



## Prime DSCR (PDV)

*Debt Service Coverage Ratio / No Ratio*

| DSCR   | Min FICO   | Max Loan Amount | Max LTV / CLTV |   |          |
|--|--|-----------------|----------------|---|----------|
|  |  |                 | Purchase       | Rate&Term                               | Cash-Out |
| >= 1.00  | 700  | 1,500,000       | 80             | 75                                      | 75       |
|  |  | 2,000,000       | 75             | 70                                      | 70       |
|  |  | 3,000,000       | 70             | 65                                      | 65       |
|  |  | 3,500,000       | 70             | 65                                      | N/A      |
|  | 660  | 1,000,000       | 75             | 75                                      | 70       |
|  |  | 1,500,000       | 75             | 70                                      | 70       |
|  |  | 2,500,000       | 70             | 65                                      | 65       |
|  |  | 3,000,000       | 65             | N/A                                     | N/A      |
|  | 640  | 1,000,000       | 75             | 70                                      | N/A      |
|  |  | 1,500,000       | 65             | 65                                      | N/A      |
|  |  | 2,000,000       | 65             | N/A                                     | N/A      |
|  |  | 3,000,000       | 60             | N/A                                     | N/A      |
| DSCR   | Min FICO   | Max Loan Amount | Max LTV / CLTV |   |          |
|  |  |                 | Purchase       | Rate&Term                               | Cash-Out |
| < 1.00   | 700  | 1,500,000       | 75             | 70                                      | 70       |
|  |  | 2,000,000       | 70             | 65                                      | 65       |
|  |  | 2,500,000       | 65             | N/A                                     | N/A      |
|  |  | 3,000,000       | 60             | N/A                                     | N/A      |
|  | 680  | 1,500,000       | 70             | 65                                      | N/A      |
|  |  | 2,000,000       | 65             | 60                                      | N/A      |
|  |  | 3,000,000       | 60             | N/A                                     | N/A      |
|  | 660  | 1,000,000       | 65             | N/A                                     | N/A      |
| Restrictions                                   |  |                 |                |   |          |
| Feature  |  | Purchase        | Rate&Term      | Cash-Out                                |          |
| 2-4 Units / Condo                              |  | 75              | 70             |   |          |
| Housing History 0x60x12                        |  | 70              | 65             |   |          |
| Credit Event Seasoning >= 24 Mo                |  | 75              | 70             |   |          |
| Unleased Properties - Long Term Rental         |  | 80              | 70             |   |          |
| Unleased Properties - Short Term Rental        |  | N/A             | N/A            |   |          |
| Declining Market (Max Loan Amount \$2,000,000) |  | 75              | 70             |   |          |
| First Time Investor Min FICO 680 required      |  |                 |                |   |          |
| General Requirements                           |  |                 |                |   |          |
| Product Type                                   | ♦ 30-Yr Fixed<br>♦ 5/6 ARM   |                 | Loan Amounts   | ♦ Min. \$250,000<br>♦ Max. \$3,500,000  |          |
| Occupancy                                      | ♦ Investment   |                 | Loan Purpose   | ♦ Purchase<br>♦ Rate/Term<br>♦ Cash Out |          |
| ARM Detail                                     | ♦ Index: SOFR 30 Day Average<br>♦ Caps: 2/1/5<br>♦ Margin/Floor: 5.000%<br>♦ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125)  |                 |                |   |          |
| Cash-In-Hand                                   | ♦ LTV >= 65%: \$500,000<br>♦ LTV < 65%: \$1,000,000<br>♦ <b>Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)</b>   |                 |                |   |          |
| Property Type                                  | ♦ Single Family: Attached, Detached<br>♦ 2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%<br>♦ Rural: Not Eligible<br><br><b>State Condominium Requirements:</b><br>California: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire. Projects with an unacceptable or no inspection are ineligible. |                 |                |   |          |
| Acreage  | ♦ Property up to 5-acres, not meeting the rural definition, eligible   |                 |                |   |          |
| Appraisals                                     | ♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection.<br>♦ Appraisal review product required unless 2nd appraisal obtained.<br>♦ <b>2nd Appraisal required for loans &gt; \$2,000,000.</b>   |                 |                |   |          |
| Declining Market                               | ♦ If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 75% for purchase and 70% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.  |                 |                |   |          |
| Unleased Properties                            | ♦ All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%.<br>Not applicable for short-term rentals, see short-term rental income section for specific criteria.   |                 |                |   |          |

| Underwriting Requirements            |   |
|--------------------------------------|---|
| Investor Experience                  | <ul style="list-style-type: none"> <li>♦ <b>Experienced Investor:</b> Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years.</li> <li>♦ <b>First Time Investor:</b> A borrower/guarantor that is purchasing an investment property for the first time, meaning they have not previously owned a property intended for rental income, resale, or other investment purposes.<br/> <u>First time investors eligible subject to the following restrictions:</u> <ul style="list-style-type: none"> <li>- Min credit score: 700</li> <li>- DSCR &gt; 1.00</li> <li>- &gt;= 36 Mo from any credit event</li> <li>- Must own a primary residence</li> <li>- 1 Unit only</li> </ul> </li> <li>♦ <b>First Time Homebuyer: Not eligible</b></li> </ul> |
| Credit Score                         | ♦ Use representative credit score of the borrower/guarantor with the highest representative score.  |
| Tradelines                           | <ul style="list-style-type: none"> <li>♦ Min 2 reporting 24-months w/activity in last 12- months or</li> <li>♦ 3 reporting 12-months w/recent activity.</li> <li>♦ <b>If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived</b></li> <li>♦ Authorized User Account not allowed</li> </ul>  |
| Reserves                             | <ul style="list-style-type: none"> <li>♦ Loan Amount &lt;= \$1.5M: 2-months of PITIA</li> <li>♦ Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>♦ Loan Amount &gt; \$2.5M: 12-months of PITIA</li> <li>♦ Escrow Waiver: 12-months of PITIA</li> <li>♦ Cash out may be used to satisfy requirement</li> </ul>  |
| Document Age                         | ♦ 120-days  |
| Assets                               | ♦ Min of 30-days asset verification required  |
| Gift Funds                           | ♦ Allowed after min 10% borrower contribution   |
| Housing History                      | <ul style="list-style-type: none"> <li>♦ 1x30x12</li> <li>♦ 0x60x12 <ul style="list-style-type: none"> <li>- Purchase Max. 70% LTV/CLTV,</li> <li>- Refinances Max. 65% LTV/CLTV</li> </ul> </li> </ul>   |
| Credit Event Seasoning               | <ul style="list-style-type: none"> <li>♦ BK/FC/SS/DIL &gt;= 24 Mo: <ul style="list-style-type: none"> <li>- Purchase Max. 75% LTV/CLTV</li> <li>- Refinances Max. 70% LTV/CLTV</li> </ul> </li> </ul>   |
| Prepayment Penalty – Investment Only | <ul style="list-style-type: none"> <li>♦ Prepayment periods up to 3-Years eligible</li> <li>♦ 5% fixed on remaining loan balance</li> </ul>   |
| Escrows                              | ♦ Escrow waiver allowed with minimum FICO 720 & 12 months of reserve  |

| <b>Long-Term Rental Documentation and DSCR Calculation</b> |   |
|--|---|
| Purchase Transactions                                      | <ul style="list-style-type: none"> <li>◆ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>◆ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually. <ul style="list-style-type: none"> <li>- If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>- If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>- If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> </ul> </li> <li>◆ A vacant or unleased property is allowed without LTV restriction.</li> <li>◆ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</li> </ul>  |
| Refinance Transactions                                     | <ul style="list-style-type: none"> <li>◆ Required documentation: <ul style="list-style-type: none"> <li>- Original appraisal report reflecting tenant-occupied, and</li> <li>- FNMA Form 1007 or 1025 reflecting long-term market rents, and</li> <li>- Executed lease agreement <ul style="list-style-type: none"> <li>- Leases that have converted to month-to-month are allowed.</li> <li>- If lease agreement is not provided, LTV/CLTV is limited to lesser of 70%, or per DSCR/FICO/Loan balance matrix.</li> </ul> </li> </ul> </li> <li>◆ A vacant property as indicated on the appraisal is allowed subject to the following: <ul style="list-style-type: none"> <li>- LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix</li> </ul> </li> <li>◆ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually. <ul style="list-style-type: none"> <li>- If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>- If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>- If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> </ul> </li> <li>◆ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</li> </ul> |
| DSCR Calculation   | <ul style="list-style-type: none"> <li>◆ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property.</li> <li>◆ Gross rents divided by PITIA = DSCR</li> </ul>   |



| <b>Short-Term Rental Documentation and DSCR Calculation</b> |   |
|---|---|
| Definition & Example  | <ul style="list-style-type: none"> <li>♦ Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</li> <li>♦ e.g., Airbnb, VRBO, FlipKey</li> </ul>   |
| Purchase & Refinance  | <ul style="list-style-type: none"> <li>♦ LTV/CLTV is lesser of               <ul style="list-style-type: none"> <li>- 75% for a purchase and 70% for a refinance, or</li> <li>- the LTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel)</li> </ul> </li> </ul>  |
| DSCR Calculation  | <ul style="list-style-type: none"> <li>♦ Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>♦ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used.</li> <li>♦ <math>(\text{Gross Rents} * .80) \text{ divided by PITIA} = \text{DSCR}</math>.</li> <li>♦ When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.</li> </ul>  |
| Gross Monthly Rental  | <p><b>Any of the following methods may be used to determine gross monthly rental income:</b></p> <ul style="list-style-type: none"> <li>♦ Short-term rental (STR) analysis form or 1007/1025 may be used. The analysis must include the following:               <ul style="list-style-type: none"> <li>- Provide the source of the data used to complete the STR analysis.</li> <li>- Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.</li> <li>- Include daily rental rate and occupancy percentage.</li> <li>- Factor seasonality and vacancy into the analysis.</li> <li>- Must be completed by a licensed appraiser.</li> </ul> </li> <li>♦ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.               <ul style="list-style-type: none"> <li>- If long-term rent is utilized, 20% expense factor is not to be applied.</li> </ul> </li> <li>♦ An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following:               <ul style="list-style-type: none"> <li>- Analysis must be completed pursuant to the lender's appraisal management process.</li> <li>- Must be completed by a licensed appraiser.</li> <li>- Must include daily rental rate and occupancy percentage.</li> </ul> </li> <li>♦ The most recent 12-month rental history statement from the 3rd party rental/management service.               <ul style="list-style-type: none"> <li>- The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying income must be net of all vendor or management fees.</li> </ul> </li> <li>♦ The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.</li> <li>♦ AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data must meet the following:               <ul style="list-style-type: none"> <li>- Rentalizer (Property Earning Potential Report)                   <ul style="list-style-type: none"> <li>- Only allowed for purchase transaction</li> <li>- Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor</li> <li>- Forecast period must cover 12-months and dated 90-days within the Note date</li> <li>- Maximum occupancy limited to 2 individuals per bedroom</li> <li>- Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy</li> <li>- Market score must be 60 or greater as reflected on the Property Earning Potential Report.</li> </ul> </li> </ul> </li> </ul> |



## Flexible DSCR (FDN)

### Debt Service Coverage Ratio / No Ratio

| DSCR   | Min. FICO  | Max. Loan Amount | Max LTV / CLTV   |           |          |
|--|--|------------------|------------------|-----------|----------|
|  |  |                  | Purchase         | Rate&Term | Cash-Out |
| >= 1.00  | 720  | 1,000,000        | 80               | 80        | 75       |
|  |  | 1,500,000        | 80               | 75        | 70       |
|  |  | 2,000,000        | 75               | 75        | 60       |
|  |  | 3,000,000        | 70               | 70        | 60       |
|  | 700  | 1,500,000        | 75               | 75        | 70       |
|  |  | 3,000,000        | 70               | 70        | 60       |
|  | 680  | 1,500,000        | 75               | 75        | 70       |
|  |  | 2,500,000        | 70               | 70        | 60       |
|  | 660  | 1,000,000        | 70               | 65        | 60       |
|  |  | 1,500,000        | 65               | 60        | 55       |
|  |  | 2,000,000        | 60               | 55        | 50       |
| 0.75 - 0.99  | 740  | 1,500,000        | 75               | 75        | 70       |
|  |  | 2,000,000        | 75               | 75        | 60       |
|  | 700  | 1,000,000        | 75               | 75        | 70       |
|  |  | 1,500,000        | 70               | 70        | 65       |
|  |  | 2,000,000        | 65               | 65        | N/A      |
|  | 680  | 1,000,000        | 65               | 65        | 60       |
| No Ratio   | 740  | 1,000,000        | 75               | 75        | 65       |
|  |  | 1,500,000        | 70               | 70        | 60       |
|  | 720  | 1,000,000        | 70               | 70        | 60       |
|  |  | 1,500,000        | 65               | 65        | 60       |
|  | 700  | 1,500,000        | 65               | 65        | 60       |
| Restrictions   |  |                  |                  |           |          |
| Feature  |  | Note             | Max LTV / CLTV   |           |          |
|  |  |                  | Purchase         | Rate&Term | Cash-Out |
| Property Type  | Condo  | FICO < 720       | 75               | 75        | 70       |
|  | 3-4 Units  | DSCR >= 1        | 75               | 75        | 75       |
|  |  | DSCR < 1         | 70               | 70        | 70       |
|  | Rural Properties<br><= 2 acres   | Min DSCR >= 1    | 65               | 65        | 65       |
| BK/FC/SS/DIL/Mod Seasoning   |  | >= 24 Mo         | 75               | 70        | 70       |
| Housing History 1x30x12  |  | Min DSCR >=0.75  | 5% LTV reduction |           |          |
| Cash out refinances on properties acquired in the past 12 months require a min DSCR of 0.75<br>2-1 Temporary Buydown (Purchase / 30YR Fixed Only): Min DSCR >= 0.75 & Min FICO 680<br>Declining Markets - Requires a 5% LTV/CLTV reduction when > 65% LTV/CLTV |  |                  |                  |           |          |
| Income Requirements  |  |                  |                  |           |          |
| General Requirements   | <b>General Requirements:</b><br>♦ 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.  |                  |                  |           |          |
| Short Term Rentals   | ♦ Defined as properties leased on a nightly, weekly, monthly, or seasonal basis.<br>♦ ALL STRs require evidence from third party vendor validating that the governing municipality where the subject STR is located allows properties to be rented as STRs<br>♦ Min DSCR >= 1.15<br>♦ Not permitted for No Ratio.<br>♦ Max LTV: Lesser of 75% or the LTV/CLTV available per the matrix.  |                  |                  |           |          |
| Short Term Gross Rental Income   | ♦ One of the following options depending upon the transaction:<br>- 1007/1025 or<br>- Alternative Short Term Rent Analysis form developed by an AMC or<br>- 12-month look back on rents received using bank statements or 3rd party rental statements<br>- When using the 1007/1025 or alternative Short Term Rent Analysis, the market rents must account for the seasonality of the subject property's rents.  |                  |                  |           |          |
| Long Term Gross Rental Income  | ♦ If using the lesser of market rents or the lease, nothing further is required.<br>♦ If using a higher lease amount, evidence of 2-months of receipt is required, and the lease must be within 120% of the market rents. If the actual rent exceeds 120% of the market rents, the rents are capped at 120%.<br>♦ If using a higher estimated market rent from the 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease by more than 120%, the estimated market rent is capped at 120%. |                  |                  |           |          |
| DSCR Ratio Calculation   | ♦ DSCR Ratio = Short or Long Term Gross Rental Income / PITIA Fully Amortizing   |                  |                  |           |          |





| General Requirements                 |   |                     |   |
|--------------------------------------|---|---------------------|---|
| Product Type                         | ♦ 30-Yr Fixed   | Occupancy           | ♦ Investment                            |
| Loan Amounts                         | ♦ Min. \$250,000<br>♦ Max. \$3,000,000  | Loan Purpose        | ♦ Purchase<br>♦ Rate/Term<br>♦ Cash Out |
| Borrower Eligibility                 | ♦ US Citizens<br>♦ Permanent Resident Alien<br>♦ Non-Permanent Resident Alien   | Ineligible Borrower | ♦ ITINs<br>♦ Foreign Nationals          |
| 2-1 Temporary Buydown                | ♦ Purchase Only<br>♦ Minimum Credit Score 680<br>♦ Minimum DSCR $\geq 0.75$<br>♦ 30 Year Fixed Only<br>♦ Qualify using Note Rate<br>♦ Seller / Builder / Lender / 3rd Party funded buydowns only  |                     |   |
| Cash-Out                             | ♦ LTV/CLTV $> 60\%$ = \$1,000,000 or when DSCR is $\geq 0.75$ unlimited cash out permitted with 18 months reserves exclusive of cash back<br>♦ LTV/CLTV $\leq 60\%$ = Unlimited<br>♦ NOTE: that cash-in-hand limits do not apply to Delayed Financing Transactions<br>♦ Cash out refinances on properties acquired in the past 12 months require DSCR of .75  |                     |   |
| Appraisals                           | ♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection.<br>♦ 2nd Appraisal required for loans $> \$2,000,000$ on loans with a DSCR $\geq 0.75$<br>♦ No Ratio loans with loan amounts $> \$1,500,000$ require 2 appraisals<br>♦ 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.  |                     |   |
| Property Type                        | ♦ Single Family, Attached, 2-4 Units, Warrantable Condo, and Non-Warrantable Condo.<br>♦ C4 condition rating or better.<br>♦ Rural Properties – see below.  |                     |   |
| Property Type Restrictions           | ♦ 3-4 Units - Refinance Max LTV/CLTV:<br>- DSCR $\geq 1.00$ DSCR: 75%<br>- DSCR $< 1.00$ DSCR: 70%<br><br>♦ Condos Max LTV/CLTV:<br>- FICO $\geq 720$ : Purchase/R&T: 80% / Cash Out: 75%<br>- FICO $< 720$ : Purchase/R&T: 75% / Cash Out: 70%   |                     |   |
| Declining Market                     | As identified by the appraiser, require a 5% LTV/CLTV reduction off the above matrix when $> 65\%$ LTV/CLTV   |                     |   |
| Rural Property (Vacation Areas Only) | ♦ Property up to 2-acres, not meeting the rural definition, eligible with the following restrictions<br>- Rural properties located in a resort area will be considered as follows:<br>- Maximum LTV of 65% and<br>- Min DSCR $\geq 1.00$ .<br><br>♦ Examples of acceptable resort areas include beach towns, ski resort areas, golf communities or communities with other major recreational activities.<br><br>♦ If property is accessible by a gravel road and distance of comparables is $> 1$ mile away, the property could be considered rural even if it is marked suburban, and then Max LTV is the lesser of 65% LTV or the applicable Matrix LTV.<br><br>♦ Properties must be accessible by roads that meet state/local minimum standards. Properties must be suitable for year-round occupancy regardless of location |                     |   |



| Underwriting Requirements    |   |                                      |   |
|------------------------------|---|--------------------------------------|---|
| Investor Experience          | ♦ Not required  | First Time Homebuyer FTHB            | ♦ Allowed   |
| Gift Funds                   | ♦ Allowed after min 10% borrower contribution.<br>♦ Cannot be used to meet reserve requirements   | Interested Party Contributions       | ♦ ALL = 6%  |
| Document Age                 | ♦ Credit - 120 days<br>♦ Assets - 90 days   | Prepayment Penalty – Investment Only | ♦ Prepayment periods up to 3-Years eligible<br>♦ 5% fixed on remaining loan balance |
| Assets                       | ♦ 30-day asset verification required  | Credit Score                         | ♦ Lowest Middle score of all borrowers.   |
| General                      | ♦ Cash out refinances on properties acquired in the past 12 months require a min DSCR of 0.75<br>♦ Minimum DSCR 0.75 unless qualifying using the No Ratio guides.<br>♦ Short Term Rentals min DSCR >= 1.15  |                                      |   |
| Tradelines when DSCR >= 0.75 | ♦ All borrowers have 3 scores: OR<br>♦ Min: 2 open and reporting 24-months; OR<br>♦ 3 open and reporting 12-months; OR<br>♦ 24-months mortgage rating reporting on credit.<br>♦ Authorized User Account not allowed   |                                      |   |
| Tradelines – No Ratio        | ♦ 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.<br>♦ Tradeline activity is not required.<br>♦ Eligible trades cannot have delinquency in the past 24 months.<br>♦ Current housing not reporting on credit may count as a trade if cancelled checks/debits are provided.<br>♦ Authorized User Account not allowed  |                                      |   |
| Housing History              | ♦ 0x30x12 – No reduction<br>♦ 1x30x12: 5% LTV/CLTV reduction<br>♦ Past due balloon will be considered a delinquency (1x30) not a housing event, only if within 180 days of maturity.<br>♦ 1x30x12 not permitted on No Ratio   |                                      |   |
| Credit Event Seasoning       | ♦ BK/FC/SS/DIL/Mod:<br>>=36 Mo – No reduction<br>>=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out<br>♦ Discharged Ch 13, use filing date; min 1yr discharged.<br>♦ Dismissed Ch 13, use dismissal date. No Ratio:<br>♦ Requires 3+ years from a housing event.<br>♦ Multiple BKs not permitted.<br>♦ Chapter 13s must be discharged or dismissed 24+ months.   |                                      |   |
| Reserves                     | ♦ Loan Amount <= \$500,000: 3 months of PITIA<br>♦ Loan Amount \$500,001 - \$2,000,000: 6 months of PITIA<br>♦ Loan Amount > \$2,000,000: 12 months of PITIA<br>♦ 2-4 Units at 80% LTV requires greater of 6 months or reserves indicated above.<br>♦ Cash out may be used to satisfy requirement   |                                      |   |
| Exceptions                   | ♦ Min 2 compensating factors required for exception: <ul style="list-style-type: none"> <li>- DSCR Ratio 1.15% or greater</li> <li>- Significant Reserves (beyond requirements)</li> <li>- Lengthy &amp; deep credit history with solid performance</li> <li>- Demonstrated capacity to carry a heavy debt load with on time performance</li> <li>- FICO well above related Program minimum with solid performance</li> <li>- LTV well below related Program Max w/ CDA value w/in 5% and C3 condition</li> <li>- Long, Clean Mortgage History</li> <li>- Significant time in the same job</li> </ul> |                                      |   |