

CONSTELLATION - DSCR

DSCR≥1.00 MATRIX						
INVESTMENT	Purchase & Rate/Term	1-4 Unit	\$1.0 MM	720	80%	
				680	75%	
			\$1.5 MM	720	80%	
			\$2.0 MM	740	70%	
	Cash-Out	1-4 Unit	\$1.0 MM	720	75%	
				700	70%	
				680	60%	
			\$1.5 MM	720	65%	

DSCR≥ 0.50 AND < 1.00 MATRIX						
			\$1.0 MM	720	75%	
INVESTMENT	Purchase & Rate/Term	1-4 Unit	\$1.5 MM	720	70%	
			\$2.0 MM	740	60%	

	DSCR PROGRAM DETAIL			
	Professional Investors may qualify with subject property cash flow only			
PROGRAM	• No DTI calculated			
HIGHLIGHTS	May take title in LLC			
	Does not require: Tax Returns or 4506-C			
	Appraisal with Schedule of Rent			
	Business purpose and occupancy affidavit signed by all borrowers			
DOCUMENTATION	Lease (refinance transactions only)			
REQUIREMENTS	Complete schedule of all real estate owned, indicating financed and free and clear properties			
	Mortgage/lien rating for each financed property			
	• Personal Guaranty Document required when the LLC appears on the Note, regardless of if the borrower is signing the Note			
	Investment Property only (business purpose only)			
	No proceeds may be used for personal or consumer purposes			
RESTRICTIONS	Tenants must be unrelated to borrower			
	Arm's Length transactions only			
	Cash-Out Refinance: MIN DSCR 1.0			
HOUSING HISTORY	0x30x12 for all mortgages and rental payments within the 12 months prior to closing			
FIRST-TIME HOME BUYER	First-Time Homebuyer not permitted			
RESTRICTIONS				
EXPERIENCED INVESTOR	• At least 1 bwr has 1 yr of owning/managing rental real estate in the last 3 yrs			
	First time Investor permitted MIN DSCR of 1.0			
FIRST TIME INVESTOR RESTRICTIONS				
FIRST-TIME INVESTOR RESTRICTIONS	• MAX LTV 80%			
	Short-Term Rental Income not permitted MIN DSCR 1.00			
SHORT-TERM RENTAL RESTRICTIONS	First-Time Investor, Rent-Free, Delayed Financing not permitted 5% LTV/CLTV reduction from allowable limit per matrix			
	'			
DSCR 0.50 - 0.99 RESTRICTIONS	Not permitted on ADUs Condotels, First-Time Investors, Gift Funds, Short-Term Rental Income, Cash-Out Refinances and properties in Declining Markets not permitted			
4506-C & TAX TRANSCRIPTS	Not required			
-500 C & IAA HANGCHII IS	TERMS & RESTRICTIONS			
AVAILABLE TERMS	Fixed 30 YR Interest-Only 30 YR, 40 YR			
INTEREST-ONLY	10 YR I/O Period Not permitted in age restricted communitites			
I/O LTV LIMITS	MAX LTV/CLTV 80%			
I/O QUALIFYING	Qualify at interest-only payment			
LOAN AMOUNT	MIN \$150K MAX \$2.0MM			
TEMPORARY BUYDOWN	Not permitted			
SUBORDINATE FINANCING	Resubordination of existing Subordinate Financing only Not permitted on Condotels Gift funds not permitted when Subordinate Financing present			
UNDERWRITING EXCEPTIONS	Not permitted			

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	UNDERWRITING SPECIFICATIONS
UNDERWRITING TYPE	Manual UW
	Loan Amount ≤ \$1.0MM: 6 months Loan Amount > \$1.0MM: 9 months
RESERVE REQUIREMENTS	Cash-out amount may be used to meet reserve requirement
·	Reserve Relief: No Reserves required for R/T Refis up to \$650K when Payment is Decreasing See program summary for additional details
	LTV ≤ 50%: \$1.000,000
CASH-OUT LIMITS	LTV > 50% and ≤ 60%: \$750,000
CASIT-001 EIWITS	LTV > 60%: \$500,000
	PROPERTY TYPES
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) PUD SFR 1 Unit with ADU 2-4 Unit Leasehold
	Assisted living projects, Bed and breakfast properties, Boarding house, Builder model leaseback (purchase transactions), Commercial utilized properties,
	Condo with deed restrictions, Co-ops, Indian/Tribal land, Industrial properties, Illegally zoned properties, Land trusts, Leasehold estate condo project,
INITI I CIDI E DO DEDENY TVDES	Manufactured Home, Mixed Use, Mobile home, Properties located adjacent to or containing environmental hazards, Properties encumbered with private
INELIGIBLE PROPERTY TYPES	transfer fee covenants, Properties located in a Coastal Barrier Resource System (CBRS), Properties not suitable for year-round occupancy, Properties with a
	C5 or C6 Condition rating, Properties > 10 acres, Properties with deed or resale restrictions (except for age restricted communities), Rural, Unique properties
	(e.g., log homes, berm homes, 3d printed homes, barndominium, Tiny Homes, Shouses, etc.)
ACCESSORY DIMELLING LINIT (ADLI)	MAX of 1 ADU unit per property 2-4 Unit properties with ADUs are not permitted Short-term rental income not permitted Appraisal must show ADU as
ACCESSORY DWELLING UNIT (ADU)	legal
RURAL	Not permitted
MAX ACREAGE	10 acres
HERO/PACE/SOLAR PANELS	Any energy efficient liens like HERO or PACE must be paid off, subordination not permitted Solar must meet guideline requirements
CONDO - WARRANTABLE	MAX LTV/CLTV 80% Must meet FNMA full review requirements Investor review required (allow 3 business days)
CONDO - NON-WARRANTABLE	MAX LTV/CLTV 80% Investor review required (allow 3 business days)
CONDOTEL	MAX LTV/CLTV 75% Condotels use matrix Cash-Out LTV/CLTV limits for all Loan Purposes Subordinate financing not permitted
2-4 UNIT	ADUs not permitted
	APPRAISAL REQUIREMENTS
LOAN AMOUNT (≤ \$1.5MM)	1 Full Appraisal and a secondary valuation (CDA) Re-use of appraisal from previous transaction not permitted
LOAN AMOUNT (> \$1.5MM)	2 Full Appraisals, use the lower value for qualifying Re-use of appraisal from previous transaction not permitted
SECONDARY VALUATION	Files without 2 full appraisals: Collateral Desktop Analysis (CDA)
COLLATERAL DESKTOP ANALYSIS	When CDA is required, it must support appraisal within 10% CDAs more than 10% below appraisal require two Full Appraisals CDA with "High Risk" score
(CDA REPORT) APPRAISAL COMPARABLES	may not be used and file must contain two Full Appraisals Minimum of 3 comps within 10 miles from most recent 12 months
DECLINING MARKETS	5% less than the MAX LTV/CLTV allowed per the product matrix MIN DSCR: 1.0
TRANSFERRED APPRAISAL	Not permitted
TRANSFERRED AFFRAISAE	UNDERWRITING
QUALIFYING FICO SCORE	Minimum of 2 scores is required 1 Borrower: Midscore Multiple Borrowers: Lowest of all mid scores
TRADELINES	Each borrower must have at least 3 open tradelines reporting for a minimum of 12 months, with at least 1 reporting for 24 months
DOCUMENT AGE	Credit, Income & Assets: 90 days Appraisal: 120 days
ASSET STATEMENTS	2 most recent months or most recent quarterly statement
ELIGIBLE BORROWERS	U.S. Citizen Permanent Resident Alien
INITI I CIDI E DODDOMEDO	Non Permanent Resident Alien Foreign National ITIN Irrevocable Trusts Borrowers with diplomatic immunity Borrowers with DACA or temporary
INELIGIBLE BORROWERS	protected status First-Time Homebuyers
BORROWER INCOME	Do not list borrower employment, income sources, or income amount on loan application
RESTRICTED STOCK INCOME (RSU)	Not permitted
CREDIT EVENTS	Minimum 48 months from discharge or dismissal date for all credit events 120 day mortgage late is considered a Foreclosure
< 12 MONTHS HOUSING HISTORY	Not permitted
OR RENT-FREE	<u> </u>
UNPAID COLLECTIONS/CHARGE-OFFS	Non-medical collection or charged-off accounts occurring in the most recent 24 months with a cumulative total exceeding \$2,000 must be paid off
INTERESTED PARTY	MAX 3%
CONTRIBUTIONS (IPC)	
GIFT FUNDS	Gift funds permitted Subordinate financing not permitted when gift funds used
BUSINESS ASSETS	Permitted See full guidelines for additional requirements/restrictions
LISTED FOR SALE	Rate/Term: Removed from market Prior to Note Date
	Cash-Out: Removed from market Prior to Note Date MAX LTV/CLTV 70% when listed within 6 months
CASH-OUT SEASONING	6 months seasoning required
RATE-TERM SEASONING	No seasoning requirement
PREPAYMENT PENALTY	Permitted See program summary for additional details
ESCROW HOLDBACK	Not permitted
NON-ARM'S LENGTH	Not Permitted N/A
TEXAS 50(a)(6) INELIGIBLE STATES	AK AR CT HI MO ND NM NY OK SD WY U.S. Possessions or Territories
TRUSTS	Inter Vivos Revocable Trusts permitted See full guidelines for additional requirements/restrictions
MORTGAGE INSURANCE	Not required
ESCROW ACCOUNTS	Required for the following: LTV > 80% Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

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