STG MORTGAGE The Foundation Of Trust

# CONSTELLATION - DSCR

11/24/2026

| 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 ≥ 0.75 AND < 1.00 MATRIX | | | | | |
|---|---|---|---|---|---|
| INVESTMENT | Purchase & Rate/Term | 1-4 Unit | $1.0 MM | 720 | 75% |
| | | | $1.5 MM | 720 | 70% |
| | | | $2.0 MM | 740 | 60% |

| DSCR PROGRAM DETAIL | |
|---|---|
| PROGRAM HIGHLIGHTS | • Professional Investors may qualify with subject property cash flow only<br>• No DTI calculated<br>• May take title in LLC<br>• Does not require: Tax Returns or 4506-C |
| DOCUMENTATION REQUIREMENTS | • Appraisal with Schedule of Rent<br>• Business purpose and occupancy affidavit signed by all borrowers<br>• Lease (refinance transactions only)<br>• Complete schedule of all real estate owned, indicating financed and free and clear properties<br>• Mortgage/lien rating for each financed property<br>• Personal Guaranty Document required when the LLC appears on the Note, regardless of if the borrower is signing the Note |
| RESTRICTIONS | • Investment Property only (business purpose only)<br>• No proceeds may be used for personal or consumer purposes<br>• Tenants must be unrelated to borrower<br>• Arm's Length transactions only<br>• 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 RESTRICTIONS | • First-Time Homebuyer not permitted |
| EXPERIENCED INVESTOR | • At least 1 borrower has 1 yr of owning/managing rental real estate in the last 3 yrs<br>• First time Investor permitted |
| FIRST-TIME INVESTOR RESTRICTIONS | • MIN DSCR of 1.0<br>• MAX LTV 80%<br>• Short-Term Rental Income not permitted |
| SHORT-TERM RENTAL RESTRICTIONS | • MIN DSCR 1.00<br>• First-Time Investor, Rent-Free, Delayed Financing not permitted<br>• 5% LTV/CLTV reduction from allowable limit per matrix<br>• Not permitted on ADUs |
| DSCR 0.75 - 0.99 RESTRICTIONS | • 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 |

| 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 communities |
| 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 \| Gift funds not permitted when Subordinate Financing present |
| UNDERWRITING EXCEPTIONS | Not permitted |

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| UNDERWRITING SPECIFICATIONS | |
|---|---|
| **UNDERWRITING TYPE** | Manual UW |
| **RESERVE REQUIREMENTS** | Loan Amount ≤ $1.0MM: 6 months \| Loan Amount > $1.0MM: 9 months<br>Cash-out amount may be used to meet reserve requirement<br>**Reserve Relief**: No Reserves required for R/T Refis up to $650K when Payment is Decreasing \| See program summary for additional details |
| **CASH-OUT LIMITS** | LTV ≤ 50%: $1,000,000<br>LTV > 50% and ≤ 60%: $750,000<br>LTV > 60%: $500,000 |
| **PROPERTY TYPES** | |
| **ELIGIBLE PROPERTY TYPES** | Condos (Warrantable & Non-Warrantable) \| PUD \| SFR \| 1-3 Unit with ADU \| 2-4 Unit \| Leasehold |
| **LOG HOMES** | Now Permitted as of 02/26/2026 |
| **INELIGIBLE PROPERTY TYPES** | 3d printed homes, Assisted living projects, Barndominium, Bed and breakfast properties, Berm Home, Boarding house, Builder model leaseback (purchase transactions), Commercial utilized properties, Condo with deed restrictions, Condotels converted from motels, Co-ops, Geodesic/Dome homes, Indian/Tribal land, Industrial properties, Land trusts, Leasehold estate condo project, Manufactured Home, Mixed Use, Mobile home, Properties located adjacent to or containing environmental hazards, Properties encumbered with private 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), Shouses, Tenants in Common Properties, Tiny Homes |
| **ACCESSORY DWELLING UNIT (ADU)** | MAX of 1 ADU unit per property \| 4 Unit properties with ADUs are not permitted \| Short-term rental income not permitted |
| **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 |
| **4 UNIT** | ADUs not permitted |
| **APPRAISAL REQUIREMENTS** | |
| **LOAN AMOUNT (≤ $2.0MM)** | 1 Full Appraisal and a secondary valuation (CDA) \| Re-use of appraisal from previous transaction not permitted \| 3 comps within 10 miles required |
| **SECONDARY VALUATION** | Files without 2 full appraisals: Collateral Desktop Analysis (CDA) |
| **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 |
| **APPRAISAL COMPARABLES** | 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 |
| **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, Appraisal: 120 days |
| **ASSET STATEMENTS** | 2 most recent months or most recent quarterly statement |
| **ELIGIBLE BORROWERS** | U.S. Citizen \| Permanent Resident |
| **INELIGIBLE BORROWERS** | Non-Permanent Resident \| Foreign National \| ITIN \| Irrevocable Trusts\| Borrowers with diplomatic immunity \| Borrowers with DACA or temporary 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 OR RENT-FREE** | Not permitted |
| **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 CONTRIBUTIONS (IPC)** | MAX 6% |
| **GIFT FUNDS** | If LTV/CLTV > 80%: 5% own funds required \| Subordinate financing not permitted when gift funds used \| Not permitted with Asset Depletion income \| Gift funds MAY be used for Reserves (must be deposited prior to closing when used for Reserves) |
| **BUSINESS ASSETS** | Permitted \| See full guidelines for additional requirements/restrictions |
| **LISTED FOR SALE** | Rate/Term: Removed from market Prior to Note Date<br>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 |
| **TEXAS REFINANCES** | No restrictions on Business Purpose transactions |
| **INELIGIBLE STATES** | AK \| AR \| CT \| HI \| MO \| ND \| NY \| OK \| SD \| U.S. Possessions or Territories |
| **TEMPORARY GEOGRAPHIC RESTRICTIONS** | Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland are not permitted |
| **ENTITY VESTING** | May vest in an LLC. Other entity types not permitted. |
| **TRUSTS** | Inter Vivos Revocable Trusts permitted \| See full guidelines for additional requirements/restrictions |
| **DUAL AGENCY (DUAL CAPACITY)** | Not permitted. Loan Officer may not also be Realtor / Seller. |
| **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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