

Series V: Foreign National

Maximum LTV/CLTVs			DSCR (Investment Only)		
DSCR	Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi
≥1.00	680+	≤ 1,000,000	75	65	65
		1,000,001 – 1,500,000	70	60	60
	Foreign Credit	≤ 1,000,000	75	65	65
		1,000,001 – 1,500,000	70	60	60
<1.00	680+	≤ 1,000,000	65	60	60
		1,000,001 – 1,500,000	65	N/A	N/A
	Foreign Credit	≤ 1,000,000	65	60	60
		1,000,001 – 1,500,000	65	N/A	N/A
<b>Housing History</b>		<b>Credit Event Seasoning</b>		<b>First Time Investor</b>	
0x30x12, if documented		BK/FC/SS/DIL/Mod: ≥ 36 Mo		Allowed	
<b>Declining Market and State/CBSA Restrictions</b>					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands					
<b>General Requirements</b>					
<b>Product Type</b>	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)				
<b>Interest Only</b>	Eligible				
<b>Loan Amounts</b>	• Min: 150,000 • Max: 2,000,000				
<b>Loan Purpose</b>	Purchase, Rate/Term, and Cash Out				
<b>Occupancy</b>	Second Home or Investment				
<b>Eligibility Restrictions</b>	Citizens and individuals from OFAC sanctioned countries including Russia and Belarus are not eligible				
<b>Property Type</b>	<ul style="list-style-type: none"> <li>Single Family, Attached, Detached</li> <li>2-4 Units &amp; Condos: Max LTV: Purchase – 70%, Refinance – 65%</li> <li>Condo Hotel: Max LTV: Purchase – 70%, Refinance – 65%</li> <li>Rural – Not eligible</li> </ul>		<b>Florida Condominiums:</b> <ul style="list-style-type: none"> <li>A structural inspection is required for projects                             <ul style="list-style-type: none"> <li>Greater than 5 years; and</li> <li>Over 30 years old or 25 years old if within 3 miles of the coast.</li> </ul> </li> <li>Projects with an unacceptable or no inspection are not eligible.</li> </ul>		
<b>Acreage</b>	Property up to 20-acres, not meeting the rural definition, eligible for Standard documentation and Asset Utilization. DSCR maximum 2-acres.				
<b>Cash-In-Hand</b>	<ul style="list-style-type: none"> <li>\$300,000 if LTV &gt; 50%</li> <li>\$500,000 for LTV ≤ 50%</li> </ul> Total equity withdrawn cannot exceed above limits				
<b>Appraisals</b>	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained.				
<b>Income Requirements</b>					
<b>Income</b>	<b>Long-Term Rental Documentation and DSCR Calculation</b>				
	<ul style="list-style-type: none"> <li><b>Purchase Transactions:</b> <ul style="list-style-type: none"> <li>Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.</li> <li>A vacant or unleased property is allowed without LTV restriction.</li> </ul> </li> <li><b>Refinance Transactions:</b> <ul style="list-style-type: none"> <li>Required documentation:                                     <ul style="list-style-type: none"> <li>FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement.</li> <li>If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease.</li> </ul> </li> <li>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.</li> <li>A vacant or unleased property is allowed, and the maximum LTV allowed is restricted by 5%.</li> <li>DSCR Calculation:                                     <ul style="list-style-type: none"> <li>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.</li> <li>Gross rents divided by PITIA = DSCR</li> </ul> </li> </ul> </li> </ul>				
	<b>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation</b> Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.				
<ul style="list-style-type: none"> <li><b>Short-Term Rental Income – Purchase and Refinance Transactions:</b> <ul style="list-style-type: none"> <li>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).</li> <li>DSCR Calculation:                                     <ul style="list-style-type: none"> <li>Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>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.</li> <li>(Gross Rents * .80) divided by PITIA = DSCR.</li> </ul> </li> <li>Any of the following methods may be used to determine gross monthly rental income:                                     <ul style="list-style-type: none"> <li>A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.</li> </ul> </li> </ul> </li> </ul>					

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<b>Income (continued)</b>	<ul style="list-style-type: none"> <li>▪ A most recent 12-month rental history statement from the 3<sup>rd</sup> 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.</li> <li>▪ 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"> <li>▫ AIRDNA Rentalizer and Overview reports must meet the following requirements: <ul style="list-style-type: none"> <li>▪ Rentalizer <ul style="list-style-type: none"> <li>▫ Only allowed for purchase transaction</li> <li>▫ Forecast period must cover 12 months from the Note date</li> <li>▫ The occupancy rate must be &gt; 60% <ul style="list-style-type: none"> <li>i. Maximum occupancy limited to 2 individuals per bedroom</li> <li>▪ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> <li>i. Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> </ul> </li> </ul> </li> <li>▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> <li>▫ Market score by zip code</li> <li>▫ Must be 60 or greater</li> </ul> </li> </ul> </li> </ul> </li> </ul>		
Underwriting Requirements			
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• If score is available, use the lowest decision score amongst all borrowers</li> <li>• Middle of 3 scores or lower of 2, if available</li> </ul>	<b>DTI Requirements</b>	DSCR – no DTI component
<b>Assets</b>	Min of 30-days asset verification required; any large deposit must be sourced	<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 12-months of PITIA</li> <li>• 6-months with 5% LTV reduction and price adjustment</li> <li>• Cash out may be used to satisfy requirement</li> </ul>
<b>Gift Funds</b>	Not allowed	<b>Document Age</b>	90-days
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• US credit: Min 2 reporting 24-months or 3 reporting 12-months, for borrowers</li> <li>• Without U.S. credit: two credit reference letters must be provided, see Guide for requirements</li> </ul>	<b>Prepayment Penalty - Investment Property Only</b>	<ul style="list-style-type: none"> <li>• Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>• Penalties not allowed in AK, KS, MI, MN, NM and RI</li> <li>• Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>• Penalties not allowed on loan amounts less than \$301,022 in PA</li> <li>• Only declining prepayment penalty structures allowed in MS</li> </ul>

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