20 Year Term	Removed
2 – 4 Units	0.000
Manufactured Home	0.000
Temporary Buydown	0.000

Loan Amount LLPAs

Loan Amount	Adjustment		
< $50,000	0.000		
$50,000 - $99,999	0.000		
$100,000 - $149,999	0.000		
$150,000 - $199,999	0.000		
$200,000 - $249,999	0.000		
$250,000 - $299,999	0.060		
$300,000 - $349,999	0.110		
$350,000 - $549,999	0.070		
$550,000 - 832,750	0.020		
> $832,750[1]	0.020	High Bal	-0.130

[1] Applies to conventional and high balance conventional