

FICO & LTV MATRIX									
DSCR Loans									
Loan Amount	Credit Score	DSCR < 1x		1x ≤ DSCR < 1.15x		1.15x ≤ DSCR < 1.5x		DSCR ≥ 1.5x	
		Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out
\$100,000 - <\$1,000,000	740	75%	70%	80%	75%	80%	75%	80%	75%
	720	75%	70%	80%	75%	80%	75%	80%	75%
	700	75%	65%	80%	75%	80%	75%	80%	75%
	680	70%	65%	75%	70%	75%	70%	80%	70%
	660	70%	65%	75%	70%	75%	70%	75%	70%
	640	NA	NA	70%	65%	70%	65%	70%	65%
\$1,000,0001 - \$1,500,000	740	75%	65%	80%	70%	80%	70%	80%	75%
	720	75%	65%	80%	70%	80%	70%	80%	75%
	700	70%	65%	75%	70%	80%	70%	80%	70%
	680	70%	65%	75%	70%	75%	70%	75%	70%
	660	65%	65%	70%	65%	75%	65%	75%	70%
	640	NA	NA	65%	NA	65%	NA	70%	65%
\$1,500,0001 – <\$2,000,000	740	70%	65%	75%	65%	80%	70%	80%	70%
	720	70%	65%	75%	65%	80%	70%	80%	70%
	700	70%	65%	75%	65%	75%	65%	75%	65%
	680	70%	60%	70%	65%	70%	65%	70%	65%
	660	65%	60%	70%	65%	70%	65%	70%	65%
	640	NA	NA	65%	NA	65%	NA	65%	NA
\$2,000,001 – \$2,500,000	740	70%	65%	70%	65%	75%	65%	75%	70%
	720	70%	65%	70%	65%	75%	65%	75%	70%
	700	70%	65%	70%	65%	70%	65%	75%	65%
	680	65%	60%	65%	65%	65%	65%	70%	65%
	660	65%	NA	65%	NA	65%	NA	70%	60%
	640	NA	NA	65%	NA	65%	NA	65%	NA
\$2,500,001 – <\$3,000,000	740	70%	65%	70%	65%	75%	65%	75%	70%
	720	70%	65%	70%	65%	75%	65%	75%	70%
	700	70%	65%	70%	65%	70%	65%	75%	65%
	680	65%	60%	65%	60%	65%	60%	70%	65%
	660	65%	NA	65%	NA	65%	NA	70%	60%
	640	NA	NA	65%	NA	65%	NA	65%	NA
\$3,000,001 – <\$3,500,000	740	65%	60%	70%	65%	75%	65%	75%	65%
	720	65%	60%	70%	65%	75%	65%	75%	65%
	700	65%	60%	70%	60%	70%	60%	70%	60%
	680	60%	60%	65%	60%	65%	60%	65%	60%
	660	NA	NA	65%	NA	65%	NA	65%	NA
	640	NA	NA	65%	NA	65%	NA	65%	NA

FICO & LTV MATRIX									
Foreign National DSCR Loans*									
Loan Amount	Credit Score	DSCR < 1x		1x ≤ DSCR < 1.15x		1.15x ≤ DSCR < 1.5x		DSCR ≥ 1.5x	
		Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out
\$100,000 < \$1,000,000	740	65%	65%	70%	65%	75%	65%	75%	65%
	720	65%	65%	70%	65%	75%	65%	75%	65%
	700	65%	65%	70%	65%	75%	65%	75%	65%
	680	65%	65%	70%	65%	75%	65%	75%	65%
	Foreign Credit	65%	65%	65%	65%	65%	65%	65%	65%
\$1,000,0001 - \$1,500,000	740	65%	65%	70%	65%	75%	65%	75%	65%
	720	65%	65%	70%	65%	75%	65%	75%	65%
	700	65%	65%	70%	65%	75%	65%	75%	65%
	680	65%	65%	70%	65%	75%	65%	75%	65%
	Foreign Credit	65%	65%	65%	65%	65%	65%	65%	65%
\$1,500,0001 – < \$2,000,000	740	65%	65%	70%	65%	75%	65%	75%	65%
	720	65%	65%	70%	65%	75%	65%	75%	65%
	700	65%	65%	70%	65%	75%	65%	75%	65%
	680	65%	65%	70%	65%	75%	65%	75%	65%
	Foreign Credit	65%	65%	65%	65%	65%	65%	65%	65%

Limits on use of cash-out proceeds to satisfy reserve requirements:

- Consideration of cash-out proceeds in the context utilization of Asset Depletion or its equivalent: NOT PERMITTED
- 'If UPB ≤ \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV ≤ 75% (if Foreign National, 65%)
- 'If UPB > \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV ≤ 65% (if Foreign National, 60%)

***See Underwriting Requirements for additional Foreign National guidelines/restrictions.**

DSCR General Requirements

- All loans are Manually Underwritten
- Employment and Income are not required on the 1003
- No Mortgage Insurance allowed. LTV >80% **not** allowed.
- Schedule of Real Estate Owned must be completed on the 1003
- Escrows for taxes and insurance required for all loans
- DSCR is calculated by taking the lower of the subject property’s market rent from the appraisal or the lease agreement divided by the monthly PITIA

DSCR Underwriting Requirements

Business Purpose	The borrower must be financing the property solely for commercial purposes and is required to sign a Certification of Business Purpose/Non-Owner Occupancy Affidavit. Reg Z and Reg X do not apply (loans must be disclosed using the GFE)
Minimum Loan Amount	\$100,000
Maximum Loan Amount	\$3,500,000
Debt Service Coverage Ratio (DSCR)	<p>Debt Service Coverage Ratio is the Monthly Gross Income divided by the PITIA of the subject property. See the Eligibility matrix for required Debt Service Coverage Ratios.</p> <p>EXAMPLE: Single Family Purchase Money Transaction Monthly PITIA = \$650 Estimated Monthly Market Rent (Fannie Mae Form 1007) = \$850 Existing Lease Monthly Rent = Not Available Use Market Rent of \$850 (Estimated Monthly Market Rent when a lease is not available for a purchase transaction). Gross Rents (\$850) ÷ PITIA (\$650) = DSCR (1.30)</p>
Borrower Experience	<p>A borrower who has owned two (2) or more properties for at least 12 months (primary, investment, or commercial properties can be included) during the most recent thirty-six (36) month period. One (1) of the properties must be income producing, with the borrower having experience collecting rental income. The rental income can be documented with one of the following:</p> <ul style="list-style-type: none"> • Two (2) mortgage tradelines reported on the credit report or VOM, reflecting 0x30x12 history; or • A copy of the most recent lease(s) with two (2) months’ proof of receipt. Verification of the minimum number of properties for an experienced investor is required.
First-Time Investor	<p>A borrower that does not meet the Experienced Investor criteria. First Time Investors must have owned a property for twelve (12) months anytime during the past thirty-six (36) months. In addition, the following restrictions apply to First-time investors:</p> <ul style="list-style-type: none"> • Minimum credit score: 680 • Maximum LTV: 75% • No mortgage late payments • Minimum of 36-months seasoning from any credit event • Cash-out transactions not eligible
Eligible Transaction Type	<ul style="list-style-type: none"> • No Prepayment penalties on Owner Occupied loans • PPPs must be state law compliant. • First Liens Only • HOEPA applies (no high-cost loans) • 360 Day Interest calculation • ATR Applies

<p>Ineligible Transactions</p>	<ul style="list-style-type: none"> • Builder Bailout • Construction Loans • Conversion Loans • Non- Arm’s length • Subordinate Financing • Temporary Buydowns • Texas Equity Loans • Properties listed for sale in the last 6 months • High-Cost loans as defined by FNMA • Negative Amortization • No Balloons • No Pay option Arms • HELOCS • FHA, VA or USDA loans 	
<p>Property Types</p>	<p style="text-align: center;">Eligible Property Types</p> <ul style="list-style-type: none"> • SFR • PUD (attached and detached) • Condominium (low-high rise condos, attached, and detached), <ul style="list-style-type: none"> ◦ All Condos must meet FNMA guidelines. • 2 – 4 Unit properties. • Properties exceeding 10 acres require pre-approval from Lender • Non-confirming zoning requires rebuild letters 	<p style="text-align: center;">Ineligible Property Types</p> <ul style="list-style-type: none"> • Leasehold • Non-warrantable Condos • Co-ops • Hobby Farms • Log Homes • Mixed Use • Manufactured/Modular Homes • Condotel • Timeshare • Leasehold Estates • Mobile Homes • Geodesic or “other unique property types”
<p>Rate and Term Refinance</p>	<p>A Rate & Term Refinance transaction is when the new loan amount is limited to the payoff of the present first lien mortgage, any non-first lien mortgages, closing costs and prepaids, or a court ordered buyout settlement Cash back to the borrower must not exceed the greater of \$2000 or 1% of the loan amount.</p> <p>If the property is owned less than 6 months at the time of application, the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraised value.</p> <ul style="list-style-type: none"> ◦ The prior Settlement Statement will be required for proof of purchase price ◦ Improvements made to the subject property must be validated by the unqualified opinion of the appraiser or an independent licensed home inspector ◦ <p>Properties that have been listed for sale within the past 6 months are not eligible</p>	
<p>Cash-Out Refinance</p>	<p>Cash-Out to Max LTV.</p> <ul style="list-style-type: none"> • Cash-out may be used for reserves • If the application date is within 3 months of the subject property’s acquisition date, the loan amount is capped at the lesser of 70% Loan To Cost or 70% loan to value. <p style="margin-left: 20px;">Loan to Cost (LTC)</p> <ul style="list-style-type: none"> ◦ LTC is calculated by taking the loan amount divided by the total costs ◦ Total costs = acquisition price plus borrower’s schedule of improvements ◦ Improvements made to the subject property must be validated by the unqualified opinion of the appraiser or an independent licensed home inspector • If the application date is within 12 months of the subject property’s acquisition date, the loan amount is capped at the lesser of 100% loan to cost or 70% loan to value • Properties listed for sale by the borrower within the last 12 months are not eligible 	

<p>Age of Credit Documentation</p>	<ul style="list-style-type: none"> • Credit documents cannot be older than 120 days from the Note date. • Income can be no older than 30 days from the note date. • Asset documents used for reserves/funds to close must be dated within 60 days of the note date. • Preliminary Title report is good for 90 days. • The effective date of the appraisal report must be dated within 120 days of the note date. If the effective date of the appraisal report is more than 120 days from the note date, the appraiser must acknowledge that the value of the subject property has not declined since the effective date of the original appraisal. The update must be completed on FNMA Form 1004D/FHLMC Form 442
<p>Maximum Financed Properties</p>	<p>Maximum number of financed properties to any one borrower limited to 20 residential properties.</p>
<p>Appraisal</p>	<ul style="list-style-type: none"> • Transferred appraisals are acceptable • Two appraisals are required to be delivered for loan amounts > \$1,500,000 • Appraisals are good for 120 days. Any appraisal seasoned greater than 120 days will require a recertification of value completed by the original licensed appraiser. A recertification of value will be permitted up to 180 days • Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed Form 1007 Schedule of Rents is required for all Non-Owner Occupied loans on single family residences • For 2-4-unit properties, a FNMA 1025 Small Residential Income Property Appraisal Report is required A 1004MC is required for all loans • Solar panel agreements are permitted in accordance with FNMA guidelines • No PIWs will be allowed <p>NOTE: Lender has option not to Purchase a loan if they are not provided an opportunity to review the “appraisal package” prior to purchase. Lender has one day to process a MERS MIN transfer.</p>
<p>Borrowers</p>	<ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens • Foreign Nationals • First Time Investor • Inter-Vivos Revocable Trust • Limited partnerships, general partnerships, corporations (Guarantor required), LLC • Ownership must be fee simple for all borrowers • US Citizens Living Abroad <ul style="list-style-type: none"> ○ Present address must be within the U.S. or with a military address located within the U.S. in order to obtain credit that is comparable with AUS. ○ Allowed if a spouse lives in the US

<p>Non-Permanent Resident Aliens</p>	<ul style="list-style-type: none"> • Maximum LTV/CLTV 70% • Purchase and Rate & Term Refinance Only • Must have an unexpired passport from their country of citizenship containing INS form I-94 (or equivalent) which must be stamped Employment Authorized • An Employment Authorization Card along with a copy of the Petition for Non-Immigrant Worker form I-140 (or equivalent) in file • The borrower(s) must have a minimum of 2 years residency, with the likelihood of employment continuance. • Valid visas are required • Visa must have a minimum remaining duration of 1 year • Eligible Visa Types: <ul style="list-style-type: none"> ○ A1, A2, A3 ○ E1, E2, E3 ○ G1, G2, G3, G4, G5 ○ H1, H2, H3 • Ineligible: B1 & B2 <ul style="list-style-type: none"> ○ I ○ J1, J2 ○ L1 ○ NATO ○ O1, O2 ○ P1, P2 ○ R1 ○ TN (NAFTA) • Further information can be found at https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html
<p>Foreign National Borrower</p>	<ul style="list-style-type: none"> • Foreign National borrower without qualifying U.S. credit (including borrowers without a valid Social Security number and borrowers with or without an Individual Tax Identification Number) must provide evidence of two (2) open tradelines reporting for two (2) years with activity in the most recent 12 months. No derogatory credit history is permitted within the 2-year history under review. ANY combination of the following is acceptable to arrive at the tradelines requirement: <ul style="list-style-type: none"> ○ Tradelines Evidence via a U.S. Credit report; AND/OR ○ Tradelines evidence via international credit report if a U.S. credit report cannot be produced, or does not provide a sufficient number of tradelines; AND/OR <ul style="list-style-type: none"> ▪ Alternative Tradelines consisting of two of the following: <ul style="list-style-type: none"> ▪ Credit Reference letter(s) from verified financial institutions in the borrower’s country of origin ▪ A reference letter must be from an internationally known financial institution. ▪ Each letter of reference must state the type and length of the relationship, how the account is held, payment amount, outstanding balance and ▪ Credit Card Statements – minimum of twelve (12) recent credit card statements reflecting a timely payment history. ▪ A single reference source may provide verification of multiple accounts. Individual account detail must be provided. ▪ The letter must mention the borrower by name. ▪ Name, title & contact information of the person signing the letter must be included. ▪ Currency must be converted to U.S. Dollars and signed and dated by certified translator. ▪ All Documents must be translated into English. • Guideline restrictions: Qualifying Foreign Credit <ul style="list-style-type: none"> ○ Maximum LTV/CLTV: 65% ○ Standard Doc (Second Home or Investment) ○ DSCR (Investment property only) ○ Non-Occupant Co-Borrowers not allowed

<p>Business Entity</p>	<p>LLCs are eligible under the criteria listed below:</p> <ul style="list-style-type: none"> • It cannot be a multi-level entity; such as a partnership vested in an LLC. • Document a resolution that the borrower can encumber property on behalf of the LLC. • Document evidence showing of the borrower’s <ul style="list-style-type: none"> ○ Percentage of ownership and ○ Borrower is in good standing • Individual Borrower is eligible <ul style="list-style-type: none"> ○ For Cash-Out the transaction must be for business. No exception. • Purchaser does not benefit from a pledge of shares/equity. A pledge is not required. • Recourse/Guarantee: Yes <ul style="list-style-type: none"> ○ Nature of Recourse: <ul style="list-style-type: none"> ▪ Limited Recourse: <ul style="list-style-type: none"> ▪ In the event the borrower should miss a payment or multiple payments lender will attempt to contact borrower to rectify the missed payments. ▪ If borrower continues not to make payments, lender will begin foreclosure process, limited to repossession of the subject property collateral. • If the LLC is the business entity, the LLC member is the guarantor. <ul style="list-style-type: none"> ○ There is unity between provider of guaranty and signer of the note.
<p>Credit</p>	<ul style="list-style-type: none"> • A tri-merged in file credit report from all three repositories is required for all individual borrowers and guarantors All inquiries within 90 days of application must be addressed • Credit reports may not contain a security freeze. Report must be unfrozen and a current credit report with all bureaus provided • Each Borrower’s credit profile must include a minimum of 3 trade lines within the last 24 months Tradeline activity is not required. • Eligible tradelines cannot have any derogatory history in previous 12 months No authorized user accounts will be used to satisfy minimum tradeline • IRS tax payment plans are permitted if current and do not carry a lien on any property All borrowers must be current on mortgages at loan application • Housing history on primary residence documented via institutional VOM or 12 months proof of payment
<p>Credit Scores</p>	<ul style="list-style-type: none"> • Minimum FICO is 640 • Each borrower’s qualifying credit score is the middle of three or the lesser of two for any borrower • When there are multiple borrowers or guarantors, the lowest applicable score from the group is the representative qualifying credit score. Not the “primary borrower” as defined by earnings. • Foreign Nationals without an ITIN are not subject to FICO requirements No borrower can have a middle FICO score less than 680
<p>Housing History – DSCR</p>	<ul style="list-style-type: none"> • Housing history for the DSCR Doc type is limited to verifying the borrower’s primary residence and the subject property if a refinance transaction.
<p>Housing History</p>	<ul style="list-style-type: none"> • Borrowers/Guarantors primary residence housing history may not exceed 1X30X12 • Primary residence housing history evidenced by institutional VOM or 12 months proof of payments Other REO mortgage history not required if not reporting on credit • For properties owned free and clear, a property profile report or similar document showing no liens against the property should be included in the credit file. • Any balloon notes with an expired maturity date exceeding 30 days requires an extension to avoid being counted as delinquent. • If a borrower’s mortgage or rental history is not reported on the credit report, a VOM/VOR must be provided. <ul style="list-style-type: none"> ○ Any VOM/VOR completed by a private-party Seller or any non-institutional lender must be supported by alternative documentation showing the most recent 6-month history (cancelled checks, mortgage/rental statements including payment history, etc.) must be provided. ○ In addition, if the subject transaction is secured by a non-institutional lender, the mortgage payoff statement should be reviewed to determine that no late fees or delinquent interest is included in the payoff amount. ○ A borrowers combined mortgage/rental history is used for program grade eligibility. For properties owned free and clear, a property profile report or similar document showing no lien against the property should be provided in the credit profile.

<p>Derogatory Credit</p>	<ul style="list-style-type: none"> • Prior foreclosure, Short Sales, Deed-in-Lieu and Modifications (due to default) seasoned greater than 2 years are permitted • Prior bankruptcies seasoned greater than 2 years are permitted including Chapters 7, 11, & 13. • All open judgments, garnishments, and all outstanding liens must be paid off prior to loan closing All income tax liens (federal, state, local) must be paid off prior to loan closing. • All past due accounts must be brought current prior to closing • Medical derogatory accounts, collections, and charge-offs permitted with letter of explanation Derogatory accounts and disputed accounts require an LOE. • IRS tax payment plans are permitted if current and do not carry a lien on any property
<p>Lease Requirements</p>	<ul style="list-style-type: none"> • Tenant Occupied - an unexpired executed lease is required at the time of closing <ul style="list-style-type: none"> ○ 2-4-unit properties will be considered leased if at least 1 unit is leased ○ Leases for purchases - current lease and proof of security deposit. ○ Leases for refinances - current lease and the 2 most recent consecutive rental payments via checks deposits/bank records • Unleased <ul style="list-style-type: none"> ○ Purchase transactions only ○ Refinances may be permitted only if property is either being rehabbed or is listed for rent • Lease not required on refinance transactions if loan amount <\$1MM and LTV <65%
<p>Asset Documentation</p>	<ul style="list-style-type: none"> • All pages of the most recent 2 months statements or the most recent quarterly statement • Business accounts may be used to meet down payment and/or reserve requirements if the borrower/guarantor/LLC is 100% owner(s) of the business and requires letter from the businesses accountant to confirm • Stocks/Bonds/Mutual Funds – 80% may be used for reserves Vested Retirement Accounts – 70% may be considered for reserves • If needed to close, verification that funds have been liquidated (if applicable) is required Ineligible Assets • Gift Funds on Purchase loans with LTV > 75% Gift funds on Refinance loans • Gift of Equity Builder Profits Employer Assistance
<p>Reserves</p>	<ul style="list-style-type: none"> • 6 months PITIA reserves for the subject property net of down payment and closing costs are required • 2 months reserves (based on the subject PITIA) for each additional financed property, not to exceed 12 months • Cash-Out may be used for reserves
<p>Rent-loss insurance</p>	<ul style="list-style-type: none"> • Rent loss insurance for the subject property must equal at least 6 months rents. Blanket policies covering the subject property are permitted. • Loss of use must explicitly include rent loss insurance.
<p>Borrower Income</p>	<ul style="list-style-type: none"> • No proof of borrower income is required. • The employment section of the Fannie Mae Form 1003 loan application should be completed, including a valid phone number. No further verification is required.
<p>Vesting in an Entity</p>	<p>Limited Liability companies are allowed in accordance with the requirements listed below:</p> <ul style="list-style-type: none"> • Restricted to investment properties only. • Purpose and activities are limited to ownership and management of real property. • Entity must be domiciled in a US State. • Any business structure is limited to a maximum of four (4) owners or members. • Personal guaranties must be provided by all members of the entity. • Each Entity member providing a personal guaranty must complete a Form 1003 or similar credit application indicating clearly that such document is being provided in the capacity of guarantor. The application of each member providing a personal guaranty and their credit score, and creditworthiness will also be used to determine qualification and pricing. • No Correspondent Seller shall suggest or encourage the formation of an Entity for the purpose of obtaining a mortgage loan. Such structures shall be initiated and arranged by the members of the Entity. • Each member of the Entity must receive notice of the loan and its terms prior to closing. • The following Entity documentation must be provided: <ul style="list-style-type: none"> ○ Limited Liability Company <ul style="list-style-type: none"> ○ Entity Articles of Organization, Partnership, and Operating Agreements, if any ○ Tax Identification Number (Employer Identification Number - EIN) ○ Certificate of Good Standing ○ Certificate of Authorization for the person executing all documents on behalf of the Entity ○ Borrowing Certificate (LLC Borrowing Certificate - Single Member or LLC Borrowing Certificate - Multiple Member)

Product Offerings			
Product	Amortization Term	Term	I/O Term
15 YR FIXED	180	180	NA
30 YR FIXED	360	360	NA
30 YR FIXED I/O	240	360	120
40 YR FIXED I/O	360	480	120
5YR & 7YR SOFR ARM	360	360	NA
5YR & 7YR SOFR ARM I/O (30 YR)	240	360	120
5YR & 7YR SOFR ARM I/O (40 YR)	360	480	120

Product Specifications	
Conversion Option	None
Pre-payment Penalty (PPP)	Allowed ¹⁻⁴
Borrower Qualification	<p>FIXED: Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment</p> <p>5YR SOFR: Qualify at the higher of Note rate plus 2% or fully indexed rate</p> <p>5YR SOFR I/O ARM: Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the Note Rate plus 2% or fully indexed rate.</p> <p>7YR SOFR: Qualify at the higher of the Note rate or the fully indexed rate</p> <p>7yr SOFR I/O ARM: Will qualify at the fully amortizing (PITI) based on 20-year amortizing term at the higher of the fully indexed rate or note rate.</p>
Buydown	Buydowns not permissible in any product or program
Mortgage Insurance	Mortgage Insurance is not required or permitted
Assumability	ARMs loans are Assumable after the initial fixed rate period under certain conditions described in the Security Instrument

1. Prepayment penalties not allowed in AK, KS, MI, MN, NM, OH, and RI
2. Prepayment penalties not allowed on loans vested to individuals in IL and NJ and MS
3. Prepayment penalties not allowed on loan amounts less than \$278,204 in PA
4. Only declining prepayment penalty structures allowed in MS