

Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)

5-8 Residential Units and 2-8 Mixed Use				
≥ 1.00		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,500,000	75	70	65
	2,000,000	70	65	65
Housing History	Housing Event Seasoning		Investor Experience	
0x30x12	BK/FC/SS/DIL	≥ 36 months – Any event	Experienced Investor: Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years. First Time Investor: Not eligible	
	Forbearance, Mod or Deferral	> 12 months = 0x30x12		
		≤ 12 months = ineligible		
Unleased Units		State Restrictions		Declining Market
Maximum: 1 vacant unit on 2-3 Unit Property. 2 vacancies on 4+ units.		Ineligible locations: AK, HI, IA, KS, MA, MI, MN, MT, ND, NM, NY, OH, RI, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands		Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.
General Requirements: Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)				
Product Type	<ul style="list-style-type: none"> Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM. Maximum loan term cannot exceed 30-years 			
Interest Only	<ul style="list-style-type: none"> Eligible 			
Loan Amounts	<ul style="list-style-type: none"> Min: 400,000 Max: 2,000,000 			
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash-Out 			
Cash-In-Hand	<ul style="list-style-type: none"> Max cash-in-hand \$1,000,000 			
Occupancy	<ul style="list-style-type: none"> Investment 			
Eligible Borrower	<ul style="list-style-type: none"> U.S. Citizen Permanent Resident Alien Non-Permanent Resident Alien 			
Property Type	<ul style="list-style-type: none"> Residential 5 – 8 Units Mixed use 2 – 8 Units <ul style="list-style-type: none"> Commercial usage limited to Retail/Office/Restaurant <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial Unit 4-5 Units: Max 2 commercial Units 6-8 Units: Max 3 commercial Units Commercial space must not exceed 49% of the total building area 			
Acreage	<ul style="list-style-type: none"> Property up to 2-acres eligible when, not meeting the rural definition. (unpaved road and 2 of 3 comps are >5 miles) 			
Appraisals	<ul style="list-style-type: none"> A full interior inspection with photos is required for all units. 5-8 Residential <ul style="list-style-type: none"> FHLMC 71A, or FNMA 1050, or Narrative report can be utilized but not required. 2-8 Mixed Use <ul style="list-style-type: none"> General Purpose Commercial Forms, or Narrative report The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports: <ul style="list-style-type: none"> Rent Roll Income and Expense Statement Photos of subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units Map Appraiser qualifications Review Product – A commercial BPO required for all loans. <ul style="list-style-type: none"> In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO. 			
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing) 			
Mixed Use	<ul style="list-style-type: none"> Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable. 			

<p>Escrows</p>	<ul style="list-style-type: none"> • Escrow waivers – Escrow account for property taxes and hazard insurance may be waived subject to: <ul style="list-style-type: none"> ○ LTV ≤ to 80% ○ Minimum credit score of 720 ○ Minimum 12-months reserves ○ Escrow waiver subject to LLPA adjustment • Flood insurance escrow may be waived for business purpose loans 		
<p>Income Requirements: Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)</p>			
<p>Income</p>	<ul style="list-style-type: none"> • Leased – Use lower of Estimated market rent or lease agreement. • Short-Term Rental Income not eligible • Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units. • Reduce qualifying rents by any management fee reflected on appraisal report. • 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income 		
<p>DSCR</p>	<ul style="list-style-type: none"> • Minimum DSCR ≥ 1.00 • DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). • Loan amounts = \$2,000,000 require DSCR ≥ 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) • Reduce qualifying rents by any management fee reflected on the appraisal report 		
<p>Underwriting Requirements: Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)</p>			
<p>Credit Score</p>	<ul style="list-style-type: none"> • Use highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2 	<p>Assets</p>	<ul style="list-style-type: none"> • Min of 30-days asset verification required
<p>Tradelines</p>	<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 • For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually). 	<p>Reserves</p>	<ul style="list-style-type: none"> • 6-months of (P)ITIA • Loan Amount > \$1.5M: 9-months of (P)ITIA • Loan Amount > \$2.5M: 12-months of (P)ITIA • Escrow waived: 12-months of (P)ITIA • Cash out may not be used to satisfy requirement
<p>Gift Funds</p>	<ul style="list-style-type: none"> • Not eligible 	<p>Document Age</p>	<ul style="list-style-type: none"> • 90 days
<p>Prepayment Penalty – Investment Property Only</p>	<ul style="list-style-type: none"> • Non-PPP states or loans without a PPP are not eligible. • Acceptable Structures include the following: <ul style="list-style-type: none"> ○ Fixed percentage of no less than 5% ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) ○ Prepayment periods up to 5-Years eligible, see rate sheet ○ Penalties not allowed on loans vested to individuals in IL and NJ ○ Penalties not allowed on loan amounts less than \$312,159 in PA ○ Only declining prepayment penalty structures allowed in MS 		