

DSCR ≥ 1 MATRIX

LOAN AMOUNT	MIN FICO	PRIMARY RESIDENCE			SECOND HOME			INVESTMENT		
		P	R/T	C/O	P	R/T	C/O	P	R/T	C/O
		LTV/CLTV								
≤ \$1.0 MM	740							80%	80%	75%
	720							80%	80%	75%
	700							80%	80%	75%
≤ \$1.5 MM	740							80%	80%	75%
	720							80%	80%	75%
	700							80%	80%	75%
≤ \$2.0 MM	740							75%	75%	65%
	720							75%	75%	65%
	700							75%	75%	65%
≤ \$2.5 MM	740							70%	70%	65%
	720							70%	70%	65%
	700							70%	70%	65%
≤ \$3.0 MM	740							70%	70%	65%
	720							70%	70%	65%
	700							70%	70%	65%

DSCR 0.80 - 0.99 MATRIX

LOAN AMOUNT	MIN FICO	PRIMARY RESIDENCE			SECOND HOME			INVESTMENT		
		P	R/T	C/O	P	R/T	C/O	P	R/T	C/O
		LTV/CLTV								
≤ \$1.0 MM	740							75%	75%	70%
	720							75%	75%	70%
≤ \$1.5 MM	740							75%	75%	70%
	720							75%	75%	70%

DSCR PROGRAM DETAIL

PROGRAM HIGHLIGHTS	- Professional Investors may qualify with subject property cash flow only - No DTI calculated - May take title in LLC or Corporation - Does not require: Tax Returns - Subordinate financing not permitted
DOCUMENTATION REQUIREMENTS	- Appraisal with Schedule of Rent - Business purpose and occupancy affidavit signed by all borrowers - Lease (refinance transactions only)
RESTRICTIONS	- Investment Property only (business purpose only) - No proceeds may be used for personal or consumer purposes - Tenants must be unrelated to borrower - Arm's Length transactions only
HOUSING HISTORY	12-month housing history (primary residence and subject) required evidencing 0x30x12
FIRST-TIME HOME BUYER RESTRICTIONS	First-Time Homebuyer not permitted
EXPERIENCED INVESTOR	- At least 1 bwr has 1 yr of owning/managing rental real estate in the last 3 yrs - Professional property manager experience also acceptable
FIRST-TIME INVESTOR RESTRICTIONS	- MIN DSCR of 1.0 - MAX LTV 75% 12 Months Reserves Required - Short-Term Rental Income not permitted
SHORT-TERM RENTAL RESTRICTIONS	- MIN DSCR 1.00 - First-Time Investor, Rent-Free, Delayed Financing not permitted 5% LTV/CLTV reduction from allowable limit per matrix
DSCR 0.80 - 0.99 RESTRICTIONS	Condotels, Interest-Only loans, First-Time Investors, Gift Funds, Short-Term Rental Income, Foreign Nationals are not permitted
4506-C	Not required

TERMS

AVAILABLE TERMS	30 YR Amortization: Fixed 30 Fixed 30 I/O 5/6 ARM 5/6 ARM I/O 7/6 ARM 7/6 ARM I/O 40 YR Amortization: Fixed 40 I/O
ARM QUALIFYING	Greater of the Note Rate or Fully Indexed (Margin + Index)
INTEREST-ONLY	10 YR I/O Period MIN 700 FICO MIN 1.0 DSCR
I/O LTV LIMITS	MAX LTV/CLTV 80%
I/O QUALIFYING	Qualify at interest-only payment
LOAN AMOUNT	MIN \$150K MAX \$3.0MM
SUBORDINATE FINANCING	Not permitted



PROPERTY TYPES	
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) Condotel Leaseholds Modular PUD SFR 1 Unit with ADU 2-4 Unit
INELIGIBLE PROPERTY TYPES	Agricultural/Farm Properties C5 or C6 condition Commercial/Industrial/Office Properties Co-ops Log Cabins Manufactured Homes Mixed Use Properties Unique Properties Vacant Lots
ACCESSORY DWELLING UNIT (ADU)	May use rental income from ADU to qualify MAX of 1 ADU unit per property 2-4 Unit properties with ADUs are not permitted
RURAL	Not permitted
MAX ACREAGE	10 acres Must not be Rural
CONDO-WARRANTABLE	No Restrictions Must meet Fannie Mae or Freddie Mac requirements
CONDO-NON-WARRANTABLE	MAX LTV/CLTV 80%
CONDOTEL	Purchase MAX LTV/CLTV 75% Rate/Term & Cash/Out MAX LTV/CLTV 65% MAX Loan Amount \$1.0MM
2-4 UNIT	MAX LTV/CLTV 80% ADUs not permitted
APPRAISAL REQUIREMENTS	
LOAN AMOUNT (≤ \$2MM)	1 Full Appraisal and a secondary valuation (CU Score, LCA Score, or CDA)
LOAN AMOUNT (\$2MM+)	2 Full Appraisals, use the lower value for qualifying
SECONDARY VALUATION	File must contain either a CU or LCA Score of 2.5 or less, or a Collateral Desktop Analysis (CDA) is required
COLLATERAL DESKTOP ANALYSIS (CDA REPORT)	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 may not be used and file must contain two Full Appraisals
DECLINING MARKETS	5% LTV/CLTV reduction from allowable limit per matrix for LTV > 65%
UNDERWRITING	
RESERVE REQUIREMENTS	Loan Amount < \$1MM = 3 months ≥ \$1MM to \$1.5MM = 6 months > \$1.5MM = 9 months Rate-Term Refi w/ LTV/CLTV ≤ 65% - No Reserves Required Cash-out amount may be used to meet reserve requirement
QUALIFYING FICO SCORE	Lowest midscore of all borrowers MIN 640 FICO required for all borrowers
CREDIT INQUIRIES	Only mortgage inquiries need to be addressed
CASH-OUT LIMITS	Maximum Cash-in-Hand: LTV/CLTV > 65% - \$1MM LTV/CLTV ≤ 65% - No limit Maximum Total Cash-Out (includes non-mortgage debts): No limit
TRADELINES	Borrowers with 3 FICO Scores - No Tradeline Requirement All others - 3 tradelines reporting for last 12 months or 2 tradelines reporting for 24 months, with activity in past 12 months
DOCUMENT AGE	MAX 120 days old at Closing (Income, Assets, Credit Report, Appraisal, Title)
ASSET STATEMENTS	U.S. Based: 1 Month Foreign Assets: 2 Months
FOREIGN ASSETS	All Foreign Assets including Downpayment, Closing Costs & Reserves must be held in U.S. based account for 30 days
ELIGIBLE BORROWERS	US Citizen Permanent Resident Alien Non Permanent Resident Alien
INELIGIBLE BORROWERS	Foreign National ITIN
BORROWER RESTRICTIONS	Non Permanent Resident - Purchase & Rate/Term Only, Max LTV/CLTV 80%
CREDIT EVENTS	BK 7 & 13 seasoning - 48 months discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late seasoning - 48 months
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	Bwrs who live rent-free with a non-bwr spouse are acceptable without restrictions. All other rent-free scenarios are not permitted.
UNPAID COLLECTIONS	Medical - No Limits Non-Medical from last 24 months - \$2K MAX (total of all accounts) Non-Medical older than 24 months - \$2.5K MAX per account
SELLER CONTRIBUTIONS	MAX 3%
GIFT FUNDS	Permitted for purchase transactions Borrower must contribute 10% of purchase price of own funds
GIFT OF EQUITY	Not permitted
LISTED FOR SALE	Removed from Market: Rate/Term: 1 month, Cash-Out: 6 months, Cash-Out under 6 months: refer to full guidelines
CASH-OUT SEASONING	6-12 months 70% MAX LTV/CLTV (N/A for: inherited/court award/delayed financing)
RATE-TERM SEASONING	None Required - Used Appraised Value
PREPAYMENT PENALTY	Available on Business Purpose Loans Lengths - 1 to 5 Years Structure - 6 months of interest
PREPAYMENT PENALTY RESTRICTIONS	Not allowed in: AK KS MD ME MN ND NM OH VT Certain Restrictions in: AR IA IL IN KY MI MO MS NJ OK PA RI TX WA
TEXAS	Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2) - Permitted Closing doc review by attorney required at CTC
INELIGIBLE STATES	ND U.S. Possessions or Territories
ENTITY VESTING	Business purpose loans may be vested in LLC, LP, GP, CORP or S CORP
ESCROW ACCOUNTS	Required for the following: LTV > 80% Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

