

## 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
<b>Housing History</b>		<b>Credit Event Seasoning</b>	<b>First Time Investor</b>		<b>Unleased Properties</b>
0x30x12, if documented		BK/FC/SS/DIL/Mod: ≥ 36 Mo	Allowed		Refinance: 5% LTV reduction if vacant
<b>State / CBSA Restrictions<sup>1</sup></b>					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
<b>General Requirements</b>					
<b>Product Type</b>	40-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature)				
<b>Interest Only</b>	Eligible				
<b>Loan Amounts</b>	• Min: 200,000 • Max: 1,500,000				
<b>Loan Purpose</b>	Purchase, Rate/Term, and Cash Out				
<b>Restrictions</b>	Citizens & individuals from OFAC sanctioned counties including Russia and Belarus are not eligible.				
<b>Property Type</b>	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 <b>not</b> eligible. Rural: Not eligible <b>Florida Condominiums:</b> 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.				
<b>Acreage</b>	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 Total equity withdrawn can't exceed above limits				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>	<p><b>Long-Term Rental Documentation and DSCR Calculation:</b></p> <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 been converted month-to-month, then provide most recent 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> </ul> </li> <li><b>Debt Service Coverage Ratio (DSCR) Calculation:</b> <ul style="list-style-type: none"> <li>DSCR is the Monthly Gross Rent divided by the PITIA of the subject property. See this matrix for DSCR requirements.</li> <li>Gross rents divided by PITIA = DSCR</li> </ul> </li> </ul> <p><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.</p> <ul style="list-style-type: none"> <li>Short-Term Rental Income – Purchase and Refinance Transactions:                     <ul style="list-style-type: none"> <li>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 &lt; 1.00, the DSCR &lt; 1.00 matrix must be used.</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 Rent*0.80) divided by PITIA = DSCR</li> </ul> </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> <li>The most recent 12-month rental history statement from the 3<sup>rd</sup> party rental/management service.                             <ul style="list-style-type: none"> <li>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> </ul> </li> <li>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.</li> </ul> </li> </ul>				

**Foreign National – Investment, continued**

Income Requirements - Continued			
<b>Income</b>	<ul style="list-style-type: none"> <li>○ AIRDNA Rentalizer and Overview report 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>▪ The forecast period must cover 12 months from the Note Date.</li> <li>▪ The occupancy rate must be &gt; 60%</li> <li>▪ Must have five (5) comparable properties, all within the same ZIP code.</li> <li>▪ Must be similar in size, room count, amenities, availability, and occupancy.</li> </ul> </li> <li>○ Overview Report                                     <ul style="list-style-type: none"> <li>▪ Market grade by zip code</li> <li>▪ Must be B or greater.</li> <li>▪ Income Calculation = Annual revenue / 12</li> </ul> </li> </ul> </li> </ul>		
Underwriting Requirements			
<b>Credit Score</b>	Use the lowest decision score amongst all borrowers. Middle of 3 scores or lower of 2, if available	<b>DTI Requirements</b>	Not Applicable
<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>	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	<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 KS, NM and OH.</li> <li>• Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>• Penalties not allowed on loan amount less than \$278,204 in PA</li> </ul>

(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