

FICO	Max Loan Amount	Max LTV/CLTV Purchase	Max LTV/CLTV R/T Refinance	Max LTV/CLTV Cash-Out	Property Type
DSCR >=1.00					
740	\$ 1,000,000	85	80	75	Single Family, PUD, 2-4 Units, Warrantable & Non-Warrantable Condos
	\$ 1,500,000	85	75	70	
	\$ 2,000,000	75	75	60	
	\$ 2,500,000	70	70	60	
	\$ 3,000,000	70	70	60	
720	\$ 1,000,000	85	80	75	
	\$ 1,500,000	85	75	70	
	\$ 2,000,000	75	75	60	
	\$ 2,500,000	70	70	60	
	\$ 3,000,000	70	70	60	
700	\$ 1,000,000	80	80	75	
	\$ 1,500,000	75	75	75	
	\$ 2,000,000	70	70	60	
	\$ 2,500,000	70	70	60	
	\$ 3,000,000	70	70	60	
680	\$ 1,000,000	80	80	75	
	\$ 1,500,000	70	70	60	
	\$ 2,000,000	70	70	60	
660	\$ 1,000,000	75	75	70	
	\$ 1,500,000	65	65	55	
	\$ 2,000,000	60	60	50	
640	\$ 1,000,000	75	75	70	
DSCR <1.00 to >0.75					
740	\$ 1,000,000	75	75	70	Single Family, PUD, 2-4 Units, Warrantable & Non-Warrantable Condos
	\$ 1,500,000	75	75	70	
	\$ 2,000,000	75	75	60	
720	\$ 1,000,000	75	75	70	
	\$ 1,500,000	70	70	65	
	\$ 2,000,000	65	65	N/A	
700	\$ 1,000,000	75	75	70	
	\$ 1,500,000	70	70	65	
	\$ 2,000,000	65	65	N/A	
680	\$ 1,000,000	65	65	60	
No Ratio					
740	\$ 1,000,000	75	75	65	Single Family, PUD, 2-4 Units, Warrantable & Non-Warrantable Condos
	\$ 1,500,000	70	70	60	
720	\$ 1,000,000	70	70	60	
	\$ 1,500,000	65	65	60	
700	\$ 1,000,000	65	65	60	
	\$ 1,500,000	65	65	60	

Housing History

- 0x30x12: No LTV reduction
- 1x30x12: 5% LTV reduction (1x30 ineligible on No Ratio)
- Past-due Balloons: Considered a delinquency (1x30), not a housing event, only if within 180 days of maturity

Housing Event Seasoning

All DSCR (except No Ratio):

- >=36 Months: No LTV reductions
- >=24 Months:
 - o Max 75% LTV Purchase
 - o Max 70% LTV Rate & Term Refinance & Cash Out
 - o Discharged Chapter 13, use filing date; minimum 1 year discharged
 - o Dismissed Chapter 13, use dismissal date

No Ratio:

- 3 years seasoning is required
- Chapter 13 must be discharged or dismissed 2+ years
- Multiple bankruptcies are ineligible.

Geographic Restrictions

DC: Investment properties are ineligible

FL: Non-Permanent Resident Aliens from the People's Republic of China are ineligible

IL: Cook County: All properties are ineligible

IN: Indianapolis: Investment properties are ineligible

MD: Baltimore City: All properties are ineligible

MS: ARM Products are ineligible

NJ: Patterson: Investment properties are ineligible

NY: No 5/6 ARMs on primary residence below FNMA loan limits;

Brooklyn: Investment Properties are ineligible;

NYC (all boroughs): Short Term Rentals(STR) are ineligible;

Orange County: All occupancies are ineligible

PA: ZIP Codes 19121 and 19132 are suspended at this time; Philadelphia: Investment properties are ineligible

TX: Lubbock: Investment Properties are ineligible, and refinances are ineligible

TN: Memphis TN: Transferred appraisals ineligible. Field reviews are required on all appraisals

General Requirements - DSCR CORE			
Loan Amount	Min: \$125,000		Max: \$3,000,000
Occupancy	<ul style="list-style-type: none"> Residential Rental investment for business purpose only The property cannot be occupied by the borrower(s), any LLC members, or their family members 		
Loan Purpose	Purchase, Rate/Term, and Cash Out		
2-1 Temporary Buydown	Purchase only Min. 680 FICO	Minimum DSCR ≥ 0.75 Borrower qualifies at actual rate (pre-buydown)	Seller Paid, Lender Paid or 3rd Party Paid (excluding Real Estate Agents, Brokerages, Borrower, or Relatives)
Cash-Out	<ul style="list-style-type: none"> $>60\%$ LTV = \$1,000,000 Max Cash-out, $\leq 60\%$ LTV = Unlimited Cash-Out, ≥ 0.75 unlimited cash-out permitted with 18 months reserves, exclusive of cash back 		
	<p>Note: Cash in hand limits do not apply to Delayed Financing Transactions</p> <ul style="list-style-type: none"> Cash-out refinances on properties acquired in the past 12 months require DSCR of 0.75 <ul style="list-style-type: none"> Condos in Florida: 75% LTV Max 		
General Requirements - DSCR CORE Cont.			

Property Type	Single Family, PUD, Attached, 2-4 Units, Warrantable Condo, and Non-Warrantable Condo Restrictions listed below	
	<p style="text-align: center;"><u>LTV Restrictions (non-condo)</u></p> <ul style="list-style-type: none"> • 1-4 Units: Purchase ONLY: Up to 85% LTV • 2 Units: Refinance: Up to 80% LTV <ul style="list-style-type: none"> • 3-4 Units: Refinance: <ul style="list-style-type: none"> • ≥ 1.00 DSCR = Max LTV 75%; or • < 1.00 DSCR = Max LTV 70% 	<p style="text-align: center;"><u>Condo LTV Restrictions:</u></p> <ul style="list-style-type: none"> • ≥ 720 Purchase/R&T: 80% LTV Max • < 720 Purchase/R&T: 75% LTV Max <ul style="list-style-type: none"> • ≥ 720 Cash Out: 75% LTV Max • < 720 Cash Out: 70% LTV Max
Acreage	<p style="text-align: center;">Max 2 acres;</p> <p style="text-align: center;">Acreage and land value must be typical and common for the subject's market area</p>	

<p>Appraisals</p>	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection • 2nd Appraisal required for all loan amounts >\$2m on loans with a DSCR >=0.75 • No Ratio: Loan amounts >\$1,500,000 require 2 appraisals • Appraisal Review Product to be ordered on all loans with an SSR >2.5 with the exception of those with a full second appraisal • C3 condition rating is generally required; Properties with a C4 rating must be sufficiently justified to determine marketability and acceptance
<p>Declining Markets</p>	<p>As identified by the Appraiser, Requires a 5% LTV reduction off the above matrix when >65% LTV</p>
<p>Vesting LLC or Corporation</p>	<p><u>Vesting in an LLC or Corporation are eligible</u> Title may be vested in an LLC or Corporation, provided the entity is in good standing in both its state of formation and the state where the property is located</p> <p>Any individual owning 25% or more of the business must apply for the mortgage, and the total ownership represented by applicants must be at least 51%</p> <p>Layered entity structures: Permitted only if they are limited to one level of ownership (e.g., individual -> holding company) and the ultimate beneficial ownership terminates in four or fewer natural persons acting as borrowers.</p>
<p style="text-align: center;">Income Requirements</p>	
<p>DSCR Calculation method</p>	<ul style="list-style-type: none"> • DSCR is Monthly Gross Income divided by the PITIA of the subject property (or ITIA for Interest/Only terms) • DSCR Calculator also available on https://www.mlbwholesale.com/non-qm
<p>Income - General</p>	<p>General Requirements:</p> <ul style="list-style-type: none"> • Refinance transactions require the property to be leased; vacant properties are ineligible unless they are short-term rentals or qualify under delayed financing rules or properties recently renovated and listed for rent • The property cannot be occupied by the borrower(s), any LLC members, or their family members

<p>Income - Short Term Rentals</p>	<p>Short Term Rentals (STRs):</p> <ul style="list-style-type: none"> • Defined as properties leased on a nightly, weekly, monthly, or seasonal basis • Evidence from a third-party vendor is required to validate that the local jurisdiction allows the subject property to operate as a short-term rental • Minimum DSCR ≥ 1.15 unless otherwise noted • No Ratio = Ineligible • Max LTV: Lesser of 75% or the LTV/CLTV available per the matrix <p><u>Short Term Gross Rental Income:</u> One of the following options depending upon the transaction:</p> <ul style="list-style-type: none"> • 1007/1025, or • Alternative Short Term Rent Analysis form developed by an AMC, or • Lookback period of 12-month period to determine average rent history or annual or monthly statements, and minimum of 0.75 DSCR
<p>Income - Long Term Rentals</p>	<p>Minimum DSCR 0.75</p> <p>DSCR Calculation Methods: Use the lesser of the appraiser's estimated market rent (Form 1007/1025) or the actual lease rent. If the actual rent is higher, you may use that higher figure, provided there is two months' proof of receipt, up to 120% of the market rent</p>
<p>Underwriting Requirements - Investor DSCR</p>	
<p>Credit Score</p>	<ul style="list-style-type: none"> • Minimum 640 fico; including any additional borrowers/guarantors <p><u>The Representative Score is as follows:</u></p> <ul style="list-style-type: none"> • Use the middle score of three (3) credit scores, or the lower score if only there are only two (2) scores. <p><u>Individual Borrowers:</u> If there are multiple borrowers, use the highest representative score among them.</p> <p><u>Entity Vesting (LLC/Corp):</u></p> <ul style="list-style-type: none"> • Use the representative score of the guarantor/borrower with the highest ownership percentage. • If ownership is equal, use the highest representative score among them. • The member whose score is used must have at least 25% ownership.
<p>Investor Experience</p>	<p>No experience required; First Time Investors allowed 6 Month mortgage history required. 660+ FICO 1.5M max.</p>
<p>FTHB</p>	<p>Eligible with an established primary residence 75 LTV maximum 700 Fico Min 12 months reserves required (exceptions possible)</p>
<p>Tradelines - DSCR ≥ 0.75</p>	<ul style="list-style-type: none"> • All borrowers must have three (3) scores, OR • Two (2) open and reporting 24 months; OR • Three (3) open and reporting 12 months; OR • 24 months mortgage rating reporting on credit report

Underwriting Requirements - Investor DSCR	
Tradelines - No Ratio	<ul style="list-style-type: none"> • Each borrower must have a minimum of two trades within 24 months that show a 12-month history OR a combined credit profile between both borrowers with a minimum of three tradelines. • Tradeline activity is not required. • Eligible trades cannot have delinquency in the past 24 months. • Current housing not reporting on credit may count as a trade if cancelled checks/debits are provided
Reserves - DSCR>=0.75	Loan Amount >\$125K to \$1.0M = 6 months PITIA Loan Amount >1.0M to \$2.0M = 9 months PITIA Loan Amount > \$2.0M = 12 months PITIA
Reserves - No Ratio	<ul style="list-style-type: none"> • Loan Amount >=\$75K to \$500K — 6 months of PITIA • Loan Amount > \$500K to \$2.0M = 6 months of PITIA <ul style="list-style-type: none"> • Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution. • Cannot be used to meet reserve requirements
Assets	30 day asset verification required
Age of Documentation	Credit: 120 days Assets: 90 days
Prepayment Penalty	Required where not restricted Restrictions are listed in the PPP and Business Purpose guide
Interested Party Contributions	All transactions: 6% max
Insurance requirements	<ul style="list-style-type: none"> • In addition to property and title insurance for the subject property 6 months of rent loss, coverage for PITIA is also required
Escrow Waivers	Escrow waiver eligibility requirements: 0x30x12 Maximum 80% LTV