



Flexible DSCR (FDN)

Debt Service Coverage Ratio / No Ratio

Program Matrix

Min FICO	Max Loan Amount	Max LTV/CLTV/HCLTV					
		DSCR ≥ 1.00		DSCR 0.75 - 0.99		DSCR 0.00 - 0.75	
		Purchase / R&T	Cash-Out	Purchase / R&T	Cash-Out	Purchase / R&T	Cash-Out
740	1,000,000	80	75	75	70	75	65
	1,500,000	75	70	70	65	70	60
	2,000,000	75	60	65	60	65	60
720	1,000,000	80	75	75	70	70	60
	1,500,000	75	70	70	65	65	60
	2,000,000	75	60	65	N/A	N/A	N/A
700	1,000,000	75	70	75	65	65	60
	1,500,000	75	70	70	65	65	60
	2,000,000	70	60	65	N/A	N/A	N/A
680	1,000,000	75	65	70	60	65*	60
	1,500,000	70	60	N/A	N/A	N/A	N/A
	2,000,000	65	N/A				
660	1,000,000	70	65	60	60	60	60
	1,500,000	65	60	N/A	N/A	N/A	N/A
	2,000,000	60	N/A				

***5% reduction to Max CLTV for Rate & Term**

Condo & 2-4 Units Max LTV/CLTV/HCLTV: 75%

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

First Time Investor: Min DSCR 1.000 & Min credit score 700 (FTHB not allowed)

Non-Permanent Resident Alien Restrictions: Max LTV/CLTV/HCLTV 75%, Cash-Out not allowed

Income Requirements

DSCR Calculation	◆ Debt Service Coverage Ratio is the monthly gross income divided by the PITIA of the subject property.
Purchase Transactions	◆ Gross monthly rent is determined by a Form 1007 or 1025 prepared by the appraiser. ◆ If the subject property is currently tenant occupied, Form 1007/1025 will be used unless evidence of rent deposit is provided. ◆ A vacant or unleased property is allowed. Gross rent will be based on Form 1007/1025.
Refinance Transactions	◆ Gross monthly rent is determined by the lower of Form 1007/1025 and lease agreement. If lease agreement is higher, proof of most recent month of receipt is required to use the higher amount. ◆ A vacant or unleased property is not eligible for Refinance, unless recently rehabbed w/intent to rent. LOE regarding why the property is vacant is required and gross rent will be based on Form 1007/1025.
Short Term Rental	◆ 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 (i.e. advertising, cleaning, etc.). ◆ e.g., Airbnb, VRBO, FlipKey



MORTGAGE
LAND
CAPITAL

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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. \$250,00 ◆ Max. \$2,000,000
Occupancy	<ul style="list-style-type: none"> ◆ Investment 	Loan Purpose	<ul style="list-style-type: none"> ◆ Purchase ◆ Rate/Term ◆ Cash Out
Acreage	<ul style="list-style-type: none"> ◆ Property up to 5-acres, not meeting the rural definition, eligible. 	Cash-In-Hand	<ul style="list-style-type: none"> ◆ LTV/CLTV > 60%: Max \$500,000 ◆ LTV/CLTV ≤ 60%: Unlimited
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) 		
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. ◆ 2nd Appraisal required for loans > \$2,000,000. 		

Underwriting Requirements

Housing History	<ul style="list-style-type: none"> ◆ 0x30x12 	Credit Event Seasoning	<ul style="list-style-type: none"> ◆ BK/FC/SS/DIL ≥ 36 Months
Minimum Borrower Contribution	<ul style="list-style-type: none"> ◆ Not required 	Interested Party Contributions (IPC)	<ul style="list-style-type: none"> ◆ Limited to 6%
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
Investor Experience	<ul style="list-style-type: none"> ◆ Must have primary residence or currently renting ◆ First Time Homebuyer (FTHB) may not be First Time Investor ◆ First Time Investor allowed with DSCR > 1.0000 with the credit score > 700 		
Gift Funds	<ul style="list-style-type: none"> ◆ 100% Gift funds are allowed for closing costs, down payments and reserves 		
Gift of Equity	<ul style="list-style-type: none"> ◆ Not allowed 		
Assets	<ul style="list-style-type: none"> ◆ Savings, checking, certificate of deposit, stock, retirement, life insurance cash value 		
Large Deposits	<ul style="list-style-type: none"> ◆ Source of large deposit is not required 		
Reserves	<ul style="list-style-type: none"> ◆ 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	<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"> ◆ Use Highest percentage ownership score for qualifying, even if lower. Highest percentage owner must have a valid score from at least two (2) ◆ In cases of equal ownership %, use the lower of the two scores ◆ In the event where ownership % of additional borrower is unknown, the lower score must be used for qualifying 		
Tradelines	<ul style="list-style-type: none"> ◆ Min 2 reporting 24-months w/activity in last 12- months or ◆ Min 3 reporting 12-months w/recent activity. ◆ If any one of the borrowers has three (2) credit scores, the minimum tradeline requirement is waived ◆ Authorized User accounts allowed 		
Non-Arm's Length	<ul style="list-style-type: none"> ◆ Not allowed 		
Title Layering	<ul style="list-style-type: none"> ◆ Investment only ◆ Max 2 		
Collections	<ul style="list-style-type: none"> ◆ Collections within three (3) years exceeding \$5,000 (individually or aggregate) must be paid off 		