

FICO/LTV Matrix				
Minimum Credit Score	Max Loan Amount	Purchase	Rate and Term	Cash Out
700+	\$2,000,000	80%	80%	75%
680+	\$2,000,000	75%	75%	70%
Foreign National	\$2,000,000	65%	65%	60%

Loan Limits	
Criteria	Limit
FICO 720+	Minimum 1.0x DSCR*
FICO 680-719	Minimum 1.2x DSCR*
Min Loan Amount	\$150,000
Max Loan Amount	\$2,000,000
Cross Collateral - # of Properties	Min: 3 / Max: 20
Credit History	0x30x24
Property Types	Max LTV
SFR, PUD, Townhome, 2-4 Unit, Warrantable Condo	Per Grid
Cross Collateral	Per Grid

PRODUCTS	
FIXED	ADJUSTABLE
30-Yr Fixed	5/6 SOFR ARM
30-Yr Fixed w/ 10yr I/O	7/6 SOFR ARM
	10/6 SOFR ARM
Maximum Loan Term of 30-Years	

INCOME DOCUMENTATION		
DSCR	<ul style="list-style-type: none"> <li>*Debt Service Coverage Ratio (DSCR) Minimum: 1.0x (dependent on FICO and loan/property features - See guidelines and DSCR grid above for additional information)</li> <li>The DSCR is calculated by taking the eligible gross monthly rents divided by the PITIA of the subject property.</li> <li>Interest-only loans may use the ITIA payment for DSCR calculations</li> <li>See full guidelines for requirements on Payments &amp; Gross Rent calculations and documentation requirements</li> </ul>	
Income	<p><b>Long-Term Rental - See Guidelines for full list of requirements:</b></p> <ul style="list-style-type: none"> <li>Use lower of Estimated market rent from 1007 or lease agreement (if leased)</li> <li>A fully executed copy of the lease agreement is required for all occupied units (in order to verify no ineligible provisions in lease)</li> <li>Must obtain proof of 3 months receipt of rent or proof of receipt of security deposit + first month rent if new lease in order to document property as occupied (on refinances). If unable to obtain evidence of receipt of current rent then property will be treated as vacant (LTV restrictions apply - See unleased/vacant Unit section of matrix/guidelines)</li> <li>Borrower must provide signed affidavit that tenants have not requested forbearance or have been more than 30 days late within the past 12 months</li> <li>Max rent of \$5,000 per unit and Max lease term of 3 years</li> </ul> <p><b>Short-Term Rental (AirBnB/VRBO) - See Guidelines for full list of requirements:</b></p> <ul style="list-style-type: none"> <li>Short-Term Rentals are allowed, however, market rent is capped at 100% of estimated rent from 1007/1025 (even if AirBnB/VRBO history supports higher cash flow)</li> <li>Max LTV of 70% for Purchase/Rate-Term. Max LTV 65% for Cash-Out</li> <li>AirDNA Rentalizer/Overview Report required for both purchases/refinances to confirm rent patterns in the market area - See guidelines for additional requirements related to AirDNA report</li> </ul>	
BORROWER HISTORY		
Investor Experience Level	<p><b>Experienced Investor:</b></p> <ul style="list-style-type: none"> <li>Borrower must have a two year history of owning and managing commercial or non-owner occupied residential real estate within the last 3 years -OR- must have certification/proof of equivalent coursework in real estate property management.</li> </ul> <p><b>Inexperienced/First-Time Investor:</b></p> <ul style="list-style-type: none"> <li>Borrowers not meeting the Experienced Investor Definition.                             <ul style="list-style-type: none"> <li>First Time Investors are permitted as follows:                                     <ul style="list-style-type: none"> <li>700+ FICO = Eligible</li> <li>680-699 FICO = Subject property must be managed by property management company.</li> </ul> </li> </ul> </li> </ul> <p><b>First-Time Home Buyer:</b></p> <ul style="list-style-type: none"> <li>Ineligible</li> </ul>	<p>Property Management Requirements</p> <p>If lease indicates that subject is managed by a property management company, a copy of the executed property management agreement + assignment of management agreement must be included in the loan file.</p> <p>Borrowers that intend to self-manage the property must meet one of the following:</p> <ul style="list-style-type: none"> <li>the Experienced Investor definition, -OR-</li> <li>must have minimum FICO of 700</li> </ul> <p>If borrower does not meet one of the above requirements then a fully executed property management agreement + assignment of management agreement must be in file.</p>
Housing History	<ul style="list-style-type: none"> <li>0x30x24</li> <li>Forbearance plans within the preceding 24 months are not eligible</li> </ul>	<p>Credit Event Seasoning</p> <p>Bankruptcy/Foreclosure/Short-Sale/Deed-In-Lieu/Modification:</p> <ul style="list-style-type: none"> <li>&gt;=36 Months (as of note date) – Eligible</li> <li>&lt; 36 Months – Not Eligible</li> </ul>
GENERAL REQUIREMENTS		
Eligible Borrowers	<p><b>Entity Vesting ONLY</b> - Minimum 51% Personal Guaranty required. Guarantor(s) must be at least 21 years of age.</p> <p><b>Eligible Entity structures:</b> LLCs, Partnerships, and Corporations</p> <p>*Non-Permanent Alien Guarantors - LTV restrictions apply. See Guidelines.</p>	<p>Ineligible State List</p> <p><b>Wholesale Channel Ineligible States:</b></p> <ul style="list-style-type: none"> <li>Alaska, Hawaii, and US Territories (Guam, Puerto Rico, American Samoa, etc)</li> </ul> <p>Other State/MSA Restrictions</p> <ul style="list-style-type: none"> <li>See Rate Sheet for applicable State &amp; MSA Pricing Adjustments</li> </ul>
Property Limitations	<ul style="list-style-type: none"> <li>10-Acres Max</li> <li>Rural Property not allowed</li> <li>Warrantable Condos Only - Non-Warrantable Not Permitted</li> <li>See guidelines for additional ineligible property characteristics</li> </ul>	<p>Cash-Out Max</p> <ul style="list-style-type: none"> <li>65% LTV or greater = \$500,000 Cash-in-Hand</li> <li>Less than 65% LTV = \$1,000,000 Cash-in-Hand</li> </ul>
Property Occupancy	<p><b>Purchase:</b> Vacant property allowed with No LTV Restrictions</p> <p><b>Refinances:</b> Vacancy allowed with 5% LTV reduction to matrix, subject to the following:</p> <ul style="list-style-type: none"> <li>For 1-4 Unit Rate/Term Refinances - Maximum of 1 vacant unit at time of closing. 5% LTV reduction required.</li> <li>For Vacant C/O Refi - Only allowed on a Fix and Flip/Rehab loan - subject to:                             <ul style="list-style-type: none"> <li>FICO ≥ 740</li> <li>DSCR ≥ 1.20x</li> <li>Property value ≥ \$350,000</li> <li>Property has not been listed for sale within the past 6 months</li> <li>Foreign Nationals are ineligible</li> </ul> </li> </ul> <p>See guidelines for complete occupancy requirements and documentation.</p>	<p>Underwritten Rents</p> <p><b>Leased Units:</b></p> <ul style="list-style-type: none"> <li>Lower of in-place rent and market rent from valuation report</li> <li>Proof of rent collections required for 3 months</li> <li>Proof of receipt of security deposit for new lease required</li> </ul> <p><b>Unleased Units:</b></p> <ul style="list-style-type: none"> <li>100% of market rent from valuation report                             <ul style="list-style-type: none"> <li>Properties with no proof of rent collections or receipt of security deposit are considered as unleased</li> </ul> </li> </ul> <p>See Property Occupancy section of matrix for additional requirements</p>
Property Insurance	<p><b>Insurance Carrier must be rated no less than A - VIII by A.M. Best</b></p> <p>Minimum all-peril hazard insurance coverage required should be equal to the lesser of:</p> <ul style="list-style-type: none"> <li>Replacement Cost Estimator from property insurer/3rd party source</li> <li>100% replacement cost coverage amount (if specified on policy)</li> <li>The unpaid principal balance of the mortgage</li> </ul> <p>Liability Insurance AND 6 months of rent loss insurance are required</p> <p>Max Deductible = 5%</p>	<p>Appraisal(s)</p> <ul style="list-style-type: none"> <li>Loan amount ≤ \$1,500,000 - One full independent appraisal required.</li> <li>Loan amount &gt; \$1,500,000 - Two full independent appraisals required.</li> <li>FNMA Form 1004, 1025, 1073 with interior/exterior inspection dated within 120 days of closing</li> <li>Appraisal Risk Review (ARR) or Collateral Desktop Analysis (CDA) required on all loans.</li> <li>SSR Reports not acceptable as appraisal review product. See guidelines for eligible appraisal review products and required appraisal attachments.</li> <li>Declining markets required 10% LTV reduction from Max LTV borrower qualifies for from FICO/DSCR program matrix</li> <li>Deferred maintenance items, or a "subject to" appraisal:                             <ul style="list-style-type: none"> <li>Are not to exceed 3% of the value of the subject property and must be completed prior to closing</li> </ul> </li> </ul>
Condo Requirements	<p>If the property is part of a condo association, the lender must obtain a condo questionnaire and master insurance certificate from the condo association to ensure that it meets the eligibility criteria outlined in guidelines. See guidelines for condo review requirements.</p>	<p>Escrows</p> <p>Escrow waivers may be permitted and are subject to requirements below.</p> <ul style="list-style-type: none"> <li>Min 720 FICO, Min 12-months of reserves, Max 80% LTV.</li> <li>Escrow for Flood Insurance, Short-Term Rentals, and HPML's are always required.</li> </ul>
Foreign National	<ul style="list-style-type: none"> <li>Non-US Residents/Foreign Nationals with or without a U.S. credit report, required to provide a valid and unexpired passport from their country of residence/ citizenship.</li> <li>Follows all other program guidelines.</li> <li>5% increase in LTV is allowable with:                             <ul style="list-style-type: none"> <li>DSCR &gt;1.30, Minimum liquidity: 12 months</li> </ul> </li> </ul>	<p>Cross-Collateral Properties</p> <p><u>Maximum 20 properties</u></p> <ul style="list-style-type: none"> <li>Cross-collateralization and cross default required if multiple properties are represented (&gt;=3 properties)</li> <li>No substitution or assumptions are allowed</li> <li>For releases of properties of multi-property loans, the release value is required to be 120% of the UPB of the properties being released. Prepayment terms are still applicable.</li> <li>Follows all program guidelines</li> </ul>
UNDERWRITING		
Credit & Tradelines	<ul style="list-style-type: none"> <li>Guarantor Representative Score = Middle of 3 Scores, or Lower of 2. If multiple Guarantors, utilize the highest of the representative scores.</li> <li>Minimum of 3 tradelines for each borrower/guarantor. The following must also be met:                             <ul style="list-style-type: none"> <li>-1 Tradeline must be active</li> <li>-1 Tradeline must be rated 24+ months</li> <li>-2 tradelines must be rated for 12+ months and may be open or closed</li> </ul> </li> </ul> <p>See Credit section of guidelines for additional credit requirements</p>	<p>Reserves</p> <p>Minimum Reserves required as follows:</p> <ul style="list-style-type: none"> <li>LTV equal to or less than 70% = 6 months of PITIA</li> <li>LTV greater than 70% = 9 months of PITIA</li> <li>Non-Permanent Resident Aliens = 12 months of PITIA</li> <li>Foreign National = 12 months of PITIA</li> <li>Escrow Waiver = 12 months PITIA</li> </ul> <p>50% of Cash Out Refinance Proceeds can be utilized for reserves. See guidelines for additional eligible asset types.</p>
Prepayment Penalty	<ul style="list-style-type: none"> <li>Penalties not allowed in AK and NM</li> <li>Penalties not allowed on loan amounts less than \$312,159 in PA (1-2 Unit)</li> <li>See State Specific PPP appendix in policy for additional restrictions</li> </ul>	<p>Prepayment Penalty Structures</p> <ul style="list-style-type: none"> <li>5-year penalty with 5%, 4%, 3%, 2%, 1% stepdown fee structure; OR</li> <li>4-year penalty with 4%, 3%, 2%, 1% stepdown fee structure; OR</li> <li>3-year penalty with 3%, 2%, 1% stepdown fee structure; OR</li> <li>2-year penalty with 2%, 1% stepdown fee structure; OR</li> <li>1-year penalty with 1%; OR</li> <li>0.5% (60); OR</li> <li>0.5% (12), 4% (12), 3% (36); OR</li> <li>0.5% (36); OR</li> <li>0.5% (24)</li> <li>Prepayment penalty of 6 months interest with varying terms between 12-60 months</li> <li>See guidelines/rate sheets for more specific details</li> </ul>
Assets	<p>One Monthly/Quarterly Statement Required. Large Deposits require sourcing. See Asset section of policy for additional asset/large deposit requirements.</p>	<p>Document Age</p> <p>Max Document Age: 90-days*</p> <p>* Appraisal can be 120 days old as of note date</p> <p>* Housing History documented on Verification of Mortgage (VOM) form must be dated within 60 days of closing</p>
Gift Funds	<p>Allowed from Family/Spouse after min 10% borrower contribution</p> <p>- Allowed for Purchase transactions only</p>	<p>Exposure</p> <p>Max concentration to a single borrower is 10 loans or \$5,000,000</p>