

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								
<b>≤ \$1.0 MM</b>	740							80%	80%	75%
	720							80%	80%	75%
	700							80%	80%	75%
<b>≤ \$1.5 MM</b>	740							80%	80%	75%
	720							80%	80%	75%
	700							80%	80%	75%
<b>≤ \$2.0 MM</b>	740							75%	75%	65%
	720							75%	75%	65%
	700							75%	75%	65%
<b>≤ \$2.5 MM</b>	740							70%	70%	65%
	720							70%	70%	65%
	700							70%	70%	65%
<b>≤ \$3.0 MM</b>	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								
<b>≤ \$1.0 MM</b>	740							75%	75%	70%
	720							75%	75%	70%
<b>≤ \$1.5 MM</b>	740							75%	75%	70%
	720							75%	75%	70%
DSCR PROGRAM DETAIL										
<b>PROGRAM HIGHLIGHTS</b>		<ul style="list-style-type: none"> <li>Professional Investors may qualify with subject property cash flow only</li> <li>No DTI calculated</li> <li>May take title in LLC or Corporation</li> <li>Does not require: Tax Returns</li> <li>Subordinate financing not permitted</li> </ul>								
<b>DOCUMENTATION REQUIREMENTS</b>		<ul style="list-style-type: none"> <li>Appraisal with Schedule of Rent</li> <li>Business purpose and occupancy affidavit signed by all borrowers</li> <li>Lease (refinance transactions only)</li> </ul>								
<b>RESTRICTIONS</b>		<ul style="list-style-type: none"> <li>Investment Property only (business purpose only)</li> <li>No proceeds may be used for personal or consumer purposes</li> <li>Tenants must be unrelated to borrower</li> <li>Arm's Length transactions only</li> </ul>								
<b>HOUSING HISTORY</b>		<ul style="list-style-type: none"> <li>12-month housing history (primary residence and subject) required evidencing 0x30x12</li> </ul>								
<b>FIRST-TIME HOME BUYER RESTRICTIONS</b>		<ul style="list-style-type: none"> <li>First-Time Homebuyer not permitted (FTHB defined as all borrowers have not owned real estate in past 3 years)</li> </ul>								
<b>EXPERIENCED INVESTOR</b>		<ul style="list-style-type: none"> <li>At least 1 borrower has 1 yr of owning/managing rental real estate in the last 3 yrs</li> <li>Professional property manager experience also acceptable</li> </ul>								
<b>FIRST-TIME INVESTOR RESTRICTIONS</b>		<ul style="list-style-type: none"> <li>MIN DSCR of 1.0</li> <li>MAX LTV 75%</li> <li>12 Months Reserves Required</li> <li>Short-Term Rental Income not permitted</li> </ul>								
<b>SHORT-TERM RENTAL RESTRICTIONS</b>		<ul style="list-style-type: none"> <li>MIN DSCR 1.00</li> <li>First-Time Investor, Rent-Free, Delayed Financing not permitted</li> <li>5% LTV/CLTV reduction from allowable limit per matrix</li> </ul>								
<b>DSCR 0.80 - 0.99 RESTRICTIONS</b>		<ul style="list-style-type: none"> <li>Condotels, Interest-Only loans, First-Time Investors, Gift Funds, Short-Term Rental Income, Foreign Nationals are not permitted</li> </ul>								
<b>4506-C</b>		<ul style="list-style-type: none"> <li>Not required</li> </ul>								
TERMS										
<b>AVAILABLE TERMS</b>		<ul style="list-style-type: none"> <li>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</li> <li>40 YR Amortization: Fixed 40 I/O</li> </ul>								
<b>ARM QUALIFYING</b>		<ul style="list-style-type: none"> <li>Greater of the Note Rate or Fully Indexed (Margin + Index)</li> </ul>								
<b>INTEREST-ONLY</b>		<ul style="list-style-type: none"> <li>10 YR I/O Period   MIN 700 FICO   MIN 1.0 DSCR</li> </ul>								
<b>I/O LTV LIMITS</b>		<ul style="list-style-type: none"> <li>MAX LTV/CLTV 80%</li> </ul>								
<b>I/O QUALIFYING</b>		<ul style="list-style-type: none"> <li>Qualify at interest-only payment</li> </ul>								
<b>LOAN AMOUNT</b>		<ul style="list-style-type: none"> <li>MIN \$150K   MAX \$3.0MM</li> </ul>								
<b>SUBORDINATE FINANCING</b>		<ul style="list-style-type: none"> <li>Not permitted</li> </ul>								



**PROPERTY TYPES**

<b>ELIGIBLE PROPERTY TYPES</b>	Condos (Warrantable & Non-Warrantable)   Condotel   Leaseholds   Modular   PUD   SFR   1 Unit with ADU   2-4 Unit
<b>INELIGIBLE PROPERTY TYPES</b>	2-4 Unit Properties with an ADU   Agricultural Properties   Assisted Living/Continuing Care Facilities   Barndominiums   Boarding Houses   Builder Model Leaseback   C5 or C6 Property Condition Grades   Community Land Trusts   Commercial Properties   Cooperatives (Co-ops)   Dorm-Style Housing   Farms   Fractional Ownerships   Geodesic Domes   Hawaii properties located in lava zones 1 and/or 2   Homes on Native American Land (Reservations)   Houseboats   Industrial Properties   Live-work Projects   Log Homes/Log Cabins   Manufactured Homes   Mixed Use Properties   Mobile Homes   Office Properties   Properties Subject to Rent Control   Properties Under Construction   Properties used for the cultivation, distribution, manufacture, or sale of Marijuana   Properties with evidence of Sinkhole Activity   Properties with more than 1 ADU   Properties with more than 4 units   Tenants in Common Properties   Theme Park Resort Properties   Timeshares   Unique Properties   Vacant Lots
<b>ACCESSORY DWELLING UNIT (ADU)</b>	May use rental income from ADU to qualify   MAX of 1 ADU unit per property   2-4 Unit properties with ADUs are not permitted
<b>RURAL</b>	Not permitted
<b>MAX ACREAGE</b>	10 acres   Must not be Rural
<b>CONDO-WARRANTABLE</b>	No Restrictions   Must meet Fannie Mae or Freddie Mac requirements
<b>CONDO-NON-WARRANTABLE</b>	MAX LTV/CLTV 80%
<b>CONDOTEL</b>	Purchase MAX LTV/CLTV 75%   Rate/Term & Cash/Out MAX LTV/CLTV 65%   MAX Loan Amount \$1.0MM
<b>2-4 UNIT</b>	MAX LTV/CLTV 80%   ADUs not permitted
<b>TEMPORARY GEOGRAPHIC RESTRICTIONS</b>	Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland are not permitted

**APPRAISAL REQUIREMENTS**

<b>LOAN AMOUNT (≤ \$2MM)</b>	1 Full Appraisal and a secondary valuation (CU Score, LCA Score, or CDA)
<b>LOAN AMOUNT (\$2MM+)</b>	2 Full Appraisals, use the lower value for qualifying
<b>SECONDARY VALUATION</b>	File must contain either a CU or LCA Score of 2.5 or less, or a Collateral Desktop Analysis (CDA) is required
<b>COLLATERAL DESKTOP ANALYSIS (CDA REPORT)</b>	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
<b>DECLINING MARKETS</b>	5% LTV/CLTV reduction from allowable limit per matrix for LTV > 65%

**UNDERWRITING**

<b>RESERVE REQUIREMENTS</b>	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
<b>QUALIFYING FICO SCORE</b>	Lowest midscore of all borrowers   MIN 640 FICO required for all borrowers
<b>CREDIT INQUIRIES</b>	Only mortgage inquiries need to be addressed
<b>CASH-OUT LIMITS</b>	Maximum Cash-in-Hand: LTV/CLTV > 65% - \$1MM   LTV/CLTV ≤ 65% - No limit Maximum Total Cash-Out (includes non-mortgage debts): No limit
<b>TRADELINES</b>	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
<b>DOCUMENT AGE</b>	MAX 120 days old at Closing (Income, Assets, Credit Report, Appraisal, Title)
<b>ASSET STATEMENTS</b>	U.S. Based: 1 Month   Foreign Assets: 2 Months
<b>FOREIGN ASSETS</b>	All Foreign Assets including Downpayment, Closing Costs & Reserves must be held in U.S. based account for 30 days
<b>ELIGIBLE BORROWERS</b>	US Citizen   Permanent Resident Alien   Non Permanent Resident Alien
<b>INELIGIBLE BORROWERS</b>	Foreign National   ITIN
<b>BORROWER RESTRICTIONS</b>	Non Permanent Resident - Purchase & Rate/Term Only, Max LTV/CLTV 80%
<b>CREDIT EVENTS</b>	BK 7 & 13 seasoning - 48 months discharge/dismissal date   SS, DIL, FC, Mod, 120+ housing late seasoning - 48 months
<b>&lt; 12 MONTHS HOUSING HISTORY OR RENT-FREE</b>	Borrowers who live rent-free with a non-borrower spouse are acceptable without restrictions. All other rent-free scenarios are not permitted.
<b>UNPAID COLLECTIONS</b>	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
<b>SELLER CONTRIBUTIONS</b>	MAX 3%
<b>GIFT FUNDS</b>	Permitted for purchase transactions   Borrower must contribute 10% of purchase price of own funds
<b>GIFT OF EQUITY</b>	Not permitted
<b>LISTED FOR SALE</b>	Removed from Market: Rate/Term: 1 month, Cash-Out: 6 months, Cash-Out under 6 months: refer to full guidelines
<b>CASH-OUT SEASONING</b>	6-12 months   70% MAX LTV/CLTV (N/A for: inherited/court award/delayed financing)
<b>RATE-TERM SEASONING</b>	None Required - Used Appraised Value
<b>PREPAYMENT PENALTY</b>	Available on Business Purpose Loans   Lengths - 1 to 5 Years   Structure - 6 months of interest
<b>PREPAYMENT PENALTY RESTRICTIONS</b>	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
<b>TEXAS</b>	Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2) - Permitted   Closing doc review by attorney required at CTC
<b>INELIGIBLE STATES</b>	ND   U.S. Possessions or Territories
<b>ENTITY VESTING</b>	Business purpose loans may be vested in LLC, LP, GP, CORP or S CORP
<b>ESCROW ACCOUNTS</b>	Required for the following: LTV > 80%   Properties in Flood Zones   Higher Priced Mortgage Loans (HPML)

