

## DSCR (DEBT SERVICE COVERAGE RATIO) <sup>(1)</sup>

### PURCHASE AND RATE/TERM

#### Investment Property

Property Type	Max. Loan amount	Max. LTV/CLTV	Min. FICO	Min Reserves (PITIA) <sup>(3)</sup>
1 Unit	\$150,000 <sup>(2)</sup>	70%	700	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$1,000,000	80%		
	\$1,500,000	75%		
	\$2,000,000	70%		
	\$3,000,000	65%		
2-4 Units & Condo	\$2,000,000	70%	640-699	
	\$3,000,000	65%		
1 Unit	\$150,000 <sup>(2)</sup>	70%		
	\$1,000,000	75%		
	\$1,500,000	65%		
	\$2,000,000	65%		
	\$3,000,000	60%		
2-4 Units & Condo	\$1,000,000	70%		
	\$1,500,000	65%		
	\$2,000,000	65%		
	\$3,000,000	60%		

### CASH-OUT REFINANCE <sup>(4)</sup>

#### Investment Property

Property Type	Max. Loan amount	Max. LTV/CLTV	Min. FICO	Min Reserves (PITIA) <sup>(3)</sup>
1-4 Units & Condo	\$1,500,000	70%	700	Loan Amount ≤\$1M: 6 months >\$1M, ≤\$2M: 9 months >\$2M: 12 months
	\$2,000,000	65%		
	\$3,000,000	55%		
1-4 Units & Condo	\$1,500,000	65%	640-699	
	\$2,000,000	60%		
	\$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"> <li>▪ 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.</li> <li>▪ If guidance is not provided on this matrix or within the Lending Guide, please refer to the FNMA Seller Guide.</li> </ul>
Qualifying Payment	<ul style="list-style-type: none"> <li>▪ FULLY AMORTIZING: Qualify at Note Rate</li> <li>▪ 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"> <li>- INDEX: 1 Year LIBOR</li> <li>- MARGIN: 3.50% (ITIN)</li> <li>- MARGIN: 6.00% (Foreign National and DSCR)</li> <li>- CAPS: 5/2/5</li> </ul> </li> <li>▪ INTEREST-ONLY: Qualify borrower(s) at the greater of the fully-indexed rate or Note Rate                             <ul style="list-style-type: none"> <li>- Interest-Only Period: 10 Year Interest-Only Period followed by 20 Year Amortization</li> </ul> </li> </ul>
Eligible Borrower	<ul style="list-style-type: none"> <li>▪ U.S. Citizens</li> <li>▪ Permanent Resident Aliens</li> <li>▪ Non-permanent Resident Aliens</li> <li>▪ Non-Arms Length Transaction is not allowed</li> <li>▪ Non-occupant co-borrower is not allowed</li> </ul>
Experienced Investor	<ul style="list-style-type: none"> <li>▪ 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.                             <ul style="list-style-type: none"> <li>- Two (2) mortgage trade lines on the credit report, reflecting 0x30x12 history, or</li> <li>- Copy of the most recent lease with 2-months proof of receipt</li> </ul> </li> </ul>
First-Time Investor	<ul style="list-style-type: none"> <li>▪ A borrower that does not meet the Experienced Investor criteria                             <ul style="list-style-type: none"> <li>- First Time Investors must currently own a residence for a minimum of the most recent twelve (12) months</li> <li>- First Time Investors are eligible with a 5% LTV reduction</li> </ul> </li> </ul>
First-Time Homebuyers	<ul style="list-style-type: none"> <li>▪ 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                             <ul style="list-style-type: none"> <li>- First Time Homebuyer is allowed only if the borrower has a history of owning and managing commercial</li> </ul> </li> </ul>

	<p>or residential investment real estate for a period of at least 12 months</p> <ul style="list-style-type: none"> <li>- First Time Homebuyer cannot be also be a First Time Investor</li> </ul>
Power of Attorney	<ul style="list-style-type: none"> <li>▪ Power of Attorney is not allowed</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>▪ One appraisal with an interior inspection required</li> <li>▪ Transferred appraisal allowed: Report, AIR Cert, Invoice, and UCDP/SSR required</li> <li>▪ 3rd Party Appraisal Review required: CDA report/Property analysis report ordered by Mortgage Mac</li> <li>▪ Properties owned &lt; 12 months must use lesser of original purchase price or new appraised value for LTV purposes</li> </ul>
Income (DSCR)	<p><u>Purchase:</u></p> <ul style="list-style-type: none"> <li>▪ Form 1007 from appraiser</li> </ul> <p><u>Refinance:</u></p> <ul style="list-style-type: none"> <li>▪ Existing Lease Agreement(s), if appraisal reflects tenant occupied</li> <li>▪ If new lease, must include copy of lease along with proof of receipt of damage deposit and first month's rent</li> <li>▪ Form 1007, if applicable</li> <li>▪ 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.</li> </ul> <p><u>Income Analysis:</u></p> <ul style="list-style-type: none"> <li>▪ DSCR: Monthly Gross Income divided by the PITIA of the subject</li> <li>▪ Gross Income: the lower of Gross Rents indicated on the lease agreement(s) and Form 1007</li> <li>▪ If the lease(s) agreement reflects higher rents then 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</li> </ul>
Assets	<ul style="list-style-type: none"> <li>▪ Most recent asset documents required; documents must be translated by an independent certified translator</li> <li>▪ Foreign Assets must be transferred to US Institutional Account prior to ordering loan docs</li> <li>▪ 100% gift allowed for SH - closing costs, down payments, and reserves; Not allowed for Investment transaction</li> <li>▪ Business assets - minimum 50% ownership &amp; a CPA letter explaining use of the funds will not have a negative impact on the business required</li> </ul>

	<ul style="list-style-type: none"> <li>Interested Party Contributions (IPC): limited to 6%(SH)/ 3%(NOO); cannot exceed closing cost</li> </ul>
Credit	<ul style="list-style-type: none"> <li>Minimum Trade Line Requirements:</li> <li>Borrowers must have a minimum of 3 trade lines on the credit report</li> <li>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</li> <li>When spouse is co-borrower only one borrower is required to have the credit, depth listed above</li> </ul> <p><u>Housing Payment History:</u></p> <ul style="list-style-type: none"> <li>Mortgage/Rental History: 0x30 during the past 12 months</li> <li>Evidence of a two-year housing history is required</li> <li>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.</li> <li>Without verifiable housing history, including borrowers who live rent free, borrower must add additional four (4) months of reserves.</li> </ul> <p><u>Derogatory Credit Waiting Periods:</u></p> <ul style="list-style-type: none"> <li>Bankruptcy (Chapter 7,11, and 13): 3 years</li> <li>Foreclosure: 3 Year</li> <li>Loan Modification: 2 Years</li> <li>Deed-in-Lieu or Short Sale: 3 Years</li> </ul> <p><u>Judgments, tax liens, collections, charge-offs and repossessions</u> must be paid in full at or before loan closing. Collection accounts with documented disputes are excluded.</p>
HPML/HPCT	<ul style="list-style-type: none"> <li>High-cost loans (Section 32) as defined by applicable state and/or local regulations are NOT permitted</li> <li>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"> <li>QM Points and Fees audit must pass</li> <li>Escrows/Impounds are required for property taxes and insurance</li> <li>All federal and state guidelines are met</li> </ul> </li> </ul>
Escrow Waiver	<ul style="list-style-type: none"> <li>Not Eligible</li> </ul>