

Full Document

Maximum LTV/CLTVs		Full Doc - Primary Residence 1-Unit				
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance		
720+	<=1,000,000	90	80	80		
	1,000,001 – 1,500,000	85	80	80		
	1,500,001 – 2,000,000	80	75	75		
	2,000,001 – 3,000,000	75	70	70		
	3,000,001 – 4,000,000	70	NA	NA		
700+	<=1,000,000	90	80	80		
	1,000,001 – 1,500,000	85	80	80		
	1,500,001 – 2,000,000	80	75	75		
	2,000,001 – 3,000,000	70	65	65		
680 - 699	<=1,000,000	85	80	80		
	1,000,001 – 1,500,000	85	75	75		
	1,500,001 – 2,000,000	80	70	70		
	2,000,001 – 3,000,000	70	65	65		
660 - 679	<=1,000,000	80	75	75		
	1,000,001, – 1,500,000	80	75	75		
	1,500,001 – 2,500,000	70	65	65		
640 - 659	<=1,000,000	75	70	70		
	1,000,001 – 1,500,000	70	65	65		
	1,500,001 – 2,000,000	65	NA	NA		
Housing History Restrictions					Occupancy Restrictions – Second Home	
Housing History:	0x30x12	1x30x12	0x60x12	0x90x12		
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV Purchase: 80	
Max LTV/CLTV: Refin	80	80	75	NA	Max LTV/CLTV R/T or Cash-out: 75	
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Max Loan Amt: \$2,500,000	
Housing Event Seasoning Restrictions – Forbearance, Mod or Deferral – Refer to the guideline					Investment Restrictions	
BK/FC/SS/DIL/Mod:	>=48 Mo	>=36 Mo	>= 24 Mo	>= 12 Mo	1 st Time Investor 5% LTV Reduction	
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV: Purchase	80
Max LTV/CLTV: Refinance	80	80	75	NA	Max LTV/CLTV: R/T or C/O	75
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Max Loan Amt:	\$2,500,000
1 Year Full Doc						
No LTV Reductions – LLPA applies – See Rate Sheet						
State / CBSA Restrictions ¹						
Max loan amount \$2MM and maximum LTV/CLTV is limited to 5% LTV reduction for purchases and all refinances if one or all the following will be applied.						
<ul style="list-style-type: none"> ○ If the appraisal report identifies the property as a declining market and/or ○ The subject property is in a State or CBSA in the table at the end of this document. 						
General / Income Requirements						
Product Type	40-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature)					
Interest Only	• Min Credit Score: 660		• Max LTV: 85%			
Loan Amounts	• Min: 200,000		• Max: 4,000,000			
Loan Purpose	Purchase, Rate/Term, and Cash Out					
Occupancy	Primary, Second Home, Investment					
Property Type	Single Family, Attached, Detached: No restrictions. 2-4 Units, Condominium: Max LTV/CLTV 85% (Purchase); Max LTV/CLTV 75% (R/T or Cash out) Rural and AG Zoned – Not eligible (no exceptions) Condotel or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase) – 65% (R/T or Cash-out) Florida Condominiums: A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible.					
Acres	Property up to 10-acres, not meeting the rural definition, eligible, 5+ acres limited to a max LTV/CLTV 80%					

¹ Refer State/CBSA Table below

Cash-In-Hand	<ul style="list-style-type: none"> • Max Cash-In-Hand: Unlimited 		
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000.		
Income	<ul style="list-style-type: none"> • Wage/Salary: W-2 (1 year or 2 years) + 2 recent Paystubs OR Tax Returns (1 year or 2 years) + IRS Form 4506-C • Self-Employed: Personal and Business Tax Returns, YTD P&L signed by Borrower +IRS Form 4506-C (1 year or 2 years) • Verbal VOE required within 10-days of Note Date 		
Underwriting Requirements			
Credit Score	Middle of 3 scores or lower of 2	DTI Requirements	<ul style="list-style-type: none"> • Standard Max 50%
Assets	Min of 30-days asset verification required; any large deposit must be sourced	Document Age	<ul style="list-style-type: none"> • 90-days
Gift Funds	<ul style="list-style-type: none"> • Owner-Occupied: Min Contributions: 5% • 2nd Home or Investment: Min Contributions: 10% 	Reserves	<ul style="list-style-type: none"> • LTV <= 85% - 6-months of PITIA • LTV > 85% - 12-months of PITIA • Loan Amount > \$1.5M – 9 months of PITIA • Loan Amount > \$2.5M – 12 months of PITIA • Cash out may be used to satisfy requirement.
Tradelines	<ul style="list-style-type: none"> • The minimum tradeline is <u>not</u> required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity. 	Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in NM • Penalties not allowed on loans vested to individuals in NJ

Expanded Document

Maximum LTV/CLTVs		Bank Statements, Asset Utilization and 1099 Only - Primary Residence 1 Unit				
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance		
720+	<=1,000,000	90	80	80		
	1,000,001 – 1,500,000	85	80	80		
	1,500,001 – 2,000,000	80	75	75		
	2,000,001 – 3,000,000	75	70	70		
	3,000,001 – 4,000,000	70	NA	NA		
700+	<=1,000,000	90	80	80		
	1,000,001 – 1,500,000	85	80	80		
	1,500,001 – 2,000,000	80	75	75		
	2,000,001 – 3,000,000	70	65	65		
680 - 699	<=1,000,000	85	80	80		
	1,000,001 – 1,500,000	85	75	75		
	1,500,001 – 2,000,000	80	70	70		
	2,000,001 – 3,000,000	70	65	65		
660 - 679	<=1,000,000	80	75	75		
	1,000,001 – 1,500,000	80	75	75		
	1,500,001 – 2,500,000	70	65	65		
640 - 659	<=1,000,000	75	70	70		
	1,000,001 – 1,500,000	70	NA	NA		
	1,500,001 – 2,000,000	65	NA	NA		
Housing History Restrictions					Occupancy Restrictions – Second Home & Investment (First Time Investor 5% LTV Reduction)	
Housing History:	0x30x12	1x30x12	0x60x12	0x90x12	Max LTV/CLTV: Purchase	80
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV: R/T or C/O	75
Max LTV/CLTV: Refin	80	80	75	NA	Max Loan Amt:	\$2,500,000
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000		
Housing Event Seasoning Restrictions – Forbearance, Mod or Deferral – refer to the guideline					Condotels or Non-Warrantable Restrictions	
BK/FC/SS/DIL/Mod:	>=48 Mo	>=36 Mo	>=24 Mo	>=12 Mo	Max LTV/CLTV -Purchase:	75%
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV R/T:	65%
Max LTV/CLTV: Refin	80	80	75	NA	Max LTVCLTV – Cash-out:	65%
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Occupancy Type:	OO/2 nd Home/NOO
State Restrictions	12 Mo Bank Statement, 1 Year 1099, WVOE					
IL, NJ: Max LTV/CLTV: Purchase or Rate/Term 85%, Cash-out 80%	LLPA applies – see rate sheet					
State / CBSA Restrictions ¹						
Max loan amount \$2MM and maximum LTV/CLTV is limited to 80% LTV for purchases and 75% for all refinances if one or all the following will be applied.						
<ul style="list-style-type: none"> o If the appraisal report identifies the property as a declining market and/or o The subject property is in a state or CBSA in the table at the end of this document. 						
General Requirements						
Product Type	40-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature)					
Interest Only	• Min Credit Score: 660		• Max LTV 85%			
Loan Amounts	• Min: 200,000		• Max: 4,000,000			
Loan Purpose	Purchase, Rate/Term, and Cash Out					
Occupancy	Primary, Second Home, Investment					
Property Type	Single Family, Attached, Detached: No restrictions. 2-4 Units, Condominium: Max LTV/CLTV 80% (Purchase); Max LTV/CLTV 75% (R/T or Cash out) Rural and AG Zoned – Not eligible (no exceptions) Condotels or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase) – 65% (R/T or Cash-out) Florida Condominiums: A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible.					
Acres	Property up to 10-acres, not meeting the rural definition, eligible, 5+ acres limited to a max LTV/CLTV 80%					
Cash-In-Hand	• Max Cash-In-Hand: Unlimited					
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000.					

Expanded Document, continued

Income and Program Requirements			
Income	<ul style="list-style-type: none"> • Personal Bank Statements: <ul style="list-style-type: none"> ○ 24 or 12-months of Personal and 2-months of business bank statements. ○ Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements. ○ The business bank statements must reflect business activity and transfers to the personal account. 		
	<ul style="list-style-type: none"> • Business Bank Statements: 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ○ Fixed Expense Ratio (50%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide. ○ Expense ratio provided by a 3rd party (CPA/EA/CTEC) min ratio of 10% ○ 3rd party prepared Profit & Loss Statement (CPA or EA) 		
	<ul style="list-style-type: none"> • Profit & Loss Statement Only <ul style="list-style-type: none"> ○ Max LTV 80% Purchase, Max LTV 70% Refinance ○ 24- or 12-months CPA prepared Profit & Loss Statement Only. P&L end date must be less than 90 days old at closing. ○ CPA must be licensed and verified. ○ A minimum 2-months of business bank statements covering the most recent 2-month period. ○ Borrower narrative on nature of business required. ○ CPA must attest they have prepared the borrower's most recent tax return. ○ Self-employed borrowers who file their own tax returns are not eligible. 		
	<ul style="list-style-type: none"> • Written Verification of Employment Only (wages/salary) <ul style="list-style-type: none"> ○ Max LTV 80% Purchase, Max LTV 70% Refinance ○ Complete Fannie Mae® Form 1005 and it must be completed by Human Resource, Payroll Department or Officer of the Company. ○ Employment documentation provided by a 3rd party – (The Work Number®). ○ An internet search of the company is required to support the existence of the company. ○ Two years' history with the same employer is required. ○ Employed by family members or a Relative/Friend are not eligible. ○ Two (2) Month personal bank statement required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. ○ First-Time Home Buyer maximum LTV 70%, no gift funds allowed. ○ Minimum FICO 660 ○ 24-month 0x30 housing history required. ○ Primary residence only. 		
	<ul style="list-style-type: none"> • Asset Utilization – Minimum FICO 680 - Non-Occupant co-borrower not allowed. <ul style="list-style-type: none"> ○ Eligible assets divided by 84 to determine a monthly income. ○ Gift funds not eligible ○ Crypto, Non-vested or restricted stock are not eligible liquid assets. ○ Max Loan-to-Value purchase or Rate/Term Refinance cannot exceed 80%. ○ Max Loan-to-Value cash-out cannot exceed 75%. ○ Max 43% DTI 		
	<ul style="list-style-type: none"> • IRS Form 1099 <ul style="list-style-type: none"> ○ 2-Years or 1-Year of 1099s 	<ul style="list-style-type: none"> ○ Fixed Expense Ratio of 10% 	<ul style="list-style-type: none"> ○ YTD Documentation to support continued receipt of income from same source
Underwriting Requirements			
Credit Score	Middle of 3 scores or lower of 2	DTI Requirements	Max 50%
Assets	Min of 30-days asset verification required; any large deposit must be sourced	Reserves	<ul style="list-style-type: none"> • 6 months of PITIA if LTV <= 85% • 12 months of PITIA if LTV > 85% • 12 months of PITIA if loan amount >\$1.5M • Cash out may be used to satisfy requirement
Gift Funds	Owner-Occupied – Min contribution 5% 2 nd Home or Investment – Min contribution 10%	Document Age	90-days
Tradelines	<ul style="list-style-type: none"> • The minimum tradeline is <u>not</u> required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity. 	Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in NM • Penalties not allowed on loans vested to individuals in NJ

DSCR Matrix

1-Unit Investment Property				
Maximum LTV/CLTVs		≥ 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700+	≤1,000,000	80	75	75
	1,000,001 – 1,500,000	75	70	70
	1,500,001 – 2,000,000	70	65	65
	2,000,001 – 3,500,000	70	NA	NA
660 - 699	≤1,000,000	75	70	70
	1,000,001 – 1,500,000	75	70	70
	1,500,001 – 2,000,000	70	65	65
	2,000,001 – 3,000,000	65	NA	NA
620 - 659	≤1,000,000	70	65	65
	1,000,001 – 1,500,000	65	NA	NA
	1,500,001 – 2,000,000	65	NA	NA
	2,000,001 – 3,000,000	60	NA	NA
Maximum LTV/CLTVs		< 1.00		
700+	≤1,000,000	75	70	70
	1,000,001 – 1,500,000	70	65	65
	1,500,001 – 2,000,000	65	60	60
	2,000,001 – 3,000,000	60	NA	NA
660 - 699	≤1,000,000	70	65	65
	1,000,001 – 1,500,000	70	65	65
	1,500,001 – 2,000,000	65	60	60
	2,000,001 – 3,000,000	60	NA	NA
Housing History	Credit Event Seasoning	Investor Experience		
<ul style="list-style-type: none"> 1x30x12 – No reduction 0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out 	BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> ≥36 Mo – No reduction ≥24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out Forbearance, Mod or Deferral – Refer to the guideline.	Experienced Investor: Borrower must have a history of owning and managing commercial or residential real estate for at least 1 year in the last 3 years. First Time Investor: A borrower not meeting the experienced investor criteria. <ul style="list-style-type: none"> First Time investors eligible subject to the following restrictions: <ul style="list-style-type: none"> Min FICO: 680 Max LTV: 75% DSCR < 1.0 not permitted. 0x30x36 mortgage late ≥ 36 Mo from any credit event Cash-out refinance not eligible. First Time Home Buyer not eligible. 		
State Restrictions CT, IL, NJ & NY	Max LTV/CLTV: 75% (Purchase) Max LTV/CLTV: 70 (R/T or Cash out)	Unleased Properties		
All refinances: If appraisal reflects any unit vacant, a 5% LTV reduction is required. N/A for Short-term rental. Refer to Short-term section for specific criteria.				
State / CBSA Restrictions ¹				
Max loan amount \$2MM and maximum LTV/CLTV is limited to 75% LTV for purchases and 70% for all refinances if one or all the following will be applied. <ul style="list-style-type: none"> If the appraisal report identifies the property as a declining market and/or The subject property is in a state or CBSA in the table at the end of this document. 				
General Requirements				
Product Type	40-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 660 	<ul style="list-style-type: none"> Max LTV: 75% 		
Loan Amounts	<ul style="list-style-type: none"> Min: 200,000 	<ul style="list-style-type: none"> Max: 3,500,000 		
Loan Amt < 200K	Not allowed			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Investment			
Property Type	Single Family, Attached, Detached: no restrictions. 2-4 Units, Condominium: Max LTV/CLTV: 75% (Purchase) -- Max LTV/CLTV: 70% (R/T or Cash-out) Condotels or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase) -- Max LTV/CLTV: 65% (R/T and Cash-out) Rural or AG zoned: Not eligible (no exceptions) Florida Condominiums: A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible.			
Acreage	Property up to 2-acres, not meeting the rural definition, eligible.			
Cash-In-Hand	Max cash-in-hand: LTV < 65% - \$1,000,000; LTV => 65% - \$500,000 Total cash-out cannot exceed the limits above.			
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000.			

DSCR Matrix, continued

Income Requirements			
Income	<ul style="list-style-type: none"> • Long-Term Rental Documentation and DSCR Calculation: <ul style="list-style-type: none"> <u>Purchase Transactions:</u> <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 subject property currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. ○ Vacant or unleased properties are allowed without LTV restriction. <u>Refinance Transactions:</u> <ul style="list-style-type: none"> ○ Required documentation: <ul style="list-style-type: none"> ▪ FNMA Form 1007 or 1025 reflecting long-term market rents and lease agreement. ▪ If the lease has been converted month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. ○ 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-month of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007 or 1025. ○ Vacant or unleased properties are allowed, and the maximum LTV allowed is reduced by 5%. <u>DSCR Calculation:</u> <ul style="list-style-type: none"> ○ DSCR Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required DSCR Ratios. ○ Gross Rents divided by PITIA = 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. <u>Short-Term Rental Income – Purchase and Refinance Transactions:</u> <ul style="list-style-type: none"> ○ A 5% LTV reduction applies to all transactions using short-term rental income when the DSCR is ≥ 1.00 (Excludes Condo Hotel Project. When the DSCR is < 1.00, the DSCR Ratio < 1 Eligibility Matrix must be used. ○ DSCR Calculation: <ul style="list-style-type: none"> ❖ 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. ❖ (Gross Rents *.80) divided by PITIA = DSCR. ○ Any of the following methods may be used to determine gross month rental income: <ul style="list-style-type: none"> ❖ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. ❖ The most recent 12-month rental history statement from 3rd party rental/management service. <ul style="list-style-type: none"> ▪ The statement must identify the subject property/unit, rent collected for the previous 12-months, and all vendor management fees. The rental income will exclude all vendor or management fees. ❖ The most recent 12-month bank statements from the borrower evidence short-term rental deposits. The borrower must provide rental records for the subject property to support monthly deposits. ○ AIRDNA Rentalizer and Overview reports must meet the following requirements: <ul style="list-style-type: none"> ❖ Rentalizer <ul style="list-style-type: none"> ✚ Only allowed for purchase transaction ✚ Forecast period must cover 12 months from the Note Date ✚ The occupancy rate must be $> 60\%$ ✚ Must have five (5) comparison properties. ✚ All five (5) comparison must be within the same ZIP code of subject property. ✚ Must be similar in size, room count, amenities, availability, and occupancy. ❖ Overview Report <ul style="list-style-type: none"> ✚ Market grade by zip code ✚ Must be B or greater. ✚ Income Calculation = Annual revenue / 12 		
	Underwriting Requirements		
Credit Score	Use the lowest decision score amongst all borrowers. Middle of 3 scores or lower of 2	Tradelines	<ul style="list-style-type: none"> • The minimum tradeline is not required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity.
Assets	Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none"> • Loan Amount \leq \$2.5M: 6 months of PITIA • Loan Amount $>$ \$2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Gift funds are allowed after a minimum of 10% borrower contribution. 	Document Age	90 days
Prepayment Penalty - Investment Property Only	Acceptable Structures include the following: <ul style="list-style-type: none"> • 5% fixed up to 5 years. • Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period. 	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet. • Penalties not allowed in KS, NM and OH • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts less than \$278,204 in PA 	

DSCR Matrix (5-8 Units or 2-8 Mixed Use)

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		
<ul style="list-style-type: none"> 0x30x24 	BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> >=24 Mo – Any event Forbearance, Mod or Deferral – Refer to the guideline. 	Experienced Investor: Borrower must have a history of owning and managing (one) commercial or residential real estate for at least 1 year in the last 3 years. First Time Investor: Not eligible		
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
State / CBSA Restrictions ¹				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
General Requirements				
Product Type	30-Yr Fixed, 5/6 ARM, 7/6 ARM. The maximum loan term cannot exceed 30 years.			
Interest Only	Eligible			
Loan Amounts	<ul style="list-style-type: none"> Min: 400,000 Max: 2,000,000 			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Cash-In-Hand	<ul style="list-style-type: none"> Max cash-in-hand \$1,000,000 			
Occupancy	Investment			
Restrictions	Citizens & individuals from OFAC sanctioned counties including Russia & 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 (Residential with 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 			
Acres	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 reports 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. 			
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 is limited to retail or office space. Residential/Commercial zoning acceptable.			
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 			

DSCR (5-8 Units or 2-8 Mixed Use), continued

Underwriting Requirements			
Credit Score	Use the lowest decision score amongst all borrowers. Middle of 3 scores or lower of 2	Tradelines	<ul style="list-style-type: none"> The minimum tradeline is not required if the primary borrower has three (3) credit scores OR Minimum 2 tradelines reporting 24-months with activity in last 12 months OR Minimum 3 tradelines reporting 12-months w/recent activity.
Assets	Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none"> 6 months of PITIA Loan Amount > \$1.5M: 12-months of PITIA Cash out may not be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> Gift funds is allowed after minimum of 10% borrower contribution. 	Document Age	90-days
Prepayment Penalty	<ul style="list-style-type: none"> Acceptable structures include the following: <ul style="list-style-type: none"> Six (6) months of interest in prepayments not available. 5% fixed up to 5-years 	<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet. Penalties not allowed in KS, NM and OH Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$301,022 in PA 	

Foreign National – Investment Property Only

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	NA	NA
	Foreign Credit	≤ 1,000,000	65	60	60
		1,000,001 – 1,500,000	65	NA	NA
Housing History		Credit Event Seasoning	First Time Investor		Unleased Properties
0x30x12, if documented		BK/FC/SS/DIL/Mod: ≥ 36 Mo	Allowed		Refinance: 5% LTV reduction if vacant
State / CBSA Restrictions¹					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
General Requirements					
Product Type	40-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature)				
Interest Only	Eligible				
Loan Amounts	• Min: 200,000 • Max: 1,500,000				
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Restrictions	Citizens & individuals from OFAC sanctioned counties including Russia and Belarus are not eligible.				
Property Type	Single Family, Attached, Detached. 2-4 Units, Condominium: Max LTV/CLTV 65% Condohotels Max LTV/CLTV: 65% (Purchase) -- Max LTV/CLTV: 65% (R/T and Cash-out). Non-Warrantable Condo not eligible. Rural: Not eligible Florida Condominiums: A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV is reduced 5% Projects with an unacceptable or no inspection are not eligible.				
Acreage	DSCR maximum 2-acres.				
Cash-In-Hand	<ul style="list-style-type: none"> \$300,000 if LTV > 50% \$500,000 for LTV ≤ 50% Total equity withdrawn can't exceed above limits				
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained.				
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. A vacant or unleased property is allowed without LTV restriction. Refinance Transactions: <ul style="list-style-type: none"> Required Documentation: <ul style="list-style-type: none"> ✓ FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement. ✓ If the lease has been converted month-to-month, then provide most recent 2 months proof of receipt to evidence continuance of lease. 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. Debt Service Coverage Ratio (DSCR) Calculation: <ul style="list-style-type: none"> DSCR is the Monthly Gross Rent divided by the PITIA of the subject property. See this matrix for DSCR requirements. Gross rents divided by PITIA = DSCR <p>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.</p> <ul style="list-style-type: none"> Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> A 5% LTV reduction applies to all transactions using short-term rental income when the DSCR is ≥ 1.00 (Excludes Condo Hotel projects). When the DSCR is < 1.00, the DSCR < 1.00 matrix must be used. DSCR Calculation: <ul style="list-style-type: none"> ✓ 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. ✓ (Gross Rent*0.80) divided by PITIA = DSCR Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> 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. The most recent 12-month bank statements from the borrower evidence short-term rental deposits. The borrower must provide rental records for the subject property to support monthly deposits. 				

Foreign National – Investment, continued

Income Requirements - Continued			
Income	<ul style="list-style-type: none"> ○ AIRDNA Rentalizer and Overview report must meet the following requirements: <ul style="list-style-type: none"> ○ Rentalizer <ul style="list-style-type: none"> ▪ Only allowed for purchase transaction ▪ The forecast period must cover 12 months from the Note Date. ▪ The occupancy rate must be > 60% ▪ Must have five (5) comparable properties, all within the same ZIP code. ▪ Must be similar in size, room count, amenities, availability, and occupancy. ○ Overview Report <ul style="list-style-type: none"> ▪ Market grade by zip code ▪ Must be B or greater. ▪ Income Calculation = Annual revenue / 12 		
Underwriting Requirements			
Credit Score	Use the lowest decision score amongst all borrowers. Middle of 3 scores or lower of 2, if available	DTI Requirements	Not Applicable
Assets	Min of 30-days asset verification required; any large deposit must be sourced.	Reserves	<ul style="list-style-type: none"> • 12-months of PITIA • 6-months with 5% LTV reduction and price adjustment • Cash out may be used to satisfy requirement
Gift Funds	Not allowed	Document Age	90-days
Tradelines	US credit: Min 2 reporting 24-months or 3 reporting 12-months. For borrowers without U.S. credit two credit reference letters must be provided, see Guide for requirements	Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet. • Penalties not allowed in KS, NM and OH. • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amount less than \$278,204 in PA

(1) State / CBSA Table		
Statewide	CBSA - Specific	
State	CBSA Name	CBSA Code
Arizona	CA: San Francisco; Oakland; Hayward	41860
Connecticut	CA: San Jose; Sunnyvale; Santa Clara	41940
New Jersey	CA: Santa Cruz	42100
Oregon	CO: Boulder	14500
	CO: Breckenridge	14720
	FL: Cape Coral; Fort Myers	15980
	FL: Naples; Immokalee; Marco Island	34940
	FL: North Port; Sarasota; Bradenton	35840
	FL: Punta Gorda	39460
	NV: Reno	39900
	TX: Austin; Round Rock	12420