

Series V: DSCR

Single Investment Property				
Maximum LTV/CLTVs		DSCR >= 1.00		
Credit Score	Loan Amount	Purchase	R/T 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 - 699	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 - 659	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/CLTVs		DSCR < 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 - 699	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 - 679	1,000,000	65	N/A	N/A
Housing History	Credit Event Seasoning	Investor Experience		
<ul style="list-style-type: none"> 1x30x12 – No reduction 0x60x12 – Max LTV: Purchase – 70% LTV, Rate/Term – 65% LTV, Cash-out – 65% LTV 	<p>BK/FC/SS/DIL:</p> <ul style="list-style-type: none"> >=36 Mo – No reduction >=24 Mo – Max LTV: Purchase – 75% LTV, Rate/Term & Cash-out – 70% LTV <p>Housing Event Seasoning: Forbearance, Mod or Deferral: See Eligibility Guide</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 last 3 years.</p> <p>First Time Investor: A borrower/guarantor not meeting the experienced investor criteria.</p> <ul style="list-style-type: none"> First Time investors eligible subject to the following restrictions: <ul style="list-style-type: none"> Min credit score: 680 No mortgage late payments during the past 36 Mo Own a primary residence for at least 1-year >= 36 Mo from any credit event Cash-out not eligible First Time Home Buyer not eligible 		
Unleased Properties	All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria.			
Declining Market and State/CBSA Restrictions				
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 75% for purchases and 70% for all refinances and the maximum loan amount is limited to \$2MM.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	Min Credit Score: 680		Max LTV: Purchase – 75%, Rate/Term – 75%, Cash-Out – 70%	
Loan Amounts	Min: 100,000		Max: 3,500,000	
Loan Amt < 150K	Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Investment			
Property Type	<ul style="list-style-type: none"> Single Family, Attached, Detached 2-4 Units & Condos: Max LTV/CLTV: Purchase – 75%, Refinance – 70% Condo Hotel: Max LTV/CLTV: Purchase – 75%, Refinance – 65%, Max Loan Amount – \$1,500,000 Rural – Not eligible 	<p>Florida Condominiums:</p> <ul style="list-style-type: none"> A structural inspection is required for projects <ul style="list-style-type: none"> Greater than 5 years; and Over 30 years old or 25 years old if within 3 miles of the coast. 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	LTV ≥ 65% - \$500,000; LTV < 65% - \$1,000,000; Total equity withdrawn cannot exceed above limits (Not applicable to Delayed Financing)			
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.			

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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 converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. <ul style="list-style-type: none"> ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix ○ Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025 as follows: <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 subject to the following: <ul style="list-style-type: none"> ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix • DSCR Calculation: <ul style="list-style-type: none"> ○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. ○ 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"> ○ LTV is lesser of 75% for a purchase and 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects). ○ 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. 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. ▪ (Gross Rents * .80) divided by PITIA = 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: <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. 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 evidencing short-term rental deposits. 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 ▫ Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor ▫ Forecast period must cover 12 months from the Note date ▫ The occupancy rate must be > 60% <ul style="list-style-type: none"> i. Maximum occupancy limited to 2 individuals per bedroom ▫ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> i. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> ▫ Market score or Sub-Market score by zip code ▫ Market score or Sub-Market score must be 60 or greater

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Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> Use highest decision score amongst all borrower(s)/guarantor(s). Middle of 3 scores or lower of 2 	Tradelines	<ul style="list-style-type: none"> If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
Assets	Min of 30-days asset verification required	Reserves	<ul style="list-style-type: none"> 2 months of PITIA Loan Amount > \$1.5M: 6-months of PITIA Loan Amount > \$2.5M: 12-months of PITIA Cash out may be used to satisfy requirement
Gift Funds	Allowed after min 10% borrower contribution	Document Age	90-days
Prepayment Penalty - Investment Property Only	<p>Acceptable Structures include the following:</p> <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 period. 		
			<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in AK, KS, MI, MN, NM, OH and RI Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$312,159 in PA Only declining prepayment penalty structures allowed in MS

State/CBSA Overlay Table

Statewide	
State Name	State
Connecticut	CT
Idaho	ID
Illinois	IL
Louisiana	LA
New Jersey	NJ
New York	NY

CBSA-Specific	
CBSA Name	CBSA Code
Phoenix-Mesa-Scottsdale, AZ	38060
Sacramento-Roseville, CA	40900
San Francisco-Oakland-Hayward, CA	41860
San Jose-Sunnyvale-Santa Clara, CA	41940
Santa Cruz-Watsonville, CA	42100
Boulder, CO	14500
Breckenridge, CO	14720
Sevierville, TN	42940
Austin-Round Rock, TX	12420