

Single Investment Property				
Maximum LTV/CLTV		≥1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate and Term 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	\$1,000,000	75%	75%	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
640	\$1,000,000	75%	70%	N/A
	\$1,500,000	65%	65%	N/A
	\$2,000,000	65%	N/A	N/A
	\$3,000,000	60%	N/A	N/A
Maximum LTV/CLTV		< 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
680	\$1,000,000	70%	65%	N/A
	\$1,500,000	70%	65%	N/A
	\$2,000,000	65%	60%	N/A
	\$3,000,000	60%	N/A	N/A
660	\$1,000,000	65%	N/A	N/A
Property Type				
<ul style="list-style-type: none">• Single family: Attached/Detached• 2-4-Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%• Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance 65%, Max Loan Amount \$1,500,000• Rural: Max LTV/CLTV Purchase 75%, Refinance 70%				
Housing History	Credit Event Seasoning	Investor Experience		
<ul style="list-style-type: none">• 1x30x12 – no reduction• 0x60x12 – Purchase Max 70% LTV, Refinance Max 65% LTV	<p>BK/FC/SS/DIL/PreFC/MC:</p> <ul style="list-style-type: none">• ≥36 months – no reduction• ≥24 months – Purchase Max 75% LTV, Refinance Max LTV 70% <p>Forbearance, Modification, or Deferral: >12months</p>	<p>Experienced Investor: Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in the last 3 years</p> <p>First Time Investor: Borrower/guarantor who is purchasing an investment property for the first time, meaning they have not previously owned a property intended for rental income, resale or other investment purposes:</p> <ul style="list-style-type: none">• First time investors eligible subject to the following restrictions:<ul style="list-style-type: none">○ First time homebuyer not allowed○ Minimum credit score: 700○ ≥36 months seasoning from any credit event○ 1-unit only○ DSCR > 1.00○ Must own a primary residence <p>First Time Homebuyer: Not eligible except as allowed in Seller Guide</p>		
Unleased Properties	All long-term rental refinances: Vacant or unleased property is allowed subject to Max LTV 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria.			
State Eligibility				

<ul style="list-style-type: none"> State Overlays for CT, FL, IL, NJ, NY: Purchase Max LTV/CLTV 75%, Refinance Max LTV/CLTV 70%, and Max loan amount \$2.0MM IL, NY: 2-4-units not eligible Ineligible: Baltimore City, MD Ineligible locations: Puerto Rico, Guam, and the US Virgin Islands 	
Declining Market	
If the appraisal report identifies the property in a declining market: Purchase Max LTV/CLTV 75%, Refinance Max LTV/CLTV 70%, and Max loan amount limited to \$2.0MM	
General Requirements	
Product Type	<ul style="list-style-type: none"> Fixed Rate Terms: 15-, 30-, 40-year ARMS: 5/6, 7/6, 10/6 with 30-year term
Interest Only (I/O)	<ul style="list-style-type: none"> Minimum Credit Score: 680 Max LTV: Purchase 75%, Rate & Term: 75%, Cash-Out 70% 40-year term ARMs eligible with I/O feature
Loan Amounts	<ul style="list-style-type: none"> Minimum: \$100,000 Maximum: \$3,500,000
Loan Amount < \$150K	<ul style="list-style-type: none"> Max LTV/CLTV: Purchase 70%, Refinance 65% (Min DSCR 1.25)
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate & Term Refinance, Cash-Out Refinance Non-Arm's Length transactions are ineligible
Occupancy	<ul style="list-style-type: none"> Investment
Acreage	<ul style="list-style-type: none"> Property up to 5 acres
Max Cash-In-Hand	<ul style="list-style-type: none"> LTV ≥ 65%: \$500,000 LTV < 65%: \$1,000,000 <p>Total equity withdrawn cannot exceed these limits (not applicable to delayed financing transaction)</p>
Appraisals	<ul style="list-style-type: none"> FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained 2nd appraisal required for loans > \$2,000,000
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. Monthly gross rent is to be evaluated for each unit individually <ul style="list-style-type: none"> If using the lower of the actual lease amount or estimated market rent, nothing further is required If using a higher 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 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120% If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120% A vacant or unleased property is allowed without LTV restriction Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR Refinance Transactions: <ul style="list-style-type: none"> Required documentation: <ul style="list-style-type: none"> Original appraisal report reflecting tenant-occupied, and FNMA Form 1007 or 1025 reflecting long-term market rents, and Executed lease agreement <ul style="list-style-type: none"> Leases that have converted to month-to-month are allowed If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or per DSCR/FICO/Loan balance matrix A vacant property as indicated on the appraisal is allowed subject to the following:

- LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan Balance matrix
 - Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually
 - If using the lower of the actual lease amount or estimated market rent, nothing further is required
 - If using a higher 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 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%
 - If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%
 - Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR
- **DSCR Calculation:**
- Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property
- PITIA: Gross rents divided by PITIA = DSCR; ITIA: Gross rents divided by ITIA = DSCR

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.

- **Short-Term Rental Income – Purchase and Refinance Transactions:**
 - LTV is lesser of 75% for purchase and 70% for refinance, or LTV based upon the DSCR/FICO/Loan balance matrix (excludes condotels)
 - DSCR Calculation:
 - 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. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used
 - PITIA: (Gross Rents x 0.80) divided by PITIA = DSCR; ITIA: (Gross Rents x 0.80) divided by ITIA = DSCR
- When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR
- Any of the following methods may be used to determine gross monthly rental income:
 - Short-term rental (STR) analysis form or 1007/1025 may be used. The analysis must include the following:
 - Provide the source of the data used to complete the STR analysis
 - Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal
 - Include daily rental rate and occupancy percentage
 - Factor seasonality and vacancy into the analysis
 - Must be completed by a licensed appraiser
 - The most recent 12-month rental history statement from a 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 qualifying income must be net of all vendor or management fees
 - The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits
 - AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data, must meet the following:
 - Rentalizer (Property Earning Potential Report)
 - Only allowed for purchase transactions

	<ul style="list-style-type: none">Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factorForecast period must cover 12-months and dated 90-days within the note dateMaximum occupancy limited to 2 individuals per bedroomMust have three (3) comparable properties similar in size, room count, amenities, availability, and occupancyMarket Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none">Use representative credit score of the borrower/guarantor with the highest representative score	Tradelines	<ul style="list-style-type: none">If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waivedMinimum: 2 reporting 24-months with activity in last 12-months or 3 reporting 12-months with recent activity
Assets	<ul style="list-style-type: none">Minimum of 30-days asset verification required	Reserves	<ul style="list-style-type: none">2-months of PITIALoan amount > \$1.5MM: 6-months of PITIALoan amount > \$2.5MM: 12-months of PITIACash-out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none">Allowed after minimum 10% borrower contribution	Document Age	<ul style="list-style-type: none">120-days
Prepayment Penalty – Investment Property Only	<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%) 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 periodPrepayment periods up to 5-years eligible, see rate sheetPenalties not allowed in AK, KS, MI, MN, NM and RIPenalties not allowed on loans vested to individuals in IL and NJPenalties not allowed on loan amounts less than \$319,777 in PAOnly declining prepayment penalty structures allowed in MSPenalties on 1-2-unit properties cannot exceed 1% of the loan balance during the 1st five years in OH		
Escrows	<ul style="list-style-type: none">Escrows may be waived		