

Investor – DSCR

Investment Property (Business Purpose)				
Maximum LTV/CLTVs		>=1.00 DSCR*		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
740+	<=1,000,000	85	80	75
	1,000,001 – 1,500,000	85	75	70
	1,500,001 – 2,000,000	75	75	60
720	<=1,000,000	85	75	75
	1,000,001 – 1,500,000	85	75	70
	1,500,001 – 2,000,000	75	75	60
700	<=1,500,000	75	75	70
	1,500,001 – 2,000,000	70	70	60
680	<=1,500,000	75	75	70
	1,500,001 – 2,000,000	70	70	60
660	<=1,000,000	70	70	65
	1,000,001 – 1,500,000	65	65	60
	1,500,001 – 2,000,000	60	60	55
640-659	<=1,000,000	65	65	60
	1,000,001 – 1,500,000	60	60	55
	1,500,001 – 2,000,000	55	55	50
Maximum LTV/CLTVs		< 1.00 DSCR* Note Minimum DSCR is .75		
740	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	75	75	70
	1,500,001 – 2,000,000	75	75	60
720	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	70	70	65
	1,500,001 – 2,000,000	65	65	NA
700	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	70	70	65
	1,500,001 – 2,000,000	65	65	NA
680	<=1,000,000	65	65	60
Maximum LTV/CLTV		No Ratio		
740	<=1,000,000	65	65	60
	1,000,001 – 1,500,000	65	65	60
720	<=1,000,000	65	65	60
	1,000,001 – 1,500,000	65	65	60
700	<=1,000,000	65	65	60
	1,000,001 – 1,500,000	65	65	60
Housing History	Housing Event Seasoning		Property Type Restrictions	
<ul style="list-style-type: none"> 0x30x12 – No reduction 1x30x12: <ul style="list-style-type: none"> Max 60% LTV Past due balloon will be considered a delinquency (1x30) not a housing event, only if within 180 days of maturity. 1x30 not permitted on No Ratio 	BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> >=36 Mo – No reduction >=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out Discharged Ch 13, use filing date; min 1yr discharged. Dismissed Ch 13, use dismissal date. No Ratio: <ul style="list-style-type: none"> Requires 3+ years from a housing event. Multiple BKs not permitted. Chapter 13s must be discharged or dismissed 24+ months. 		<ul style="list-style-type: none"> 1-4 Units: <ul style="list-style-type: none"> Purchase ONLY to 85% 2 Units - Refinance: <ul style="list-style-type: none"> Max LTV/CLTV : 80% 3-4 Units - Refinance: <ul style="list-style-type: none"> >= 1.00 DSCR = Max LTV 75% < 1.00 DSCR = Max LTV 70% Condos: <ul style="list-style-type: none"> Ineligible for > 80% LTV 720+ Purchase/R&T: Max 80% < 720 Purchase/R&T: Max 75% 720+ Cash Out: Max 75% < 720 Cash Out: Max 70% 	
State Restrictions				
<p>LTVs must be reduced by 5% for loans in MS. Short Term Rentals are ineligible in New York City. Non-Permanent Resident Aliens originating from China are ineligible in the State of Florida. Licensed States: LList All States</p>				
General Requirements				
Product Type	<ul style="list-style-type: none"> 40-Year Fixed IO = Max 75% LTV 30-Yr Fixed, 15-Yr Fixed or 30-Yr Fixed IO. Interest only not permitted on No Ratio. When ARMs are reinstated, ARMs are not permitted in MS or with DSCRs < 1 			
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 640 when DSCR >= 1% Min Credit Score: 700 when DSCR < 1% Interest Only not allowed on No Ratio Loans 	<ul style="list-style-type: none"> Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate). 		
Loan Amounts	<ul style="list-style-type: none"> Min: \$150,000 Max \$2,000,000 			
Occupancy	<ul style="list-style-type: none"> Investment Properties (Business Purpose) 			
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash Out 			
2-1 Temporary Buydown	<ul style="list-style-type: none"> Seller Paid Buydown/Concession Min Score 680 	<ul style="list-style-type: none"> Borrower qualifies at actual rate (pre-buydown). 		

Purchase Only Option	<ul style="list-style-type: none"> •Min DSCR >= .75 	<ul style="list-style-type: none"> •Lender Paid or 3rd Party Paid Buydown (Excluding Real Estate Agents, Brokerages, Borrower, or relatives) 	
Cash-Out	<ul style="list-style-type: none"> •LTV > 60% - \$500,000 or when DSCR is >= .75 unlimited cash out permitted with 18 months reserves exclusive of cash back •LTV <=60% - Unlimited 	<ul style="list-style-type: none"> •NOTE: that cash out limits do not apply to Delayed Financing Transactions •Cash out refinances on properties acquired in the past 12 months require DSCR of .75 •Condos in FL max LTV 75% 	
Property Type	<ul style="list-style-type: none"> •Single Family, Attached, 2-4 Units, Warrantable Condo and Non-Warrantable Condo. •C4 condition rating or better. •Rural Properties are not eligible. 		
Appraisals	<ul style="list-style-type: none"> •FNMA Form 1004, 1025, 1073 with interior/exterior inspection •No Ratio loans with loan amounts > \$1,000,000 require 2 appraisals. •Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal. 		
Declining Markets	<ul style="list-style-type: none"> •Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV. 		
Rural Property	<ul style="list-style-type: none"> •Not allowed (Property up to 2-acres, not meeting the rural definition, eligible) 		
Income Requirements			
Income	<ul style="list-style-type: none"> •Use lower of Estimated market rent from 1007 or lease agreement. •Two months proof of receipt of existing lease amount required only when using higher amount of rental income from lease to qualify. •All refinance transactions require the property to be leased. Vacant property not eligible with the exceptions of properties leased through short term rental agencies or on certain Delayed Financing loans (see guides for details). Property must not be occupied by any member of the borrower's LLC or any family member. •Short term rental income permitted with use of a 12-month look back period to determine average monthly rents. Annual or monthly statements from AirBNB or similar service required. •AirDNA may be used for DSCR (1-4 Units) Purchase, and Refinances of recently renovated properties. ALL the following apply: <ul style="list-style-type: none"> •Subject Property must be located in a vacation, entertainment, tourism destination market. •Minimum DSCR >= 1.15 <ul style="list-style-type: none"> •Max LTV: Use the lesser of 75% or the applicable matrix LTV on a purchase and refinance; or max 70% LTV on Foreign Nationals. •Form 1007 Single Family Comparable Rent Schedule/Form 1025 Small Residential Income Property Appraisal Report prepared by the appraiser reflecting long-term or short-term market rents. •AirDNA's "Property Earning Potential" (Rentalizer Report) must meet the following requirements): <ul style="list-style-type: none"> • Rentalizer •Forecast period must cover 12 months from Note date. •Occupancy rate must be >= 50%. •Income calculation (AirDNA annual gross revenue ÷ 12) •Must have five (5) comparison properties. •For 2-4 Units, a report must be pulled on each individual unit in AirDNA, and the sum of all combined units' rental income will be used to determine the DSCR ratio. •Must be similar in size, room count, amenities, availability, and occupancy. •Short term rental are not permitted for No Ratio. •Short term rentals are ineligible in New York City 		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> •Lowest Middle score of all borrowers 	DSCR	<ul style="list-style-type: none"> •Loan amounts < \$125K: 1.00 •Cash out refinances on properties acquired in the past 12 months: .75 •Minimum DSCR .75 unless qualifying using the No Ratio guides. •See matrix for all else
Tradelines when DSCR is .75 or greater	<ul style="list-style-type: none"> •All borrowers have 3 scores: or •Min: 2 open and reporting 24-months; or •3 open and reporting 12-months; or •24-months mortgage rating reporting on credit 	Reserves (>=1.0 or < 1.0 and > .75)	<ul style="list-style-type: none"> •Loan Amount >= \$125K to \$500,000 = 3 months of PITIA •Loan Amount > \$500K = \$2.0M: 6 months of PITIA •Loan Amount > \$2.0M = 12 months of PITIA Cash out may be used to satisfy requirement
Tradelines – No Ratio	<ul style="list-style-type: none"> •Each borrower must have a minimum of two trades within 24 months that show a 12-month history OR a combined credit profile between both borrowers with a minimum of three tradelines. •Tradeline activity is not required. •Eligible trades cannot have delinquency in the past 24 months. 	Reserves – No Ratio	<ul style="list-style-type: none"> • Loan Amount >=\$125K to \$500K – 3 months of PITIA • Loan Amount > \$500,000 – \$2.0M = 6 months of PITIA • Cash out may be used to satisfy requirement
		Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution. Cannot be used to meet reserve requirements

	<ul style="list-style-type: none"> • Current housing not reporting on credit may count as a trade if cancelled checks/debits are provided. 	Assets	<ul style="list-style-type: none"> • 30-day asset verification required
Investor Experience	<ul style="list-style-type: none"> • Not required 	Document Age	<ul style="list-style-type: none"> • 90-days
Prepayment Penalty	<ul style="list-style-type: none"> • Required on Investment Properties when permitted. See PPP Requirements Matrix 		