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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR 1						
0 ≤ DSCR < 1.00						
Property Type	Max Loan Amount	Max LTV			Min FICO	Reserves [Subject P&I]
		Purchase	Rate & Term	Cash Out		
SFR & PUD	$1,000,000	75%	70%	70%	700	2 months
	$1,500,000	75%	65%	65%		6 months
	$2,000,000	70%	60%	60%		6 months
	$2,500,000	65%	N/A	N/A		12 months
	$3,000,000	60%	N/A	N/A		12 months
2-4 Units & Condo	$1,000,000	75%	70%	70%		2 months
	$1,500,000	75%	65%	65%		6 months
	$2,000,000	70%	60%	60%		6 months
	$2,500,000	65%	N/A	N/A		12 months
	$3,000,000	60%	N/A	N/A		12 months
SFR & PUD	$1,000,000	75%	70%	N/A	680	2 months
	$1,500,000	75%	65%	N/A		6 months
	$2,000,000	70%	60%	N/A		6 months
	$2,500,000	65%	N/A	N/A		12 months
	$3,000,000	60%	N/A	N/A		12 months
2-4 Units & Condo	$1,000,000	75%	70%	N/A		2 months
	$1,500,000	75%	65%	N/A		6 months
	$2,000,000	70%	60%	N/A		6 months
	$2,500,000	65%	N/A	N/A		12 months
	$3,000,000	60%	N/A	N/A		12 months
SFR & PUD	$150,000	65%	N/A	N/A	660	2 months
	$1,000,000	65%	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
	$3,000,000	N/A	N/A	N/A		12 months
2-4 Units & Condo	$150,000	65%	N/A	N/A		2 months
	$1,000,000	65%	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
	$3,000,000	N/A	N/A	N/A		12 months

* **Interest Only**: Minimum Credit Score of 660 is required, Maximum 70% LTV for Cash-out transaction
* **Minimum Loan Amount**: $125,000
* **Max Cash-In-Hand**: $500,000 is maximum when LTV ≥ 65% & $1,000,000 is maximum when LTV < 65%
* **Max LTV** is 70% for Purchase & 65% for Refinance Transactions if the Loan Amount is ≤ $150,000 (Min DSCR 1.25)
* **Reserves:** 2 months P&I required for each REO other than the subject
* **Condo**: Non-Warrantable Condos are not permitted

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR 1						
DSCR ≥ 1.00						
Property Type	Max Loan Amount	Max LTV			Min FICO	Reserves [Subject P&I]
		Purchase	Rate & Term	Cash Out		
SFR & PUD	$1,000,000	80%	75%	75%	700	2 months
	$1,500,000	80%	75%	75%		6 months
	$2,000,000	75%	75%	70%		6 months
	$3,000,000	70%	70%	65%		12 months
	$3,500,000	70%	65%	N/A		12 months
2-4 Units & Condo	$1,000,000	75%	70%	70%		2 months
	$1,500,000	75%	70%	70%		6 months
	$2,000,000	75%	70%	70%		6 months
	$3,000,000	70%	70%	65%		12 months
	$3,500,000	70%	65%	N/A		12 months
SFR & PUD	$1,000,000	75%	75%	N/A	660	2 months
	$1,500,000	75%	75%	N/A		6 months
	$2,500,000	70%	65%	N/A		12 months
	$3,000,000	65%	N/A	N/A		12 months
2-4 Units & Condo	$1,000,000	75%	75%	N/A		2 months
	$1,500,000	75%	70%	N/A		6 months
	$2,500,000	70%	65%	N/A		12 months
	$3,000,000	65%	N/A	N/A		12 months
SFR & PUD	$1,000,000	75%	70%	N/A	640	2 months
	$1,500,000	65%	65%	N/A		6 months
	$2,000,000	65%	N/A	N/A		6 months
	$3,000,000	60%	N/A	N/A		12 months
2-4 Units & Condo	$1,000,000	75%	70%	N/A		2 months
	$1,500,000	65%	65%	N/A		6 months
	$2,000,000	65%	N/A	N/A		6 months
	$3,000,000	60%	N/A	N/A		12 months

* **Interest Only**: Minimum Credit Score of 660 is required, Maximum 70% LTV for Cash-out transaction
* **Minimum Loan Amount**: $125,000
* **Max Cash-In-Hand**: $500,000 is maximum when LTV ≥ 65% & $1,000,000 is maximum when LTV < 65%
* **Max LTV** is 70% for Purchase & 65% for Refinance Transactions if the Loan Amount is ≤ $150,000 (Min DSCR 1.25)
* **Reserves:** 2 months P&I required for each REO other than the subject
* **Condo**: Non-Warrantable Condos are not permitted

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR2			
PURCHASE & RATE/TERM			
Property Type	**Max. Loan Amount**	**Max. LTV**	**Min. FICO**
1-4 Units	$1,500,000	80	680
	$1,500,000	75	660
	$2,000,000	75	700
	$2,500,000	70	660
	$3,000,000	70	700
	$3,000,000	65	680
CASH-OUT REFINANCE			
Property Type	**Max. Loan Amount**	**Max. LTV**	**Min. FICO**
1-4 Units	$1,000,000	80	700
	$1,000,000	75	660
	$1,500,000	75	680
	$1,500,000	70	660
	$2,000,000	70	700
	$2,500,000	65	660
	$3,000,000	65	700
	$3,000,000	60	680

- For DSCR 0.750 - 0.999, Minimum FICO score is 680 and Cash out max at 70%
- For DSCR 0.000 - 0.749, Maximum loan amount is $2.0MM for Refinance Transaction & Max LTV/CLTV 70%
- For DSCR 0.000 - 0.749, Max LTV 75% for Purchase Transaction
- For DSCR 0.000 - 0.749 & FICO < 680, Maximum loan amount is $1.0MM & Purchase Transaction only & Max LTV 65%
- Cash out amount of $1.0M up to 65% LTV & $500,000 FOR LTV >65%

- Income
  - Must qualify on 1007 market rents or trailing 12-month rents with lease agreements
  - For Short-Term Rentals, AMC's rental analysis form is required

- The following lists are ineligible:
  - Borrower Citizenship: Borrowers with DACA designation
  - Credit:
    - Charge-offs and/or Collection accounts exceeding $2,500
    - Use of alternative credit tradelines
  - Zoning: Properties with non-residential zoning
  - Vesting/Title: LLC Vesting

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR3						
DSCR ≥ 1.00						
Property Type	Max Loan Amount	Max LTV			Min FICO	Reserves [Subject P&I]
		Purchase	Rate & Term	Cash Out		
SFR & PUD	$1,000,000	80%	80%	75%	740	2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	75%	75%	60%		6 months
2-4 Units & Condo	$1,000,000	75%	75%	75%		2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	75%	75%	60%		6 months
SFR & PUD	$1,000,000	80%	80%	75%	720	2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	75%	75%	60%		6 months
2-4 Units & Condo	$1,000,000	75%	75%	75%		2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	75%	75%	60%		6 months
SFR & PUD	$1,000,000	75%	75%	70%	700	2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	70%	70%	60%		6 months
2-4 Units & Condo	$1,000,000	75%	75%	70%		2 months
	$1,500,000	75%	75%	70%		6 months
	$2,000,000	70%	70%	60%		6 months
SFR & PUD	$1,000,000	75%	75%	65%	680	2 months
	$1,500,000	70%	70%	60%		6 months
	$2,000,000	65%	65%	N/A		6 months
2-4 Units & Condo	$1,000,000	75%	75%	65%		2 months
	$1,500,000	70%	70%	60%		6 months
	$2,000,000	65%	65%	N/A		6 months
SFR & PUD	$1,000,000	70%	70%	65%	660	2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	60%	60%	N/A		6 months
2-4 Units & Condo	$1,000,000	70%	70%	65%		2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	60%	60%	N/A		6 months

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR3						
0.75 ≤ DSCR < 1.00						
Property Type	Max Loan Amount	Max LTV			Min FICO	Reserves [Subject P&I]
		Purchase	Rate & Term	Cash Out		
SFR & PUD	$1,000,000	75%	75%	70%	740	2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	60%		6 months
2-4 Units & Condo	$1,000,000	75%	75%	70%		2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	60%		6 months
SFR & PUD	$1,000,000	75%	75%	70%	720	2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	N/A		6 months
2-4 Units & Condo	$1,000,000	75%	75%	70%		2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	N/A		6 months
SFR & PUD	$1,000,000	75%	75%	65%	700	2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	N/A		6 months
2-4 Units & Condo	$1,000,000	75%	75%	65%		2 months
	$1,500,000	70%	70%	65%		6 months
	$2,000,000	65%	65%	N/A		6 months
SFR & PUD	$1,000,000	70%	70%	60%	680	2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	70%	70%	60%		2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
SFR & PUD	$1,000,000	60%	60%	60%	660	2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	60%	60%	60%		2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR3						
No Ratio DSCR						
Property Type	Max Loan Amount	Max LTV			Min FICO	Reserves [Subject P&I]
		Purchase	Rate & Term	Cash Out		
SFR & PUD	$1,000,000	75%	75%	65%	740	2 months
	$1,500,000	70%	70%	60%		6 months
	$2,000,000	65%	65%	60%		6 months
2-4 Units & Condo	$1,000,000	75%	75%	65%		2 months
	$1,500,000	70%	70%	60%		6 months
	$2,000,000	65%	65%	60%		6 months
SFR & PUD	$1,000,000	70%	70%	60%	720	2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	70%	70%	60%		2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	N/A	N/A	N/A		6 months
SFR & PUD	$1,000,000	65%	65%	60%	700	2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	65%	65%	60%		2 months
	$1,500,000	65%	65%	60%		6 months
	$2,000,000	N/A	N/A	N/A		6 months
SFR & PUD	$1,000,000	65%	60%	60%	680	2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	65%	60%	60%		2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
SFR & PUD	$1,000,000	60%	60%	60%	660	2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months
2-4 Units & Condo	$1,000,000	60%	60%	60%		2 months
	$1,500,000	N/A	N/A	N/A		6 months
	$2,000,000	N/A	N/A	N/A		6 months

* Non-Permanent Resident Ailen: Max 75% LTV/CLTV, Cash-Out is ineligible
* Max Cash-Out is $500K for LTV>60% & Unlimited Cash-out for LTV <=60%
* Tenants in Common Vesting is not permitted

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

DSCR 4							
		Purchase & Rate/Term Refinance			Cash-Out Refinance		
Property Type	**Max Loan Amount**	**Min Credit Score**	**MAX LTV/CLTV**	**DSCR**	**Min Credit Score**	**MAX LTV/CLTV**	**DSCR**
1-4 Units	$1,000,000	680	80%	≥ 1.00	680	75%	≥ 1.00
		660	75%		660	70%	
	$1,500,000	680	80%		680	75%	
		660	75%		660	70%	
	$2,000,000	680	80%		680	75%	
	$1,000,000	680	70%	0.75 ≤ & < 1.00	680	65%	0.75 ≤ & < 1.00
		660	65%		660	60%	
	$1,500,000	680	70%		680	65%	

* Tenants in Common Vesting is not permitted

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Lending Guide	All loans must be manually underwritten to the standards contained within this matrix and the Lending Guide. Any guidance published on this matrix supersedes any guidance referenced within the Lending Guide. If guidance is not provided on this matrix or within the Lending Guide, please refer to the FNMA Seller Guide.			
Qualifying Payment	**7/6 ARM** : Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term			**10/6 ARM, 7/6 ARM and 5/6 ARM** : Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term. The fully indexed rate is the sum of the index and the margin. **30 Year Fixed**: Qualify at Note Rate
	30 Year Fixed: Qualify at Note Rate			
	Interest Only: Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term; 10 Year Interest-Only Period followed by 20 Year Amortization			
Minimum DSCR	0.00			0.75
Minimum loan amount	$125,000			$100,000
LTV Requirements	**DSCR 1-3** Reduce maximum LTV/CLTV by 5% for first-time Investors. (Min FICO: 680) **DSCR 4** Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as reported by appraiser. Reduce maximum LTV/CLTV by 5% for refinances of unleased properties. (excluding purchase transaction)			
Income Analysis	DSCR = Subject Property's Monthly Gross Rental Income ÷ Monthly PITIA of the Subject			
Income(DSCR)	**DSCR 1 & 3** **Purchase:** • Form 1007 from appraiser **Refinance:** • Existing Lease Agreement or Form 1007. Gross Income is the lower of the actual monthly rent on the lease agreement and the monthly market rent (Form 1007 or Form 1025) from the subject property appraisal. If the lease agreement reflects higher rents than the 1007, the lease amount may be used for gross rent if two months proof of receipt is verified • If new lease, must include copy of lease along with proof of receipt of security deposit and first month's rent **DSCR 4** Gross Income is the lower of the actual monthly rent on the lease agreement and the monthly market rent (Form 1007 or Form 1025) from the subject property appraisal. • For refinances, a current lease must be supported with two most recent bank statements showing consecutive rental payments.			

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Lease Requirements	**DSCR 1 & 3** • **Purchase transactions:** A lease agreement is not required • **Refinance transactions:** An executed lease agreement if the appraisal report reflects tenant occupancy is required. If the appraisal report reflects vacancy, a new lease is required along with proof of receipt of damage deposit and first month's rent. • **Conversion of Primary residence to Investment property:** a recent conversion is one that occurred within the last 60 days and/or one that is not evidenced by both a signed lease agreement and bank statements evidencing deposit of the security deposit or one or more rental payments. **DSCR 4** • **Purchase transactions:** A lease agreement is not required **Refinance transactions:** An unexpired lease agreement is required. The current lease must be supported with two most recent bank statements showing consecutive two months' rental payments. Expired leases that include a provision to automatically renew as a 'month-to-month' lease upon expiration of the initial lease/lease term are allowed.			
Short-term Rentals	**DSCR 1, 3 & 4** • Short term/variable rental income can be used for qualifying on refinance transactions when utilizing an on-line service such as Airbnb or VRBO. A minimum 12-month rental history is required, and the monthly gross income is the average monthly rental income for the most recent 12 months based on monthly or annual statements from the on-line service. If documentation can't be provided covering a 12-month period, property will be considered unleased. • No market rents are used in calculations. **** DSCR2** • AMC's rental analysis form is required **** DSCR4** • Third party verification (city, county, etc.) is required to confirm short term rentals are legally permissible and licensed where applicable. • Reduce maximum LTV/CLTV by 5% for refinances of unleased properties.			
Eligible Borrower	• U.S. Citizens • Permanent Resident Aliens • Non-permanent Resident Aliens (cash out not available under DSCR2, DSCR3 and DSCR4) • Non-Arms Length Transaction is not allowed • Non-occupant co-borrower is not allowed • Foreign National not allowed			
	DSCR 1-3 • **Experienced Investor:** A borrower who has owned ① **2+ properties within the most recent 12 months** (Primary residence can be included), with ② **one of below is satisfied**: ∘ 2 mortgage trade lines on the credit report, reflecting 0x30x12 history, or ∘ Copy of the most recent lease with 2-months proof of receipt • **First time investor:** A borrower that does not meet the Experienced Investor criteria. ∘ First Time Investors must currently own a residence for a minimum of the most recent 12 months ∘ First Time Investors are eligible with a 5% LTV reduction & Min FICO: 680 • **First-Time Homebuyers:** allowed only if the borrower has a history of owning and managing commercial or residential investment real estate for a period of at least 12 months. First Time Homebuyers cannot also be a First Time Investor. ∘ Borrowers who have lived in a rent-free situation, additional 4 months of reserves is required along with the reserve requirements. **DSCR 4** • **Experienced Real Estate Investors:** One of the borrowers must have a minimum of ① **12 months ownership** and ② **12 months of management of income-producing residential or commercial real estate within the past 24 months**. A letter of explanation is required to detail relevant real estate experience. ∘ Borrowers who have lived in a rent-free situation are ineligible. Exception: if the borrower has lived in a temporarily rent-free situation for a time period of three (3) months or less, and the prior twelve (12) months can be documented, this is acceptable (example: Borrower sold residence then lived with family rent-free until a new home was available). Borrowers whose spouse has the mortgage in only their name but can verify payments are coming from a joint account or who have other mortgaged properties with satisfactory most recent 12 month pay histories are excluded from rent free restrictions. Borrowers with a primary home that is owned free and clear are also exempt from this requirement.			
Purchase	**DSCR 4** • For purchase transactions, the seller must have taken title to the subject property a minimum of 90 days prior to the date of the sales contract executed. (excluding new construction)			

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Rate and Term Refinance	**DSCR 1-3** • The mortgage amount may include: ∘ Paying off the existing first lien ∘ Paying off subordinate liens used entirely to purchase the property ∘ Paying off non-purchase-money subordinate liens seasoned for at least 12 months prior to the loan application date and for HELOC with total draws during the 12 months preceding the application date not in excess of $3,000 ∘ Paying an individual who has been a joint owner for at least 12 months prior to the application date for their interest in the property pursuant to a written agreement such as divorce, separation, dissolution, of domestic partnership, and etc. (12-month requirement does not apply in the case of inheritance) ∘ Paying reasonable and customary financing costs/closing costs/prepaids (consistent with the GSE's definition of permissible expenses) ∘ Paying off an installment land contract executed more than 12 months from the loan application date. ∘ Paying off Property Assessed Clean energy (PACE) obligations. A PACE obligation includes any energy retrofit obligation used to finance energy conservation improvements that is repaid through a property tax assessment • **Minimum of 6 months seasoning** from the note date of the new transaction required **if previous refinance was cash-out.** • Cash back to the borrower is limited to the lesser of $2,000 or 2% of the new loan amount. The payoff of delinquent real estate taxes (60-days or more past due) is considered cash out refinance. • Properties listed for sale within 6 months of the application date are eligible. It must have been taken off the market and must provide LOE indicating their intent to retain the property. **DSCR 4** • The mortgage amount may include: ∘ Existing first mortgage payoff, closing costs, fees, and any prepaid items. ∘ Any subordinate financing which was used to acquire the subject property. ∘ Any subordinate financing that was not used to purchase the subject property provided. • Refinance to buy out an owner's interest is permitted and should follow FNMA guidance. • Cash to Borrower no greater than $5,000. • Properties listed for sale in the last 6 months are ineligible.			
Cash Out Refinance	**DSCR 1-3** • Maximum Cash out: ① **LTV < 65%**: $1,000,000, ② **LTV ≥ 65%**: $500,000 • The property must have been purchased by the borrower at least **6 months prior to the loan Note date** for new financing. • DSCR must be 1.15 or greater and the property may not be "Unleased" as defined by the guideline (waived if cash out seasoning greater than 6 months) • The payoff of delinquent real estate taxes (60-days or more past due) is considered cash out refinance. • Properties listed for sale in the last 6 months are ineligible. **DSCR 4** • Maximum Cash out: $1,000,000 • Cash-out loan proceeds may be used for reserves. • Properties listed for sale in the last 6 months are ineligible.			
Continuity of obligation	**DSCR 1-3** • One of the following must be met ∘ At least one borrower on the new loan must be on title. ∘ At least one borrower on the new loan must have inherited the property or legally awarded the property through divorce, separation, or dissolution of a domestic partnership. **DSCR 4** • One of the following must be met ∘ At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. ∘ The borrower has been on title for at least 6 months and has paid the mortgage for the last 6 months **or can demonstrate a relationship (parent, spouse, domestic partner, sibling, etc.) with the current obligor.** ∘ The borrower has recently been legally awarded the property (divorce, separation or dissolution of a domestic partnership).			

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Assets	• Recent 1 month bank statement is required. • No need for a source of large deposit • Gift funds and gift of equity are not allowed			• Recent 2-month bank statements are required. • VOD (Verification of Deposit) is not acceptable • Gift and Gift of equity are not allowed. • Large deposits are defined as deposits to a single deposit that exceeds 5% of the loan amount Large deposits that cannot be sourced may be subtracted from asset amounts.
Cryptocurrency	DSCR 1-3 Cryptocurrency is an eligible source of funds for down payment, closing costs and reserves. For down payment and closing cost purposes, funds must be liquidated and deposited into the borrower's bank account prior to use. For reserve requirements, 70% of the current balance may be applied.			DSCR 4 Not Permitted
Funds from outside the US	DSCR 1-3 Assets held in foreign accounts may be used as a source of funds to close, and to meet applicable reserve requirements. These funds must be transferred to a U.S. domiciled account in the borrower's name at least 10 days prior to closing. DSCR 4 Assets in foreign accounts may be used as long as the borrower held/possessed the funds for at least 60 days before transferring them to a U.S. domiciled account			
Business Assets	The borrower must be the sole proprietor or 50% owner of the business, and evidence that the withdrawal of funds will not have a negative impact on the business is required.			The borrower(s) must own 100% of the business and requires a letter from the accountant of the business or a cash flow analysis of the business balance sheet to confirm that the withdrawal will not negatively impact the business.
Reserves	• Loan ≤ $1,000,000: 2 mo P&I • Loan ≤ $1,500,000: 6 mo P&I • Loan ≤ $3,000,000: 12 mo P&I • 2 mo P&I is required for each REO other than the subject • Cash out proceeds may be used to cover reserves			• 9 months PITIA • 12 months PITIA if LTV > 75% • Cash out proceeds may be used to cover reserves
Credit Score	• Min Fico: 660 • A minimum of two credit scores is required for each borrower.			• Min Fico: 660 • A minimum of two credit scores is required for each borrower. • No borrower in a transaction may have frozen credit. Once their credit is unfrozen, a new credit report is required. • Rapid rescoring is not allowed
Credit (Minimum Trade Line Requirements)	• Min: 2 reporting 24- months w/activity in last 12- months or 3 reporting 12-months w/recent activity. • If any one of the borrowers has 3 credit scores, the minimum tradeline requirement is waived. • Authorized user tradelines are not eligible for any portion of the credit requirement ** DSCR2 • Use of alternative credit tradelines are not permitted			• Borrowers must have a minimum of 3 tradelines reported for 24 months or more. At least one of these must be open and active for the last 12 months.

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Credit (Housing Payment History)	**DSCR 1-3** • Mortgage/Rental History: 0x30 during the past 12 months • VOM required for borrowers that are homeowners and mortgage payment history is not reflected on the credit report. • VOR required when borrowers are renting to verify housing payment and history. If Private Lender or Private Landlord, 12 months cancelled checks or 12 months bank statements must be provided to document mortgage or rents. • Without verifiable housing history, including borrowers who live rent free, borrower must add additional four months of reserves **DSCR 4** • 12-month housing history on the primary residence and all financed properties. All payment histories must reflect 0x30. • For rental verification a standard VOR completed by a professional management company or 12 months bank statements or canceled checks are required. • If a borrower is refinancing a privately held mortgage, the privately held mortgage payments must be verified with either cancelled checks or bank statements			
Derogatory (Collection/Charge off)	**DSCR 1-3** • Individual collection and non-mortgage charge-off accounts **equal to or greater than $250** and accounts that **total more than $1,000** must be paid in full prior to or at closing. **DSCR 4** • Non-medical collection accounts, charged-off accounts and judgments that do not impact title are not required to be paid off if the sum total of all derogatory accounts is $5,000 or less. When the total exceeds $5,000, all must be paid in their entirety and all past due accounts brought current. Medical collection accounts that do not impact title are not required to be paid regardless of the amount.			
Derogatory Accounts (Past due, Delinquent)	• **Past-due** accounts: must be brought current prior to or at closing. • **Delinquent** account: satisfactory explanation from the borrower is required. All delinquent credit that has the potential to impact lien position must be paid off.			
Derogatory Event Seasoning (measured from the completion date to the application date)	**DSCR 1-3** • At least 3 years for bankruptcy, Deed-in-Lieu/short sales and Foreclosure • At least 2 years for Loan Modification **DSCR 4** • At least 2 years for bankruptcy discharge, dismissal or completion, foreclosure, notice of default (NOD), short sale or deed-in-lieu • At least 7 years if there are multiple events • A satisfactory letter of explanation for the event from the borrower is required. • Borrowers must show reestablished credit and meet the minimum credit requirement.			
Multiple Financed Properties	**DSCR 1-3** • No limit to the number of financed properties per borrower • We will finance up to 4 properties with a maximum unpaid principal balance of $4,000,000. **DSCR 4** • Borrowers may not own more than 20 residential 1-4 unit financed properties including the borrower's primary residence and subject property. (Commercial properties or unimproved land are excluded from the calculation)			
Appraisal	• Two appraisals required for all loans > $2,000,000 • Transferred appraisal not allowed. • Desk Review is required. • For properties owned within 12 months of closing date, the LTV/CLTV will be based upon the lesser of the original sales price.			• Two appraisals required for all loans > $1,500,000 • Transferred appraisal is not allowed. • Desk Review is required. • Declining Market: Reduce maximum LTV/CLTV by 10% • For properties purchased within 6 months(rate and term refinance) or 12 months(cash out refinance) of closing date, the LTV/CLTV will be based upon the lesser of the original sales price.
Condominium	**DSCR 1** Follow Agency Guidelines **DSCR 2-3** • Non-Warrantable Condominiums are eligible for financing, provided they meet the following criteria: (1) Completion: All legal phases and common areas of the project must be 100% complete. A minimum of 50% of units must be sold or under contract. (2) Review Standards: A full project review must be conducted to ensure the development does not contain any ineligible characteristics. (3) Agency Alignment: Except for the non-warrantable status, projects should generally align with standard agency eligibility and safety requirements • Condo Project in 'Delivery Restriction' status in CPM is eligible for financing, provided the subject transaction fully complies with the specific parameters noted in the CPM 'Comments' sections and all other requirements are met. **DSCR 4** Follow Agency Guideline			

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Ineligible properties	• Manufactured or mobile homes • Properties with more than 10 acres • Co-ops • Properties held as leasehold. • Factory built housing • Properties, other than condominiums, with less than seven-hundred • Condo hotels fifty (750) square feet • Log homes • Condominiums with less than four hundred (400) square feet • Properties located in Puerto Rico, Guam, America Samoa, Northern • Timeshare units • Mariana Islands and US Virgin Islands. • Unique Properties/properties that do not confirm to zoning • Lot Loans • Ordinances • Properties with deed/resale restrictions • Mixes use properties • Assisted living facilities • Working Farms • Properties which appraisal indicates condition ratings of C5 or C6 or a Commercial properties quality rating of Q6 • Rural zoned properties and agriculturally zoned properties • Properties used for cultivation, distribution, manufacture or sale of marijuana • Any property located in lava zones 1 or 2 on the island of Hawaii.			
Accessory Dwelling Unit (ADU)	**DSCR 1-4** • Multi-Unit Properties (2 to 3 units): These properties may include ADUs, as long as the total count of units (primary structure plus ADUs) does not exceed four. • Single Unit Properties (SFR): Eligibility is extended to one-unit properties that feature up to 3 separate ADUs.			
Solar Panels	**DSCR 1-4** Follow agency guidelines			
Age of documents	Max age of 90 days for credit documents			
IPC limits	3% for all DSCR programs. Interested party contributions include funds contributed by real estate sellers, builders, developers, real estate brokers, or any other party with an interest in a real estate transaction.			
HPML/HPCT	**DSCR 1-4** • High-cost loans (Section 32) as defined by applicable state and/or local regulations are NOT permitted • 5% QM Points and Fees audit must pass • All federal and state guidelines are met • Escrow Accounts/Impounds are not required for all loan transactions • **DSCR4 -** Escrow Account/Impounds are required			
Power of Attorney	Power of Attorney is not allowed			
Prepayment Penalty	**DSCR 1-4** • Declining structures that do not exceed 5% and do not drop below 1% in the 5 years. For example: (5%/4%/3%/2%/1%) - The prepayment charge will be equal to the percentage in effect and applied to any curtailment or the entire outstanding principal balance during the prepay period. The charge applies to loans that pay off due to refinance or sale. • The prepayment charge will be charged in effect to a full Payment or one or more partial Payments, and the total of all such Prepayment in any 12-month period exceeds twenty percent (20%) of the original Principal amount of the loan. • Prepayment charge amount will be in an amount equal to: - 5%of the portion of such prepayment if paid during the 1st year from the execution date of the Note - 4% of the portion of such prepayment if paid during the 2nd year from the execution date of the Note - 3% of the portion of such prepayment if paid during the 3rd year from the execution date of the Note - 2% of the portion of such prepayment if paid during the 4th year from the execution date of the Note - 1% of the portion of such prepayment if paid during the 5th year from the execution date of the Note ** DSCR 4 does not allow 4 year PPP (allows 1, 2, 3, 5 year term PPP)			

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INVESTOR PROGRAM: DSCR (Debt Services Coverage Ratio)

Category	DSCR 1	DSCR 2	DSCR 3	DSCR 4
Prepayment Penalty Restrictions	• We do not allow prepayment penalties in the following states: ∘ Not eligible: DE (Delaware), DC (District of Columbia), IL (Illinois), KS (Kansas), MI (Michigan), MN (Minnesota), NJ (New Jersey), OH(Ohio), WV (West Virginia) • We allow prepayment penalties with restrictions in the following states: ∘ HI(Hawaii): ARM is not permitted ∘ LA(Louisiana): 3 years max, restricted to declining structures only ∘ MD(Maryland): minimum loan amount of $75,000 ∘ NC(North Carolina): minimum loan amount $300,000 ∘ PA(Pennsylvania): Minimum loan amount of $329,411 ∘ VA(Virginia): Minimum loan amount of $75,000			
State Restrictions	**DSCR 1-3** • State Overlays for CT(Connecticut), FL(Florida), IL(Illinois), NJ(New Jersey): ○ Maximum LTV/CLTV limited to 75% for purchase and 70% for rate/term and cash-out transactions ○ Maximum Loan Amount is limited to $2,000,000			
Business Vesting Requirements	**DSCR 1 & 3** • Allowed company type: LLC, Partnership, or Corporation • Company Purpose: Must be ownership and management of Real Estate • Company Ownership: All members having ownership must be on the loan (maximum 4 owners) • Company Restriction: U.S based LLC, Partnership, or Corporation • Required Documentation: ∘ Article of Organization, Partnership, and Operating Agreement (if applicable); AND ∘ Evidence of Good Standing; AND ∘ EIN/TAX Identification Number form; AND ∘ Corporate Resolution/Authorization for the person executing documents on behalf of the entity; AND ∘ Entity documents that include a list of members/managers and ownership percentage (e.g., organization structure) • Additional Documentation requirements for specific business type: ∘ Corporations: (1) By-Laws and all Amendments (2) Receipt of current year franchise tax payment, clear search, or evidence the state does not require a franchise tax payment. ∘ Partnerships: (1) Partnership Agreement and all amendments (2) Limited partner consents (Where required by partnership agreement) **** DSCR2** • LLC Vesting is not allowed			No Vesting LLC allowed