

Foreign National – 2nd Home and Investment Only

Maximum LTV/CLTVs		2 Home 2 Year Standard Doc/Asset Utilization (Investment properties reduce LTV by 5%)			
Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi	
700+ Foreign Credit	<=1,500,000	75	70	65	
	1,500,001 - 2,500,000	70	70	65	
	<=1,000,000	70	70	65	
	1,000,001 - 1,500,000	70	70	65	
	1,500,001 - 2,000,000	65	65	60	
Housing History	Housing Event Seasoning	First Time Investor		Unleased Properties	
0x30x12	BK/FC/SS/DIL/Mod: > 48 Mo	Allowed		Not Allowed on Refinances	
Property Type Restrictions		State Restrictions			
Condo & 2-4 Units: Max LTV/CLTV: 70%		Foreign Nationals from China are ineligible in the State of Florida. Non-licensed States: HI			
Maximum LTV/CLTVs		DSCR (investment Only)			
DSCR	Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi
>=1.00	700+	<=2,000,000	70	70	65
		2,00,001-2,000,000	65	65	60
	Foreign Credit	<=2,000,000	70	70	65
		2,00,001-2,000,000	65	65	60
Housing History	Housing Event Seasoning	First Time Investor		Unleased Properties	
0x30x12	BK/FC/SS/DIL/Mod: > 36 Mo	Allowed		Not Allowed on Refinances	
State Restrictions					
LTVs must be reduced by 5% for loans in the following state: MS Foreign Nationals from China are ineligible in the State of Florida With the exception of Short Term Rentals are ineligible w/o documented evidence of active permit compliance. 2nd Homes not permitted in the following counties in IL: Cook, Kane, Peoria, Will; does not apply to Correspondents. Non-licensed States: HI					
General Requirements					
Product Type	<ul style="list-style-type: none"> 30-Yr Fixed, 15-Yr Fixed, 30-Yr Interest Only When ARMs are reinstated, ARMs are not available in MS 				
Interest Only	<ul style="list-style-type: none"> 30-Yr Interest Only Available 				
Loan Amounts	<ul style="list-style-type: none"> Min: 150,000 (no exceptions) Max: 2,000,000 				
Occupancy	<ul style="list-style-type: none"> Full Doc – 2nd Home and Investment Property (Business Purpose) DSCR – Investment (Business Purpose) 				
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash Out 				
Cash-Out	<ul style="list-style-type: none"> \$750,000 if LTV > 50% Unlimited for LTV <= 50% 				
Property Type	<ul style="list-style-type: none"> Single Family, Attached, 2-4 Units, Warrantable and Non-Warrantable Condo Condo & 2-4 Units: Max LTV/CLTV - Purchase & R/T 70% Cash-out 65% 				
Appraisals	<ul style="list-style-type: none"> FNMA Form 1004, 1025, 1073 with interior/exterior inspection 				
Declining Markets	<ul style="list-style-type: none"> Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV. 				
Rural Property (Vacation Areas Only)	<ul style="list-style-type: none"> Not allowed as defined in the Guidelines. Property up to 2-acres, <u>not meeting the rural definition</u>, eligible with the following restrictions: If property is accessible by a gravel road and comparables distances are > 1 mile away, the property could be considered rural even if it is marked suburban, and then Max LTV is the lesser of 65% LTV or the applicable Matrix LTV. 				
ACH Form	<ul style="list-style-type: none"> Automatic Payment Authorization (ACH) Form is required for set-up along with a copy of a cancelled check. 				

Income Requirements			
Income – Standard Doc	<p>Salary/Wage</p> <ul style="list-style-type: none"> • Paystubs covering a minimum of 30-days (which include YTD income) and ONE of the following: <ul style="list-style-type: none"> • W-2 equivalent; OR • Two (2) years tax returns from borrower country of origin; OR <ul style="list-style-type: none"> ◦ A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2-years. Letter from employer must be on company letterhead, including address and company web address, Employer to be independently verified (LexisNexis, D&B, Google, other). All docs must be translated by an independent certified translator. <p>Self-Employed</p> <ul style="list-style-type: none"> • Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower’s CPA or local equivalent (the “Accountant”) on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided; and • A copy of the Accountant’s current license is required. The Business & Accountant must be independently verified; and • All documents must be translated by an independent certified translator. 		
	Asset Utilization	<ul style="list-style-type: none"> • Eligible assets must be sourced and seasoned for a minimum of four (4) months. • Qualified assets and reserves may be deposited in a financial institution outside the U.S. subject to State/LTV restrictions. • Eligible assets must be divided by 60 to determine a monthly income stream. 	
Income – DSCR	<ul style="list-style-type: none"> • Use lower of Estimated market rent from 1007/1025 or lease agreement. • Two months proof of receipt of existing lease amount required when using higher amount from lease to qualify. • All refinance transactions require the property to be leased. Vacant property not eligible unless history of Air BNB • Short Term Rental Income is permitted with use of a 12-month look back period to determine average monthly rents. Annual or monthly statements from AirBNB or similar service required. • Any loan qualified with the use of short-term rental income must comply with any municipality regulations and/or restrictions. Evidence of compliance is to be provided in the loan file. • Max LTV is the lesser of 70% LTV or applicable Matrix LTV, whether the 1007/1025 or AirDNA is used to qualify. • AirDNA may be used for DSCR (1-4 Units) Purchase, and Refinance transactions of recently renovated properties. ALL the following apply: <ul style="list-style-type: none"> • Subject Property must be located in a vacation, entertainment, tourism destination market. • Minimum DSCR >= 1.15. • Form 1007 Single Family Comparable Rent Schedule/Form 1025 Small Residential Income Property Appraisal Report prepared by the appraiser reflecting long-term or short-term market rents. • AirDNA Reporting must be used as follows: <ul style="list-style-type: none"> -AirDNA “Property Earning Potential” (Rentalizer Report) must meet the following requirements: <ul style="list-style-type: none"> • Rentalizer: <ul style="list-style-type: none"> • Forecast period must cover 12 months from Note date. • Occupancy rate must be >= 50%. • Income calculation (AirDNA gross revenue ÷ 12) • Must have five (5) comparison properties. • For 2-4 Units, a report must be pulled on each individual unit in AirDNA, and the sum of all combined units’ rental income will be used to determine the DSCR ratio. Refer to Matrix LTV Restrictions. • Must be similar in size, room count, amenities, availability, and occupancy. • Short term rentals are ineligible w/o documented evidence of compliance with local jurisdiction permit requirements in the loan file prior to closing. 		
Underwriting Requirements			
Documentation Requirements	<p>Provide borrower’s valid and unexpired passport and documentation the borrower is legally present:</p> <ul style="list-style-type: none"> • Copy of borrower’s unexpired visa OR an I-797 with valid extension dates and I-94 • Borrowers from countries participating in the visa waiver program are not required to provide a visa. • Citizens of Canada traveling to the US do not require nonimmigrant visa. 		
Credit Score	Middle of 3 scores or lower of 2, if available	DTI Requirements	Standard Max 50% (does not apply to DSCR)
Tradelines	Minimum: 2 open and reporting 24-months or 3 open and reporting 12-months even if 3 credit scores are available. See Guide for requirements.	Reserves	<ul style="list-style-type: none"> • 12-months of PITIA • 6-months with 5% LTV reduction • Cash out may be used to satisfy requirement
Assets	<ul style="list-style-type: none"> • 30-days asset verification required for US Based Accounts; 60-days for Foreign Assets • Deposits > 50% of gross income must be documented on purchases 	FN - Residual Income 2nd Homes only	<ul style="list-style-type: none"> • Defined as Gross Monthly Income - Total Monthly Obligations • Requirement based on # in household • FN: applies to HPML loans or when the DTI > 43% on 2nd homes only: <ul style="list-style-type: none"> • 1 person = \$1,500 • 2 persons = \$2,500
Gift Funds	See MLB Guidelines for Restrictions		
Document Age	• 60-days		

Escrow Impounds	<ul style="list-style-type: none">• Escrow of taxes and insurance are required with ACH payments for all Foreign National Loans.	<ul style="list-style-type: none">• Add \$150 per additional household member.
Prepayment Penalty	<ul style="list-style-type: none">• Required on NOO when permitted.• See PPP Requirements Matrix	