

## 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
	\$2,000,001-3,000,000
660	\$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	1x30x12	No Reduction in LTV/CLTV	
	0X60X12	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%
	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"> <li>First-Time Homebuyer are not allowed</li> </ul>	
	<ul style="list-style-type: none"> <li>≥ 36 Mo from any credit event</li> </ul>	
	<ul style="list-style-type: none"> <li>Single Family Residence Only</li> </ul>	
	<ul style="list-style-type: none"> <li>DSCR &gt; 1.0</li> </ul>	
	<ul style="list-style-type: none"> <li>Must Own a primary residence</li> </ul>	

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	75%
		Refinance	70%

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

4.21.25 v8



# INVESTOR NO RATIO Requirements

DSCR No Ratio - Quick Reference		
Product Type	• 30 year & 40 year Fixed. 15 year fixed, 5/6 arm, 7/6 arm, 10/6 arm, 40 year IO	
Interest Only	• Min Credit Score: 680	
	• Purchase & R/T Refinance: Max LTV 75%, Cash-Out Refinance Max LTV 70%	
Occupancy	• Non Owner Occupied	
Age of Documents	• 120 Days	
Full Doc 1Yr	Max cash in hand	• LTV > 65% - \$500,000
		• LTV < 65% - \$1,000,000
		• LTV < 65% - \$1,000,000
Standard Income	• Not permitted	
Asset Utilization	• Not permitted	

Borrower		
Citizenship Restrictions	• U.S. Residents & Permanent Resident Alien eligible without restrictions	
	• Non-Permanent Resident Alien including DACA: <b>Max 75% LTV/CLTV; Gift funds not allowed</b>	
	Evidence of one of the following is required:	
	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.	
	• 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	
	If EAD is not provided, employment authorization may be evidenced by certain VISA types. Some common VISAs allowing employment include:	
	• E-3, H-1B, L, O, and P	
	Asylum – Individuals granted asylum are eligible, documentation includes one of the following:	
	• Form I-765 Employment Authorization referencing C08	
	• 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."	
Investor Experience	• Experienced Investor:	

Borrower (Continued)		
Investor Experience		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.
	•	First Time Investor: Eligible under these restrictions
	•	Minimum credit score: 680
	•	Maximum LTV: 75%
	•	No mortgage late payments during the past thirty-six (36) months.
	•	Minimum of 36-months seasoning from any credit event
	•	Cash-out transactions not eligible
	•	First time homebuyers not eligible

Credit		
Credit Score	•	Use highest representative score amongst all borrowers/guarantors.
	•	Middle of 3 scores or lower of 2
Credit Event: Housing	•	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 <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
Credit Events: BK/ FC/ SS/ DIL/ Mods	•	BK/ FC/ SS/ DIL/ Mods
		• > 36 Months - No Reduction
		• > 24 months Max LTV 75% Max 70% Rate/ Term and Cash out
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	•	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.

**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
- 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 using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rents to be evaluated for each unit individually.
- 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.
- 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 a Purchase and 70% for a Refinance, or the LTV based upon the DSCR/FICO/Loan Balance. (Excludes Condo Hotel Projects)
- **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.
  - PITIAL (Gross Rents \* .80) divided by PITIA = DSCR. ITIA
- 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:

**Property Rental Income:  
Long Term Rentals****Property Rental Income  
Short Term Rentals**

Income / Assets (Continued)			
Property Rental Income Short Term Rentals	•	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 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:
		•	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
			• 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	Rate and Term		• 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 <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> .	
	Cash-Out		• 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

Property (Continued)				
Acreage				• 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 <b>greater than 5 stories</b> 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.
Vesting in LLC			•	EIN/Tax Identification Number:
			•	EIN/Tax Identification Number:
			•	Multi-member LLCs require an EIN
Prepayment Penalty Structure & State Restrictions			•	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.
			•	Prepayment not available in these states: AK, KS,MI, MN, NW, RI
			•	Prepayment penalties not allowed on loan amounts less than \$312,159 in PA

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