

INVESTOR CONNECT DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	80% ^{1,2}	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	740
	75%	\$1,000,000	620
		\$1,500,000	640
		\$2,000,000	700
	70%	\$1,500,000	620
		\$2,000,000	640
		\$2,500,000	700
	65%	\$2,000,000	620
\$2,500,000		660	
CASH OUT	75%	\$1,500,000	700
	70%	\$1,500,000	660
	65%	\$1,000,000	620
		\$2,000,000	660
	60%	\$2,500,000	700

- Minimum loan amount \$100,000
- Loan amounts < \$150,000 – require min DSCR 1.25

¹ 3-4 Unit Max 75%

² Non-Warrantable Condo – Max 75% LTV/CLTV

Short Term Rental Refinance: Min DSCR 1.25%, Max LTV 70%, Min Score 700, and 1-year experience operating a short-term rental.

Short Term Rental Purchases: Min DSCR 1.50% (or 1.25% using AirDNA 'Rentalizer' tool). Max LTV 75%, Min Score 700, and 1-year experience operating a short-term Max LTV 70% without 1 year experience operating a short-term rental

INVESTOR CONNECT DSCR .85-.99¹

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	70%	\$1,500,000	680
	65%	\$2,000,000	700

¹ Min \$175k loan amount; 40 yr. IO not permitted

INVESTOR PREMIER - DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	70%	\$1,500,000	720
CASH OUT			

- Minimum loan amount \$100,000
- Loan amounts < \$150,000 – require min 1.25 DSCR
- Non-Perm Resident Aliens and Foreign Nationals not permitted
- Minimum 3 Year Prepay Penalty Required. PPP state restrictions apply (see PPP section; state of Rhode Island ineligible). Non-PPP states are ineligible for Premier (KS, NM)
- Max financed properties = 15 residential
- 40-year Fixed and 40-year ARM fully amortizing products not permitted
- All additional overlays of Investor Connect otherwise apply
- **Short-Term Rental:** Air DNA 'Rentalizer' not allowed.
- **Short-Term Rental Purchases:** Min DSCR 1.50%; Max LTV 75%; Min Score 700; and 1-year experience operating a short-term rental. Max LTV 70% without 1-year experience operating a short-term rental.
- **Short-Term Rental Refinance:** Min DSCR 1.25%; Max LTV 70%; Min Score 700; and 1-year experience operating a short-term rental
- **Geographic Restriction:** Only loans in entities are acceptable in the state of Georgia

ELIGIBILITY	Financing of the investment property must be solely for commercial / business purposes and a Certification of Business Purpose/Non-Owner Occupancy form must be signed and notarized					
PRODUCTS	Product	Term	IO Term	Initial Cap	Periodic Cap	Life Cap
	5/6 ARM	360 mo	NA	2	1	6
	5/6 ARM	480 mo	NA	2	1	6
	5/6 ARM IO	360 mo	120 mo	2	1	6
	5/6 ARM IO	480 mo	120 mo	2	1	6
	7/6 ARM	360 mo	NA	5	1	6
	7/6 ARM	480 mo	NA	5	1	6
	7/6 ARM IO	360 mo	120 mo	5	1	6
	7/6 ARM IO	480 mo	120	5	1	6
	30 Yr Fixed	360 mo	NA	NA	NA	NA
	30 Yr Fixed IO	360 mo	120 mo	NA	NA	NA
	40 Yr Fixed	480 mo	NA	NA	NA	NA
	40 Yr Fixed IO	480 mo	120 mo	NA	NA	NA
MIN LOAN AMOUNT	Investor Connect - \$100,000 - Loan amounts < \$150,000 – require min 1.25 DSCR Investor Premier - \$100,000 - Loan amounts < \$150,000– require min 1.25 DSCR					
INTEREST ONLY	Interest Only Period – 40 Year Interest Only = 10-year IO then 30-year amortization 30 Year Interest Only = 10-year IO then 20-year amortization					
QUALIFICATION	Fully amortizing fixed and ARM loans are qualified at the initial P&I (30-yr or 40-yr, as applicable), property taxes, insurance, HOA. Interest only loans are qualified on the interest only payment, property taxes, insurance, HOA.					
DSCR CALCULATION	Lesser of 1) 1007 market rent or 2) current lease or 12 mo average Short-Term Rental statements, divided by (P)ITIA. See Rent Qualification in Manual.					
DSCR MAX LTV/CLTV	Investor Connect DSCR 1.0+	Investor Connect DSCR .85-.99	Investor Premier – DSCR 1.0+			
	Max 80%	Max 70% Min 680 FICO	Max 70%			
BORROWERS	US Citizen Non-Permanent Resident Aliens <ul style="list-style-type: none"> 1-2 Unit Properties Only First Time Investors (see below for details) Limited Partnerships, General Partnerships, Corporations, Limited Liability Company Inter-vivos Revocable Trust Ineligible: First Time Homebuyer					
FIRST TIME INVESTOR	Eligible with DSCR ≥1.0 DSCR <1.0 not permitted for first time investors Motivation letter required if property is purchased out of state from the borrower's/guarantor's residence					
FOREIGN NATIONALS (FL ONLY)	State Restrictions	Florida Only				
	Transaction Types	Purchase and Rate/Term Only (1-2 Unit Properties only)				
	Max Loan Amount	\$1,500,000				
	Max LTV/CLTV	Loan Amounts ≤ \$1MM Max 70% Loan Amounts > \$1MM Max 65%				
	Reserves	6 months				
	FICO	Foreign Nationals are not subject to FICO requirements (use 680 FICO for pricing)				
	Escrows	Escrow for taxes and insurance is required				
	DSCR	DSCR <1.0 is not permitted				
	Note:	If at least one borrower is not a Foreign National, the Foreign National restrictions still will apply. Short term rental income used for qualification is not permitted for Foreign Nationals.				
CREDIT EVENTS	No housing event permitted on any real estate within 4 years or 3 years with LLPA*					

	<p>*Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default or 120+ Delinquent No Bankruptcy 7 and 11 based on discharged or dismissal date and Ch 13 based on filed date within 4 years or 3 years with LLPA. All bankruptcies must have been discharged/dismissed prior to application. No open bankruptcies allowed.</p>
HOUSING HISTORY	<ul style="list-style-type: none"> • 1x30X12 (no rolling) • Only one borrower needs to meet housing history • All borrowers must be current on mortgage and property taxes or rent at loan application • Housing history required for Primary and subject property refi. Other REO, not reported on credit, no mortgage rating required • Document housing history via 12 months proof of payment via credit report, cancelled checks, bank debits or institutional VOR/VOM. • Rent free or incomplete housing history <ul style="list-style-type: none"> ○ No open and active mortgages reporting on credit or free and clear properties will require an exception and is generally limited to max 75% LTV. ○ Open and active mortgage(s) reporting on initial credit for minimum 12 months is permitted to satisfy housing history. ○ A minimum 12 months previous mortgage history reporting on initial credit within the last 12 months is permitted to satisfy housing history. ○ No private VOMs or credit supplements permitted. ○ Rent free from spouse or title only ownership requires institutional VOM or bank records are required to satisfy primary housing history • A borrower who sold a home and is temporarily staying rent free until the purchase of a new home is not considered an incomplete housing history. Must document most recent 12-month history prior to the sale of departing residence
QUALIFYING FICO	<p>Highest Mid FICO score *Use highest mid FICO of guarantor if more than 1 guarantor No borrower can have less than a 620 mid FICO Foreign Nationals are not subject to FICO requirements (use 680 FICO for pricing)</p>
TRADELINES	<ul style="list-style-type: none"> • Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months. • Tradeline may be opened or closed • Eligible tradelines cannot have any derogatory history in previous 24 months • Current housing not reporting on credit can be considered an open trade if supported by bank records • No authorized user accounts may be used to satisfy minimum tradelines. • Non-traditional credit is not allowed as an eligible tradeline
RESERVES	<p>DSCR 1.0+ - Purchase/Rate Term ≤\$1,500,000 – No reserves ≤70%, 6 months > 70% \$2,500,000 – 9 months Cash-out – 6 months</p> <p>DSCR .85-.99 \$1,500,000 – 3 months \$2,000,000 – 9 months</p> <p>Investor Premier Purchase/Rate Term – No Reserves Cash-out – 6 months</p> <p>Multi pack loans - reserves are calculated based on the highest (P)ITIA of all loans. No additional reserves needed for additional financed properties Cash out may be used as reserves</p>
ASSETS	<p>Asset Statements</p> <ul style="list-style-type: none"> • 1 month or 1 quarterly investment statement or FNMA approved third party direct pull services <ul style="list-style-type: none"> ○ Statements not required for Cash-out transactions which satisfy reserves, one quarterly investment statement, or FNMA approved third party direct pull services <p>100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage</p>
PROPERTY	<p>Non-Warrantable Condos - Max 75% Investor Connect</p> <ul style="list-style-type: none"> • Max Financed Properties - No limit to the number of financed properties. • CEL exposure to a single borrower/guarantor cannot exceed \$5MM UPB or 10 loans.

	<p>Investor Premier</p> <ul style="list-style-type: none"> The max financed properties = 15 residential <p>Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance Max 5 Acres Rural Properties - See section 17.4 Minimum square footage required 500 sq ft. per unit - Kitchenettes ineligible. SFR/PUDs – Max 6 Bedrooms</p>								
NON-WARRANTABLE CONDOS	Non-Warrantable Condos - Limited to two non-warrantable reasons								
	Max LTV	Max 75%							
	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							
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements							
	Reserves	<10% replacement, maintenance, and/or deductible							
	Mandatory Memberships	Cannot exceed 10% of purchase price							
	Material Litigation - Structural/Functional litigation against developer	Ineligible							
	Delinquent HOA- in excess of Fannie Mae 15% limit	Ineligible							
	Newly Converted - Non-full gut rehabs	Ineligible							
Flood Insurance	Projects in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable.								
APPRAISAL REQUIREMENTS	<p>1 appraisal required for all transactions All appraisals require a third-party valuation by ClearEdge. CU score of 2.5 or below, no 3rd party review required for LTVs per chart</p> <table border="1"> <tr> <td>Purchase/Rate & Term</td> <td>≤75% LTV/CLTV</td> </tr> <tr> <td>Cash Out</td> <td>≤65% LTV/CLTV</td> </tr> </table>	Purchase/Rate & Term	≤75% LTV/CLTV	Cash Out	≤65% LTV/CLTV				
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	Hybrid Appraisals								
<p>Order through CEL Approved Vendors Max loan amount is \$1,500,000</p> <table border="1"> <tr> <td>Purchase</td> <td>Max 70% LTV/CLTV</td> </tr> <tr> <td>Rate & Term</td> <td>Max 65% LTV/CLTV</td> </tr> <tr> <td>Cash Out</td> <td>Max 60% LTV/CLTV</td> </tr> </table> <p>See section 16.3 of the guidelines for additional details</p>	Purchase	Max 70% LTV/CLTV	Rate & Term	Max 65% LTV/CLTV	Cash Out	Max 60% LTV/CLTV			
Purchase	Max 70% LTV/CLTV								
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CASH-OUT	<table border="1"> <thead> <tr> <th>LTV/CLTV</th> <th>Maximum Cash Out</th> </tr> </thead> <tbody> <tr> <td>70.01 -75.00%</td> <td>\$300k</td> </tr> <tr> <td>65.01 – 70.00%</td> <td>\$500k</td> </tr> <tr> <td>≤65%</td> <td>\$750k</td> </tr> </tbody> </table>	LTV/CLTV	Maximum Cash Out	70.01 -75.00%	\$300k	65.01 – 70.00%	\$500k	≤65%	\$750k
	LTV/CLTV	Maximum Cash Out							
	70.01 -75.00%	\$300k							
	65.01 – 70.00%	\$500k							
	≤65%	\$750k							
	Ownership Seasoning –	0-6 months	6.1-12 months						
Rate/Term	Lesser of (PP + Improvements*) -or- Appraisal	Appraisal							
Cash Out	Not permitted**	Appraisal – Max 70%							
*Purchase appraisal or original listing photos required along with schedule of improvements									
**CEL Commercial Fix n Flip Loans Only - max 70% based on current appraisal and supporting Desk Review									
Rate/Term & Cash-Out Refinance: Seasoning is measured from application date									
GIFT FUNDS	<ul style="list-style-type: none"> Eligible for purchase transactions Max gift is 10% of purchase price Gift funds not permitted for Foreign Nationals. 								
INSURANCE	Commercial, Landlord or rental dwelling policy required								
PREPAYMENT PENALTY	<p>Minimum 1 year prepayment penalty is required where states allow. PPP prohibited in KS, NM. Non-PPP states or loans without a PPP are not eligible for Investor Premier.</p>								

Three Prepayment Penalty structure options are available:

1. Standard Prepayment Penalty: Penalty term of six month's advance interest on the amount prepaid that exceeds 20% of the original balance of the note- 1,2,3,4, or 5-year term
2. Flat Structure: 3-, 4- or 5-year prepayment term can be selected at a 5% flat rate instead of a tiered structure.
3. Tier structure as indicated below:

	5 Year PPP	4 Year PPP	3 Year PPP	2 Year PPP	1 Year PPP
Payoff Year 1 (Max Prepay)	Other States: 5% OH Only: 1%	Other States: 5% OH Only: 1%	Other States: 5% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1% RI Only: 2%
Payoff Year 2	Other States: 4% OH Only: 1%	Other States: 4% OH Only: 1%	Other States: 4% OH Only: 1% MI Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%	
Payoff Year 3	Other States: 3% OH Only: 1%	Other States: 3% OH Only: 1%	Other States: 3% OH Only: 1% MI Only: 1%		
Payoff Year 4	Other States: 2% OH Only: 1%	Other States: 2% OH Only: 1%			
Payoff Year 5	All States: 1%				

State Restrictions:

- Illinois: PPP may only be charged to non-natural persons: LLC, LLP, LP, C Corp, or S Corp
- Kentucky: PPP prohibit on loans in which we are paying off same lender
- Michigan: Max 3 Year PPP (or less) and max will be 1% penalty
- Minnesota: PPP prohibited on conforming loan amounts
- New Jersey: PPP may only be charged to non-natural persons: LLC, LLP, LP, C Corp, or S Corp
- North Carolina: PPP prohibited on loans ≤ \$100K
- Ohio: Max 5 Year PPP and max will be 1% penalty
- Pennsylvania: PPP prohibited on loans ≤ \$301,022 (2023 PA Loan Limit)
- Rhode Island: Max 1 Year PPP and max will be 2% penalty (Investor Premier not permitted)
- Louisiana, Michigan, Mississippi, Ohio, Rhode Island - Flat PPP Structure Prohibited

Non-Delegated Only – Colorado Loans: Prepayment penalties are prohibited on loans where UCCC election is made (Supervised Loans).

PROPERTIES LISTED FOR SALE

Transaction Type	PPP Term/ LTV	0-6 months	6.1-12 months
Rate/Term no Penalty	N/A	Not Permitted	Second Level Review
Rate/Term Penalty	Min 2yr penalty	Permitted	Permitted
Cash Out no Penalty	Max LTV 70%	Not Permitted	Second Level Review
Cash Out w/ Penalty	Min 2yr and max LTV 70%	Permitted	Permitted

LTV calculated on lower of appraisal or lowest listing price

STATE ELIGIBILITY and LICENSING

Investor Connect is eligible in the following states: AL, AR, AZ, CA, CO, CT, District of Columbia, DE, FL, GA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, NC, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, WI.

ClearEdge does not require brokers to be licensed for Wholesale Investor Connect loans in the following states: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, NH, NM, NY*, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI.

*New York requires that a Broker Company hold a New York Real Estate Broker license. This license type is not visible within the NMLS Consumer Access, it must be confirmed at the eAccessNY website: <https://appext20.dos.ny.gov/nydos/selSearchType.do>

ClearEdge does not require sellers to be licensed for Non-Delegated Investor Connect loans in the following states: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, NE, NH, NJ, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI

Disclaimer: This guide does not constitute legal advice and brokers and sellers are responsible for ensuring that they are properly licensed.