

Prime Foreign National DSCR (PFV)

Foreign National - Debt Service Coverage Ratio / No Ratio

Program Matrix

Min FICO	Max Loan Amount	Max LTV/CLTV/HCLTV					
		≥ 1.00			< 1.00		
		Purchase	Rate&Term	Cash-Out	Purchase	Rate&Term	Cash-Out
680	1,000,000	75	75	70	70	70	65
	1,500,000	75	75	65	65	65	65
	2,000,000	70	70	60	60	60	60
	2,500,000	65	N/A	N/A	N/A	N/A	N/A
No Credit Score	1,000,000	75	75	70	70	70	65
	1,500,000	75	75	65	65	65	65
	2,000,000	70	70	60	60	60	60
	2,500,000	65	N/A	N/A	N/A	N/A	N/A

Condo/2-4 Units/Rural Max LTV/CLTV/HCLTV: Purchase 70% / R&T 70% / CO 65%

Declining Markets Max LTV/CLTV/HCLTV: Refinance 70% (Max \$2,000,000)

Short-Term Rental Max LTV/CLTV/HCLTV: Refinance 70%

Long-Term Rental Vacant Max LTV/CLTV/HCLTV: Refinance 70%

Long-Term Rental Documentation and DSCR Calculation

Purchase Transactions	<ul style="list-style-type: none"> ◆ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. ◆ 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"> - If using the lower of the actual lease amount or estimated market rent, nothing further is required. - 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%. - 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%. ◆ A vacant or unleased property is allowed without LTV restriction. ◆ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
Refinance Transactions	<ul style="list-style-type: none"> ◆ Required documentation: <ul style="list-style-type: none"> - Original appraisal report reflecting tenant-occupied, and - FNMA Form 1007 or 1025 reflecting long-term market rents, and - Executed lease agreement - Leases that have converted to month-to-month are allowed. ◆ 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"> - If using the lower of the actual lease amount or estimated market rent, nothing further is required. - 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%. - 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%. ◆ A vacant or unleased property is allowed, LTV/CLTV/HCLTV reduction not required. ◆ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
DSCR Calculation	<ul style="list-style-type: none"> ◆ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. ◆ Gross rents divided by PITIA = DSCR



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Short-Term Rental Documentation and DSCR Calculation

Definition & Example	<ul style="list-style-type: none"> ◆ Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. ◆ e.g., Airbnb, VRBO, FlipKey
Purchase & Refinance	<ul style="list-style-type: none"> ◆ LTV/CLTV/HCLTV is lesser of <ul style="list-style-type: none"> - 70% for a purchase and 65% for a refinance, or - the LTV/CLTV/HCLTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel)
DSCR Calculation	<ul style="list-style-type: none"> ◆ Monthly gross rents based upon a 12-month average to account for seasonality required. ◆ 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. ◆ (Gross Rents * .80) divided by PITIA = DSCR. ◆ When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
Gross Monthly Rental	<p><i>Any of the following methods may be used to determine gross monthly rental income:</i></p> <ul style="list-style-type: none"> ◆ Short-term rental (STR) analysis form or 1007/1025 may be used. The analysis must include the following: <ul style="list-style-type: none"> - Provide the source of the data used to complete the STR analysis. - Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal. - Include daily rental rate and occupancy percentage. - Factor seasonality and vacancy into the analysis. - Must be completed by a licensed appraiser. ◆ The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> - 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. ◆ 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. ◆ AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data must meet the following: <ul style="list-style-type: none"> - Rentalizer (Property Earning Potential Report) <ul style="list-style-type: none"> - Only allowed for purchase transaction - Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor - Forecast period must cover 12-months and dated 90-days within the Note date - Maximum occupancy limited to 2 individuals per bedroom - Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy - Market score must be 60 or greater as reflected on the Property Earning Potential Report.

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General Requirements

Product Type	<ul style="list-style-type: none"> ◆ 30-Yr Fixed ◆ 5/6 ARM 	Loan Amounts	<ul style="list-style-type: none"> ◆ Min. \$250,000 ◆ Max. \$2,500,000
Occupancy	<ul style="list-style-type: none"> ◆ Investment 	Loan Purpose	<ul style="list-style-type: none"> ◆ Purchase ◆ Rate/Term ◆ Cash Out
ARM Detail	<ul style="list-style-type: none"> ◆ Index: SOFR 30 Day Average ◆ 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	<ul style="list-style-type: none"> ◆ LTV > 50%: \$300,000 ◆ LTV <= 50%: \$500,000 ◆ Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)
		Acreage	<ul style="list-style-type: none"> ◆ Property up to 5-acres
Property Type	<ul style="list-style-type: none"> ◆ Single Family / PUD / Condominiums / Rural ◆ 2-4 Units 		
Appraisals	<ul style="list-style-type: none"> ◆ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ◆ Appraisal review product required unless 2nd appraisal obtained. 		
Unleased Properties	<ul style="list-style-type: none"> ◆ Refinance: LTV/CLTV/HCLTV reduction not required 		
Borrower Eligibility	<ul style="list-style-type: none"> ◆ Foreign National 		
Ineligible Borrower	<ul style="list-style-type: none"> ◆ Citizens and individuals from OFAC sanctioned countries are not eligible ◆ Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association: <ul style="list-style-type: none"> - Conveyances to Foreign Entities – By Individual Buyer - Conveyances to Foreign Entities – By Entity Buyer 		

Underwriting Requirements

Housing History	<ul style="list-style-type: none"> ◆ 0x30x12 if documented 	Credit Event Seasoning	<ul style="list-style-type: none"> ◆ BK/FC/SS/DIL: >= 36 Mo ◆ Forbearance/Modification/Deferral: > 12 Mo
Escrows	<ul style="list-style-type: none"> ◆ HPML ◆ Flood Insurance 	Prepayment Penalty	<ul style="list-style-type: none"> ◆ Prepayment periods up to 3-Years eligible ◆ 5% fixed on remaining loan balance
Minimum Borrower Contribution	<ul style="list-style-type: none"> ◆ 10% 		
Investor Experience	<ul style="list-style-type: none"> ◆ Experienced Investor / First Time Investor allowed ◆ First Time Homebuyer: Not eligible 		
Gift Funds	<ul style="list-style-type: none"> ◆ Allowed after min 10% borrower contribution 		
Assets	<ul style="list-style-type: none"> ◆ Min of 30-days asset verification required 		
Large Deposits	<ul style="list-style-type: none"> ◆ Source of large deposit is not required to be documented if the eligible assets on file is from US bank or brokerage accounts. 		
Cash-Out	<ul style="list-style-type: none"> ◆ 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: <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> ◆ 6-months of PITIA ◆ Cash out may be used to satisfy requirement 		
Document Age	<ul style="list-style-type: none"> ◆ Income/Asset/Credit report must be dated within 90 days from closing ◆ Appraisal/prelim report must be dated within 120 days from closing 		
Credit Score	<ul style="list-style-type: none"> ◆ If score available, use representative credit score of the borrower/guarantor with the highest representative score. 		
Tradelines	<ul style="list-style-type: none"> ◆ Tradelines not required ◆ If borrower has U.S. credit score: <ul style="list-style-type: none"> - Min 2 reporting 24-months w/activity in last 12- months or - 3 reporting 12-months w/recent activity. - If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived - Authorized User Account not allowed 		
Non-Arm's Length	<ul style="list-style-type: none"> ◆ Not allowed 		