

FICO & LTV MATRIX

DSCR Loans

Loan Amount	Credit Score	0.75 ≥ DSCR < 1.00		1.00 ≥ DSCR < 1.15		1.15 ≥ DSCR < 1.50		DSCR ≥ 1.50	
		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	70%	65%	80%	75%	80%	75%	80%	75%
	720	70%	65%	80%	75%	80%	75%	80%	75%
	700	70%	65%	80%	75%	80%	75%	80%	75%
	680	N/A	N/A	75%	70%	75%	70%	75%	70%
	660	N/A	N/A	75%	70%	75%	70%	75%	70%
	640	N/A	N/A	70%	65%	70%	65%	70%	65%
\$1,000,001 – \$1,500,000	740	70%	65%	75%	70%	75%	70%	75%	70%
	720	70%	65%	75%	70%	75%	70%	75%	70%
	700	70%	65%	75%	70%	75%	70%	75%	70%
	680	N/A	N/A	70%	70%	70%	70%	70%	70%
	660	N/A	N/A	70%	65%	70%	65%	70%	70%
	640	N/A	N/A	65%	N/A	65%	N/A	70%	65%
\$1,500,001 – <\$2,000,000	740	70%	65%	75%	65%	75%	65%	75%	65%
	720	70%	65%	75%	65%	75%	65%	75%	65%
	700	70%	65%	70%	65%	70%	65%	70%	65%
	680	N/A	N/A	70%	65%	70%	65%	70%	65%
	660	N/A	N/A	70%	65%	70%	65%	70%	65%
	640	N/A	N/A	65%	N/A	65%	N/A	65%	N/A
\$2,000,001 – \$2,500,000	740	70%	65%	70%	65%	70%	65%	70%	65%
	720	70%	65%	70%	65%	70%	65%	70%	65%
	700	70%	65%	70%	65%	70%	65%	70%	65%
	680	N/A	N/A	65%	65%	65%	65%	70%	65%
	660	N/A	N/A	65%	N/A	65%	N/A	70%	60%
	640	N/A	N/A	65%	N/A	65%	N/A	65%	N/A
\$2,500,001 – <\$3,000,000	740	70%	65%	70%	65%	70%	65%	70%	65%
	720	70%	65%	70%	65%	70%	65%	70%	65%
	700	70%	65%	70%	65%	70%	65%	70%	65%
	680	N/A	N/A	65%	60%	65%	60%	70%	65%
	660	N/A	N/A	65%	N/A	65%	N/A	70%	60%
	640	N/A	N/A	65%	N/A	65%	N/A	65%	N/A
\$3,000,001 – <\$3,500,000	740	65%	60%	70%	65%	70%	65%	70%	65%
	720	65%	60%	70%	65%	70%	65%	70%	65%
	700	65%	60%	70%	60%	70%	60%	70%	60%
	680	N/A	N/A	65%	60%	65%	60%	65%	60%
	660	N/A	N/A	65%	N/A	65%	N/A	65%	N/A

**FICO & LTV MATRIX**

Foreign National DSCR Loans\*

Loan Amount	Credit Score	0.75 ≥ DSCR < 1.00		1.00 ≥ DSCR < 1.15		1.15 ≥ DSCR < 1.50		DSCR ≥ 1.50	
		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	N/A	N/A	70%	65%	75%	65%	75%	65%
	720	N/A	N/A	70%	65%	75%	65%	75%	65%
	700	N/A	N/A	70%	65%	75%	65%	75%	65%
	680	N/A	N/A	70%	65%	75%	65%	75%	65%
	Foreign Credit	N/A	N/A	65%	65%	65%	65%	65%	65%
\$1,000,0001 - \$1,500,000	740	N/A	N/A	70%	65%	75%	65%	75%	65%
	720	N/A	N/A	70%	65%	75%	65%	75%	65%
	700	N/A	N/A	70%	65%	75%	65%	75%	65%
	680	N/A	N/A	70%	65%	70%	65%	70%	65%
	Foreign Credit	N/A	N/A	65%	65%	65%	65%	65%	65%
\$1,500,0001 - <\$2,000,000	740	N/A	N/A	70%	65%	75%	65%	75%	65%
	720	N/A	N/A	70%	65%	75%	65%	75%	65%
	700	N/A	N/A	70%	65%	70%	65%	70%	65%
	680	N/A	N/A	70%	65%	70%	65%	70%	65%
	Foreign Credit	N/A	N/A	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% (Foreign National ≤ 65%)
- 'If UPB > \$1.5mm, cash-out proceeds from a subject property refinance may be considered if LTV ≤ 65% (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 may be waived if the following requirements are met:
  - LTV < 80%
  - 720 min FICO
  - 12-months reserves required
- 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 (or ITIA for Interest Only loans).

## DSCR Underwriting Requirements

<b>Business Purpose</b>	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)
<b>Minimum Loan Amount</b>	\$100,000* *Loan Amounts < \$150,000 require DSCR >=1.50
<b>Maximum Loan Amount</b>	\$3,500,000
<b>Debt Service Coverage Ratio (DSCR)</b>	Debt Service Coverage Ratio is the Monthly Gross Income divided by the PITIA (or ITIA for Interest Only loans) of the subject property. See the Eligibility matrix for required Debt Service Coverage Ratios. <b>EXAMPLE:</b> 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)
<b>Experienced Investor</b>	<ul style="list-style-type: none"> <li>• An experienced investor is an individual borrower having a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years. For files with more than one borrower, only one borrower must meet the definition.</li> <li>• Experience can be documented by one of the following:           <ul style="list-style-type: none"> <li>• Complete the REO schedule on the 1003 loan application, or</li> <li>• Provide a property profile report, or</li> <li>• Other 3rd party documentation</li> </ul> </li> </ul>
<b>First-Time Investor</b>	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: <ul style="list-style-type: none"> <li>• Minimum FICO: 680</li> <li>• Maximum LTV: 75%</li> <li>• DSCR &gt;= 1.00</li> <li>• 0x30x36 Housing History</li> <li>• Minimum of 36-months seasoning from any credit event</li> <li>• Cash-out transactions not eligible</li> <li>• First-time homebuyers not eligible</li> </ul>
<b>Eligible Transaction Type</b>	<ul style="list-style-type: none"> <li>• PPPs must be state law compliant.</li> <li>• First Liens Only</li> <li>• HOEPA applies (no high-cost loans)</li> <li>• 360 Day Interest calculation</li> <li>• ATR Applies</li> </ul>
<b>Cash-Out</b>	LTV >= 65% - \$500,000 LTV < 60% - \$1,000,000 Total equity withdrawn cannot exceed above limits

<p><b>Ineligible Transactions</b></p>	<ul style="list-style-type: none"> <li>• Builder Bailout</li> <li>• Construction Loans</li> <li>• Conversion Loans</li> <li>• Subordinate Financing</li> <li>• Temporary Buydowns</li> <li>• Texas Equity Loans</li> <li>• Properties listed for sale in the last 6 months</li> <li>• High-Cost loans as defined by FNMA</li> <li>• Negative Amortization</li> <li>• No Balloons</li> <li>• No Pay option Arms</li> <li>• HELOCS</li> <li>• FHA, VA or USDA loans</li> </ul>	
<p><b>Property Types</b></p>	<p style="text-align: center;"><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>• SFR</li> <li>• PUD</li> <li>• Warrantable Condo – Purchase: 75%, Refinance: 70% <ul style="list-style-type: none"> <li>○ All Condos must meet FNMA guidelines.</li> </ul> </li> <li>• Non-Warrantable Condo – 70%</li> <li>• 2-4 Units – Purchase: 75%, Refinance: 70%</li> <li>• 2 acres maximum</li> <li>• Non-confirming zoning requires rebuild letters</li> </ul>	<p style="text-align: center;"><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>• Rural</li> <li>• Leasehold</li> <li>• Co-ops</li> <li>• Hobby Farms</li> <li>• Log Homes</li> <li>• Mixed Use</li> <li>• Manufactured and Mobile Homes</li> <li>• Condotel</li> <li>• Timeshare</li> <li>• Leasehold Estates</li> <li>• Geodesic or “other unique property types”</li> </ul>
<p><b>Rate and Term Refinance</b></p>	<p>A <b>Rate &amp; Term Refinance</b> 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 lesser of \$5,000 or 2% of the loan amount.</p> <p>If the property is owned less than 6 months at the time of the Note Date, 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"> <li>○ The prior Settlement Statement will be required for proof of purchase price</li> <li>○ Improvements made to the subject property must be validated by the unqualified opinion of the appraiser or an independent licensed home inspector</li> </ul> <p>Properties that have been listed for sale within the past 6 months are not eligible</p>	
<p><b>Cash-Out Refinance</b></p>	<p><b>Cash-Out to Max LTV.</b></p> <ul style="list-style-type: none"> <li>• Cash-out may be used for reserves</li> <li>• Mortgages secured by a property that is currently owned free and clear are considered to be a cash-out</li> <li>• Properties owned less than 12 months are limited to the lower of the current appraised value or the property purchase price plus documented improvements.</li> <li>• Properties owned less than 6 months are eligible only through an inheritance or was legally awarded</li> <li>• Properties listed for sale by the borrower within the last 6 months are not eligible, unless there is a Prepayment penalty of 3 years or more</li> <li>• Cash-out may not be used for consumer purposes (ex: paying off personal debts, personal tax liens, personal judgements, personal collections, or lines of credit secured by the subject property)</li> </ul>	

<p><b>Age of Credit Documentation</b></p>	<p><u>90 Days from the Note Date:</u></p> <ul style="list-style-type: none"> <li>Income Verification / Pay Stubs</li> <li>Mortgage / Rental Verification</li> <li>Asset Documents / Bank Statements</li> <li>Credit Report</li> </ul> <p><u>120 Days from the Note Date:</u></p> <ul style="list-style-type: none"> <li>Title Commitment / Preliminary Report / Binder</li> <li>Appraisal Report*</li> </ul> <p>*The appraisal cannot be dated more than 365 days prior to 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>
<p><b>Maximum Financed Properties</b></p>	<p>Maximum number of financed properties to any one borrower through the Advanced programs are limited to 10 properties or \$5,000,000 in current unpaid principal balance.</p>
<p><b>Appraisal</b></p>	<ul style="list-style-type: none"> <li>Transferred appraisals are acceptable</li> <li>Two appraisals are required to be delivered for loan amounts &gt; \$2,000,000</li> <li>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</li> <li>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</li> <li>For 2-4-unit properties, a FNMA 1025 Small Residential Income Property Appraisal Report is required. A 1004MC is required for all loans</li> <li>Solar panel agreements are permitted in accordance with FNMA guidelines</li> <li>No PIWs will be allowed</li> <li>C5 or C6 condition rating, or Q6 quality rating are ineligible</li> </ul> <p><b>NOTE:</b> 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><b>Borrowers</b></p>	<ul style="list-style-type: none"> <li>U.S. Citizens</li> <li>Permanent Resident Aliens</li> <li>Non-Permanent Resident Aliens</li> <li>Foreign Nationals</li> <li>Deferred Action for Childhood Arrivals (DACA)</li> <li>First-Time Investor</li> <li>Inter-Vivos Revocable Trust</li> <li>Limited partnerships, general partnerships, corporations (Guarantor required), LLC</li> <li>Ownership must be fee simple for all borrowers</li> <li>US Citizens Living Abroad</li> </ul>
<p><b>Installment Debt</b></p>	<p>Installment debt is a monthly obligation with fixed payments and terms. Payments on installments must be included in the borrower’s debt-to-income (DTI) ratio.</p> <p>Payments can be excluded if there are 10 or fewer monthly payments remaining to pay the debt in full. If the payment is substantial and exceeds 5% of the borrower’s qualifying income, the overall transaction should be reviewed to ensure the remaining payments will not impact the borrower’s ability to handle the new mortgage payment.</p> <p>Installment debt paid in full or prior to closing can be excluded from the debt-to-income ratio. Supporting documentation, such as a credit supplement or direct verification from the creditor, must be obtained as evidence the debt has been paid in full.</p>
<p><b>Short-Term Rentals</b></p>	<p><b>Not Allowed</b></p>

<p><b>Non-Permanent Resident Aliens</b></p>	<ul style="list-style-type: none"> <li>• Maximum LTV/CLTV 70%</li> <li>• Gift funds ineligible</li> <li>• Non-Occupant Co-Borrowers ineligible</li> <li>• Valid Visas are required</li> <li>• If a Visa expires within 6 months after the Close Date, additional documentation is required.</li> <li>• Eligible Visa Types:             <ul style="list-style-type: none"> <li>○ E1, E2, E3, EB5, G1 through G5, H1B, L1B, NATO, O1, R1, TN NAFTA</li> </ul> </li> </ul> <p>Further information can be found at <a href="https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html">https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html</a></p>
<p><b>Foreign National Borrower</b></p>	<ul style="list-style-type: none"> <li>• 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"> <li>○ Tradelines Evidence via a U.S. Credit report; AND/OR</li> <li>○ Alternative Tradelines consisting of two of the following:                 <ul style="list-style-type: none"> <li>▪ Credit Card Statements – minimum of 12 recent credit card statements reflecting a timely payment history.</li> <li>▪ Credit Reference letter(s) from verified financial institutions in the borrower’s country of origin                     <ul style="list-style-type: none"> <li>• A reference letter must be from an internationally known financial institution.</li> <li>• Each letter of reference must state the type and length of the relationship, how the account is held, payment amount, outstanding balance and status of account including a minimum 12-month payment history.</li> <li>• A single reference source may provide verification of multiple accounts. Individual account details must be provided.</li> <li>• The letter must mention the borrower by name.</li> <li>• Name, title &amp; contact information of the person signing the letter must be included.</li> <li>• Currency must be converted to U.S. Dollars and signed and dated by certified translator.</li> <li>• All Documents must be translated into English.</li> </ul> </li> </ul> </li> </ul> </li> <li>• Guideline Overlays:             <ul style="list-style-type: none"> <li>○ Maximum LTV/CLTV: Purchase / Rate &amp; Term – 75%, Cash-Out – 65%</li> <li>○ Minimum 680 FICO or Foreign Credit</li> <li>○ 0x30x12</li> <li>○ Non-Occupant Co-Borrowers Ineligible</li> <li>○ Gift Funds Ineligible</li> <li>○ 12 Months Reserves                 <ul style="list-style-type: none"> <li>▪ 6 months with a 5% LTV reduction</li> </ul> </li> </ul> </li> </ul>
<p><b>Gift Funds</b></p>	<ul style="list-style-type: none"> <li>• Gift Funds are allowed with a 10% minimum borrower contribution</li> <li>• Gift Funds are ineligible for the following:             <ul style="list-style-type: none"> <li>○ Foreign Nationals</li> <li>○ Non-Permanent Resident Aliens</li> </ul> </li> </ul>
<p><b>Business Entity</b></p>	<p>LLCs are eligible under the criteria listed below:</p> <ul style="list-style-type: none"> <li>• It cannot be a multi-level entity; such as a partnership vested in an LLC.</li> <li>• Document a resolution that the borrower can encumber property on behalf of the LLC.</li> <li>• Document evidence showing of the borrower’s percentage of ownership and is in good standing</li> <li>• Individual Borrower is eligible             <ul style="list-style-type: none"> <li>○ For Cash-Out the transaction must be for business. No exception.</li> </ul> </li> <li>• Purchaser does not benefit from a pledge of shares/equity. A pledge is not required.</li> <li>• Recourse/Guarantee: Yes             <ul style="list-style-type: none"> <li>○ Nature of Recourse:                 <ul style="list-style-type: none"> <li>▪ Limited Recourse:                     <ul style="list-style-type: none"> <li>▪ In the event the borrower should miss a payment or multiple payments lender will attempt to contact borrower to rectify the missed payments.</li> <li>▪ If borrower continues not to make payments, lender will begin foreclosure process, limited to repossession of the subject property collateral.</li> </ul> </li> </ul> </li> </ul> </li> <li>• If the LLC is the business entity, the LLC member is the guarantor.</li> <li>• There is unity between provider of guaranty and signer of the note.</li> </ul>

<p><b>Tradelines</b></p>	<ul style="list-style-type: none"> <li>• For each borrower who has 3 credit scores, the minimum tradeline requirement is waived (all borrowers are evaluated individually) <ul style="list-style-type: none"> <li>○ Each borrower with less than 3 credit scores must meet the minimum tradeline requirement.</li> </ul> </li> <li>• Minimum tradeline requirements are as follows: <ul style="list-style-type: none"> <li>○ At least 3 tradelines reporting for a minimum of 12 months, with activity in the last 12 months; or,</li> <li>○ At least 2 tradelines reporting for a minimum of 24 months, with activity in the last 12 months.</li> </ul> </li> <li>• Borrowers who do not meet one of the tradeline requirements, but have a minimum of 2 credit scores can satisfy the tradeline requirement by meeting the following: <ul style="list-style-type: none"> <li>○ No fewer than 8 tradelines are reporting, with one being a mortgage or rental history</li> <li>○ At least 1 tradeline has been open and reporting for a minimum of 12 months</li> <li>○ Established credit history for at least 8 years</li> <li>○ Tradelines with recent serious adverse history are not acceptable</li> <li>○ Student loans may be counted in credit depth, as long as they are in repayment and not deferred</li> </ul> </li> </ul>
<p><b>Credit Scores</b></p>	<ul style="list-style-type: none"> <li>• Minimum FICO is 640</li> <li>• Each borrower’s qualifying credit score is the middle of 3 or the lesser of 2 for any borrower</li> <li>• 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.</li> <li>• Foreign Nationals without an ITIN are not subject to FICO requirements. No borrower can have a middle FICO score less than 680</li> </ul>
<p><b>Housing History</b></p>	<ul style="list-style-type: none"> <li>• 1x30x12: No Reduction</li> <li>• 0x60x12: Purchase – 70% LTV; R/T &amp; Cash-Out – 65% LTV</li> <li>• Foreign National: 0x30x12 required</li> </ul>
<p><b>Mortgage Verification</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Rolling late payments are not considered a single event. Each occurrence of a contractual delinquency is considered individually for loan eligibility.</li> <li>• Any balloon notes with an expired maturity date exceeding 30 days requires an extension to avoid being counted as delinquent.</li> <li>• 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"> <li>○ 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.</li> <li>○ 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.</li> </ul> </li> </ul>
<p><b>Rental Verification</b></p>	<ul style="list-style-type: none"> <li>• A 12-month rental history is required when the borrower is renting their current Primary Residence. A verification of rent (VOR) is required. <ul style="list-style-type: none"> <li>○ A third-party VOR is required for any file when the borrower is currently renting.</li> <li>○ Any VOR completed by a private party, or any non-institutional landlord must be supported by documentation showing the most recent 6-month history (cancelled checks, rental statements, etc.)</li> </ul> </li> </ul>
<p><b>Living Rent-Free</b></p>	<ul style="list-style-type: none"> <li>• Borrowers who live rent-free or without a complete 12-month housing history are allowed, with the following restrictions: <ul style="list-style-type: none"> <li>○ DTI &lt;= 43%</li> <li>○ Any available portion of a 12-month housing history must be paid as agreed</li> <li>○ Borrowers who own their primary residence free-and-clear are not considered living rent-free</li> <li>○ Borrowers who sold their primary residence within the past 6 months and are currently living rent-free until subject transaction closes are not considered living rent-free</li> </ul> </li> </ul>
<p><b>Derogatory Credit</b></p>	<ul style="list-style-type: none"> <li>• Prior foreclosure, Short Sales, Deed-in-Lieu and Modifications (due to default) seasoned greater than 2 years are permitted</li> <li>• Prior bankruptcies seasoned greater than 2 years are permitted including Chapters 7, 11, &amp; 13.</li> <li>• Credit Events less than 3 years are subject to the following overlays: <ul style="list-style-type: none"> <li>• Purchase – 75% LTV</li> <li>• Refinance – 70% LTV</li> </ul> </li> <li>• 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.</li> <li>• All past due accounts must be brought current prior to closing</li> <li>• Medical derogatory accounts, collections, and charge-offs permitted with letter of explanation Derogatory accounts and disputed accounts require an LOE.</li> <li>• IRS tax payment plans are permitted if current and do not carry a lien on any property</li> </ul>

<b>Lease Requirements</b>	<ul style="list-style-type: none"> <li>• Tenant Occupied - an unexpired executed lease is required at the time of closing <ul style="list-style-type: none"> <li>○ 2-4-unit properties will be considered leased if at least 1 unit is leased</li> <li>○ Leases for purchases - current lease and proof of security deposit.</li> <li>○ Leases for refinances - current lease and the 2 most recent consecutive rental payments via checks deposits/bank records</li> </ul> </li> <li>• Unleased <ul style="list-style-type: none"> <li>○ Purchase transactions only</li> <li>○ Refinances may be permitted only if property is either being rehabbed or is listed for rent</li> </ul> </li> <li>• Lease not required on refinance transactions if loan amount &lt;\$1MM and LTV &lt;65%</li> </ul>
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>• All pages of the most recent 2 months statements or the most recent quarterly statement</li> <li>• 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</li> <li>• Stocks/Bonds/Mutual Funds – 80% may be used for reserves Vested Retirement Accounts – 70% may be considered for reserves</li> <li>• If needed to close, verification that funds have been liquidated (if applicable) is required Ineligible Assets</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Loan Amount &lt;= \$1.5MM = 2 months PITIA</li> <li>• Loan Amount &gt; \$1.5MM = 6 months PITIA</li> <li>• Loan Amount &gt; \$2.5MM = 12 months PITIA</li> <li>• Reserve requirements are waived for 1-4 Unit Rate/Term transactions, when the result of the refinance reduces the monthly P&amp;I by 10% or greater, and housing history has not exceeded 1x30x12.</li> <li>• Cash-Out may be used for reserves</li> </ul>
<b>Rent-loss insurance</b>	<ul style="list-style-type: none"> <li>• Rent loss insurance for the subject property must equal at least 6 months rents. Blanket policies covering the subject property are permitted.</li> <li>• Loss of use must explicitly include rent loss insurance.</li> </ul>
<b>Borrower Income</b>	<ul style="list-style-type: none"> <li>• No proof of borrower income is required.</li> <li>• The employment section of the Fannie Mae Form 1003 loan application should be completed, including a valid phone number. No further verification is required.</li> </ul>
<b>Vesting in an Entity</b>	<p>Limited Liability companies are allowed in accordance with the requirements listed below:</p> <ul style="list-style-type: none"> <li>• Restricted to investment properties only.</li> <li>• Purpose and activities are limited to ownership and management of real property.</li> <li>• Entity must be domiciled in a US State.</li> <li>• Any business structure is limited to a maximum of four (4) owners or members.</li> <li>• Personal guaranties must be provided by all members of the entity.</li> <li>• 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.</li> <li>• 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.</li> <li>• Each member of the Entity must receive notice of the loan and its terms prior to closing.</li> <li>• The following Entity documentation must be provided: <ul style="list-style-type: none"> <li>○ Limited Liability Company <ul style="list-style-type: none"> <li>○ Entity Articles of Organization, Partnership, and Operating Agreements, if any</li> <li>○ Tax Identification Number (Employer Identification Number - EIN)</li> <li>○ Certificate of Good Standing</li> </ul> </li> <li>○ Certificate of Authorization for the person executing all documents on behalf of the Entity</li> <li>○ Borrowing Certificate (LLC Borrowing Certificate - Single Member or LLC Borrowing Certificate - Multiple Member)</li> </ul> </li> </ul>



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**

<b>Conversion Option</b>	None
<b>Pre-payment Penalty (PPP)</b>	Allowed 1-4
<b>Borrower Qualification</b>	<p><b>FIXED:</b> Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment</p> <p><b>5YR SOFR:</b> Qualify at the higher of Note rate plus 2% or fully indexed rate</p> <p><b>5YR SOFR I/O ARM:</b> 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><b>7YR SOFR:</b> Qualify at the higher of the Note rate or the fully indexed rate</p> <p><b>7yr SOFR I/O ARM:</b> 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>
<b>Buydown</b>	Buydowns not permissible in any product or program
<b>Mortgage Insurance</b>	Mortgage Insurance is not required or permitted
<b>Assumability</b>	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