LoanLock PRIME

SERIES V: DSCR

Single Investment Property

Minimum Credit Score	Maximum Loan Amount	Purchase	Rate and Term Refinance	Cash-Out Refinance
Maximum LTV/CLTV		**≥1.00**		
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	$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	$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/CLTV		**< 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	$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	$1,000,000	65%	N/A	N/A

Property Type

- Single family: Attached/Detached
- 2-4-Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%
- Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance 65%, Max Loan Amount $1,500,000
- Rural: Max LTV/CLTV Purchase 75%, Refinance 70%

Housing History

- 1x30x12 – no reduction
- 0x60x12 – Purchase Max 70% LTV, Refinance Max 65% LTV

Credit Event Seasoning

BK/FC/SS/DIL/PreFC/MC:

- ≥36 months – no reduction
- ≥24 months – Purchase Max 75% LTV, Refinance Max LTV 70%

Forbearance, Modification, or Deferral: >12months

Investor Experience

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 the last 3 years

First Time Investor: Borrower/guarantor who is purchasing an investment property for the first time, meaning they have not previously owned a property intended for rental income, resale or other investment purposes:

- First time investors eligible subject to the following restrictions:
  - First time homebuyer not allowed
  - Minimum credit score: 700
  - ≥36 months seasoning from any credit event
  - 1-unit only
  - DSCR > 1.00
  - Must own a primary residence

First Time Homebuyer: Not eligible except as allowed in Seller Guide

Unleased Properties

All long-term rental refinances: Vacant or unleased property is allowed subject to Max LTV 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria.

State Eligibility

<table>
<tr><td colspan="2">

- State Overlays for CT. FL, IL, NJ, NY: Purchase Max LTV/CLTV 75%, Refinance Max LTV/CLTV 70%, and Max loan amount $2.0MM
- IL, NY: 2-4-units not eligible
- Ineligible: Baltimore City, MD
- Ineligible locations: Puerto Rico, Guam, and the US Virgin Islands

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<tr><th colspan="2">Declining Market</th></tr>
<tr><td colspan="2">If the appraisal report identifies the property in a declining market: Purchase Max LTV/CLTV 75%, Refinance Max LTV/CLTV 70%, and Max loan amount limited to $2.0MM</td></tr>
<tr><th colspan="2">General Requirements</th></tr>
<tr><td>Product Type</td><td>• Fixed Rate Terms: 15-,30-,40-year
• ARMS: 5/6, 7/6, 10/6 with 30-year term</td></tr>
<tr><td>Interest Only (I/O)</td><td>• Minimum Credit Score: 680
• Max LTV: Purchase 75%, Rate & Term: 75%, Cash-Out 70%
• 40-year term ARMs eligible with I/O feature</td></tr>
<tr><td>Loan Amounts</td><td>• Minimum: $100,000
• Maximum: $3,500,000</td></tr>
<tr><td>Loan Amount < $150K</td><td>• Max LTV/CLTV: Purchase 70%, Refinance 65% (Min DSCR 1.25)</td></tr>
<tr><td>Loan Purpose</td><td>• Purchase, Rate & Term Refinance, Cash-Out Refinance
• Non-Arm’s Length transactions are ineligible</td></tr>
<tr><td>Occupancy</td><td>• Investment</td></tr>
<tr><td>Eligible Borrower</td><td>• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien: Max LTV/CLTV 80%</td></tr>
<tr><td>Acreage</td><td>• Property up to 5 acres</td></tr>
<tr><td>Max Cash-In-Hand</td><td>• LTV ≥ 65%: $500,000
• LTV < 65%: $1,000,000
Total equity withdrawn cannot exceed these limits (not applicable to delayed financing transaction)</td></tr>
<tr><td>Appraisals</td><td>• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained
• 2nd appraisal required for loans > $2,000,000</td></tr>
<tr><th colspan="2">Income Requirements</th></tr>
<tr><td>Income</td><td>

Long-Term Rental Documentation and DSCR Calculation

- **Purchase Transactions:**
  - 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. 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%
  - A vacant or unleased property is allowed without LTV restriction
  - Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR
- **Refinance Transactions:**
  - 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 per DSCR/FICO/Loan balance matrix

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</table>

- A vacant property as indicated on the appraisal is allowed subject to the following:
  - LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan Balance matrix
- 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%
- Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR

- **DSCR Calculation:**
- Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property
- PITIA: Gross rents divided by PITIA = DSCR; 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:**
  - LTV is lesser of 75% for purchase and 70% for refinance, or LTV based upon the DSCR/FICO/Loan balance matrix (excludes condotels)
  - 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	• Use representative credit score of the borrower/guarantor with the highest representative score	**Tradelines**	• If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived • Minimum: 2 reporting 24-months with activity in last 12-months or 3 reporting 12-months with recent activity
Assets	• Minimum of 30-days asset verification required	**Reserves**	• 2-months of PITIA • Loan amount > $1.5MM: 6-months of PITIA • Loan amount > $2.5MM: 12-months of PITIA • Cash-out may be used to satisfy requirement
Gift Funds	• Allowed after minimum 10% borrower contribution	**Document Age**	• 120-days
Escrows	• Escrows may be waived		
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.	