

Premier Jade – Standard Doc

Primary Residence		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	80	80	80
	2,000,000	80	75	75
	2,500,000	75	70	70
700	1,000,000	80	75	75
	2,000,000	80	70	70
	2,500,000	70	65	65
680	1,000,000	80	75	75
	2,000,000	75	70	70
	2,500,000	70	N/A	N/A
Housing History		Occupancy Restrictions – Second Home	Occupancy Restrictions - Investment	1-Year Standard Doc
0x30x12		Max LTV/CLTV 75 – Purchase 70 – Rate/Term & Cash-out Max Loan: \$2,000,000	Investment is ineligible	Price Adjustor applies
Housing Event Seasoning				
BK/FC/SS/DIL ≥ 48 months				
Forbearance, Mod or Deferral > 12 months = 0x30x12 ≤ 12 months = ineligible				
State Eligibility			Declining Market	
State Overlays for CT, FL, IL, NJ Maximum LTV/CLTV: Rate/term & Cash-out – 75%		Ineligible locations: AK, HI, IA, MA, MD, ND, NY, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands	If the appraisal report identifies the property as a declining market the maximum LTV/CLTV: Rate/term & Cash-out – 75%	
General Requirements: Premier Jade – Standard Doc				
Product Type	Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM			
Interest Only	- Min: Credit Score: 700 30-year total loan term, qualification based upon 20-year amortizing payment			
Loan Amounts	- Min: 150,000 - Max: 2,500,000			
Loan Purpose	Purchase, Rate/Term, and Cash-Out			
Occupancy	Primary, Second Home			
Vesting	Vesting in an entity is ineligible			
Property Type	- Single Family: Attached, Detached - Condominium - Not Eligible: 2-4 Units, Condo Hotel, Rural		<u>State Condominium Requirements:</u> 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 as evidence on the condo questionnaire. - Projects with an unacceptable or no inspection are ineligible. Florida: - A structural inspection is required for projects: 3 stories or greater; and - Over 30 years old (25 years if within 3 miles of coast) - Projects with an unacceptable or no inspection are ineligible	
Acreage	Property up to 5-acres eligible when not meeting the rural definition. (unpaved road and 2 of 3 comps are >5 miles)			
Cash-In-Hand	Max Cash-In-Hand: \$1,000,000 (Not applicable to Delayed Financing transactions)			
Appraisals	- FNMA Form 1004, 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	- HPML loans require an escrow account for property taxes and hazard insurances. Escrow waivers are not allowed. - Flood insurance escrow is required for all loans secured by residential improved real estate located in a flood zone. Escrow waivers are not allowed. - See Operations Manual for state specific requirements		Escrow waivers – Escrow account for property taxes and hazard insurance may be waived subject to: - LTV ≤ to 80% - Minimum credit score of 720 - Minimum 12-months reserves - Escrow waiver subject to LLPA adjustment	
Income Requirements: Premier Jade – Standard Doc				
Income	- Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE - Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C			
Underwriting Requirements: Premier Jade – Standard Doc				
Credit Score	- Use credit score of the borrower with the highest qualifying income - Middle of 3 scores or lower of 2		Assets	Min of 30-days asset verification required; any large deposit must be sourced

Tradelines	- Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity - If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Reserves	$LTV \leq 85\%$: 6-months of (P)ITIA $LTV > 85\%$: 12-months of (P)ITIA - Loan Amount > \$1.5 M: 9-months of (P)ITIA - Escrow waived: 12-months of (P)ITIA - Cash out may be used to satisfy requirement
Document Age	90 days	DTI Requirements	Max 43%
Texas 50(a)(6)	- Primary Residence only 30 year, fully amortizing fixed only	Gift Funds	Min contribution: 5% primary

Premier Jade – Alt Doc

Primary Residence		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	80	80	80
	2,000,000	80	75	75
	2,500,000	75	70	70
700	1,000,000	80	75	75
	2,000,000	80	70	70
	2,500,000	70	65	65
680	1,000,000	80	75	75
	2,000,000	75	70	70
	2,500,000	70	N/A	N/A
Housing History	Housing Event Seasoning	Occupancy Restrictions Second Home	Occupancy Restrictions Investment	12 Mo Bank Statement Standard Doc
0x30x12	BK/FC/SS/DIL ≥ 48 months	Max LTV/CLTV • 75 – Purchase • 70 – Rate/Term & Cash-out Max Loan: \$2,000,000	Investment is ineligible	Price Adjustor applies
	Forbearance, Mod or Deferral > 12 months = 0x30x12 ≤ 12 months = ineligible			
State Eligibility			Declining Market	
State Overlays for CT, FL, IL, NJ Maximum LTV/CLTV: • Rate/term & Cash-out – 75%		Ineligible locations: AK, HI, IA, MA, MD, ND, NY, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands	If the appraisal report identifies the property as a declining market the maximum LTV/CLTV: • Rate/term & Cash-out – 75%	
General Requirements: Premier Jade – Alt Doc				
Product Type	• Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM			
Interest Only	• Min: Credit Score: 700 • 30-year total loan term, qualification based upon 20-year amortizing payment			
Loan Amounts	• Min: 150,000			

	o 3rd party prepared Profit & Loss Statement (CPA, EA, CTEC, or tax preparer)		
Income Types Not Eligible	• Profit & Loss Statement	• Written VOE	• IRS Form 1099
Underwriting Requirements: Premier Jade – Alt Doc			
Credit Score	• Use credit score of the borrower with the highest qualifying income • Middle of 3 scores or lower of 2	Assets	• Min of 30-days asset verification required; any large deposit must be sourced
Tradelines	• Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Reserves	• LTV ≤ 85%: 6-months of (P)ITIA • LTV > 85%: 12-months of (P)ITIA • Loan Amount > \$1.5 M: 9-months of (P)ITIA • Escrow waived: 12-months of (P)ITIA • Cash out may be used to satisfy requirement
Document Age	• 90 days	DTI Requirements	• Max 43%
Texas 50(a)(6)	• Primary Residence only • 30 year, fully amortizing fixed only	Gift Funds	• Min contribution: 5% primary

Prime Jade – Standard and Alt Doc

Primary Residence		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	80	80
	2,500,000	80	75	75
	3,000,000	75	70	70
	3,500,000	70	65	N/A
	4,000,000	70	65	N/A
700	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	75	70
	2,500,000	75	70	65
	3,000,000	75	70	65
	3,500,000	70	65	N/A
680	1,000,000	90	85	75
	1,500,000	85	80	75
	2,000,000	80	75	70
	2,500,000	75	70	65
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000	80	75	75
	2,000,000	75	70	65
	2,500,000	70	65	65
Housing History	Housing Event Seasoning	Occupancy Restrictions Second Home	Occupancy Restrictions Investment	WVOE/P&L
1x30x12	BK/FC/SS/DIL ≥ 48 months	Second Home is ineligible	Investment is ineligible	Max LTV/CLTV 80 – Purchase 75 – Rate/Term 70 – Cash Out Minimum Credit Score: 700 Max Loan Amount: \$2,000,000
	Forbearance, Mod or Deferral > 12 months = 0x30x12 ≤ 12 months = ineligible			
State Eligibility			Declining Market	
State Overlays for CT, FL, IL, NJ Maximum LTV/CLTV: - Purchase – 85% - Rate/term & Cash-out – 80% Maximum Loan amount: \$2,000,000		Ineligible locations: AK, HI, IA, MA, ND, NY, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands	If the appraisal report identifies the property as a declining market the maximum LTV/CLTV: - Purchase – 85% - Rate/term & Cash-out – 80% Maximum Loan amount: \$2,000,000	
General Requirements: Prime Jade				
Product Type	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	Min: Credit Score: 660 Max LTV: 90%			
Loan Amounts	Min: 150,000 Max: 4,000,000			
Loan Purpose	Purchase, Rate/Term, and Cash-Out			
Eligible Borrower	U.S. Citizens Permanent Resident Alien Non-Permanent Resident Alien: Max LTV/CLTV 80%			
Occupancy	Primary			
Property Type	Single Family: Attached, Detached 2-4 Units and Condominium: Max LTV/CLTV 80% Condo Hotel: Max LTV/CLTV 85%, Max Loan amount \$2,500,000 Rural: Not Eligible		State Condominium Requirements:	
			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 as evidence on the condo questionnaire. - Projects with an unacceptable or no inspection are ineligible. Florida: - A structural inspection is required for projects: 3 stories or greater; and	

		○ Over 30 years old (25 years if within 3 miles of coast) • Projects with an unacceptable or no inspection are ineligible
Acreage	• Property up to 20-acres eligible when, not meeting the rural definition. (unpaved road and 2 of 3 comps are >5 miles)	
Cash-In-Hand	• Max Cash-In-Hand: Unlimited	
Appraisals	• 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	• HPML loans require an escrow account for property taxes and hazard insurances. Escrow waivers are not allowed. • Flood insurance escrow is required for all loans secured by residential improved real estate located in a flood zone. Escrow waivers are not allowed. • See Operations Manual for state specific requirements	• Escrow waivers – Escrow account for property taxes and hazard insurance may be waived subject to: ○ LTV ≤ to 80% ○ Minimum credit score of 720 ○ Minimum 12-months reserves ○ Escrow waiver subject to LLPA adjustment
Income Requirements: Prime Jade		
Income	• Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C	
Personal Bank Statements	• 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and s to the personal account.	
Business Bank Statements	• 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ○ Fixed Expense Ratio (50%) ○ Expense ratio provided by a 3rd party (CPA, EA, CTEC, or tax preparer) min ratio of 10% ○ 3rd party prepared Profit & Loss Statement (CPA, EA, CTEC, or tax preparer)	
Profit & Loss Statement Only	• 12- or 24-months CPA/ EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only • CPA/ EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return	
Written Verification of Employment	• FNMA Form 1005 • Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements	
IRS Form 1099	• 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD Documentation to support continued receipt of income from same source	
Underwriting Requirements: Prime Jade		
Credit Score	• Use credit score of the borrower with the highest qualifying income • Middle of 3 scores or lower of 2	Assets • Min of 30-days asset verification required; any large deposit must be sourced
Tradelines	• Min: 2 reporting 24-months w/activity in last 12-months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived	Reserves • LTV ≤ 85%: 6-months of (P)ITIA • LTV > 85%: 12-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 be used to satisfy requirement
Document Age	• 90 days	DTI Requirements • Max: 50% ○ See FTHB guidelines for DTI restrictions • Primary Residence - Up to 55% allowed: ○ Min residual income of \$3,500 ○ Max LTV/CLTV ≤ 80% ○ Standard Doc 2-years ○ Minimum 12-months reserves ○ First time homebuyer not eligible
Texas 50(a)(6)	• Primary Residence only • 30 year, fully amortizing fixed only	Gift Funds • Min contribution: 5% primary

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 • ≤ 12 months = ineligible		≥ 36 Mo	No Reduction	
0x60x12	Max 70% LTV	Max 65% LTV			≥ 24 Mo	Max 75% LTV	Max 70% LTV
Investor Experience					Unleased Properties		
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: A borrower/guarantor that is purchasing an investment property for the first time, meaning they have not previously owned a property intended for rental income, resale, or other investment purposes. - First time investors eligible subject to the following restrictions: - Min credit score: 700 - If reported, no mortgage late payments during the past 36 Mo ≥ 36 Mo from any credit event - Single family residence only - DSCR > 1.00 - Own a primary residence for at least 1-year - Cash-out not eligible - First time homebuyer not eligible					- 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		

State Overlays for CT, FL, IL Maximum LTV/CLTV: • Purchase –75% • Rate/term & Cash-out –70% Maximum Loan amount: \$2,000,000 IL: 2-4 Units not eligible		Ineligible locations: AK, HI, IA, KS, MA, MI, MN, ND, NJ, NM, NY, OH, RI, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands City of Baltimore, MD Philadelphia County, PA		If the appraisal report identifies the property as a declining market the maximum LTV/CLTV: • Purchase – 80% • Rate/term & Cash-out – 75% Maximum Loan amount: \$2,000,000	
General Requirements: Investor Jade - DSCR					
Product Type	• 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	• Min: Credit Score: 680 • Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out				
Loan Amounts	• Min: 100,000 • Max: 3,500,000				
Loan Amt <150K	• Max LTV/CLTV: Purchase 70%, any Refinance 65%, (Min DSCR 1.25)				
Loan Purpose	• Purchase, Rate/Term, and Cash-Out • Non-Arm’s Length transactions are ineligible				
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien: Max LTV/CLTV 75%				
Occupancy	• Investment				
Property Type	• 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		<u>State Condominium Requirements:</u> 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 as evidence on the condo questionnaire. • Projects with an unacceptable or no inspection are ineligible. Florida: • A structural inspection is required for projects: o 3 stories or greater; and o Over 30 years old (25 years if within 3 miles of coast) • Projects with an unacceptable or no inspection are ineligible		
Acreage	• 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	• LTV ≥ 65% - \$500,000	• LTV < 65% - \$1,000,000	• Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)		
Builder Refinance	• Transaction involving builder refinances out of construction loans or unsold builder inventory are ineligible				
Appraisals	• 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	• Escrow waivers – Escrow account for property taxes and hazard insurance may be waived subject to: o LTV ≤ to 80% o Minimum credit score of 720 o Minimum 12-months reserves o Escrow waiver subject to LLPA adjustment • Flood insurance escrow may be waived for business purpose loans • See Operations Manual for state specific requirements				
Income Requirements: Investor Jade - DSCR					

Long-Term Rental	Long-Term Rental Documentation and DSCR Calculation • Purchase Transactions: ○ 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: ○ Required documentation: ▪ 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: ▪ 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: ▪ 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: ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix • DSCR Calculation: ○ 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	Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. • Short-Term Rental Income – Purchase and Refinance Transactions: ○ 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: ▪ 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 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. ▪ (Gross Rents * .80) divided by (P)ITIA = DSCR. • Any of the following methods may be used to determine gross monthly rental income: ○ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term ○ Alternative Short-Term Rent Analysis form developed by an AMC ○ The most recent 12-month rental history statement from the 3rd party rental/management service. ▪ 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: ▪ Rentalizer (Property Earning Potential) ▪ 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 a. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market)

	▪ 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 a. Both the Market and Sub-Market score must be at the zip code level		
Underwriting Requirements: Investor Jade - DSCR			
Credit Score	• Use highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2	Assets	• Min of 30-days asset verification required; any large deposit must be sourced
Tradelines	• 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	• 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	• Allowed after min 10% borrower contribution	Document Age	• 90 days
Prepayment Penalty – Investment Property Only	• Non-PPP states or loans without a PPP are not eligible. • Acceptable Structures include the following: ○ 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%) ○ Standard PPP - 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 ○ Penalty structure must be Standard only in MT ○ Penalties not allowed on loans vested to individuals in IL ○ Penalties prohibited on loans for 1-2 units with loan amount ≤ \$329,411 in PA ○ Only declining prepayment penalty structures allowed in MS		

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.	State Overlays for CT, FL - Purchase Transactions: - Max LTV/CLTV 70%, min credit score 720 - Refinance Transactions: - Max LTV/CLTV 65%, min credit score 720 Ineligible locations: AK, HI, IA, KS, IL, MA, MI, MN, MT, ND, NJ, NM, NY, OH, RI, SD, WV, WY, Puerto Rico, Guam & the US Virgin Islands City of Baltimore, MD Philadelphia County, PA		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	• Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM. Maximum loan term cannot exceed 30-years			
Interest Only	• Eligible			
Loan Amounts	• Min: 400,000 • Max: 2,000,000			
Loan Purpose	• Purchase, Rate/Term, and Cash-Out • Non-Arm’s Length transactions are ineligible			
Cash-In-Hand	• Max cash-in-hand \$1,000,000			
Builder Refinance	• Transaction involving builder refinances out of construction loans or unsold builder inventory are ineligible			
Occupancy	• Investment			
Property Type	• Residential 5 – 8 Units • Mixed use 2 – 8 Units - Commercial usage limited to Retail/Office/Restaurant 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	• Property up to 2-acres eligible when not meeting the rural definition. (unpaved road and 2 of 3 comps are >5 miles)			
Appraisals	• A full interior inspection with photos is required for all units. • Transferred appraisals not allowed. • 5-8 Residential - FHLMC 71A, or FNMA 1050, or - Narrative report can be utilized but not required. • 2-8 Mixed Use - General Purpose Commercial Forms, or - Narrative report • The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports: - 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 sales and income BPO required for all loans. - In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO.			

Property Condition	- 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	Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable.		
Escrows	Escrow waivers – Escrow account for property taxes and hazard insurance may be waived subject to: - LTV $\leq$ 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 - See Operations Manual for state specific requirements		
Income Requirements: Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)			
Income	- 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		
DSCR	- Minimum DSCR $\geq$ 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 $\geq$ 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		
Underwriting Requirements: Investor Jade – DSCR (5-8 Units or 2-8 Mixed Use)			
Credit Score	- Use highest decision score amongst all borrowers/guarantors - Middle of 3 scores or lower of 2	Assets	Min of 30-days asset verification required
Tradelines	- 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).	Reserves	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
Gift Funds	Not eligible	Document Age	90 days
Prepayment Penalty – Investment Property Only	- Non-PPP states or loans without a PPP are not eligible. - Acceptable Structures include the following: - 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 - Penalties allowed for properties with more than two units in OH - Penalties prohibited on loans for 1-2 units with loan amount $\leq$ \$329,411 in PA - Only declining prepayment penalty structures allowed in MS		

Investor Jade FN – Investment Property Only

DSCR (Investment Only)			Maximum LTV/CLTV		
DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
≥ 1.00	680	1,000,000	75	65	65
		1,500,000	70	60	60
	Foreign Credit No Score	1,000,000	75	65	65
		1,500,000	70	60	60
		< 1.00	680	1,000,000	65
1,500,000	65			N/A	N/A
Foreign Credit No Score	1,000,000		65	60	60
	1,500,000		65	N/A	N/A
	Housing History		Credit Event Seasoning		First Time Investor
0x30x12, if documented		BK/FC/SS/DIL/MOD: ≥ 36 Mo		Allowed	Refinance: LTV reduction not required
State Restrictions			Declining Market		
IL: 2-4 Units not eligible Ineligible locations: AK, HI, IA, KS, MA, MI, ND, NJ, NM, NY, OH, RI, SD, WV, WY, Puerto Rico, Guam, the US Virgin Islands, and the City of Baltimore, MD, Philadelphia County, PA State Overlays: CT, FL, IL: Max LTV/CLTV limited to 70% for refinances only, max loan amount limited to \$2M for all transactions			If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 70% for refinances and max loan amount \$2M for all transactions		
General Requirements: Investor Jade FN – Investment Property Only					
Product Type	• 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	• Eligible				
Loan Amounts	• Min: 150,000 • Max: 1,500,000				
Loan Purpose	• Purchase, Rate/Term, and Cash-Out • Non-Arm’s Length transactions are ineligible				
Occupancy	• Investment for all eligible foreign citizens				
Eligibility Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible • Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association: ○ Conveyances to Foreign Entities – By Individual Buyer ○ Conveyances to Foreign Entities – By Entity Buyer				
Property Type	• Single Family: Attached, Detached • 2-4 Units and Condominium: Max LTV/CLTV ○ Purchase 70%, Refinance 65% • Condo Hotel: Max LTV/CLTV ○ Purchase 70%, Refinance 65% • Rural: Not Eligible		<u>State Condominium Requirements:</u> 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 as evidence on the condo questionnaire. • Projects with an unacceptable or no inspection are ineligible. Florida: • A structural inspection is required for projects: ○ 3 stories or greater; and ○ Over 30 years old (25 years if within 3 miles of coast) ▪ Projects with an unacceptable or no inspection are ineligible		
Acreage	• DSCR maximum 2-acres.				
Cash-In-Hand	• Max cash-in-hand \$1,000,000				
Builder Refinance	• Transaction involving builder refinances out of construction loans or unsold builder inventory are ineligible				
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. • Appraisal review product required unless 2 nd appraisal is obtained				
Escrows	• Escrow account for hazard insurance, flood insurance (if applicable) and taxes are required • See Operations Manual for state specific requirements				
Income Requirements: Investor Jade FN – Investment Property Only					
Long-Term	Long-Term Rental Documentation and DSCR Calculation • Purchase Transactions: ○ 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: ○ Required documentation: ▪ 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. ○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows: ▪ 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 is allowed, LTV reduction not required. • DSCR Calculation: ○ 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	Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. • Short-Term Rental Income – Purchase and Refinance Transactions: ○ LTV is lesser of 70% for a purchase and 65% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects). ○ DSCR Calculation: ▪ 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 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. ▪ (Gross Rents * .80) divided by PITIA = DSCR • Any of the following methods may be used to determine gross monthly rental income: ○ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term ○ Alternative Short-Term Rent Analysis form developed by an AMC ○ The most recent 12-month rental history statement from the 3rd party rental/management service. ▪ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying rental 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: ▪ Rentalizer (Property Earning Potential) - 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 a. Must be similar in size, room count, amenities, availability, and occupancy ▪ Overview Report (Evaluate a Market) - 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. a. Both the market and Sub-Market score must be at the zip code level		
Underwriting Requirements: Investor Jade FN – Investment Property Only			
Credit Score	• If score available, use the highest decision score amongst all borrowers/guarantors • Middle of 3 scores or lower of 2, if available	Assets	• Min of 30-days asset verification required
Tradelines	• Tradelines not required, if borrower has U.S. credit score	Reserves	• 6-months of (P)ITIA • Cash out may be used to satisfy requirement
Gift Funds	• Not allowed	Document Age	• 90 days

Prepayment Penalty – Investment Property Only	• Non-PPP states or loans without a PPP are not eligible • Prepayment periods up to 5-Years eligible, see rate sheet ○ Penalty structure must be Standard only in MT (Standard PPP - Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.) • Penalties not allowed on loans vested to individuals in IL • Penalties prohibited on loans for 1-2 units with loan amount $\leq$ \$329,411 in PA • Only declining prepayment penalty structures allowed in MS
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