MORTGAGE LAND CAPITAL

Prime DSCR (PDV)
Debt Service Coverage Ratio / No Ratio

Program Matrix

Min FICO	Max Loan Amount	Max LTV/CLTV/HCLTV					
		>= 1.00			DSCR < 1		
		Purchase	Rate&Term	Cash-Out	Purchase	Rate&Term	Cash-Out
740	1,000,000	80	80	75	75	70	70
	1,500,000	80	75	75	75	70	70
	2,000,000	75	75	70	75*	70*	65
	2,500,000	70	70	65	65	N/A	N/A
	3,000,000	70	70	65	60		
	3,500,000	70	65	N/A	N/A		
720	1,000,000	80	80	75	75	70	70
	1,500,000	80	75	75	75	70	70
	2,000,000	75	75	70	70	65	65
	2,500,000	70	70	65	65	N/A	N/A
	3,000,000	70	70	65	60		
	3,500,000	70	65	N/A	N/A		
700	1,500,000	80	75	75	75	70	70
	2,000,000	75	70	70	70	65	65
	2,500,000	70	70	65	65	N/A	N/A
	3,000,000	70	70	65	60		
	3,500,000	70	65	N/A	N/A		
680	1,500,000	75	75	70	70	65	N/A
	2,000,000	70	70	65	65	60	
	2,500,000	70	70	65	60	N/A	
	3,000,000	65	N/A	N/A	60		
660	1,000,000	75	75	70	65	N/A	N/A
	1,500,000	75	70	70	N/A		
	2,500,000	70	65	65			
	3,000,000	65	N/A	N/A			
640	1,000,000	75	70	N/A	N/A	N/A	N/A
	1,500,000	65	65				
	2,000,000	65	55				
	3,000,000	60	N/A				

5% reduction to Max LTV/CLTV/HCLTV for No Ratio/DSCR < 0.75

Declining Markets subject to 5% Max LTV/CLTV/HCLTV reduction

First Time Homebuyers (FTHB) eligible with exception

Restrictions	Purchase	Rate&Term	Cash-Out
2-4 Units / Condo	75	70	70
Short-Term Rental	75	70	70
Housing History 0x60x12	70	65	65
Credit Event Seasoning 24-36 Mo	75	70	70
Unleased Properties - Long Term Rental	80	70	70
Unleased Properties - Short Term Rental	N/A	N/A	N/A

MORTGAGE LAND CAPITAL

Prime DSCR (PDV)
Debt Service Coverage Ratio / No Ratio

Long-Term Rental Documentation and DSCR Calculation

Purchase Transactions	"♦ Monthly gross rent is based on 1007/1025 for unleased properties
	
	♦ If the subject property is currently tenant occupied:
	  - 1007/1025 may be used if higher than the lease agreement.
	  - If lease agreement is higher than market rent, up to 120% of the estimated market rent from the 1007/1025 may be used with evidence of a rent deposit.
	
	♦ A vacant or unleased property is allowed without LTV restriction.☐

Refinance Transactions	♦ Required documentation:
	  - FNMA Form 1007 or 1025 reflecting long-term market rents
	  - Executed lease agreement
	  - Leases that have converted to month-to-month are allowed.
	  - If lease agreement is not provided, LTV/CLTV/HCLTV is limited to lesser of 70%, or per DSCR/FICO/Loan balance matrix.
	
	♦ Monthly gross rent is determined by the lower of a lease agreement or 1007/1025.
	  - If lease agreement is higher than market rent, up to 120% of the estimated market rent from the 1007/1025 may be used with evidence of a rent deposit.
	
	♦ A vacant property as indicated on the appraisal is allowed

DSCR Calculation	♦ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property.

Short-Term Rental Documentation and DSCR Calculation

Definition & Example	♦ Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. ♦ e.g., Airbnb, VRBO, FlipKey

Purchase & Refinance	♦ LTV/CLTV is lesser of
	  - 75% for a purchase and 70% for a refinance, or
	  - the LTV/CLTV/HCLTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel)

DSCR Calculation	♦ Gross monthly rent will be determined by taking the average of the most recent 12 months reduced by 20%. The reduction in gross monthly rent is due to the additional costs of maintaining a Short-term rental property.

MORTGAGE LAND CAPITAL

Prime DSCR (PDV)
Debt Service Coverage Ratio / No Ratio

General Requirements

Product Type	♦ 30-Yr Fixed ♦ 5/6 ARM	Loan Amounts	♦ Min. $150,000 ♦ Max. $3,500,000
Occupancy	♦ Investment	ARM Detail	♦ Index: SOFR 30 Day Average
Loan Purpose	♦ Purchase ♦ Rate/Term ♦ Cash Out		♦ Caps: 2/1/5 ♦ Margin/Floor: 5.000% ♦ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125)
Cash-In-Hand	♦ Unlimited		
Acreage	♦ Property up to 5-acres, not meeting the rural definition, eligible		
Property Type	♦ Single Family / PUD ♦ 2-4 Units and Condominiums: Max LTV/CLTV/HCLTV Purchase 75%, Refinance 70% ♦ Rural: Not Eligible		
Appraisals	♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ♦ Appraisal review product required unless 2nd appraisal obtained. ♦ **2nd Appraisal required for loans > $2,000,000.**		
Declining Market	♦ As identified by the appraiser, require a 5% LTV/CLTV/HCLTV reduction off the above matrix		

Underwriting Requirements

Housing History	♦ 1x30x12 ♦ 0x60x12 Max LTV/CLTV/HCLTV - Purchase: 70% & Refinances: 65%
Credit Event Seasoning	♦ BK/FC/SS/DIL ≥ 24 Mo ♦ BK/FC/SS/DIL 24-36 Mo Max LTV/CLTV/HCLTV - Purchase: 75% & Refinances: 70%
Interested Party Contributions (IPC)	♦ Limited to 6%
Escrows	♦ HPML ♦ Flood Insurance
Prepayment Penalty	♦ Prepayment periods up to 3-Years eligible ♦ 5% fixed on remaining loan balance
Investor Experience	♦ Investor experience not required
Gift Funds	♦ Gift funds covering 100% of down payment, closing costs, and reserves allowed
Assets	♦ Min of 30-days asset verification required ♦ Sourcing not required

Cash-Out	♦ 6 months title seasoning required for a cash-out, **_OR_**
	♦ When the seasoning for a cash out is less than 6 months, the following must apply:
	   - No other cash-out allowed within 6 months
	   - If purchased within 6 months, appraisal value to be lower of purchase price or appraisal value.

Reserves	♦ Loan Amount ≤ $1M: 2 months PITIA ♦ Loan Amount > $1M ≤ $2M: 6 months PITIA ♦ Loan Amount > $2M: 9 months PITIA ♦ Cash out may be used to satisfy requirement
Document Age	♦ Income/Asset/Credit report must be dated within 120 days from closing ♦ Appraisal/prelim report must be dated within 120 days from closing
Credit Score	♦ Use representative credit score of the borrower/guarantor with the highest representative score.
Tradelines	♦ Min 2 reporting 24-months w/activity in last 12- months or ♦ 3 reporting 12-months w/recent activity. ♦ If any one of the borrowers has three (3) credit scores, the minimum tradeline requirement is waived ♦ Authorized accounts allowed
Non-Arm's Length	♦ Family sale requires recent 12 month mortgage history from the seller to verify the transaction is not a bailout.