

<b>DSCR &gt; 1.0</b>			
<b>Min Credit Score</b>	<b>Max Loan amount</b>	<b>Max LTV/CLTV Purchase/Rate - term</b>	<b>MAC LTV/CLTV Cash-out Refi</b>
700	\$2,000,000.00	80	75
680	\$2,000,000.00	75	70
660	\$2,000,000.00	70	65
<b>DSCR &gt;.75 and &lt;1.00*</b>			
<b>*Minimum DSCR is .75</b>			
<b>Min Credit Score</b>	<b>Max Loan amount</b>	<b>Max LTV/CLTV Purchase/Rate - term</b>	<b>MAC LTV/CLTV Cash-out Refi</b>
700	\$2,000,000.00	75	75
680	\$2,000,000.00	65	60
<b>Mortgage/Rental History</b>			
<ul style="list-style-type: none"> <li>• Payment history must reflect 0X30X12 on primary residence , subject (if a refinance) and all additional financed properties. mortgage history.</li> <li>• Review of the housing history for the other financed properties is limited to the credit report. all mortgages reporting on credit must be 0X30X12 and paid current through the month of closing.</li> </ul>			
<b>Primary housing history</b>			
<ul style="list-style-type: none"> <li>• Housing History: Rent Free allowed - rent free letter from owner of the property the borrower is residing rent free required. If borrower resides with spouse and property owned free and clear by spouse, evidence of the same required.</li> <li>• A mortgage payment from an institutional lender, rental verification from a professional management company OR 12 months cancelled checks or statements with lease required.</li> <li>• Original Application: Must include the borrower's current primary housing and expenses. If the borrower owns their current primary, the property must be included in the sched of REO. If a refinance transaction, the only other property to be reflected on the sched of REO is the subject property. No employment or income should be reflected.</li> </ul>			
<b>Investor Experience</b>			
<ul style="list-style-type: none"> <li>• Borrower must have 12 months ownership and management of income producing residential or commercial real estate within the past 24 months.</li> </ul>			

## Geographic Restrictions

### MLB will Not lend on properties in the following:

**DC:** Investment properties are indelible

**FL:** Non-Permeant Resident Aliens from the Peoples Republic of China are Ineligible

**IL:** Cook County (all loans ineligible)

**IN:** Indianapolis: Investment properties are Ineligible

**MD:** Baltimore City, All properties are Indelible

**NJ:** Patterson: Investment properties are Ineligible

**NY:** Brooklyn: Investment Properties are ineligible

Orange County: All occupancies are ineligible

No 5/6 ARMs on properties below FNMA loan limits

Short Term Rentals(STR) are ineligible in the five New York City Boroughs

**PA:** inelidgible in Philidelphia, No loans will be approved in 19121 or 19132

**TX:** Lubbock: Investment Properties are ineligible

Refinances are not permitted

**TN:** Memphis TN, No transfered appriasals accepted, Field review requiered on all appriasals

## General Requirements - Premium DSCR

<b>Product type</b>	<ul style="list-style-type: none"> <li>• 30 Year Fixed, 30 year I/O, 5yr/6m, 7yr/6m, 10yr/6m adjustable with 30 year amortization</li> </ul>
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>• 30-Year term including a 10-year initial I/O period followed by a 20-year fully amortized period Qualify using I/O; DSCR can be calculated using the ITIA (interest only, taxes,</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$150,000 Minimum - \$2,000,000 Maximum</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Residential Rental investment for business purpose only.</li> <li>• Rental to family or members or employees of the borrower's business is prohibited</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase, Rate/Term, Cash-out (delayed financing allowed)</li> </ul>
<b>Cash Out</b>	<ul style="list-style-type: none"> <li>• \$500k Max cash in hand when LTV &gt; 60%</li> <li>• Unlimited cash in hand when LTV &lt; 60% Cash-out proceeds must be cash in hand and cannot be used to payoff any other personal liabilities.</li> <li>• At least one borrower must be on title for at 6-months prior to the date of disbursement.</li> </ul>
<b>Property type</b>	<ul style="list-style-type: none"> <li>• 1-unit;</li> <li>• 2-4 unit residential use only (no mix use allowed);</li> <li>• Attached or Detached;</li> <li>• PUD</li> <li>• FNMA Warrantable Condominium only;</li> <li>• Single Family property with 1-ADU is allowed - please refer to MLB Premier Underwriting Guidelines for additional requirements for the ADU.</li> <li>• min 400 sq ft for all units in a 4 unit residential property.</li> </ul>

<p><b>Property restrictions</b></p>	<ul style="list-style-type: none"> <li>● No Rural zoning, Manufactured homes, log homes, hobby farms, commercial properties, unique properties.</li> <li>● Single family with one permissible ADU allowed. Must meet zoning requirements and appraisal must include at least two like properties with an ADU. Condominiums:</li> <li>● (Texas 50(a)(6): Not eligible if title reflects subject to 50(a)(6) requirements)</li> <li>● FNMA Warrantable Condo only: <ul style="list-style-type: none"> <li>○ FNMA CPM approval ;</li> <li>○ FNMA unexpired PERS approval;</li> <li>○ acceptable FNMA Limited or Full Review</li> </ul> </li> </ul>
<p><b>Appraisals</b></p>	<ul style="list-style-type: none"> <li>● 1 full interior/exterior appraisal; FNMA 1004, 1073 or 1025 required;</li> <li>● Appraiser market rents must be based on an annual market rents and reports on a FNMA 1007 or 1025;</li> <li>● Third Party Review required if the FNMA CU score is &gt; 2.5, Collateral Desktop Analysis (CDA) must be ordered from Clear Capital. 2-4 Units require a CDA report.</li> </ul>
<p><b>Declining Markets</b></p>	<ul style="list-style-type: none"> <li>● Reduce max LTV by 10%</li> </ul>
<p><b>Borrower Eligibility</b></p>	<ul style="list-style-type: none"> <li>● U.S. Citizens and Permanent Resident Aliens only.</li> <li>● FTHB are not eligible.</li> <li>● Involves (Living) Revocable Trust.</li> <li>● Use of a POA is restricted to a limited POA specific to the transaction and additional restrictions will apply.</li> <li>● Title vesting in U.S. based entity allowed (single entity vesting only) and personal guarantor(s) must hold a minimum of 51% ownership in the entity.</li> </ul>
<p><b>Flip property</b></p>	<ul style="list-style-type: none"> <li>● If Seller acquired within 90-days of date of the purchase contract, the value is determined to be the lesser of purchase price at the time the Seller acquired the property, the current purchase price or the current appraised value.</li> </ul>
<p><b>Non-Arms Length</b></p>	<ul style="list-style-type: none"> <li>● Non-Arm's Length Transactions: All parties to a transaction should be independent of one another. If a direct relationship between the parties exist, the transaction is a non-arm's length transaction. Please refer to the MLB Premier Underwriting Guidelines for eligible non-arm's length transactions.</li> </ul>

Income	
<b>Long Term Rental</b>	<ul style="list-style-type: none"> <li>For a refinance transaction, gross monthly rent is the lower of the actual monthly rent on the lease agreement OR the monthly market rent (Form 1007 or Form 1025) from the subject property appraisal. If the lease agreement reflects higher monthly rent than the appraisal, the lease amount may be used for monthly gross income with two months proof of receipt.</li> <li>For purchase transactions without an existing lease, the market rent from the appraisal will be used.</li> </ul>
<b>Short Term Rental</b>	<ul style="list-style-type: none"> <li>Not allowed on purchase transactions.</li> <li>For refinances, minimum 12 months rental history required and the monthly gross rental income for the most recent 12 months based on statements from an online service (i.e. Airbnb, VRBO. Use of borrower personal statements are not acceptable. Must be from an online service.)</li> </ul>
<b>DSCR Calculation</b>	<ul style="list-style-type: none"> <li>DSCR is Monthly Gross Income divided by the PITIA of the subject property or ITIA for Interest only terms</li> </ul>
Assets	
<b>Asset documentation</b>	<ul style="list-style-type: none"> <li>2 Months asset statements</li> <li>Deposits exceeding 5% of the loan amount must be sourced</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>No gift funds or gift of equity may be used as any part of the transaction</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Loan amount <math>\leq</math> \$1,000,000 - 3 Months Required</li> <li>Loan amount <math>&gt;</math> \$1,000,000 - 6 Months Required</li> </ul>
Credit	
<b>Credit score</b>	<ul style="list-style-type: none"> <li>All borrowers must have 3 credit scores <ul style="list-style-type: none"> <li>Min 2 tradelines with 1 must be open for 24 months and active within the past 6 months AND 1 must be rated for 12 months and maybe open or closed.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Lowest middle of all borrowers will be used</li> <li>No borrower in the transaction may have frozen credit.</li> <li>A credit rescore is only allowed for correcting erroneous line items or disputed accounts</li> </ul>
<b>VOM/VOR Lates</b>	<ul style="list-style-type: none"> <li>0X30X12 on primary housing (VOM/VOR).</li> <li>If primary mortgage is not reported on credit, VOM remains required.</li> <li>All mortgages reported on credit will be reviewed to meet requirement.</li> </ul>

Miscellaneous	
<b>Pre-Payment Penalty</b>	<ul style="list-style-type: none"> <li>• 6 months interest, fixed 5%, Declining Terms of 1-5 years</li> </ul>
	<ul style="list-style-type: none"> <li>• Please see the PPP Matrix for state restrictions</li> </ul>
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>• Max of 3%</li> <li>• IPC's above 3% will be deducted from the sales price to determine LTV?</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>• Full replacement cost insurance with 6 month rent loss coverage required. Max deductible is the lesser of 5% or \$10,000.</li> </ul>
<b>LLC Vesting</b>	<ul style="list-style-type: none"> <li>• 51% of an LLC's ownership must be personal guarantors on the transaction.</li> <li>• Max 4 owners.</li> <li>• Nested LLC's are not acceptable</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>• TRID not applicable. Must meet all federal and state high cost requirements.</li> </ul>

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