

MATRIX	
FICO	Loan Amount
700	\$150,000 <= 1,000,000
	\$1,000,001 - 1,500,000
	\$1,500,001 - 2,000,000
	\$2,000,001 - 2,500,000
	\$2,500,001 - \$3,000,000
680	\$150,000 <= 1,000,000
	\$1,000,001-1,500,000
	\$1,500,001-2,000,000
660	\$2,000,001-3,000,000
	\$150,000 <= 1,000,000

NO RATIO		
Purchase	Rate and Term	Cash-Out
75	70	70
75	70	70
70	65	65
65	NA	NA
60	NA	NA
70	65	NA
70	65	NA
65	60	NA
60	NA	NA
65	NA	NA

LTV/CLTV Restrictions			
Loan Type Interest Only	680	Purchase & R/T	75%
		Cash-Out	70%
Housing History	Multiple 30 day lates but Ox60	1x30x12	NA
		Purchase	70%
		Refinance	65%
Credit Event Seasoning	BK/FC/SS/DIL: (less than 24 mos. seasoning not eligible) 24mos - 35mos	Purchase	75%
		Refinance	70%
Property Type	2-4 units, Condominium	Purchase	75%
		Refinance	70%
	Condo Hotel (Max. \$1.5 mil Loan Amount)	Purchase	75%
		Refinance	65%
	Unleased Properties	Purchase	75%
Unleased Properties	Refinance	70%	
State Overlays	CT, FL, IL, NJ		
	Max \$2 million loan amount	Purchase	85%
Refinance		75%	

Overlays		
Minimum Loan Amount		\$150,000
Maximum Loan Amount		\$3,000,000
Max Cash In Hand	LTV >= 65%	\$500,000
	LTV < 65%	\$1,000,000
Experienced Investor:	Borrower 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.	
First Time Investor:	A borrower not meeting the experienced investor criteria.	
	Min credit score: 680	Max LTV: 75%
	• No mortgage late payments during the past 36 Mo	
	• ≥ 36 Mo from any credit event • Cash-out not eligible	
Non-Permanent Resident Alien	• First Time Home Buyer not eligible	
	Gift funds are not allowed	75% LTV/CLTV Max

## DSCR No Ratio - Quick Reference

<b>Product Type</b>	<ul style="list-style-type: none"> <li>30 year &amp; 40 year Fixed. 15 year fixed, 5/6 arm, 7/6 arm, 10/6 arm, 40 year IO</li> </ul>				
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>Min Credit Score: 680</li> <li>Purchase &amp; R/T Refinance: Max LTV 75%, Cash-Out Refinance Max LTV 70%</li> </ul>				
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Non Owner Occupied</li> </ul>				
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>120 Days</li> </ul>				
<b>Cash in hand</b>	<table border="1"> <tr> <td rowspan="3">Max cash in hand</td> <td>LTV <math>\geq</math> 65% - \$500,000</td> </tr> <tr> <td>LTV &lt; 65% - \$1,000,000</td> </tr> <tr> <td>Total equity withdrawn cannot exceed above limits</td> </tr> </table>	Max cash in hand	LTV $\geq$ 65% - \$500,000	LTV < 65% - \$1,000,000	Total equity withdrawn cannot exceed above limits
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	LTV < 65% - \$1,000,000				
	Total equity withdrawn cannot exceed above limits				
<b>Standard Income</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>				
<b>Asset Utilization</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>				

## Borrower

<b>Citizenship Restrictions</b>	<ul style="list-style-type: none"> <li>U.S. Residents &amp; Permanent Resident Alien eligible without restrictions</li> <li>Non-Permanent Resident Alien including DACA: <b>Max 75% LTV/CLTV; Gift funds not allowed</b></li> </ul>					
	Evidence of one of the following is required:					
	<table border="1"> <tr> <td>A valid current Employment Authorization Document (EAD), Form I-765, is required for US employment if the borrower is not sponsored by a current employer.</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>If the EAD will expire within six (6) months of loan application, it is acceptable to obtain a letter from the employer documenting the borrower's continued employment and continued EAD renewal. The employer on the loan application must be the same as on the unexpired EAD. The EAD documentation is acceptable up to 540 days if an automatic extension has been granted</li> </ul> </td> </tr> <tr> <td>If EAD is not provided, employment authorization may be evidenced by certain VISA types. Some common VISAs allowing employment include:                             <ul style="list-style-type: none"> <li>E-3, H-1B, L, O, and P</li> </ul> </td> </tr> <tr> <td>Asylum - Individuals granted asylum are eligible, documentation includes one of the following:                             <ul style="list-style-type: none"> <li>Form I-765 Employment Authorization referencing C08</li> </ul> </td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>After being granted asylum in the United States, DHS issues a Form I-94, Arrival/Departure Record, to asylees. Form I-94 will contain a stamp or notation, such as "asylum granted indefinitely" or the appropriate provision of law (8 CFR 274a.12(a)(5) or INA 208) to show their employment authorization. The asylee does not need to present a foreign passport with this Form I-94. An asylee can also present an electronic Form I-94 with an admission class of "AY."</li> </ul> </td> </tr> </table>	A valid current Employment Authorization Document (EAD), Form I-765, is required for US employment if the borrower is not sponsored by a current employer.	<ul style="list-style-type: none"> <li>If the EAD will expire within six (6) months of loan application, it is acceptable to obtain a letter from the employer documenting the borrower's continued employment and continued EAD renewal. The employer on the loan application must be the same as on the unexpired EAD. The EAD documentation is acceptable up to 540 days if an automatic extension has been granted</li> </ul>	If EAD is not provided, employment authorization may be evidenced by certain VISA types. Some common VISAs allowing employment include: <ul style="list-style-type: none"> <li>E-3, H-1B, L, O, and P</li> </ul>	Asylum - Individuals granted asylum are eligible, documentation includes one of the following: <ul style="list-style-type: none"> <li>Form I-765 Employment Authorization referencing C08</li> </ul>	<ul style="list-style-type: none"> <li>After being granted asylum in the United States, DHS issues a Form I-94, Arrival/Departure Record, to asylees. Form I-94 will contain a stamp or notation, such as "asylum granted indefinitely" or the appropriate provision of law (8 CFR 274a.12(a)(5) or INA 208) to show their employment authorization. The asylee does not need to present a foreign passport with this Form I-94. An asylee can also present an electronic Form I-94 with an admission class of "AY."</li> </ul>
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<b>Investor Experience</b>	<ul style="list-style-type: none"> <li>Experienced Investor:                             <ul style="list-style-type: none"> <li>an individual borrower having a history of owning and managing commercial or non-owner occupied residential real estate for at least one (1) year in the last three (3) years. For files with more than one borrower, only one borrower must meet the definition.</li> </ul> </li> <li>First Time Investor: Eligible under these restrictions                             <ul style="list-style-type: none"> <li>Minimum credit score: 680</li> <li>Maximum LTV: 75%</li> <li>No mortgage late payments during the past thirty-six (36) months.</li> <li>Minimum of 36-months seasoning from any credit event</li> <li>Cash-out transactions not eligible</li> <li>First time homebuyers not eligible</li> </ul> </li> </ul>					

## Credit

<b>Credit Score</b>	<ul style="list-style-type: none"> <li>Use highest representative score amongst all borrowers/guarantors.</li> <li>Middle of 3 scores or lower of 2</li> </ul>				
<b>Credit Event: Housing</b>	<ul style="list-style-type: none"> <li>DSCR Doc type is limited to verifying the borrower's primary residence and the subject property if a refinance transaction.</li> <li>1 x 30 x 12 months - No Reduction</li> <li>0 x 60 x 12 months - 70% LTV purchase 65% LTV Rate /Term and Cash out</li> <li>Living Rent Free eligible if borrower is considered an Experience Investor. Otherwise, rental history is required</li> <li>12 month rental history is <b>required</b> when the borrower is renting their current primary residence. Private party VOR must be supported by 6 months cancelled checks or payment history</li> </ul>				
<b>Credit Events: BK/ FC/ SS/ DIL/ Mods</b>	<table border="1"> <tr> <td rowspan="3">BK/ FC/ SS/ DIL/ Mods</td> <td><math>\geq</math> 36 Months - No Reduction</td> </tr> <tr> <td><math>\geq</math> 24 months Max LTV 75% Max 70% Rate/ Term and Cash out</td> </tr> <tr> <td>&lt; 24 months ineligible (excluding Ch. 13 BK)</td> </tr> </table>	BK/ FC/ SS/ DIL/ Mods	$\geq$ 36 Months - No Reduction	$\geq$ 24 months Max LTV 75% Max 70% Rate/ Term and Cash out	< 24 months ineligible (excluding Ch. 13 BK)
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	$\geq$ 24 months Max LTV 75% Max 70% Rate/ Term and Cash out				
	< 24 months ineligible (excluding Ch. 13 BK)				
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>Min. 2 tradelines reporting 24-Month w/activity in the last 12 months or;</li> <li>3 tradelines reporting 12-months w/recent activity</li> </ul>				

Income / Assets		
<b>Assets</b>	•	Min 30 day asset verification required
<b>Gift Funds</b>	•	Allowed after a min of 10% of borrowers own funds. Not eligible for Non-Permanent Resident Aliens
<b>Loan Reserves</b>	•	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
<b>Property Income Analysis</b>	•	Leased – Use lower of Estimated market rent or lease agreement.
	•	Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units. (does not apply if used as short term rental)
	•	Reduce qualifying rents by any management fee reflected on appraisal report.
	•	Income from commercial space must not exceed 49% of the total property income.
<b>Property Rental Income: Long Term Rentals</b>		<b>Purchase Transactions</b>
	•	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.
	•	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.
		<b>Refinance Transactions</b>
	•	FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement
	•	If the lease has converted to month-to-month, then provide the most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following:
	•	LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon DSCR/FICO/Loan Balance Matrix.
	•	Monthly Gross Rents are determined by the higher of actual lease amount or market rent from 1007/1025 as follows:
	•	If using the lower of actual lease amount or estimated market rent, nothing further is required
	•	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. If the actual rent exceeds the market 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 Max LTV Purchase 75%, Refinance 70%
•	LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon DSCR/FICO/Loan Balance Matrix.	
•	Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.	
<b>Property Rental Income Short Term Rentals</b>	•	Short term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis
	•	<b>Short-Term Rental Income - Purchase and Refinance Transactions:</b>
	•	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)
		<b>DSCR calculation:</b>
	•	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:
	•	A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.
	•	If long-term rent is utilized, 20% expense factor is not applied
	•	An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following:
	•	Analysis must be completed pursuant to the lender's appraisal management process
•	Must be completed by a licensed appraiser	
•	Must include daily rental rate and occupancy percentage.	
•	The most recent 12-month rental history statement from the 3rd party rental/management service.	

<b>Property Rental Income Short Term Rentals (continue)</b>		<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 qualifying income must be net all vendor or management fees.</li> </ul>
		<ul style="list-style-type: none"> <li>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.</li> </ul>
		<ul style="list-style-type: none"> <li><b>AIRDNA (www.Airdna.co) Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements:</b></li> </ul>
		<ul style="list-style-type: none"> <li><b>Rentalizer (Property Earning Potential).</b></li> </ul>
		<ul style="list-style-type: none"> <li>Only allowed for purchase transaction</li> </ul>
		<ul style="list-style-type: none"> <li>Gross Rents equal the revenue projection from the Property Earnings Potential Report less the 20% extraordinary expense factor</li> </ul>
		<ul style="list-style-type: none"> <li>Forecast period must cover 12-months and dated 90-days within the Note Date</li> </ul>
		<ul style="list-style-type: none"> <li>Maximum occupancy limited to 2 individuals per bedroom</li> </ul>
		<ul style="list-style-type: none"> <li>Must have 3 comparable properties, all within the same ZIP code <ul style="list-style-type: none"> <li>Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>Market score or Sub Market score must be 60 or greater as reflected on the Property Earnings Potential Report.</li> </ul>
<b>Property</b>		
<b>Acreege</b>		<ul style="list-style-type: none"> <li>Property up to 2-acres, not meeting the rural definition, eligible</li> </ul>
		<ul style="list-style-type: none"> <li>A property is classified as rural if: <ul style="list-style-type: none"> <li>The appraiser indicates in the neighborhood section of the report a rural location; or</li> <li>The following two (2) conditions exist: <ul style="list-style-type: none"> <li>The property is located on a gravel road, and</li> <li>Two of the three comparable properties are more than five (5) miles from the subject property.</li> </ul> </li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>FNMA form 1004, 1025, 1073 with interior and exterior inspection.</li> </ul>
		<ul style="list-style-type: none"> <li>Appraisal review product required if FNMA CU or LCA score exceeds 2.5 unless 2nd appraisal obtained. 2nd appraisal required for loans &gt; 2 Million</li> </ul>
		<ul style="list-style-type: none"> <li>If the CU or LCA score exceeds 2.5 or the enhanced desk review product (ARR, CDA, or ARA) reflects a value more than 10% below the appraised value or cannot provide a validation, the next option would be either a field review or a second appraisal. These must be from a different appraisal company and appraiser than the original appraisal.</li> </ul>
<b>Appraised Value Used</b>	<b>Rate and Term</b>	<ul style="list-style-type: none"> <li>If the subject property was acquired greater than six (6) months from application date, the appraised value will be used to determine LTV/CLTV. If the property was acquired less than or equal to six (6) months from the application date, the lesser of the current appraisal value or previous purchase price plus documented improvements (if any) will be used to determine LTV/CLTV. The purchase settlement statement and any invoices for materials/labor will be required.</li> <li>Refinance of a previous loan that provided cash out, as measured from the <b>previous note date to the application date</b>, and is <b>seasoned less than 12 months</b>, will be considered a <b>cash out refinance</b>.</li> </ul>
	<b>Cash-Out</b>	<ul style="list-style-type: none"> <li>For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value.</li> <li>If the cash-out seasoning is less than 12 months, but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements.</li> </ul>
<b>Eligible Property Types</b>	<b>Florida Condominiums</b>	<ul style="list-style-type: none"> <li>SFR, Attached, Not attached</li> <li>2-4 units, Condos, Max LTV 75% Purchase, Refinance 70%</li> </ul>
		<ul style="list-style-type: none"> <li>Rural not permitted</li> </ul>
		<ul style="list-style-type: none"> <li>A structural inspection is required if the project is <b>greater than 5 stories</b> AND over 30 years old or 25 years old if within 3 miles of the coast.</li> </ul>
		<ul style="list-style-type: none"> <li>Projects with an acceptable inspection, max LTV is reduced 5%.</li> </ul>
		<ul style="list-style-type: none"> <li>Projects with an unacceptable or no inspection are not eligible.</li> </ul>
<b>Declining Markets and State/CBSA Restrictions</b>		<ul style="list-style-type: none"> <li>If either or both of the following apply: <ol style="list-style-type: none"> <li>the appraisal report identifies the property as a declining market;</li> <li>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.</li> </ol> </li> </ul>
<b>Unleased properties</b>		<ul style="list-style-type: none"> <li>All long-term rental refinances: A vacant or unleased property is allowed subject to a max LTV 75% for Purchase and 70% for refinance when appraisal reflects any unit vacant</li> </ul>
<b>Prepayment Penalty Structure &amp; State Restrictions</b>		<ul style="list-style-type: none"> <li>5% of any outstanding balance during the prepayment penalty term available for all non-owner transactions. Applies to payoff due to sale or refinance. Some state restrictions may apply. Please see our prepayment guide for more details.</li> </ul>
		<ul style="list-style-type: none"> <li>Prepayment not available in these states: AK, KS,MI, MN, NW, RI</li> </ul>
		<ul style="list-style-type: none"> <li>Prepayment penalties not allowed on loan amounts less than \$312,159 in PA</li> </ul>

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