

Series V: DSCR (5-8 Units or 2-8 Mixed Use)

Single Investment Property 5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs		>= 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700+	<= 1,500,000	75	70	70
	1,500,001 – 2,000,000	70	65	65
660 - 699	<=1,500,000	70	65	65
	1,500,001 – 2,000,000	65	60	60
Housing History	Housing Event Seasoning	Investor Experience		
0x30x12	BK/FC/SS/DIL: <ul style="list-style-type: none"> >=24 Mo – Any event 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: Not eligible		
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
Declining Market and State/CBSA Restrictions				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM, 10/6 ARM. Maximum loan term cannot exceed 30-years.			
Interest Only	Eligible			
Loan Amounts	• Min: 400,000		• Max: 2,000,000	
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Cash-In-Hand	• Max cash-in-hand \$1,000,000			
Occupancy	Investment			
Eligibility Restrictions	<ul style="list-style-type: none"> Citizens and individuals from OFAC sanctioned countries including Russia and Belarus are not eligible Foreign Nationals: Use 660 – 699 credit score Loan/LTV eligibility criteria 			
Property Type	<ul style="list-style-type: none"> Residential 5 – 8 Units Mixed use 2 – 8 Units <ul style="list-style-type: none"> Commercial usage limited to Retail/Office <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial Unit 4-5 Units: Max 2 commercial Units 6-8 Units: Max 3 commercial Units Commercial space must not exceed 49% of the total building area 			
Acreage	Property up to 2-acres, not meeting the rural definition, eligible			
Unleased Units	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.			
Appraisals	<ul style="list-style-type: none"> A full interior inspection with photos is required for all units. 5-8 Residential <ul style="list-style-type: none"> FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ residential properties, or Narrative report can be utilized but not required. 2-8 Mixed Use <ul style="list-style-type: none"> General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode) The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports: <ul style="list-style-type: none"> Rent Roll Income and Expense Statement Photos of subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units Map Plot plan or survey Appraiser qualifications Review Product – A commercial BPO required for all loans. <ul style="list-style-type: none"> In Pennsylvania, a commercial evaluation product is used instead of a commercial BPO. 			
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing) 			
Mixed Use	Commercial use limited to retail or office space. Residential/Commercial zoning acceptable.			

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Income Requirements			
Income	<ul style="list-style-type: none"> Leased – Use lower of Estimated market rent or lease agreement. Short-Term Rental Income not eligible Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units. Reduce qualifying rents by any management fee reflected on appraisal report. 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income 		
DSCR	<ul style="list-style-type: none"> Minimum DSCR >= 1.00 DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). Loan amounts >= \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) Reduce qualifying rents by any management fee reflected on the appraisal report 		
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 For each borrower who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually).
Assets	Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none"> 6 months of PITIA Loan Amount > \$1.5M: 9-months of PITIA Loan Amount > \$2.5M: 12-months of PITIA Cash out may not be used to satisfy requirement
Gift Funds	Not eligible	Document Age	90-days
Prepayment Penalty	<ul style="list-style-type: none"> Acceptable structures include the following: <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%/3%) or (5%/4%/3%/2%/1%) 	<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