

Matrix			DSCR > 1.00			DSCR > .75			No Ratio DSCR		
Loan Amount	Reserves Month	FICO	Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out
125,000 to 500,000	3	740	80	80	75	75	75	70	75	75	65
		720	80	80	75	75	75	70	70	70	60
		700	75	75	70	75	75	65	65	65	60
		680	75	75	65	70	70	60	65	60	60
		660	70	70	65	60	60	60	60	60	60
500,001 to 1,000,000	6	740	80	80	75	75	75	70	75	75	65
		720	80	80	75	75	75	70	70	70	60
		700	75	75	70	75	75	65	65	65	60
		680	75	75	65	70	70	60	65	60	60
		660	70	70	65	60	60	60	60	60	60
1,000,001 to 1,499,999	6	740	75	75	70	70	70	65	70	70	60
		720	75	75	70	70	70	65	65	65	60
		700	75	75	70	70	70	65	65	65	60
		680	70	70	60	N/A	N/A	N/A	N/A	N/A	N/A
		660	65	65	60	N/A	N/A	N/A	N/A	N/A	N/A
1,500,000 to 2,000,000	6	740	75	75	60	65	65	60	65	65	60
		720	75	75	60	65	65	N/A	N/A	N/A	N/A
		700	70	70	60	65	65	N/A	N/A	N/A	N/A
		680	65	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		660	60	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Income Requirements						
DSCR Calculation		• Gross Income will be calculated using the lower of A) executed lease agreement or B) Market rent from appraisal.				
		• For Purchase: The 1007 is used to determine DSCR.				
		• For Refinance: The lower of the lease agreement or rent survey is used to determine DSCR .				
		• Refinance Only: Short term leases are eligible. DSCR is calculated using the leases throughout the year and average over the 12 month period. If there are months where the property is vacant, use zero for that month in average. The average should be supported by 1007 (within reason determined by underwriter).				
		• Refinance Only: On-line Services such as VRBO/AirBNB/ are eligible. DSCR is calculated by using a 12-month look back period AND either.				
		•	1) 12 monthly statements documenting receipt of rents or 2) An annual statement provided by the on-line service to document receipt of rents.			
		• If a consecutive 12 month period cannot be documented, the property will be considered unleased.				
		• Interest Only:	•	DSCR (Gross Rents / ITIA)	•	Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)
		• Full Amortization:	•	DSCR (Gross Rents / PITIA)	•	Qualifying ratios based on Note Rate (PITIA)
		• Prepayment penalty must be in compliance with the terms and limitations of the applicable state or federal law.				
DSCR No Ratio		• Eligible				

LTV Restrictions			
LTV Restrictions for Prime+ DSCR			
			LTV
Property Type	Investment Property	Warrantable Condo	75%
		Non-Warrantable Condo	75%
		2-4 Unit	75%
		Rural	Ineligible
		Cooperatives	Ineligible
Declining Markets			10% LTV Reduction

Credit					
Borrower Eligibility	Citizenship	•	US Citizen	•	Permanent Resident Alien (with US Credit)
		•	Non-Permanent Resident Alien (with US Credit) Current VISA E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, NATO, O-1, R-1, TN NAFTA. Provide EAD when applicable.		
Housing Lates			0X30X12		
Credit Event Seasoning	Foreclosure, Short Sale, Default Modification, Notice of Default or 120+ Days Delinquent.		36 Months		Seasoning for all Credit Events are defined as date of discharge/dismissal or property resolution completion date, to note date.
	Bankruptcy 7, 11, 13				
Credit	•	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.			
	•	Minimum credit score 660			
Consumer Charge-offs and Collections	Following may remain open:				
	•	Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000.		•	All medical collections regardless of amount.
	•	Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence.		•	Collections and charge-offs that have expired under the state statute of limitations on debts; evidence of expiration must be documented.

Assets			
Assets	•	See guidelines for details	• Assets sourced or seasoned for two months
Cash-Out Proceeds	•	May be used as Reserves.	
	•	Personal Use of Cash Out Proceeds is Ineligible.	
Cash-Out Max	•	LTV < 60% Unlimed Cash-Out LTV >60% Max Cash Out \$500,000	• Unlimited Cash-Out for Properties Owned Free & Clear
Reserves for Additional Financed Properties	•	None	
Compliance	•	No Section 32 or state High Cost	• Points and Fees max 5% limit
	•	Loans must comply with all applicable federal and state regulations.	
	•	HPML is Not Eligible	
	•	Impounds required on LTV > 80% unless otherwise specified by applicable state law.	
Gift	•	Gift funds are Not allowed for >80% LTV/CLTV.	
	•	Allowed after a minimum of 10% of borrowers own funds. Not eligible for Non-Permanent Resident Aliens.	
	•	Gift funds may not be used to meet reserve requirements.	
	•	Acceptable Donors: Fannie Mae guidelines should be used for donor relationship to borrower(s), documentation, proof of funds, and evidence of receipt;	

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Quick References									
Acreage		<ul style="list-style-type: none"><li>Maximum 20 acres</li></ul>							
Appraisal		<ul style="list-style-type: none"><li>Loan amounts &gt; \$2,000,000 = Two Full Appraisals</li></ul>		<ul style="list-style-type: none"><li>See guidelines for details</li></ul>					
		<ul style="list-style-type: none"><li>Loan amounts &lt; \$2,000,000 = 1 Full Appraisal + AVM or FNMA CU Risk score of 2.5 or less.</li></ul>							
		<ul style="list-style-type: none"><li>2nd Full Appraisal required if AVM Confidence Score is below 90%.</li></ul>							
		<ul style="list-style-type: none"><li>All 1 unit investor appraisals require form 1007 Single Family Comparable Rent Schedule.</li></ul>							
		<ul style="list-style-type: none"><li>If owned less than six (6) months LTV/CLTV is based on purchase price. If owned less than 12 months but more than six (6) months, the LTV/CLTV is based on the lower of the appraised value or purchase price plus documented improvements.</li></ul>							
ARM Information		<ul style="list-style-type: none"><li>ARM Margin 5% - ARM Caps (3/6 &amp; 5/6) 2/1/5, ARM Caps (7/6 &amp; 10/6) 5/1/5, Reset Period 6 Months, Index 30 Days Avg SOFR, ARM Floor = Margin.</li></ul>							
Interest Only Products		<ul style="list-style-type: none"><li>10/20 IO &amp; 10/30 I/O, ARMs &amp; Fixed</li></ul>							
I/O Restrictions for DSCR >1.00		<ul style="list-style-type: none"><li>Minimum 700 FICO, Max 75% LTV</li></ul>							
I/O Restrictions for DSCR >.75		<ul style="list-style-type: none"><li>Minimum 700 FICO, Max 70% LTV</li></ul>							
I/O Restrictions for DSCR No Ratio		<ul style="list-style-type: none"><li>Ineligible</li></ul>							
Investor History		<ul style="list-style-type: none"><li>Borrower must have a history of owning and managing at least one property for a minimum of 12 months within the most recent 36 months on DSCR product.</li></ul>							
		<ul style="list-style-type: none"><li>Borrower must have a housing history for all investor products.</li></ul>							
Investor Types		First Time Investor		<ul style="list-style-type: none"><li><b>Primary mortgage history is required</b></li></ul>		<ul style="list-style-type: none"><li>Minimum FICO 700</li></ul>		<ul style="list-style-type: none"><li>DSCR &gt;1.0</li></ul>	
				<ul style="list-style-type: none"><li>Any borrower who has not owned at least one investment property for a minimum of 12 months at any time within the most recent 36 months</li></ul>					
				<ul style="list-style-type: none"><li>Gift funds not allowed for First Time Investor.</li></ul>					
		Experienced Investor		<ul style="list-style-type: none"><li>Borrower who has owned and managed at least 1 investment property for 12 months or more within the most recent 36 mos.</li></ul>					
				<ul style="list-style-type: none"><li>Borrower must have satisfactory <b>12 month primary mortgage and/or rental payment history within 3 yrs</b> prior to loan application. Payment to private lender or landlords must be evidenced by most recent 6 mos. cancelled checks.</li></ul>					
		Professional Investor		<ul style="list-style-type: none"><li>Provides reduced documentation on non-subject properties for the borrower who has a strong investor track record documenting the following:</li></ul>					
				<ul style="list-style-type: none"><li>Currently owns 5 properties (Primary residence included).</li></ul>					
				<ul style="list-style-type: none"><li>Has 5 years credit depth reported on credit report.</li></ul>					
				<ul style="list-style-type: none"><li>At least 3 mortgages are reported on credit report within the last three (3) years. No minimum months reporting required. No delinquencies allowed on months reported.</li></ul>					
				<ul style="list-style-type: none"><li>Required Information:</li></ul>					
				<ul style="list-style-type: none"><li>All properties owned by borrower to be listed on REO schedule.</li></ul>					
				<ul style="list-style-type: none"><li>All information completed on REO schedule (mortgage balances, gross rents, etc.).</li></ul>					
				<ul style="list-style-type: none"><li><b>Reduced Documentation</b></li></ul>					
				<ul style="list-style-type: none"><li>Housing History not required.</li></ul>					
				<ul style="list-style-type: none"><li>All properties owned by borrower to be listed on REO schedule. All information completed on REO schedule (mortgage balances, gross rents, etc.).</li></ul>					
		Personal Guarantee		<ul style="list-style-type: none"><li><b>Required</b></li></ul>					
Product Type		<ul style="list-style-type: none"><li>3/6 ARM, 5/6 ARM, 7/6 ARM, 10//6 ARM, 15 Year Fixed, 30 Year Fixed and 40 Year Fixed (I/O).</li></ul>							
Minimum Property Standards		<ul style="list-style-type: none"><li>No health or safety issues both internal or external.</li></ul>		<ul style="list-style-type: none"><li>Permanently affixed continuous heat source.</li></ul>		<ul style="list-style-type: none"><li>Property constructed for year-round use.</li></ul>			

Quick References (Continued)													
Minimum Property Standards		•	600 sq. ft. for 1 unit properties.			•	2+ units no minimum. Size must be supported by market comparison.		•	Maximum deferred maintenance cannot exceed \$2,000.			
Property Flips		•	When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than 10%, the transaction is considered a “flip.” The following should be used to determine the 365-day period: the acquisition date (the day the seller became the legal owner of the property), and the purchase date (the day both parties executed the purchase agreement).										
		•	Property seller on the purchase contract must be the owner of record.					•	The property was marketed openly and fairly, through a multiple listing service, auction, FSBO offering (documented), or developer marketing.				
		•	Flip transactions must comply with the TILA HPML Appraisal Rule in Reg Z.					•	Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.).				
		•	Increases in value are to be documented with commentary from the appraiser and recent comparable sales.					•	All transactions must be arm’s length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction.				
Property Types		•	SFR		•	Condominium		•	Townhouse		•	D-PUD	
		•	PUD		•	Modular		•	Rowhouse		•	2 - 4 Unit	
Property Types - Ineligible		•	Condotels		•	Rural		•	Mixed-Use		•	Multi-Famly 5+ Units	
		•	Florida Condo Subject to Florida SB-4D										
Prepay Penalties by State		•	Permissible by Law										
Seasoning for Property Recently Listed on the Market		•	For all transaction types, subject property must be taken off the market on or before application date.										
		•	For Cash-Out refinances, loans must be seasoned for at least 6 months from the listing contract expiration date to the new Note date.										
Seasoning		•	Rate and Term: No seasoning. At least 1 borrower from the existing loan must be in the new loan.										
		•	Cash Out: 6 months from existing Note date to application date of new loan. LTV/CLTV is the lower of the purchase price or appraised value.										
		•	LLC Cash Out: months seasoning required if the property was owned prior to closing by LLC that is majority-owned by the borrower.										
Seller Concessions / IPC		•	Max Interested Party Contribution up to 6%.										
States	Ineligible	•	Max Interested Party Contribution up to 6%.										
	Eligible	•	State eligibility subject to review of applicable docs.										
Subordinate Financing		•	CLTV max = LTV max										

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