

Investor Jade - DSCR

1-4 Unit Properties							
≥ 1.00			Maximum LTV/CLTV				
Minimum Credit Score	Maximum Loan Amount		Purchase	Rate/Term Refinance	Cash-Out Refinance		
700	1,000,000		80	75	75		
	1,500,000		80	75	75		
	2,000,000		75	70	70		
	3,000,000		70	65	65		
	3,500,000		70	65	N/A		
660	1,000,000		75	75	70		
	1,500,000		75	70	70		
	2,000,000		70	65	65		
	2,500,000		70	65	65		
	3,000,000		65	N/A	N/A		
640	1,000,000		75	70	N/A		
	1,500,000		65	65	N/A		
	2,000,000		65	N/A	N/A		
	3,000,000		60	N/A	N/A		
< 1.00			Maximum LTV/CLTV				
Minimum Credit Score	Maximum Loan Amount		Purchase	Rate/Term Refinance	Cash-Out Refinance		
700	1,000,000		75	70	70		
	1,500,000		75	70	70		
	2,000,000		70	65	65		
	2,500,000		65	N/A	N/A		
	3,000,000		60	N/A	N/A		
680	1,000,000		70	65	N/A		
	1,500,000		70	65	N/A		
	2,000,000		65	60	N/A		
	3,000,000		60	N/A	N/A		
660	1,000,000		65	N/A	N/A		
Housing History		Housing Event Seasoning		Credit Event Seasoning			
	Purchase	R/T and Cash-out	Forbearance, Modification or Deferral		BK/FC/SS/DIL	Purchase	R/T and Cash-out
1x30x12	No Reduction		• > 12 months = 0x30x12		≥ 36 Mo	No Reduction	
0x60x12	Max 70% LTV	Max 65% LTV	• ≤ 12 months = ineligible		≥ 24 Mo	Max 75% LTV	Max 70% LTV
Investor Experience				Unleased Properties			
<p>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.</p> <p>First Time Investor: A borrower/guarantor not meeting the experienced investor criteria.</p> <ul style="list-style-type: none"> First time investors eligible subject to the following restrictions: <ul style="list-style-type: none"> Min credit score: 680 If reported, no mortgage late payments during the past 36 Mo ≥ 36 Mo from any credit event Own a primary residence for at least 1-year Cash-out not eligible First time homebuyer not eligible 				<ul style="list-style-type: none"> All long-term rental refinances: A vacant or unleased property (except proof of recently rehabbed) is allowed subject to max LTV of 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria 			
State Eligibility				Declining Market			
<p>State Overlays for CT, IL, NJ</p> <p>Maximum LTV/CLTV:</p> <ul style="list-style-type: none"> Purchase – 80% Rate/term & Cash-out – 75% <p>Maximum Loan amount: \$2,000,000</p>			<p>Ineligible locations:</p> <p>AK, HI, IA, KS, MA, MI, MN, MT, ND, NM, NY, OH, RI, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands</p>		<p>If the appraisal report identifies the property as a declining market the maximum LTV/CLTV:</p> <ul style="list-style-type: none"> Purchase – 80% Rate/term & Cash-out – 75% <p>Maximum Loan amount: \$2,000,000</p>		
General Requirements: Investor Jade - DSCR							
Product Type	<ul style="list-style-type: none"> Fixed Rate Terms: 15, 30 & 40 years; 5/6 ARM, 7/6 ARM (40-year term ARMs available when combined with interest only feature) 						
Interest Only	<ul style="list-style-type: none"> Min: Credit Score: 680 		<ul style="list-style-type: none"> Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out 				
Loan Amounts	<ul style="list-style-type: none"> Min: 100,000 		<ul style="list-style-type: none"> Max: 3,500,000 				
Loan Amt <150K	<ul style="list-style-type: none"> Max LTV/CLTV: Purchase 70%, any Refinance 65%, (Min DSCR 1.25) 						

Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash-Out 		
Occupancy	<ul style="list-style-type: none"> • Investment 		
Property Type	<ul style="list-style-type: none"> • Single Family: Attached, Detached • 2-4 Units and Condominium: Max LTV/CLTV Purchase 75%, Refinance 70% • Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance 65%, Max Loan amount \$1,500,000 • Rural: Not Eligible 	Florida Condominiums: <ul style="list-style-type: none"> • A structural inspection is required for projects: <ul style="list-style-type: none"> ○ Greater than 5 stories; and ○ Over 30 years old (25 years if within 3 miles of coast) • Projects with an unacceptable or no inspection are ineligible 	
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) 		
Cash-In-Hand	<ul style="list-style-type: none"> • LTV ≥ 65% - \$500,000 	<ul style="list-style-type: none"> • LTV < 65% - \$1,000,000 	<ul style="list-style-type: none"> • Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)
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 and >65% LTV/CLTV. 		
Escrows	<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 		
Income Requirements: Investor Jade - DSCR			
Long-Term Rental	<p>Long-Term Rental Documentation and DSCR Calculation</p> <ul style="list-style-type: none"> • 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. ○ A vacant or unleased property is allowed without LTV restriction. ○ Use long-term market rent, regardless of tenants remaining. • Refinance Transactions: <ul style="list-style-type: none"> ○ Required documentation: <ul style="list-style-type: none"> ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement. ▪ If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following: <ul style="list-style-type: none"> ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix ○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows: <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 (except recently rehabbed or if listed for rent) is allowed subject to the following: <ul style="list-style-type: none"> ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix • DSCR Calculation: <ul style="list-style-type: none"> ○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the (P)ITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. ○ Gross rents divided by (P)ITIA = DSCR 		
Short-Term Rental	<p>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation</p> <p>Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> • Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> ○ LTV is lesser of 75% for a purchase and 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel projects) ○ 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 		

	<p>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.</p> <ul style="list-style-type: none"> ▪ (Gross Rents * .80) divided by (P)ITIA = DSCR. <ul style="list-style-type: none"> • Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> ○ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. <ul style="list-style-type: none"> ▪ If long-term rent is utilized, 20% expense factor is not to be applied. ○ 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 and Overview reports, accessed using the Explore Short-Term Rental data, must meet the following requirements: <ul style="list-style-type: none"> ▪ Rentalizer (Property Earning Potential) <ul style="list-style-type: none"> ▪ Only allowed for purchase transaction ▪ Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor ▪ Forecast period must cover 12 months from the Note date ▪ Maximum occupancy limited to 2 individuals per bedroom ▪ Must have three (3) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> α. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) <ul style="list-style-type: none"> ▪ Market score or Sub-Market score by zip code ▪ Market score or Sub-Market score must be 60 or greater ▪ When both a Market and Sub-Market score are present, use the lower of the two <ul style="list-style-type: none"> α. Both the Market and Sub-Market score must be at the zip code level 		
Underwriting Requirements: Investor Jade - DSCR			
Credit Score	<ul style="list-style-type: none"> • Use highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2 	Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced
Tradelines	<ul style="list-style-type: none"> • If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived • Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity 	Reserves	<ul style="list-style-type: none"> • 2-months of (P)ITIA • Loan Amount > \$1.5M: 6-months of (P)ITIA • Loan Amount > \$2.5M: 12-months of (P)ITIA • Escrow waived: 12-months (P)ITIA • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution 	Document Age	<ul style="list-style-type: none"> • 90 days
Prepayment Penalty – Investment Property Only	<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%) ○ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period. ○ 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 		