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INVESTOR PROGRAM

DSCR(Debt Service Coverage Ratio): Investment Property[1]

Purchase and Rate/Term Refinance

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1 Unit	$75,000 - 150,000[2]	700	70%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$150,001 - 1,000,000		80%	
	$1,000,001 - 1,500,000		75%	
	$1,500,001 - 2,000,000		70%	
	$2,000,001 - $3,000,000		65%	
2-4 Units & Condo	$2,000,000		70%	
	$2,000,001 - 3,000,000		65%	
1 Unit	$75,000 - 150,000[2]	640-699	70%	
	$150,001 - 1,000,000		75%	
	$1,000,001 - 1,500,000		65%	
	$1,500,001 - 2,000,000		65%	
	$2,000,001 - $3,000,000		60%	
2-4 Units & Condo	$1,000,000		70%	
	$1,000,001 - 1,500,000		65%	
	$1,500,001 - 2,000,000		65%	
	$2,000,001 - 3,000,000		60%	

Cash-Out Refinance[4]

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1-4 Units & Condo	$1,500,000	700	70%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$1,500,001 - 2,000,000		65%	
	$2,000,001 - 3,000,000		55%	
1-4 Units & Condo	$1,500,000	640-699	65%	
	$1,500,001 - 2,000,000		60%	
	$2,000,001 - 3,000,000		50%	

Footnotes	
[1]DSCR	• Minimum DSCR Purchase & Rate/Term: 0.75(Up to 70%LTV) & 1.00(over 70%); Minimum DSCR Cash-Out: 1.00 • If DSCR < 1.15, Minimum Loan Amount is $150,000 • Eligible for Foreign National borrower. Please refer to Foreign National guideline
[2]LTV Restrictions	• Minimum Loan Amount: $75,000. Loan Amount < $150K: 70% Max LTV/CLTV
[3]Additional Reserves	• Additonal two(2) months of reserves required for each additonal 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

GUIDELINES

MTGMAC 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.

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	7/6 ARM	30 Year Fixed	Interest Only
Qualifying Payment	Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term	Qualify at Note Rate	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
Eligible Borrower	• U.S. Citizens • Permanent Resident Aliens • Non-permanent Resident Aliens • Non-Arms Length Transaction is not allowed • Non-occupant co-borrower is not allowed		
Experienced Investor	A borrower who has owned two (2) or more properties within the most recent twelve (12) months (Primary residence can be included), with one (1) having documented rental income of twelve (12) months or more. Rental income can be documented with one of the following; - Two (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 twelve (12) months - First Time Investors are eligible with a **5% LTV reduction & Min FICO:680**		
First-Time Homebuyers	A borrower who had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property - First Time Homebuyer is 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 Homebuyer cannot be also be a First Time Investor		
Power of Attorney	• Power of Attorney is not allowed		
Income(DSCR)	**Purchase:** • Form 1007 from appraiser **Refinance:** • Existing Lease Agreement(s), if appraisal reflects tenant occupied • If new lease, must include copy of lease along with proof of receipt of security 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. **Income Analysis:** • 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	• Following FNMA guideline • Most recent 1 month statements required • Gift is not allowed(Cash or Equity) • Business assets - minimum 50% ownership & a CPA letter explaning use of the funds will not have a negative impact on the business required • Interested Party Contributions(IPC): 3%(NOO); cannot exceed closing cost		
Credit	**Minimum Trade Line Requirements:** • Borrowers must have a minimum of 3 trade lines on the credit report • Tradelines may be open or closed, with at least one seasoned trade line having a minimum 12 month. Authorized user tradelines are not eligible for any portion of the credit requirement • When spouse is co-borrower only one borrower is required to have the credit depth listed above ***(Continued onto next page)***		

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<table>
<tr><td>Credit</td><td><u>Housing Payment History:</u>
• Mortgage/Rental History: 0x30 during the past 12 months
• Evidence of a two-year housing history is required
• VOM required for borrower(s) that are homeowners and mortgage payment history is not reflected on credit report. VOR required when borrower(s) 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 (4) months of reserves</td></tr>
<tr><td>Derogatory Event Seasoning</td><td><u>Derogatory Credit Waiting Periods:</u>
<table><tr><th>Derogatory Event</th><th>Waiting Period Requirement</th></tr><tr><td>Bankruptcy - Chapter 7,11, and 13</td><td>3 years</td></tr><tr><td>Foreclosure</td><td>3 years</td></tr><tr><td>Loan Modification</td><td>2 years</td></tr><tr><td>Deed-in-Lieu or Short Sale</td><td>3 years</td></tr></table><u>Collection/Charge off accounts</u> do not need to be paid off if the balance of an individual account is less than $250 or the total balance of all account is $1000 or less.</td></tr>
<tr><td>Appraisal</td><td>• One appraisal with an interior inspection required
• <u>Transferred appraisal not allowed</u>
• <u>3rd Party Appraisal Review required:</u> CDA report/Property analysis report internally ordered/reviewed by Nexcap if Loan Balance <= $1.5MM (if needed)
• Properties owned < 12 mo must use lesser of original purchase price or new appraised value for LTV purposes
• Two appraisal required for all loans > $2,000,000</td></tr>
<tr><td>HPML/HPCT</td><td>• High-cost loans (Section 32) as defined by applicable state and/or local regulations are NOT permitted
• Nexcap will purchase loans that are defined as HPML only if all of the requirements listed below are met along with applicable product guidelines
- QM Points and Fees audit must pass
- Escrows/Impounds are required for property taxes and insurance
- All federal and state guidelines are met</td></tr>
<tr><td>Escrow Waiver</td><td>• Not Eligible</td></tr>
<tr><td>Prepayment Penalty</td><td>•Declining structures that do not exceed 5% and do not drop below 1% in the five 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.
•Investment Property Only
•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:
- Five (5) percent of the portion of such prepayment if paid during the first year from the execution date of the Note
- Four (4) percent of the portion of such prepayment if paid during the second year from the execution date of the Note
- Three (3) percent of the portion of such prepayment if paid during the third year from the execution date of the Note
- Two (2) percent of the portion of such prepayment if paid during the fourth year from the execution date of the Note
- One (1) percent of the portion of such prepayment if paid during the fifth year from the execution date of the Note
•The following state restriction apply:
- CO & TX: Not available for Cash Out
- PA: minimum loan amounts $278,204
- CO & TX: maximum rate 12%
- IL: Maximum rate 8%
- VA: Minimum loan amts: $75,000</td></tr>
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