

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	\$ 125,000	75	75	70	Single Family, PUD, 2-4 Units, Warrantable & Non-Warrantable Condos
	\$ 1,000,000	85	85*	80*	
	\$ 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	\$ 125,000	75	75	70	
	\$ 1,000,000	85	85*	80*	
	\$ 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	\$ 125,000	75	75	70	
	\$ 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	\$ 125,000	75	75	70	
	\$ 1,000,000	80	80	75	
	\$ 1,500,000	70	70	60	
	\$ 2,000,000	70	70	60	
660	\$ 125,000	75	75	70	
	\$ 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	
*Loans at Max LTV with an * will requier a pre-closing QC review after all conditions are clear and are not elidgable for Non-Del Cor					
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: Philadelphia: Investment properties are ineligible TX: Lubbock: Investment Properties are ineligible TN: Memphis TN: Transferred appraisals ineligible. Field reviews are required on all appraisals					

General Requirements - DSCR CORE			
Loan Amount	Min: \$100,000		Max: \$3,000,000
Occupancy	- 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	- Minimum of 6 months seasoning from most recent transaction, with the exception of delayed financing. - Not permitted on unleased recently constructed/rehabbed properties or delayed financing transactions with scores under 720. - Condos in FL max LTV 75% - Max Cash in hand (does not apply to Delayed Financing Transactions): - LTV > 60% = \$1,000,000 or unlimited Cash Out Refinance permitted with 18 months reserves exclusive of cash back - LTV $\leq$ 60% = Unlimited		

General Requirements - DSCR CORE Cont.		
Property Type	Single Family, PUD, Attached, 2-4 Units, Warrantable Condo, and Non-Warrantable Condo Restrictions listed below	
	<u>LTV Restrictions (non-condo)</u> • 1-4 Units: Purchase ONLY: Up to 85% LTV • 2 Units: Refinance: Up to 80% LTV • 3-4 Units: Refinance: • ≥ 1.00 DSCR = Max LTV 75%; or • < 1.00 DSCR = Max LTV 70%	<u>Condo LTV Restrictions:</u> • ≥ 720 Purchase/R&T: 80% LTV Max • < 720 Purchase/R&T: 75% LTV Max • ≥ 720 Cash Out: 75% LTV Max • < 720 Cash Out: 70% LTV Max
	<u>Rural Properties (Vacation Areas Only)</u> Properties in a resort area will only be considered as follows: • Maximum of 65% LTV, and • Min DSCR ≥ 1.00 • Eligible resort areas include coastal, ski, and golf destinations, or areas with major recreation activities • If a property is accessed via a gravel road and comparable sales are over a mile away, it may be classified as rural regardless of its suburban designation. In such cases, the maximum LTV is the lower of 65% or the applicable matrix LTV • Properties must be accessible by roads that meet state/local minimum standards • Properties must be suitable for year-round occupancy regardless of location • Websites such as the below will be reviewed to analyze whether the property should be classified as rural and subject to rural guidelines: https://www.consumerfinance.gov/rural-or-underserved-tool/	
Acreage	Max 5 acres; Acreage and land value must be typical and common for the subject's market area Rural properties capped at 2 acres	

General Requirements - DSCR CORE Cont.	
Appraisals	• 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
Declining Markets	As identified by the Appraiser, Requires a 5% LTV reduction off the above matrix when >65% LTV
Vesting LLC or Corporation	<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 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% 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.
Income Requirements	
DSCR Calculation method	• 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
Income - General	General Requirements: • 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

Income Requirements Cont.	
Income - Short Term Rentals	Short Term Rentals (STRs): • 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 <u>Short Term Gross Rental Income:</u> One of the following options depending upon the transaction: • 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 1.15 DSCR When using the 1007/1025 or alternative Short Term Rent Analysis, the market rents must account for seasonality of the subject property's rents. DSCR Calculation Methods and Minimum DSCR: • Option 1: Lesser of 1007/1025 completed using either long-term or short-term market rents — Min DSCR 0.75 • When the 1007/1025 is prepared with the use of short-term rentals, the appraiser is required to address the seasonality of the subject property short term rental market in computing the market rent. If the appraiser fails to appropriately address for seasonality, then gross rents should be computed using the vacancy factor as determined by the AirDNA Property Earning Report. • Option 2: 12-month lookback period to determine avg rents or annual or monthly statements from Airbnb or similar service - Min DSCR 1.15

Income Requirements Cont.	
Income - Long Term Rentals	- Defined as any property leased for 30 days or more, including monthly or seasonal rentals. Monthly gross rents are calculated as follows: Purchases: Market Rents should be used for Qualifying Refinances: - If using the lesser of market rents or the lease, nothing further is required. - If using a higher lease amount, evidence of 2 months of receipt is required. The rents cannot be prepaid to meet the 2 month requirement. This option is not available for monthly or seasonal rentals. - Seasonal or monthly rentals are qualified based on a 12 month average of income from either the 1007/1025 or a 12 month look back from rents received. - For a vacant unit in a 2-4 unit property, 100% of market rents may be used for qualifying. Documentation: - FNMA 1007/1025 required, along with one (1) of the following if the transaction is a refinance (unless occupancy is not required based on Lease/Occupancy Requirements section above): - Executed lease with no less than 1 month remaining at time of closing for all units in the subject property. For month-to-month leases, provide evidence of continuance (see guide for options). - Evidence property is listed for rent for vacant units (see Lease and Occupancy Requirements for details).
Underwriting Requirements - Investor DSCR	
Credit Score	- Minimum 640 fico; including any additional borrowers/guarantors The Representative Score is as follows: - Use the middle score of three (3) credit scores, or the lower score if only there are only two (2) scores. <u>Individual Borrowers:</u> If there are multiple borrowers, use the highest representative score among them. <u>Entity Vesting (LLC/Corp):</u> - 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.
Investor Experience	No experience required; First Time Investors allowed 6 Month mortgage history required. 660+ FICO 1.5M max.
FTHB	Eligible with an established primary residence 75 LTV maximum 700 Fico Min 12 months reserves required DSCR > 1 *Brokerd Only
Tradelines - DSCR >=0.75	- 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	- 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 2-4 Units at 80% LTV require the greater of 6 months PITIA or reserves indicated above Cash-out may be used to satisfy reserve requirement
Reserves - No Ratio	- Loan Amount ≥ \$75K to \$500K — 6 months of PITIA - Loan Amount > \$500K to \$2.0M = 6 months of PITIA - Cash out may be used to satisfy requirement
Gift Funds	- Allowed after min 5% 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	- In addition to property and title insurance for the subject property 6 months of rent loss, coverage for PITIA is also required - Blanket policies covering the subject property are eligible - Rent loss insurance may be waived with three additional months of PITIA Reserves, This cannot be satisfied with cash out
Escrow Waivers	Escrow waiver eligibility requirements: 0x30x12 Maximum 80% LTV