

FULL DOCUMENTATION				
PURCHASE AND RATE/TERM				
Second Home & Investment Property				
Property Type	Max. Loan amount	Max. LTV/CLTV	Min. FICO	Min Reserves (PITIA) ⁽²⁾
1 Unit	\$150,000 ⁽¹⁾	70%	680	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$1,500,000	75%		
	\$2,000,000	70%		
	\$3,000,000	65%		
2-4 Units & Condo	\$1,500,000	70%	640-679	
	\$2,000,000	70%		
	\$3,000,000	65%		
1-4 Units & Condo	\$1,000,000	70%	Foreign Credit	
	\$1,500,000	65%		
1-4 Units & Condo	\$1,000,000	70%	Foreign Credit	
1-4 Units & Condo	\$3,000,000	65%		
CASH-OUT REFINANCE ⁽³⁾				
Second Home & Investment Property				
Property Type	Max. Loan amount	Max. LTV/CLTV	Min. FICO	Min Reserves (PITIA) ⁽²⁾
1-4 Units & Condo	\$1,000,000	70%	680	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$1,500,000	65%		
	\$2,000,000	60%		
	\$3,000,000	55%		
1-4 Units & Condo	\$1,000,000	65%	640-679	
	\$1,500,000	60%		
1-4 Units & Condo	\$1,000,000	70%	Foreign Credit	
	\$2,000,000	60%		
	\$3,000,000	55%		

1) Minimum Loan Amount: \$75,000. Loan Amount < \$150k: 70% Max LTV/CLTV

2) Additional Reserves: Additional two (2) months of reserves required for each additional financed property owned.

3) Cash-out Refinance

- Cash out net proceeds can be used for reserve requirement
- Texas Cash-Out Section 50(a)(6) not permitted
- Cash-Out Proceed is limited to the 50% of property value

DSCR (DEBT SERVICE COVERAGE RATIO) ⁽¹⁾

PURCHASE AND RATE/TERM

Second Home & Investment Property

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1 Unit	\$150,000 ⁽²⁾	70%	680	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$1,000,000	75%		
	\$2,000,000	65%		
	\$3,000,000	60%		
2-4 Units & Condo	\$1,000,000	70%	640-679	
	\$2,000,000	65%		
	\$3,000,000	60%		
1-4 Units & Condo	\$1,000,000	70%	640-679	
	\$1,500,000	65%		
1-4 Units & Condo	\$750,000	75%	Foreign Credit	
	\$1,000,000	70%		
	\$1,500,000	65%		
	\$2,000,000	60%		
	\$3,000,000	55%		

CASH-OUT REFINANCE ⁽³⁾

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1-4 Units & Condo	\$1,500,000	65%	680	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$2,000,000	60%		
	\$3,000,000	50%		
1-4 Units & Condo	\$1,000,000	65%	640-679	
	\$1,500,000	60%		
1-4 Units & Condo	\$1,000,000	65%	Foreign Credit	
	\$1,500,000	60%		
	\$2,000,000	55%		
	\$3,000,000	50%		

1) DSCR = Gross Rental Income / PITIA

- Minimum DSCR Purchase & Rate/Term: 1.00; Minimum DSCR Cash-Out: 1.15
- Rent Loss Insurance covering a minimum of 6 months is required for the subject property
- If DSCR < 1.15, Minimum Loan Amount is \$150,000

2) Minimum Loan Amount: \$75,000. Loan Amount < \$150k: 70% Max LTV/CLTV

3) Additional Reserves: Additional two (2) months of reserves required for each additional financed property owned.

4) Cash-out Refinance

- Cash out net proceeds can be used for reserve requirement
- Texas Cash-Out Section 50(a)(6) not permitted
- Cash-Out Proceed is limited to the 50% of property value

Product Detail	Product Guidelines
Mortgage Mac Lending Guide	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ FULLY AMORTIZING: Qualify at Note Rate ▪ 7/1 LIBOR: Qualifying rate: Qualify borrower(s) at the greater of the fully-indexed rate or Note Rate <ul style="list-style-type: none"> - INDEX: 1 Year LIBOR - MARGIN: 3.50% (ITIN) - MARGIN: 6.00% (Foreign National and DSCR) - CAPS: 5/2/5 ▪ INTEREST-ONLY: Qualify borrower(s) at the greater of the fully-indexed rate or Note Rate <ul style="list-style-type: none"> - Interest-Only Period: 10 Year Interest-Only Period followed by 20 Year Amortization
Eligible Borrower	<ul style="list-style-type: none"> ▪ Non-Resident Aliens (Foreign Nationals) - see Foreign Nationals section for details ▪ Non-Arms Length Transaction is not allowed ▪ Non-occupant co-borrower is not allowed
Max DTI	<ul style="list-style-type: none"> ▪ Max 49.99% DTI (Full Doc)
Foreign Nationals	<p>A Foreign National is a non-resident alien who is not authorized to live or work in the U.S or hold a work Visa that is indicative of a more temporary residency. A Foreign National may periodically visit the U.S. for various reasons including vacation and / or business. To be eligible, the borrower must live and work in another country and be a legal resident of that same country. They may not purchase property intended for use as a primary residence.</p> <ul style="list-style-type: none"> ▪ Copy of the borrower's valid and unexpired passport (including photograph) ▪ Copy of the borrower's valid and unexpired visa (including photograph) OR an I797 form with valid extension dates, and I-94. Note: I-94 is only required when the Borrower is already in the United States. ▪ Foreign Nationals allowed to legally travel to and from the United States without Visa are eligible. (e.g., Countries participating in the Visa Waiver Program, Canadian citizens). The credit File should be documented with a current print-out of the participating countries, with the borrower's country of origin highlighted

	<ul style="list-style-type: none"> ▪ VWP are found under U.S. Department of State's website: https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html ▪ Visa types allowed: B-1, B-2, H-2, H-3, I, J-1, J-2, O-2, P-1, P-2, TN NAFTA, Laser Visa (F1 and F2 types are not allowed) ▪ If a non-U.S. citizen is borrowing with a U.S. citizen, Foreign National documentation requirements still apply ▪ Documents signed by borrowers outside of the U.S. must be notarized by a U.S. embassy or consular official. The certificate of acknowledgment must meet the standard requirements and must include the embassy or consular seal ▪ Foreign Nationals of the countries listed on the Sanctions Programs and Country Information by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) are not eligible. Note: First Time Investor and First Time Homebuyers requirements do not apply to Foreign National borrowers
Power of Attorney	<ul style="list-style-type: none"> ▪ Power of Attorney is not allowed
Appraisal	<ul style="list-style-type: none"> ▪ One appraisal with an interior inspection required ▪ Transferred appraisal allowed: Report, AIR Cert, Invoice, and UCDP/SSR required ▪ 3rd Party Appraisal Review required: CDA report/Property analysis report ordered by Mortgage Mac ▪ Properties owned < 12 months must use lesser of original purchase price or new appraised value for LTV purposes ▪ Two appraisals required for all loans > \$1,500,000 OR Cash-Out & Loan Balance > \$1,000,000
Income (Full Doc)	<p><u>Salaried Borrower:</u></p> <ul style="list-style-type: none"> ▪ Paystubs covering a minimum of 30 days (which include YTD income) AND one of following: <ol style="list-style-type: none"> 1) 2 years W-2 equivalent document 2) 2 years tax return from borrower's country of origin 3) A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2 years <ul style="list-style-type: none"> - Letter from employer must be on company letterhead, including company address and web address. - Employer to be independently verified (LexisNexis, D&B, Google, or other). All documents must be translated by an independent certified translator. <p><u>Self-employed Borrower:</u></p> <ul style="list-style-type: none"> ▪ All Income documents must be translated by an independent certified translator

	<ul style="list-style-type: none"> ▪ Non-U.S. Self-Employment income must provide following documents: <ol style="list-style-type: none"> 1) Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower's CPA or local equivalent (the "Accountant") on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided. 2) A copy of the Accountant's current license is required. The Business & Accountant must be independently verified. <p>OR,</p> 3) Two (2) years tax returns from the borrower's country of residence, along with an YTD P&L statement
Income (DSCR)	<p><u>Purchase:</u></p> <ul style="list-style-type: none"> ▪ Form 1007 from appraiser <p><u>Refinance:</u></p> <ul style="list-style-type: none"> ▪ Existing Lease Agreement(s), if appraisal reflects tenant occupied ▪ If new lease, must include copy of lease along with proof of receipt of damage deposit and first month's rent ▪ Form 1007, if applicable ▪ If subject property leased on a short-term basis utilizing an on-line service such as Airbnb; gross monthly rents can be determined by using a 12-month look back period; and either 12-monthly statements, or an annual statement provided by the on-line service to document receipt of rental income. If documentation can't be provided covering a 12-mo period, property will be considered unleased. <p><u>Income Analysis:</u></p> <ul style="list-style-type: none"> ▪ DSCR: Monthly Gross Income divided by the PITIA of the subject ▪ Gross Income: the lower of Gross Rents indicated on the lease agreement(s) and Form 1007 ▪ If the lease(s) agreement reflects higher rents than the 1007, the lease(s) amount may be used for gross rents if two months proof of receipt is verified PI of PITIA is using Note rate. Use ITIA for Interest Only loans
Assets	<ul style="list-style-type: none"> ▪ Most recent asset documents required; documents must be translated by an independent certified translator ▪ Foreign Assets must be transferred to US Institutional Account prior to ordering loan docs ▪ 100% gift allowed for SH - closing costs, down payments, and reserves; Not allowed for Investment transaction

	<ul style="list-style-type: none"> ▪ Business assets - minimum 50% ownership & a CPA letter explaining use of the funds will not have a negative impact on the business required ▪ Interested Party Contributions (IPC): limited to 6%(SH)/ 3%(NOO); cannot exceed closing cost
<p>Credit Reports & Scores</p>	<p><u>Foreign National Minimum Trade Line Requirements:</u> Foreign National Borrowers without Qualifying U.S. Credit (Including borrowers without a valid Social Security Number and borrowers with or without an Individual Tax Identification Number) must provide evidence of three (3) open tradelines reporting for two (2) years with activity in the most recent 12-months. No derogatory credit history is permitted within the 2-year history under review. ANY combination of the following is acceptable to arrive at the tradeline requirement:</p> <ul style="list-style-type: none"> ▪ Tradelines evidenced via a U.S. credit report; AND / OR ▪ Tradelines evidenced via international credit report if a U.S. credit report cannot be produced, or does not provide a sufficient number of tradelines; AND / OR ▪ Tradelines evidenced via credit reference letters from verified financial institutions in the borrower's country of origin, if a U.S. credit report and/or international credit report is not available, or the combination of the credit reports does not provide a sufficient number of tradelines <ul style="list-style-type: none"> - A minimum of 1 reference letter must be from an internationally known financial institution - Each letter of reference must state the type and length of the relationship, how the account is held, payment amount, outstanding balance and status of account including a minimum 12 months payment history - A single reference source may provide verification of multiple accounts. Individual account detail must be provided - The letter must mention the borrower by name - Name, title & contact information of the person signing the letter must be included - Currency must be converted to U.S. Dollars and signed and dated by certified translator - All documents must be translated into English <p><u>Housing Payment History:</u></p> <ul style="list-style-type: none"> ▪ Mortgage/Rental History: 0x30 during the past 12 months; Evidence of a two-year housing history is required ▪ Without verifiable housing history, including borrowers who live rent free, DTI may not exceed 36% and borrower must add additional four (4) months of reserves ▪ Foreign Credit – Housing history may be used as one (1) of the required tradelines; if it is included on the U.S. credit report, the international

	<p>credit report, or verified in accordance with credit reference letter requirements</p> <p><u>Derogatory Credit Waiting Periods:</u></p> <ul style="list-style-type: none"> - Bankruptcy (Chapter 7,11, and 13): 3 years - Foreclosure: 3 Year - Loan Modification: 2 Years - Deed-in-Lieu or Short Sale: 3 Years <p>▪ Judgments, tax liens, collections, charge-offs and repossessions must be paid in full at or before loan closing. Collection accounts with documented disputes are excluded.</p>
First Time Homebuyer	<ul style="list-style-type: none"> ▪ First time homebuyers are eligible
HPML/HPCT	<ul style="list-style-type: none"> ▪ High-cost loans (Section 32) as defined by applicable state and/or local regulations are NOT permitted ▪ Mortgage Mac will purchase loans that are defined as HPML only if all the requirements listed below are met along with applicable product guidelines <ul style="list-style-type: none"> - QM Points and Fees audit must pass - Escrows/Impounds are required for property taxes and insurance - All federal and state guidelines are met
ACH	<ul style="list-style-type: none"> ▪ An executed Automatic Debit Payment Agreement (ACH Form) from a U.S. Bank, is required for transactions involving a Foreign National
Escrow Waiver	<ul style="list-style-type: none"> ▪ Not Eligible

EXHIBIT B
Automatic Payment Authorization Form

You must attach a voided check or deposit slip

Mortgage Loan Number:	Name:	
Street Address:	City, State, Zip Code:	
Daytime Phone Number:	Evening Phone Number:	
Financial Institution Name:	Financial Institution Phone Number:	
Electronic ACH Routing Number:	Account Number:	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
Financial Institution Address:		

Please specify the payment date most convenient for you, which must be within the applicable grace period. If a payment date is not specified, or your loan is a daily simple interest loan, payments will be deducted on your current loan due date.

Deduct my payment on the _____ of each month.

I hereby authorize _____, including its successors and/or assigns, to initiate transfers from my checking or savings account at the financial institution indicated above for the purpose of making my monthly mortgage payment. I authorize the amount of each transfer to include my regularly scheduled payment including principal, interest and escrow items, reimbursement of corporate advances, optional insurance as applicable and the costs of any services I request. I understand that, in accordance with the terms of my mortgage note and/or adjustments in my escrow for taxes and insurance, my payment may change from time to time as set forth in my loan documents. You are hereby authorized to change the amount of the draft from my checking or savings account, provided you notify me of the new payment amount at least 10 days prior to the draft date. I agree that the payment change notice provided to me under the Adjustable Rate Mortgage Provisions of the Truth-in-Lending Act and/or escrow analysis form shall constitute notice of payment change as required by the Electronic Funds Transfer Act and Federal Reserve Board Regulation E.

The authorization is to remain in full force and effect until revoked in writing. Such revocation notification must be provided to the Initiating party no less than fifteen (15) business days prior to it taking effect. Please contact the Initiating Party immediately if you change financial institutions, change accounts within the same financial institution or if you wish to revoke this authorization.

I HEREBY AGREE TO THE TERMS AND CONDITIONS IN THIS FORM.

Borrower's Signature _____ Date _____

Co-Borrower's Signature _____ Date _____
