

CORRESPONDENT LENDING Announcement

26-023: MPP Base Pricing and LLPA Changes

Date: 09/21/2026

Programs: Merchants Premium Program

Effective for all new locks on or after 9/23/26, we are making the following changes to our Base Pricing strategy and LLPA grids for our MPP products.

For our FICO/CLTV adjustments for Purchase, Limited Cash-out Refi, and Cash-out Refi, all LLPA will be reduced (changed for the worse) by -0.75. Also on that day, we will be making a corresponding adjustment to our base pricing of +0.75 to offset the LLPA changes, such that **the overall impact to the total price for all scenarios will be very minimal**. We are making this change to provide a more balanced pricing approach between our base pricing and LLPAs, which will align us better with the industry.

We will also be making positive adjustments to our Second Home, DTI, and Loan Amount LLPAs. In addition, we will be removing the Cash-out Refi overlays.

See below from the “Current”, “New” and “Changes To” LLPA grids.

Overall, this will be a positive update to our pricing strategy. We feel like there will be little to no impact to our overall pricing due to the combination of the FICO/CLTV LLPA changes coupled with the base pricing improvement and there will be a positive impact to our Product Feature LLPAs.

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

This document is intended for use by mortgage professionals only and should not be disclosed to or used by consumers or other third parties. This publication contains confidential and proprietary information of Merchants Bank of Indiana. Correspondent should consult with its own legal or compliance counsel to ensure that all Loans sold to Merchants are fully compliant. Correspondent should not rely on Merchants to advise Correspondent of developments in Investor and Insurer requirements and guidelines or Applicable Law.

CORRESPONDENT LENDING ANNOUNCEMENT

Current LLPA Grids

PURCHASE FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	1.625	1.300	1.250	1.250	1.125	0.900	0.650	-1.125	-1.625
780 – 799	1.625	1.300	1.250	1.125	1.000	0.875	0.650	-1.125	-1.625
760 – 779	1.500	1.150	1.125	1.125	1.000	0.750	0.500	-1.500	-2.500
740 – 759	1.250	1.125	1.075	0.875	0.750	0.625	0.375	-1.750	-2.750
720 – 739	1.125	1.000	0.875	0.750	0.500	0.500	0.250	-2.000	-3.000
700 – 719	0.950	0.750	0.625	0.375	0.375	-0.250	-0.625	n/a	n/a
680 – 699	0.625	0.375	0.125	0.000	-0.500	-0.875	-1.625	n/a	n/a

LIMITED CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	1.500	1.200	1.125	1.000	0.925	0.750	0.550	-1.250	-1.625
780 – 799	1.500	1.200	1.125	0.925	0.850	0.750	0.550	-1.250	-1.625
760 – 779	1.375	1.050	1.000	0.875	0.800	0.625	0.450	-1.500	-2.500
740 – 759	1.125	1.000	1.000	0.750	0.700	0.500	0.250	-1.750	-2.750
720 – 739	1.000	0.875	0.750	0.625	0.375	0.375	0.125	-2.000	-3.000
700 – 719	0.750	0.625	0.500	0.250	0.250	-0.375	-0.750	n/a	n/a
680 – 699	0.375	0.125	-0.125	-0.250	-0.750	-1.125	-1.875	n/a	n/a

CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	1.375	1.125	1.000	0.750	0.625	0.500	0.500	n/a	n/a
780 – 799	1.375	1.125	1.000	0.750	0.500	0.375	0.375	n/a	n/a
760 – 779	1.250	1.000	0.875	0.625	0.500	0.250	0.250	n/a	n/a
740 – 759	1.125	1.000	0.875	0.625	0.375	-0.125	-0.250	n/a	n/a
720 – 739	0.875	0.750	0.750	0.625	0.125	-0.250	-0.500	n/a	n/a
700 – 719	0.750	0.625	0.500	0.250	-0.250	-0.875	-1.250	n/a	n/a
680 – 699	-0.750	-0.750	-1.000	-1.000	-2.125	-3.250	-4.000	n/a	n/a

SELF-EMPLOYED FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
780 – 799	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
760 – 779	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
740 – 759	-0.050	-0.050	-0.050	-0.050	-0.125	-0.125	-0.125	-0.125	-0.125
720 – 739	-0.050	-0.050	-0.050	-0.050	-0.125	-0.125	-0.125	-0.125	-0.125
700 – 719	-0.125	-0.125	-0.125	-0.125	-0.250	-0.250	-0.250	n/a	n/a
680 – 699	-0.375	-0.375	-0.375	-0.375	-0.500	-0.500	-0.500	n/a	n/a

Product Feature LLPA's

Product Feature	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
Second Home	-0.125	-0.125	-0.250	-0.375	-0.500	-0.750	-1.250	n/a	n/a
Condominium	0.000	0.000	0.000	0.000	0.000	-0.125	-0.125	-0.250	-0.250
2 Units	-0.125	-0.125	-0.125	-0.250	-0.375	-0.625	-1.125	n/a	n/a
DTI ≤ 35%	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
DTI 35.01 - 43%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DTI 43.01 - 45%	-0.125	-0.125	-0.125	-0.125	-0.250	-0.250	-0.250	n/a	n/a
DTI 45.01 - 47%	-0.375	-0.375	-0.375	-0.375	-0.375	-0.500	-0.500	n/a	n/a
DTI > 47%	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
Loan Amount > \$1.0MM, ≤ \$1.5MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$1.5MM, ≤ \$2.0MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$2.0MM, ≤ \$2.5MM	0.000	0.000	0.000	0.000	0.000	-0.500	-0.750	n/a	n/a
Loan Amount > \$2.5MM, ≤ \$3.0MM	-0.125	-0.125	-0.250	-0.375	-0.500	-0.625	-0.750	n/a	n/a
Loan Amount > \$3.0MM, ≤ \$3.5MM	-0.250	-0.250	-0.375	-0.625	-1.000	-1.500	-1.875	n/a	n/a
State = CA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Escrow Waiver	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	n/a	n/a
Cash-Out Refi (≥ \$1.5MM) ⁽¹⁾	0.000	0.000	0.000	-0.250	-0.250	-0.250	-0.250	n/a	n/a
Cash-Out Refi (Elite Conf & Elite HB Only) ⁽¹⁾	0.000	0.000	0.000	0.000	0.000	-0.625	n/a	n/a	n/a

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

This document is intended for use by mortgage professionals only and should not be disclosed to or used by consumers or other third parties. This publication contains confidential and proprietary information of Merchants Bank of Indiana.



CORRESPONDENT LENDING ANNOUNCEMENT

New LLPA Grids

PURCHASE FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.875	0.550	0.500	0.500	0.375	0.150	-0.100	-1.875	-2.375
780 – 799	0.875	0.550	0.500	0.375	0.250	0.125	-0.100	-1.875	-2.375
760 – 779	0.750	0.400	0.375	0.375	0.250	0.000	-0.250	-2.250	-3.250
740 – 759	0.500	0.375	0.325	0.125	0.000	-0.125	-0.375	-2.500	-3.500
720 – 739	0.375	0.250	0.125	0.000	-0.250	-0.250	-0.500	-2.750	-3.750
700 – 719	0.200	0.000	-0.125	-0.375	-0.375	-1.000	-1.375	n/a	n/a
680 – 699	-0.125	-0.375	-0.625	-0.750	-1.250	-1.625	-2.375	n/a	n/a

LIMITED CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.750	0.450	0.375	0.250	0.175	0.000	-0.200	-2.000	-2.375
780 – 799	0.750	0.450	0.375	0.175	0.100	0.000	-0.200	-2.000	-2.375
760 – 779	0.625	0.300	0.250	0.125	0.050	-0.125	-0.300	-2.250	-3.250
740 – 759	0.375	0.250	0.250	0.000	-0.050	-0.250	-0.500	-2.500	-3.500
720 – 739	0.250	0.125	0.000	-0.125	-0.375	-0.375	-0.625	-2.750	-3.750
700 – 719	0.000	-0.125	-0.250	-0.500	-0.500	-1.125	-1.500	n/a	n/a
680 – 699	-0.375	-0.625	-0.875	-1.000	-1.500	-1.875	-2.625	n/a	n/a

CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.625	0.375	0.250	0.000	-0.125	-0.250	-0.250	n/a	n/a
780 – 799	0.625	0.375	0.250	0.000	-0.250	-0.375	-0.375	n/a	n/a
760 – 779	0.500	0.250	0.125	-0.125	-0.250	-0.500	-0.500	n/a	n/a
740 – 759	0.375	0.250	0.125	-0.125	-0.375	-0.875	-1.000	n/a	n/a
720 – 739	0.125	0.000	0.000	-0.125	-0.625	-1.000	-1.250	n/a	n/a
700 – 719	0.000	-0.125	-0.250	-0.500	-1.000	-1.625	-2.000	n/a	n/a
680 – 699	-1.500	-1.500	-1.750	-1.750	-2.875	-4.000	-4.750	n/a	n/a

SELF-EMPLOYED FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
780 – 799	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
760 – 779	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
740 – 759	-0.050	-0.050	-0.050	-0.050	-0.125	-0.125	-0.125	-0.125	-0.125
720 – 739	-0.050	-0.050	-0.050	-0.050	-0.125	-0.125	-0.125	-0.125	-0.125
700 – 719	-0.125	-0.125	-0.125	-0.125	-0.250	-0.250	-0.250	n/a	n/a
680 – 699	-0.375	-0.375	-0.375	-0.375	-0.500	-0.500	-0.500	n/a	n/a

Product Feature LLPA's

Product Feature	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
Second Home	-0.125	-0.125	-0.200	-0.300	-0.375	-0.625	-1.000	n/a	n/a
Condominium	0.000	0.000	0.000	0.000	0.000	-0.125	-0.125	-0.250	-0.250
2 Units	-0.125	-0.125	-0.125	-0.250	-0.375	-0.625	-1.125	n/a	n/a
DTI ≤ 35%	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
DTI 35.01 - 43%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DTI 43.01 - 45%	-0.125	-0.125	-0.125	-0.125	-0.250	-0.250	-0.250	n/a	n/a
DTI 45.01 - 47%	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	n/a	n/a
DTI > 47%	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	n/a	n/a
Loan Amount > \$1.0MM, ≤ \$1.5MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$1.5MM, ≤ \$2.0MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$2.0MM, ≤ \$2.5MM	0.000	0.000	0.000	0.000	0.000	-0.250	-0.250	n/a	n/a
Loan Amount > \$2.5MM, ≤ \$3.0MM	0.000	0.000	-0.125	-0.250	-0.375	-0.375	-0.500	n/a	n/a
Loan Amount > \$3.0MM, ≤ \$3.5MM	-0.125	-0.125	-0.250	-0.500	-0.875	-1.375	-1.750	n/a	n/a
State = CA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Escrow Waiver	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	-0.150	n/a	n/a

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

This document is intended for use by mortgage professionals only and should not be disclosed to or used by consumers or other third parties. This publication contains confidential and proprietary information of Merchants Bank of Indiana.



CORRESPONDENT LENDING ANNOUNCEMENT

Changes to the LLPA Grids

PURCHASE FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
780 – 799	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
760 – 779	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
740 – 759	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
720 – 739	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
700 – 719	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
680 – 699	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a

LIMITED CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
780 – 799	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
760 – 779	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
740 – 759	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
720 – 739	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750
700 – 719	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
680 – 699	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a

CASH-OUT REFI FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
780 – 799	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
760 – 779	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
740 – 759	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
720 – 739	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
700 – 719	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a
680 – 699	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	-0.750	n/a	n/a

SELF-EMPLOYED FICO/CLTV LLPA's (All Terms)

FICO	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
≥ 800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
780 – 799	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
760 – 779	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
740 – 759	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
720 – 739	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
700 – 719	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
680 – 699	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a

Product Feature LLPA's

Product Feature	CLTV								
	≤ 50%	50.01 – 55%	55.01 – 60%	60.01 – 65%	65.01 – 70%	70.01 – 75%	75.01 – 80%	80.01 – 85%	85.01 – 89.99%
Second Home	0.000	0.000	0.050	0.075	0.125	0.125	0.250	n/a	n/a
Condominium	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2 Units	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
DTI ≤ 35%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DTI 35.01 - 43%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DTI 43.01 - 45%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
DTI 45.01 - 47%	0.125	0.125	0.125	0.125	0.125	0.250	0.250	n/a	n/a
DTI > 47%	0.250	0.250	0.250	0.250	0.250	0.250	0.250	n/a	n/a
Loan Amount > \$1.0MM, ≤ \$1.5MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$1.5MM, ≤ \$2.0MM	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Loan Amount > \$2.0MM, ≤ \$2.5MM	0.000	0.000	0.000	0.000	0.000	0.250	0.500	n/a	n/a
Loan Amount > \$2.5MM, ≤ \$3.0MM	0.125	0.125	0.125	0.125	0.125	0.250	0.250	n/a	n/a
Loan Amount > \$3.0MM, ≤ \$3.5MM	0.125	0.125	0.125	0.125	0.125	0.125	0.125	n/a	n/a
State = CA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Escrow Waiver	0.000	0.000	0.000	0.000	0.000	0.000	0.000	n/a	n/a
Cash-Out Refi (≥ \$1.5MM)	Removed								
Cash-Out Refi (Elite Conf & Elite HB Only)	Removed								

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

This document is intended for use by mortgage professionals only and should not be disclosed to or used by consumers or other third parties. This publication contains confidential and proprietary information of Merchants Bank of Indiana.

