

Series V: DSCR

Single Investment Property				
Maximum LTV/CLTVs		≥ 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700+	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	75	70	70
	3,000,000	70	65	65
	3,500,000	70	65	N/A
660 - 699	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	N/A	N/A
620 - 659	1,000,000	75	70	70
	1,500,000	65	65	65
	2,000,000	65	N/A	N/A
	3,000,000	60	N/A	N/A
Maximum LTV/CLTVs		< 1.00		
700+	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	65	65
	2,500,000	65	N/A	N/A
	3,000,000	60	N/A	N/A
660 - 699	1,000,000	70	65	65
	1,500,000	70	65	65
	2,000,000	65	60	60
	3,000,000	60	N/A	N/A
Housing History	Credit Event Seasoning	Investor Experience		
<ul style="list-style-type: none"> 1x30x12 – No reduction 0x60x12 – Max LTV: Purchase – 70% LTV Rate/Term – 65% LTV Cash-out – 65% LTV 	BK/FC/SS/DIL: <ul style="list-style-type: none"> ≥36 Mo – No reduction ≥24 Mo – Max LTV: Purchase – 75% LTV Rate/Term & Cash-out – 70% LTV Housing Event Seasoning: Forbearance, Mod or Deferral: See Eligibility Guide	Experienced Investor: Borrower must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years. First Time Investor: A borrower not meeting the experienced investor criteria. <ul style="list-style-type: none"> First Time investors eligible subject to the following restrictions: <ul style="list-style-type: none"> Min credit score: 680 Max LTV: 75% No mortgage late payments during the past 36 Mo ≥ 36 Mo from any credit event Cash-out not eligible First Time Home Buyer not eligible 		
Unleased Properties	All refinances: Eligibility (LTV) must use the DSCR < 1.00 matrix for all properties with any unleased (vacant) units. Pricing is based upon the DSCR from the gross rents on the 1007. Not applicable for short-term rentals, see short-term rental income section for specific criteria.			
Declining Market and State/CBSA Restrictions				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 75% for purchases and 70% for all refinances and the maximum loan amount is limited to \$2MM.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	• Min Credit Score: 660	• Max LTV: 80%		
Loan Amounts	• Min: 100,000	• Max: 3,500,000		
Loan Amt < 150K	Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Investment			
Property Type	<ul style="list-style-type: none"> Single Family, Attached, Detached 2-4 Units & Condos: Max LTV/CLTV: Purchase – 75%, Refinance – 70% Condo Hotel: Max LTV/CLTV: Purchase – 75%, Refinance – 65% Rural – Not eligible 	Florida Condominiums: <ul style="list-style-type: none"> A structural inspection is required for projects <ul style="list-style-type: none"> Greater than 5 years; and Over 30 years old or 25 years old if within 3 miles of the coast. Projects with an unacceptable or no inspection are not eligible. 		
Acreage	Property up to 2-acres, not meeting the rural definition, eligible			
Cash-In-Hand	<ul style="list-style-type: none"> Max cash-in-hand: <ul style="list-style-type: none"> LTV ≥ 65% - \$500,000 LTV < 65% - \$1,000,000 Total equity withdrawn cannot exceed above limits 			
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000.			

Series V: DSCR, continued

Income Requirements			
Income	<p>Long-Term Rental Documentation and DSCR Calculation</p> <ul style="list-style-type: none"> • Purchase Transactions: <ul style="list-style-type: none"> ○ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. ○ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. ○ A vacant or unleased property is allowed without LTV restriction. • Refinance Transactions: <ul style="list-style-type: none"> ○ Required documentation: <ul style="list-style-type: none"> ▪ FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement. ▪ If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. ○ Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025. If using a higher monthly actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007 or 1025. ○ A vacant or unleased property is allowed, and the maximum LTV allowed is restricted by 5%. ○ DSCR Calculation: <ul style="list-style-type: none"> ▪ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. ▪ Gross rents divided by PITIA = DSCR <p>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> • Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> ○ LTV is lesser of 75% for a purchase and 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects). ○ DSCR Calculation: <ul style="list-style-type: none"> ▪ Monthly gross rents based upon a 12-month average to account for seasonality required. ▪ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. ▪ (Gross Rents * .80) divided by PITIA = DSCR. ○ Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> ▪ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. ▪ The most recent 12-month rental history statement from the 3rd party rental/management service. The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The rental income will exclude all vendor or management fees. ▪ The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits. <ul style="list-style-type: none"> ▫ AIRDNA Rentalizer and Overview reports must meet the following requirements: <ul style="list-style-type: none"> ▪ Rentalizer <ul style="list-style-type: none"> ▫ Only allowed for purchase transaction ▫ Forecast period must cover 12 months from the Note date ▫ The occupancy rate must be > 60% <ul style="list-style-type: none"> i. Maximum occupancy limited to 2 individuals per bedroom ▫ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> i. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> ▫ Market score by zip code ▫ Must be 60 or greater 		
	Underwriting Requirements		
Credit Score	<ul style="list-style-type: none"> • Use lowest decision score amongst all borrowers • Middle of 3 scores or lower of 2 	Tradelines	Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
Assets	Min of 30-days asset verification required	Reserves	<ul style="list-style-type: none"> • 2 months of PITIA • Loan Amount > \$1.5M: 6-months of PITIA • Loan Amount > \$2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	Allowed after min 10% borrower contribution	Document Age	90-days
Prepayment Penalty - Investment Property Only	<p>Acceptable Structures include the following:</p> <ul style="list-style-type: none"> • Fixed percentage of no less than 3% • Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) • Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period. <ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM and RI • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts less than \$301,022 in PA • Only declining prepayment penalty structures allowed in MS 		

State/CBSA Overlay Table

Statewide	
State Name	State
Arizona	AZ
Idaho	ID
Illinois	IL
Louisiana	LA
New Jersey	NJ
New York	NY

CBSA-Specific	
CBSA Name	CBSA Code
Phoenix-Mesa-Scottsdale, AZ	38060
Sacramento-Roseville, CA	40900
San Francisco-Oakland-Hayward, CA	41860
San Jose-Sunnyvale-Santa Clara, CA	41940
Santa Cruz-Watsonville, CA	42100
Boulder, CO	14500
Breckenridge, CO	14720
Sevierville, TN	42940
Austin-Round Rock, TX	12420