

## INVESTOR CONNECT

### Non-Owner

#### Purchase / Rate & Term

OCCUPANCY	LOAN AMOUNT	FICO	LTV/CLTV	RESERVES
Non-Owner SFR, PUD, 2-4 Unit, Condos*	\$1,000,000	720	75%	12 months
		700	70%	
		680	65%	
	\$1,500,000	720	70%	
\$2,000,000	65%			

#### Cash Out

Non-Owner SFR, PUD, 2-4 Unit, Condos	\$1,500,000	720	65%	12 months
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\*Non-Warrantable Condos – Max 65% LTV

<b>TRANSACTION ELIGIBILITY</b>	Financing of the investment property must be solely for commercial / business purposes and is required to sign a Certification of Business Purpose/Non-Owner Occupancy																				
<b>PRODUCTS</b>	5/1 ARM, 5/1 ARM I/O, 7/1 ARM, 7/1 ARM I/O, 30 Yr Fixed																				
<b>MIN LOAN AMOUNT</b>	\$150,000 Minimum loan amount of \$200,000 when loan is Interest Only with DSCR <1.1																				
<b>INTEREST ONLY</b>	Max 70% LTV/CLTV Interest Only Period – 10-year Interest only period followed by a 20-year amortization period. Payment is based on Note Rate and a term that equals the amortization term																				
<b>QUALIFICATION</b>	Fully amortizing fixed and ARM loans are qualified at the Note rate																				
<b>DSCR CALCULATION</b>	<ul style="list-style-type: none"> <li>▪ DSCR Calculation: the lesser of market rent or current lease divided by ITIA. (ARM and IO based on Note Rate)</li> <li>▪ Minimum DSCR of .80 -1.1 is required.</li> <li>▪ Below 1.1 ratio – 10% reduction in LTV</li> <li>▪ First Time Investors are ineligible</li> <li>▪ No Ratio are not ineligible</li> </ul> DSCR <1.1 is only eligible in the following California counties: <ul style="list-style-type: none"> <li style="width: 50%;">• Alameda County</li> <li style="width: 50%;">• Sacramento County</li> <li style="width: 50%;">• Contra Costa County</li> <li style="width: 50%;">• San Diego County</li> <li style="width: 50%;">• Los Angeles County</li> <li style="width: 50%;">• San Francisco County</li> <li style="width: 50%;">• Marin County</li> <li style="width: 50%;">• San Mateo County</li> <li style="width: 50%;">• Orange County</li> <li style="width: 50%;">• Santa Clara County</li> </ul>																				
<b>BORROWERS</b>	US Citizen Non-Occupant Co-Borrower Non-Permanent Resident Aliens Limited Partnerships, General Partnerships, Corporations, Limited Liability Company Inter-vivos Revocable Trust Ineligible: First Time Homebuyer, First Time Investor, Foreign National																				
<b>CREDIT EVENTS</b>	No housing event permitted on any real estate within 4 years* *Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default or 120+ Delinquent No Bankruptcy 7, 11, 13 (discharged or dismissed) within 4 years Refer to COVID-19 related deferral or forbearance requirements																				
<b>MORTGAGE HISTORY</b>	0 X 60 x 12 for any REO																				
<b>RENTAL HISTORY</b>	0 X 60 X 12																				
<b>QUALIFYING FICO</b>	Highest Mid FICO score *Use the guarantors mid FICO																				
<b>TRADELINES</b>	Each borrower must have 3 trade lines ≥ 12 months OR 2 trade lines ≥ 24 months. <ul style="list-style-type: none"> <li>▪ Tradeline may be opened or closed</li> <li>▪ Tradeline activity is not required. Eligible tradelines cannot have any derogatory history in previous 24 months</li> <li>▪ Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks/debits)</li> <li>▪ Borrower(s) not using income to qualify are not required to meet the minimum tradeline requirements listed above.</li> <li>▪ No authorized user accounts will be used to satisfy minimum tradelines</li> </ul>																				
<b>RESERVES</b>	Refer to matrices above for reserve requirements No additional reserves needed for additional financed properties																				
<b>ASSETS</b>	Most Recent 2 months Asset Statements, Quarterly Statement or FNMA approved third party direct pull services 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage																				
<b>PROPERTY</b>	Rural Properties not eligible Warrantable and Non-Warrantable Condos Max Financed Properties = 15 residential Declining Markets requires a 5% LTV reduction Max 5 Acres <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th colspan="2" style="text-align: left;">Non-Warrantable Condos</th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">Max LTV</td> <td>65%</td> </tr> <tr> <td>Presale</td> <td>At least 30% of the units must be sold or under bona fide contract</td> </tr> <tr> <td>Investor Concentration</td> <td>Up to 55% of units can be tenant occupied</td> </tr> <tr> <td>Single Entity Ownership</td> <td>A single entity can own up to 30% of units</td> </tr> <tr> <td>Non-Material Litigation</td> <td>Slip and fall/single unit complaints/3rd party claims with adequate reserves</td> </tr> <tr> <td>Insurance Coverage</td> <td>Exceptions to Fannie Mae minimum coverage requirements</td> </tr> <tr> <td>Reserves</td> <td>&lt;10% replacement, maintenance, and/or deductible</td> </tr> <tr> <td rowspan="3">Ineligible</td> <td>Material Litigation - Structural/Functional litigation against developer</td> </tr> <tr> <td>Delinquent HOA- in excess of Fannie Mae 15% limit</td> </tr> <tr> <td>Newly Converted - Non-full gut rehabs</td> </tr> </tbody> </table>	Non-Warrantable Condos		Max LTV	65%	Presale	At least 30% of the units must be sold or under bona fide contract	Investor Concentration	Up to 55% of units can be tenant occupied	Single Entity Ownership	A single entity can own up to 30% of units	Non-Material Litigation	Slip and fall/single unit complaints/3rd party claims with adequate reserves	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements	Reserves	<10% replacement, maintenance, and/or deductible	Ineligible	Material Litigation - Structural/Functional litigation against developer	Delinquent HOA- in excess of Fannie Mae 15% limit	Newly Converted - Non-full gut rehabs
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<b>APPRAISAL REQUIREMENTS</b>	1 Full appraisal required for all transactions All appraisals require a third-party desk review by ClearEdge																				
<b>CASH-OUT</b>	Max Cash Out \$500,000																				
<b>GIFT FUNDS</b>	Eligible for purchase transactions																				
<b>INSURANCE</b>	Commercial, Landlord or rental dwelling policy required with a minimum of six months loss of use coverage																				
<b>ELIGIBLE STATES</b>	AZ, CA, CO, NV, OR, UT, WA																				
<b>COVID-19 ADDENDUM</b>	Please refer to COVID19 addendum for details																				
<b>PREPAYMENT PENALTY</b>	Applies to all transactions Hard Prepayment penalties are required on investment property transactions when permissible by state law <ul style="list-style-type: none"> <li>▪ Standard Prepayment Penalty Term – 1, 2, 3, 4 or 5 year (see rate sheet for details)</li> </ul>																				