Investor Connect DSCR
Investor Premier DSCR

INVESTOR CONNECT DSCR - 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE & TERM	85%[1,3,4]	$1,500,000	740
	80%	$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
		$3,000,000[2]	700
CASH OUT	75%	$1,500,000	700
	70%	$2,000,000	720
		$1,500,000	660
	65%	$1,000,000	620
		$2,000,000	660
		$2,500,000	720
	60%	$2,500,000	700

Short-Term Rental: Min DSCR 1.0, Max LTV 75%, Min Score 700- and 1-year experience operating a short-term rental.

[1]>80% - 30 Year Fixed only; 3 Yr PPP required (ineligible in no PPP states); First-Time Investor not allowed
[2]>$2.5M – 30 Year Fixed only
[3] >80% - SFR/PUD only
[4]First Time Homebuyer – Max 80%

INVESTOR CONNECT DSCR - .75-.99

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE & TERM	75%[1]	$2,000,000	720
	70%	$1,500,000	680
	65%	$2,000,000	700

- Min $175k loan amount; 40 yr. and 40 yr. IO product not permitted
  [1]>70% 30 Year Fixed only

INVESTOR PREMIER DSCR - 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE & TERM	75%	$1,500,000	700
CASH OUT	70%	$1,500,000	700

- Minimum loan amount $100,000
- Loan amounts ≤ $150,000– require min 1.25 DSCR
- Condos: Max LTV/CLTV 70%
- 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, NJ, NM)
- Max financed properties = 15 residential. CEL exposure to a single borrower/guarantor cannot exceed $5MM UPB or 10 loans.
- 40-year Fixed, and 40-year ARM fully amortizing products not permitted
- FTHB ineligible
- All additional overlays of Investor Connect DSCR otherwise apply
- **Short-Term Rental Qualifying:** Not allowed.
- **Geographic Restriction:** Georgia loans must be closed in an entity to be eligible under Investor Premier

ELIGIBLITY	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	See products table below

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
15 Yr Fixed	180 mo	NA	NA	NA	NA
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 DSCR	DSCR > 1.0 – Min $100,000 DSCR .75-.99 – Min $175,000 Max loan amount $3,000,000 • >$2.5M: 30 Year Fixed Only
Investor Premier DSCR	DSCR > 1.0 – Min $100,000 DSCR min 1.25 for loan amount $100,000-$150,000 DSCR below 1 ineligible Max loan amount $1,500,000

INTEREST ONLY

Max 80%

40 Year Interest Only = 10-year IO then 30-year amortization (not permitted on DSCR <1.00)

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.

DSCR MAX LTV/CLTV

Investor Connect DSCR - 1.0+	Investor Connect DSCR - .75-.99	Investor Premier DSCR 1.0+
Max 85%	Max 75%	Max 75%

BORROWERS

US Citizen
Permanent Resident Aliens
Non-Permanent Resident Aliens

Eligible VISA Types		
C09 (No VISA required)	L-1A, L-1B, L-2	TN-1 Canadian NAFTA
E1, E2, E3	NATO 1-6	TN-2 Mexican NAFTA
G1, G2, G3, G4, G5	O1	
H1, H-1B, H-1C	R1	

First Time Investors (see below for details)
Limited Partnerships, General Partnerships, Corporations, Limited Liability Company
Inter-vivos Revocable Trust
First-time Homebuyer: On Investor Connect with DSCR 1.0+.

FIRST TIME INVESTOR

Max 80%
Minimum DSCR 1.0
Min 680 FICO
Motivation letter required if property is purchased in a different state than the borrower's/guarantor's primary residence
STR rental properties are ineligible

FIRST-TIME HOMEBUYER

Investor Connect only:

- Min 1.0 DSCR
- Min 700 FICO
- Max 80% LTV
  - >75%: No gifts and subject property must be exposed to MLS

<table>
<tr>
<td></td>
<td>

Max $750k UPB
Interest only and/or 40-year amortization is ineligible
Minimum 3 months' reserves are required unless the LTV x Loan Amount requires additional.
Motivation letter required for purchasing investment and not owning a primary residence
Rent free is ineligible

</td>
</tr>
<tr>
<td>FOREIGN NATIONALS</td>
<td>
<table>
<tr><td>Programs</td><td>Investor Connect Only</td></tr>
<tr><td>Transaction Types</td><td>Purchase/Rate & Term/Cash Out (1-2 Unit Properties only)</td></tr>
<tr><td>Max Loan Amount</td><td>$1,500,000</td></tr>
<tr><td rowspan="4">Max LTV/CLTV</td><td>Purchase: Loan Amounts ≤$1M; Max 75%</td></tr>
<tr><td>Rate & Term: Loan Amounts ≤ $1M Max 70%</td></tr>
<tr><td>Purchase/Rate & Term: Loan Amounts > $1M Max 65%</td></tr>
<tr><td>Cash Out: Max 65%</td></tr>
<tr><td>Reserves</td><td>6 months</td></tr>
<tr><td>FICO</td><td>Foreign Nationals are not subject to FICO requirements (use 680 FICO for pricing)</td></tr>
<tr><td>Escrows</td><td>Escrow for taxes and insurance is required</td></tr>
<tr><td>DSCR</td><td>DSCR <1.0 is not permitted</td></tr>
<tr><td>Note:</td><td>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.
ACH enrollment required – Must be drawn on a US Bank</td></tr>
</table>
</td>
</tr>
<tr>
<td>CREDIT EVENTS</td>
<td>
Credit Event = Bankruptcy Chapter 7, 11, 13, Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default, Single Bankruptcy or 120+ Delinquent

Investor Connect – 3 years seasoning
Investor Premier – 4 years seasoning

Seasoning is from the date of dismissal, discharge, or property resolution (completion date), as of the note date

Single bankruptcy seasoning including Ch 7, 11 and Ch. 13 based on discharge or dismissal date
Multiple Bankruptcies, regardless of seasoning, are ineligible
</td>
</tr>
<tr>
<td>HOUSING HISTORY</td>
<td>
Mortgage History Standard:
1x30x12 is permitted, with no rolling late payments.
Recent Credit Event:
If the borrower has a Credit Event seasoned less than 4 years, they must demonstrate 0x30x12, evidenced by no 30 day late payments in the most recent 12 months.
Borrower Requirement:
Only one borrower is required to meet the housing history requirement.
Current Status:
All borrowers must be current on their mortgage or rent at the time of loan application.
Tax Liens and HOA Dues:
Property tax liens and delinquent HOA dues require an LOE and may require borrower own funds to bring current
When Housing History Is Required:

Required for Primary Residence and subject property refinances.
For other REO not reported on the credit report, no mortgage rating is required.
However, if housing delinquencies appear on the credit report, they cannot be disregarded and must meet the 12 month lookback requirements noted above.

Construction Loan Refinances:
An institutional Verification of Mortgage for refinances of construction loans must include a payment ledger.
All Refinances:
A payment history on the subject property is required for all refinance transactions.
Open and Active Mortgage Reporting:
An open and active mortgage reporting on the initial credit report for a minimum of 12 months satisfies the housing history requirement.
No Open and Active Mortgage Reporting:
No open and active mortgage reporting on the initial credit report, except in the following circumstances.

The borrower owns a property free and clear and provides evidence that property taxes are current.
The initial credit report reflects at least 12 months of prior mortgage history that was active within the last 12 months.
A private Verification of Mortgage and 12 months of bank statements, cancelled checks, or bank debits are

</td>
</tr>
</table>

	provided. • The borrower lives rent free from a spouse or holds title only ownership and provides an institutional Verification of Rent or Verification of Mortgage, or 12 months of bank statements, cancelled checks, or bank debits. • Twelve months of proof of payment through cancelled checks, bank debits highlighted on statements, or institutional Verification of Rent or Verification of Mortgage may be used to satisfy housing history. Carbon copies or handwritten rent receipts are not acceptable as bank records. • Credit supplements completed by an institution are acceptable. Private lien holders or landlords are not eligible sources. **Recently Sold Residence:** A borrower who sold a home and is temporarily living rent free while purchasing a new home is not considered to have an incomplete housing history. The most recent 12 month housing history prior to the sale of the departing residence must be documented.
QUALIFYING FICO	• **Qualifying Score:** The highest middle FICO score will be used for qualification purposes. o If there is more than one guarantor, use the highest middle FICO score among the guarantors. • **Individual Borrower Score:** Each borrower's credit score is defined as: o The middle score when three scores are reported, or o The lower score when only two scores are reported. • **Minimum Score Requirement:** No borrower may have a middle FICO score below 620. • **Refinances:** For refinance transactions, the highest middle FICO score may only be used if that borrower meets the continuity of obligation requirement. • **Foreign Nationals:** Borrower is not subject to FICO requirements (use 680 FICO for pricing)
TRADELINES	• **Three Credit Scores:** If the qualifying borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers. • **Minimum Tradelines:** o Each borrower must have at least 2 tradelines, or o Joint borrowers must have a combined total of at least 3 tradelines. o Tradelines must be rated for a minimum of 12 months and show activity within the last 24 months. • **Open or Closed Accounts:** Tradelines may be either open or closed. • **Derogatory History:** Eligible tradelines must not have any derogatory history within the previous 24 months. • **Current Housing Not Reporting on Credit:** Current housing that is not reporting on the credit report may be considered an open tradeline if supported by bank records, such as cancelled checks or bank debits. • **Authorized User Accounts:** Authorized user accounts may not be used to meet the minimum tradeline requirement. • **Non Traditional Credit:** Nontraditional credit is not permitted as an eligible tradeline exception for housing history
RESERVES	**Investor Connect – DSCR 1.0+** ≤\$1.5MM and ≤70% LTV – no reserves ≤\$1.5MM and >70% LTV – 3 months >\$1.5MM – 9 months **Investor Connect - DSCR .75 - .99** ≤\$1.5MM – 6 months >\$1.5MM – 9 months Cash Out – 6 months Foreign Nationals – 6 months **Investor Premier** Purchase/Rate & Term – No Reserves Cash Out – 6 months First Time Homebuyers – Minimum 3 months required unless LTV X Loan Amount above requires additional

<table>
<tr><td></td><td>Interest Only loans – reserves calculated using the ITIA payment
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. Loans with layered risk may require additional borrower assets to meet reserve requirements.</td></tr>
<tr><td>ASSETS</td><td>Asset Statements
1 month or 1 quarterly investment statement or FNMA approved third party direct pull services
Statements not required for Cash Out transactions which satisfy reserves, one quarterly investment statement, or FNMA approved third party direct pull services
100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage</td></tr>
<tr><td>GIFT FUNDS</td><td>Allowed for Investor Connect with DSCR 1.0+
Gift funds are not allowed on Foreign Nationals
Purchase transaction only
Minimum Borrower Contribution
≤75% LTV – No minimum contribution required
>75% LTV – Borrower must have 5% of their own funds documented but not required to use
If the minimum borrower contribution % is not used towards the down payment, those funds can be used towards reserves
Gift funds are not permitted for reserves
Only gifts from family members are allowed
Gift of Equity
Minimum 1.0 DSCR
Only gifts from family members are allowed, gift letter required
Subject property mortgage rating from seller is required
Subject property cannot be owners occupied by the person giving the gift. Must be 0x30x12 and no delinquent taxes
Must be a current rental/tenant occupied</td></tr>
<tr><td>PROPERTY</td><td>Rural properties are ineligible
Appraisals marked suburban with Residential Rural zoning allowed: Max 80% Purchase; 75% Rate & Term; Cash Out 65% (Investor Connect only)
Declining Markets requires a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase; 70% Refinance
Investor Connect – Max 10 acres
Investor Premier - Max 5 Acres
Minimum square footage required 500 sq ft. per unit - Kitchenettes ineligible.
Short-Term Rentals – refer to Short Term/Variable Rental guidelines
SFR/Condo/PUDs
2-4 Units
Unsold builder inventory not eligible

Florida – Projects over 30 years old or 25 years if within 3 miles from the coast, a structural inspection within every 10 years is required for projects 3 stories or higher.
Inspection must confirm no conditions severe enough to affect the safety, soundness, structural integrity or habitability of the improvements
Projects with unacceptable or no inspections are ineligible
State Condominium Requirements (Warrantable and Non-Warrantable):
• California Balcony Bill – SB326: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground. Projects with an unacceptable or no inspection are ineligible.</td></tr>
<tr><td>NON-WARRANTABLE CONDOS</td><td><table>
<tr><th colspan="2">Non-Warrantable Condos – Limited to two</th></tr>
<tr><th colspan="2">Allowable Features:</th></tr>
<tr><td>Max LTV</td><td>80% Max LTV in all programs</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>Single Entity Ownership</td><td>A single entity can own up to 30% of units</td></tr>
<tr><td>Commercial Space</td><td>Up to 50%</td></tr>
</table></td></tr>
</table>

	Recreational Leases	Eligible
	Delinquent HOA	Up to 25%
	Master Coverage Deductible	10% deductible max allowed
	Reserves	Minimum 10% required
	Mandatory Memberships	Cannot exceed 10% of purchase price
	Ineligible Features/Requirements for Non-Warrantable Condos:	
	Material Litigation - Structural/Functional litigation against developer	Ineligible
	Insurance Coverage	Coverage amount less than the replacement cost is ineligible (Actual Cash Value is not permitted except for the roof)
	Newly Converted - Non-full gut rehabs	Ineligible
	Flood Insurance	Project in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable
	Project Completion	Project not 100% complete and HOA not turned over: • At least 50% of the units in the subject property phase must be sold or under bona fide contract • All common elements in the project or legal phase must be 100% complete

APPRAISAL REQUIREMENTS

1 appraisal required

- 2 full appraisals required when loan amount is >$2,000,000 and >65% LTV/CLTV

All appraisals require a third-party valuation by ClearEdge.
CU/LCA score of 2.5 or lower, no 3rd party review. When both a CU and an LCA SSR are provided, the lower score of the two is used to determine if a review is required.

Hybrid Appraisals

Order through CEL Approved Vendors
Max loan amount is $1,500,000

Purchase	Max 70% LTV/CLTV
Rate & Term	Max 65% LTV/CLTV
Cash Out	Max 60% LTV/CLTV

Property Types	Eligible	Ineligible
	• SFR • PUD • Condo	• Rural • Leaseholds or Properties on leased land • Irregular or non-residential zoning • Atypical or extremely custom homes • Properties on acreage - 5+ Acres • Properties in need of major repairs • New construction PUDs / Condos • Properties subject to inspection

REFINANCE TRANSACTIONS

Maximum Cash Out	
Investor Connect 1.0+	
Unlimited	
Investor Premier	
LTV/CLTV	**Max Cash Out**
>65%	$750k
<u><</u>65%	$1.5M

Ownership Seasoning	**0-6 months**	**6.1-12 months**
Rate & Term	• Lesser of (PP + Improvements*) or Appraised Value if CU score is greater than 2.5 • Current Appraised Value + CU score of 2.5 and below – Max 70%	Current Appraised Value

Cash Out	Not permitted	Current Appraised Value
Cash Out Rehab – SFR only	Properties that were purchased and rehabbed per appraisal and has SSR 2.5 and below appraised value may be used. Max 70%. SSR scores above 2.5 are ineligible and require six months seasoning to use appraised value.	Current Appraised Value

*Purchase appraisal or original listing photos required along with schedule of improvements

Seasoning is measured from purchase Note date to the current Note date

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 PPP	Permitted	Permitted
Cash Out no Penalty	Max LTV 70%	Not Permitted	Second Level Review
Cash Out w/ Penalty	Min 2yr PPP and max LTV 70%	Permitted	Permitted

LTV based on lower of appraised value or lowest listing price in the last 12 months

CEL MAX EXPOSURE

Investor Connect
- Max Financed Properties – 20 residential

Investor Premier
- The max financed properties = 15 residential

CEL exposure to a single borrower/guarantor cannot exceed $5MM UPB or 10 loans, whichever limit is reached first.

INTERESTED PARTY CONTRIBUTIONS (IPC)

Maximum 6% of purchase price

INSURANCE

Commercial, Landlord or rental dwelling policy required

PREPAYMENT PENALTY

PPP prohibited in KS, NJ, NM.
Non-PPP states or loans without a PPP are not eligible for Investor Premier.

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. See state restrictions and 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: Additional Investor Premier restrictions apply. See matrix footnotes for details.

State	Standard PPP Allowed	Flat PPP Allowed	Tiered PPP Allowed	Special Rules
Illinois	Y	Y	Y	PPP may only be charged to entities only (LLC, Corp, Partnership)

	Kentucky	Y	Y	Y	PPP prohibited on refinance loans that are paying off same lender
	Louisiana	N	N	Y	
	Michigan	N	N	Y	Max 3 Yr PPP (or less) and cannot exceed 1% penalty
	Minnesota	Y	Y	Y	PPP allowed for purchases; PPP prohibited on conforming loan amounts for refinances
	Mississippi	N	N	Y	
	Montana	Y	N	N	
	North Carolina	Y	Y	Y	PPP prohibited on loans ≤ $100k
	Ohio	N	N	Y	Max 5 yr PPP and max cannot exceed 1% penalty PPP is not allowed on 1–2-unit properties for loan amounts <$116,356
	Pennsylvania	Y	Y	Y	IC/IP - PPP prohibited on loans for 1-2 units with loan amount ≤$329,411
	Rhode Island	N	N	Y	Max 1 yr PPP and max cannot exceed 2% penalty (Investor Premier not permitted)

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

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, MT, 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, NC, NH, NM, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI.

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, MT, NC, 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.