LOAN LOCK PRIME

Series S: DSCR

DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	85%	$1,500,000	740
	80%	$1,000,000	640
		$1,500,000	660
		$2,000,000	740
	75%	$1,000,000	620
		$1,500,000	640
		$2,000,000	700
	70%	$1,500,000	620
		$2,000,000	640
		$2,500,000	700
	65%	$2,000,000	620
		$2,500,000	660
		$3,000,000	700
CASH-OUT	75%	$1,500,000	700
	70%	$1,500,000	660
	65%	$1,000,000	620
		$2,000,000	660
	60%	$2,500,000	700

Premier DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	75%	$1,500,000	700
CASH-OUT	70%	$1,500,000	700

- Condos Max 70%
- Minimum loan amount $100,000
- Loan amounts ≤ $150,000 – require min 1.25 DSCR
- Non-Perm Resident Aliens and Foreign Nationals not permitted
- Minimum 3 Year Prepay Penalty Required. Non-PPP state restrictions apply
- 40-Yr Fixed and 40-Yr ARM fully amortizing products not permitted
- FTHB ineligible
- All additional overlays of Investor Connect otherwise apply
- Short-term rental qualifying: Not allowed

DSCR .75-.99

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	75%	$2,000,000	720
	70%	$1,500,000	680
	65%	$2,000,000	700

- Min $175k loan amount; 40 yr. and 40 yr. IO not permitted
- >70%: 30 Year Fixed only

	MAX LTV/CLTV	INVESTOR CONNECT	INVESTOR PREMIER
Investor Premier - Condos	70%	N/A	X
Investor Connect – Condos	80%	X	N/A
First Time Investor	80%	X	N/A
30 and 40 Year Interest Only	80%	X	N/A
DSCR <1.0: 30 Interest Only	70%	X	Not Eligible
40 Year Amortization	80%	X	Not Eligible
No PPP	80%	X	Not Eligible
First Time Homebuyer (FTHB)	75%	X	Not Eligible
Properties Listed for Sale w/in the Last 12 months	70% (Cash-out)	X	X
Appraisal marked ‘Suburban’ but zoned ‘Rural Residential’	80% (Purchase)	X	Not Eligible
	75% (Rate-Term)	X	Not Eligible
	65% (Cash-out)	X	Not Eligible
Declining Markets	5% reduction to max eligibility	X	X
Short-Term Rental Purchase	75%	X	Not Eligible
Short-Term Rental Refinance	70%	X	Not Eligible
Recently Inherited Properties	60%	X	X
Gift of Equity	70%	X	X

ELIGIBILITY	Financing of the investment property must be solely for commercial / business purposes and is required to sign a Certification of Business Purpose/Non-Owner Occupancy
PRODUCTS	(see table below)

Product	Term	IO Term	Initial Cap	Periodic Cap	Life Cap
5/6 ARM	360 mo	NA	2	1	6
5/6 ARM	480 mo	NA	2	1	6
5/6 ARM IO	360 mo	120 mo	2	1	6
5/6 ARM IO	480 mo	120 mo	2	1	6
7/6 ARM	360 mo	NA	5	1	6
7/6 ARM	480 mo	NA	5	1	6
7/6 ARM IO	360 mo	120 mo	5	1	6
7/6 ARM IO	480 mo	120 mo	5	1	6
30 Yr Fixed	360 mo	NA	NA	NA	NA
30 Yr Fixed IO	360 mo	120 mo	NA	NA	NA
40 Yr Fixed	480 mo	NA	NA	NA	NA
40 Yr Fixed IO	480 mo	120 mo	NA	NA	NA

MIN LOAN AMOUNT	$100,000
MAX LOAN AMOUNT	$3,000,000 >$2.5M: 30 Year Fixed Only
INTEREST ONLY	Max 80% LTV/CLTV 40 Year Interest Only = 10-year IO then 30-year amortization (not permitted on DSCR <1.0) 30 Year Interest Only = 10-year IO then 20-year amortization
QUALIFICATION	Fully amortizing fixed and ARM loans are qualified at the initial P&I (30-yr or 40-yr, as applicable), property taxes, Insurance, HOA. Interest only loans are qualified on the interest only payment, property taxes, insurance, HOA.
DSCR CALCULATION	See ‘Rent Qualification’ section in UW Manual
DSCR MAX LTV/CLTV	(see table below)

DSCR .75 – 0.99	DSCR 1.0+	Premier DSCR 1.0+
Max 75% LTV/CLTV	Max 85% LTV/CLTV	Max 75%

- LTV >80%: 30 Year Fixed only; 3 Yr PPP required (not allowed on no PPP states); SFR only

BORROWERS	US Citizen Permanent Resident Aliens Non-Permanent Resident Aliens First Time Investors (see below for details)

	Limited Partnerships, General Partnerships, Corporations, Limited Liability Company Inter-vivos Revocable Trust Ineligible: Foreign Nationals
FIRST TIME INVESTOR	Max 80% LTV Min 1.0 DSCR Min 680 FICO Motivation letter required if property is purchased out of state from the borrower’s/guarantor’s residence
FIRST TIME HOME BUYER	Min 1.0 DSCR Min 700 FICO Max 75% LTV Max 750k UPB Interest only and/or 40-year amortization ineligible No exceptions allowed on the file Motivation letter required for purchasing investment and not owning a primary Rent-free ineligible
CREDIT EVENTS	Investor Connect - 3 years seasoning Investor Premier – 4 years seasoning Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default, Single Bankruptcy or 120+ Delinquent Single bankruptcy seasoning including Ch 7, 11 and Ch. 13 based on discharge or dismissal date Multiple Bankruptcies, regardless of seasoning, are ineligible

HOUSING HISTORY

- 1x30x12 (no rolling)
- Only one borrower needs to meet housing history
- All borrowers must be current on mortgage or rent at loan application
- Property tax liens and delinquent HOA dues at application will require pre-approval
- Housing history required for Primary and subject property refi. Other REO, not reported on credit, no mortgage rating required
- Institutional VOM for refinances of construction loans require payment ledger
- Document housing history via 12 months proof of payment via credit report, cancelled checks, bank debits or institutional VOR/VOM
- Open and active mortgage(s) reporting on initial credit for minimum 12 months satisfies housing history requirements
- No open and active mortgages reporting on initial credit will require pre-approval, except in the following circumstances:
  - The borrower owns a property free and clear and provides evidence that property taxes are paid current
  - The initial credit report shows a minimum of 12 months of previous mortgage history, active within the last 12 months
  - A private VOM and 12 months of bank statements, cancelled checks, or bank debits are provided
  - Borrower lives rent free from spouse or has title-only ownership and provides an institutional VOM or 12 months of ban statements, cancelled checks, or bank debits
  - 12 months proof of payment via cancelled checks, bank debits (highlighted on statements) or institutional VOR/VOM ca used to satisfy housing history. Carbon copies or handwritten rent receipts are not acceptable as bank records
  - Credit supplements completed by an institution is acceptable; Private lien holders/landlords are ineligible
- All refinances require pay history on subject property
- A borrower who sold a home and is temporarily staying rent free until the purchase of a new home is not considered an incomplete housing history. Must document most recent 12-month history prior to the sale of departing residence

QUALIFYING FICO

Highest Mid FICO score
For refinances, the use of the highest mid score is only eligible if that borrower meets continuity
*Use highest mid FICO of guarantor if more than 1 guarantor. No borrower can have less than a 620 mid FICO

TRADELINES

- If the qualifying borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers
- Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months
- Tradeline may be opened or closed
- Eligible tradelines cannot have any derogatory history in the previous 24 months
- Current housing not reporting on credit can be considered an open tradeline if supported by bank records
- No authorized user accounts may be used to satisfy minimum tradelines
- Non-traditional credit is not allowed as an eligible tradeline

RESERVES

DSCR ≥1.0
≤ 1.5MM and ≤70% LTV – No reserves
≤ 1.5MM and >70% LTV – 6 months
> 1.5MM – 9 months
DSCR <1.0
≤1.5MM – 6 months
>1.5MM – 9 months
Cash-out – 6 months required

- Interest Only loans – reserves calculated using the ITIA payment
- No additional reserves needed for additional financed properties
- Cash-out may be used as reserves

ASSETS

Asset Statements

- 1 month or 1 quarterly investment statement or FNMA approved third party direct pull services
  - Statements not required for Cash-out transactions which satisfy reserves, one quarterly investment statement, or FNMA approved third party direct pull services
- 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at the vesting percentage

GIFT FUNDS

- Eligible for purchase transactions
- Borrower(s) must have 5% of their own funds documented but not required to use when LTV >75%
- ≤ 75% LTV – No minimum contribution required

REFINANCE TRANSACTIONS

Unlimited Cash-out

PREMIER	
LTV/CLTV	**Maximum Cash Out**
>65%	$750k
≤65%	$1.5MM

Existing Mortgage Seasoning	0-6 Months	6.1 - 12 Months
Rate-Term	Lesser of (PP + Improvements*) -or- Appraisal	Appraisal
Cash Out	Not permitted	Appraisal

- Purchase appraisal or original listing photos required along with schedule of improvements
- Seasoning is measured from note date

Transaction Type	PPP Term/ LTV	0-6 months	6.1-12 months

PROPERTIES LISTED FOR SALE	Rate-Term No Penalty — N/A — Not Permitted — Pre-Approval Rate-Term w/ Penalty — Min 2 years penalty — Permitted — Permitted Cash Out No Penalty — Max LTV 70% — Not Permitted — Pre-Approval Cash Out w/ Penalty — Min 2 years and max LTV 70% — Permitted — Permitted LTV based on lower of appraised value or lowest listing price in the last 12 months
SG MAX EXPOSURE	Max Financed Properties: o Investor Connect: 20 residential o Investor Premier: 15 residential SGCP exposure to a single borrower/guarantor cannot exceed $5MM UPB or 10 loans
PROPERTY	Rural Properties not eligible – See UW Manual for rural definition
	o Appraisals marked 'Suburban' but zoned 'Rural Residential' are allowed with Max LTV: 80% Purchase; 75% Rate & Term; 65% Cash-out Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance Investor Connect - Max 10 Acres Investor Premier – Max 5 Acres Minimum square footage required 500 sq ft. per unit – Kitchenettes ineligible Short Term Rentals - Refer to 'Short Term/Variable Rental' section of the Manual for details SFR/PUDs 2-4 Units Unsold builder inventory not eligible State Condominium Requirements (Warrantable and Non-Warrantable): o California **Balcony Bill – SB326**: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground. Projects with an unacceptable or no inspection are ineligible. Florida – Projects over 30 years old or 25 years if within 3 miles from the coast, a structural inspection within every 10 years is required for projects 3 stories or higher. o Inspection must confirm no conditions severe enough to affect the safety, soundness, structural integrity or habitability of the improvements o Projects with unacceptable or no inspections are ineligible

NON- WARRANTABLE CONDOS

Non-Warrantable Condos - Limited to Two	
Allowable Features:	
Presale	At least 30% of the units must be sold or under bona fide contract
Investor Concentration	Up to 70% of units can be tenant occupied
Single Entity Ownership	A single entity can own up to 30% of units
Commercial Space	Up to 50%
Recreational Leases	Eligible
Delinquent HOA	Up to 25%
Master Coverage Deductible	Up to 10% allowed
Reserves	<10% replacement and/or maintenance but never less than 5%
Mandatory Memberships	Cannot exceed 10% of purchase price
Ineligible Features/Requirements for Non-Warrantable Condos:	
Material Litigation – Structural/Functional litigation against developer	Ineligible
Insurance Coverage	Coverage amount less than the replacement cost is ineligible (Actual Cash Value is not permitted)
Newly Converted – Non-full gut rehabs	Ineligible
Flood Insurance	Projects in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable
Project Completion	Project must be 100% complete and HOA turned over

APPRAISAL REQUIREMENTS	1 Full appraisal required for all transactions All appraisals require a third-party valuation by an SGCP approved vendor. SGCP Approved Desk Review Vendors: Consolidated Analytics; Stewart Lender Services Clear Capital; Summit Valuations Servicelink CU/LCA score of 2.5 or below, no further review required Transferred appraisals are acceptable, unless ordered by borrower or affiliate of the property seller. *****Refer to SG Capital's exclusionary list of appraisers and interested parties found in the SG Resource Document. Please reach out to your sales rep for questions*****
INSURANCE	Commercial, Landlord or rental dwelling policy required.

PREPAYMENT PENALTY	Non-PPP states or loans without a PPP are not eligible for Investor Premier Three Prepayment Penalty structure options are available: 1. Standard Prepayment Penalty: Penalty term of six months' advance interest on the amount prepaid that exceeds 20% of the original balance of the note – 1, 2, 3, 4 or 5-year term (see rate sheet for details) 2. Flat structure - 3-, 4 - or 5-year prepayment term at a 5% flat rate. 3. Tiered structure as indicated below: 5% 5% 5% 3% 3% 4% 4% 4% 3% 3% 3% 3% 2% 2% 1%