SERIES V: FOREIGN NATIONAL DSCR

Maximum LTV/CLTV			DSCR (Investment Only)		
DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	Rate & Term Refinance	Cash-Out Refinance
≥ 1.00	680	$1,000,000	75	75	70
		$1,500,000	75	75	65
		$2,000,000	70	70	60
		$2,500,000	65		
	No Credit Score	$1,000,000	75	75	70
		$1,500,000	75	75	65
		$2,000,000	70	70	60
		$2,500,000	65		
< 1.00	680	$1,000,000	70	70	65
		$1,500,000	65	65	65
		$2,000,000	60	60	60
	No Credit Score	$1,000,000	70	70	65
		$1,500,000	65	65	65
		$2,000,000	60	60	60

Property Type

- Single family: attached, detached
- 2-4-Units and Condominiums: Max LTV/CLTV Purchase 70%, Rate&Term 70%; Cash-out 65%
- Condo Hotel: Max LTV/CLTV Pur/R&T 70%, Refinance 65%,
- Rural: Max LTV/CLTV Purchase 70%, Rate & Term 70%; Cash-out 65%

Housing History	Credit Event Seasoning	First Time Investor	Unleased Properties
0x30x12, if documented	BK/FC/SS/DIL/PreFC/MC: ≥ 36 Mo Forbearance, Modification, or Deferral: > 12 Mo	Allowed	Refinance: LTV reduction not required
Long-Term Rental – Vacation Refinance Only	LTV is lesser of 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table		
Short-Term Rental – Refinance Only	LTV is lesser of 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table		

State Restrictions

- IL, NY: 2-4-units not eligible
- Ineligible: Baltimore City, MD and Philadelphia County, PA
- State Overlays for CT, FL, IL, NJ, NY: Max LTV/CLTV limited to 70% for refinances only, max loan amount limited to $2.0MM for all transactions
- Ineligible locations: Puerto Rico, Guam, and the US Virgin Islands

Declining Markets and State Overlays

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 70% for refinances and max loan amount $2.0MM for all transactions

General Requirements

Product Type	• Fixed Rate Terms: 15-,30-,40-year • ARMS: 5/6, 7/6, 10/6 with 30-year term
Interest Only (I/O)	• Eligible • 40-year term ARMs eligible when combined with interest only feature
Loan Amounts	• Minimum: $150,000 • Maximum: $2,500,000
Loan Purpose	• Purchase, Rate & Term Refinance, Cash-Out Refinance • Non-Arm's Length transactions are ineligible
Occupancy	• Investment for all eligible foreign citizens
Eligible Borrowers	• Foreign Nationals

Eligibility Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible
	• Florida purchases: Loans secured by property located in the sate of Florida made to foreign principals, persons, and entitles are to include one of the following Affidavits published by the Florida Land Tite Association:
	   o Conveyances to Foreign Entities – by individual buyer
	   o Conveyances to Foreign Entities – by entity buyer

Acreage	• Property up to 5 acres
Cash-In-Hand	• LTV > 50%: $300,000 • LTV ≤ 50%: $500,000

	Total equity withdrawn cannot exceed these limits
Appraisals	- FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained 2nd Appraisal required for loan amount > $2,000,000.

Income Requirements	

Income	**Long-Term Rental Documentation and DSCR Calculation**
	
	• **Purchase Transactions:**
	 o Monthly Gross rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long-term market rents
	 o 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
	  ▪ 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%
	 o A vacant or unleased property is allowed without LTV restriction
	 o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR
	
	• **Refinance Transactions:**
	 o Required documentation:
	  ▪ Original appraisal report reflecting tenant-occupied, and
	  ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and
	  ▪ Executed lease agreement
	   • 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 the DSCR/FICO/Loan balance matrix
	 o 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%
	 o A vacant or unleased property is allowed, LTV reduction not required
	 o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR
	
	• **DSCR Calculation:**
	 o Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property
	 o PITIA: Gross rents divided by PITIA = DSCR
	 o 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:**
	 o LTV is lesser of 70% for a refinance, or LTV based upon the DSCR/FICO/Loan balance matrix (excludes Condo Hotel projects)
	 o 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
      - Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor
      - Forecast period must cover 12-months and dated 90-days within the note date
      - Maximum occupancy limited to 2 individuals per bedroom
      - Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy
      - Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report

Underwriting Requirements

Credit Score	- If score available, use representative credit score of the borrower/guarantor with the highest representative score	Tradelines	- Tradelines not required, for each borrower who has three (3) US credit scores
			- Each borrower with less than three (3) credit scores must meet the minimum tradeline requirements as follows:
			   o At least three (3) tradelines reporting for a minimum of 12-months with activity in the last 12 months, or
			   o At least two (2) tradelines reporting for a minimum of 24-months with activity in the last 12 months

Assets	- Minimum of 30-days asset verification	Reserves	- 6-months of PITI - Cash-out may be used to satisfy requirement
Gift Funds	- Allowed after a min 10% borrower contribution	Document Age	- 120-days

DTI Requirements	• (DSCR – no DTI component	
Escrows	• Escrows waivers are not allowed for Foreign National DSCR borrowers who do not have a US credit score • Must have minimum credit score of 720 • Must have minimum 12-months of reserves	
Prepayment Penalty- Investment Property only	Acceptable structures include the following: • 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 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	• Prepayment periods up to 5-years eligible, see rate sheet • AK, IL, KS, MI, MN, NJ, NM, OH, RI: Penalties not allowed • MS: Only declining prepayment penalty structures are allowed • PA: Penalties not allowed for a loan amount less than or equal to the base figure ($329,411 for 2026; adjusted annually). Loan amounts greater than $329,411 are not subject to prepayment restrictions.