



INVESTOR NO RATIO Matrix

MATRIX

FICO		Loan Amount	
700		\$150,000 \leq \$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 \leq \$1,000,000	
		\$1,000,001 - \$1,500,000	
		\$1,500,001 - \$2,000,000	
		\$2,000,001 - \$3,000,000	
660		\$150,000 \leq \$1,000,000	
		\$1,500,001 - \$2,000,000	

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	1x30x12	No Reduction in LTV/CLTV	
	0X60X12	Purchase	70%
Credit Event Seasoning	BK/FC/SS/DIL: (less than 24 mos. seasoning not eligible) 24mos - 35mos	Refinance	65%
		Purchase	75%
Property Type	2-4 units, Condominium	Refinance	70%
		Purchase	75%
	Condo Hotel (Max. \$1.5 mil Loan Amount)	Refinance	65%
		Purchase	75%
	Unleased Properties	Refinance	70%
	Unleased Properties	Purchase	75%
	Rural	Refinance	70%
	Rural	Purchase	75%
	Rural	Refinance	70%

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 purchasing an investment property for the first time, meaning they have no previously owned a property intended for rental income, resale, or other investment purposes.	
	Min credit score: 700	Max LTV: 75%
<ul style="list-style-type: none"> First-Time Homebuyer are not allowed \geq 36 Mo from any credit event Single Family Residence Only DSCR $>$ 1.0 Must Own a primary residence 		

LTV/CLTV Restrictions (Continued)			
State Overlays	IL, NY 2-4 Units are not eligible		
	CT, FL, IL, NJ, NY		
	Max \$2 million loan amount	Purchase Refinance	75% 70%

Overlays (Continued)		
First Time Investor:	• Cash Out Not allowed	
Non-Permanent Resident Alien	Gift funds are not allowed	75% LTV/CLTV Max

12.19.25 v9



INVESTOR NON-PRIME Requirements

DSCR No Ratio - Quick Reference	
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate & Term, and Cash-Out Refinance Non-Arm's Length transactions are ineligible.
Product Type	<ul style="list-style-type: none"> 30 year & 40 year Fixed, 15 year fixed, 5/6 arm, 7/6 arm, 10/6 arm, 40 year IO
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 680 Purchase & R/T Refinance: Max LTV 75%, Cash-Out Refinance Max LTV 70%
Occupancy	<ul style="list-style-type: none"> Non Owner Occupied
Age of Documents	<ul style="list-style-type: none"> 120 Days
Cash-In-Hand Maximum	<ul style="list-style-type: none"> LTV \geq 65% - \$500,000 LTV < 65% - \$1,000,000 LTV < 65% - \$1,000,000
Standard Income	<ul style="list-style-type: none"> Not permitted
Asset Utilization	<ul style="list-style-type: none"> Not permitted

Borrower	
Citizenship Restrictions	<ul style="list-style-type: none"> U.S. Residents & Permanent Resident Alien eligible without restrictions Non-Permanent Resident Alien: Max 75% LTV/CLTV; Gift funds not allowed (See Guidelines for Details for Eligibility)

Credit	
Credit Score	<ul style="list-style-type: none"> Use highest representative score amongst all borrowers/guarantors. Middle of 3 scores or lower of 2
Credit Event: Housing	<ul style="list-style-type: none"> DSCR Doc type is limited to verifying the borrower's primary residence and the subject property if a refinance transaction. 1 x 30 x 12 months - No Reduction 0 x 60 x 12 months - 70% LTV purchase 65% LTV Rate /Term and Cash out Living Rent Free eligible if borrower is considered an Experience Investor. Otherwise, rental history is required 12 month rental history is required when the borrower is renting their current primary residence. Private party VOR must be supported by 6 months cancelled checks or payment history

Credit (Continued)			
Credit Events: BK/ FC/ SS/ DIL/ Mods	• BK/ FC/ SS/ DIL/ Mods	• > 36 Months - No Reduction • > 24 moths Max LTV 75% Max 70% Rate/ Term and Cash out • < 24 months ineligible (excluding Ch. 13 BK)	
Tradeline	• For each borrower with 3 credit scores, the minimum tradeline requirement is waived		
	• Min. 2 tradelines reporting 24 -Month w/activity in the last 12 months or;		
	• 3 tradelines reporting 12-months w/recent activity		

Income / Assets			
Assets	• Min 30 day asset verification required		
Gift Funds	• Allowed after a min of 10% of borrowers own funds. Not eligible for Non-Permanent Resident Aliens		
Loan Reserves	• 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		

Property Income Analysis			
Property Income Analysis	• 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.		
	• Rental Income from individual room rentals, such as student housing, is not eligible.		
Property Rental Income: Long Term Rentals	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		
	• Original appraisal report reflecting tenant-occupied, and		

Property Income Analysis (Continued)

Property Rental Income: Long Term Rentals	<ul style="list-style-type: none"> Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rents to be evaluated for each unit individually. <ul style="list-style-type: none"> 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%. <ul style="list-style-type: none"> 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%. <ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Short term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis
	<ul style="list-style-type: none"> Short-Term Rental Income - Purchase and Refinance Transactions:
	<ul style="list-style-type: none"> <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)
	<ul style="list-style-type: none"> DSCR calculation:
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> Monthly gross rents based upon a 12-month average to account for seasonality required.
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> PITIAL (Gross Rents * .80) divided by PITIA = DSCR. ITIA
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> 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"> <ul style="list-style-type: none"> Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> Short-term rental (STR) analysis form or 1007/1025 may be used. The analysis must include the following: <ul style="list-style-type: none"> 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 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 qualifying income must be net 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/Property Earning Potential Report accessed using the Explore Short-Term Rental data, must meeting the following: <ul style="list-style-type: none"> Rentalizer (Property Earning Potential Report) Only allowed for purchase transaction 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

Property Income Analysis (Continued)

Property Rental Income Short Term Rentals	• Maximum occupancy limited to 2 individuals per bedroom
	• Must have 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

Property	
Appraisals	• FNMA form 1004, 1025, 1073 with interior and exterior inspection.
	• Appraisal review product required if FNMA CU or LCA score exceeds 2.5 unless 2nd appraisal obtained. 2nd appraisal required for loans > 2 Million
	• 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.
Appraised Value Used	• 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.
	• Refinance of a previous loan that provided cash out, as measured from the previous note date to the application date , and is seasoned less than 12 months , will be considered a cash out refinance .
Rate and Term	• For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value.
	• 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.
Acreage	• The most recent 12-month rental history statement from the 3rd party rental/management service.
	• Maximum acreage 5
	• A property is classified as rural if:
	• The appraiser indicates in the neighborhood section of the report a rural location; or
	• The following two (2) conditions exist:
	• The property is located on a gravel road, and
	• Two of the three comparable properties are more than five (5) miles from the subject property.
Eligible Property Types	• SFR, Attached, Not attached
	• 2-4 units, Condos, Max LTV 75% Purchase, Refinance 70%
	• Rural not permitted
	• Florida Condominiums
• A structural inspection is required if the project is greater than 5 stories AND 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.	
Interested Party Contributions	
• Investment may not exceed 3%	
Unleased properties	
• 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	
Declining Markets 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.	

Property (Continued)

Vesting in LLC	<ul style="list-style-type: none"> • EIN/Tax Identification Number: • EIN/Tax Identification Number: • Multi-member LLCs require an EIN
Prepayment Penalty Structure & State Restrictions	<ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Prepayment not available in these states: AK, KS, MI, MN, NM, OH, RI • Prepayment penalties not allowed on loan amounts less than \$319,777 in PA • Ineligible: Baltimore City, MD and Philadelphia County, PA

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