

		the NONI			the DSCR < 1.00				
		Investor Path 7			Investor Path 8				
		DSCR ≥ 1.00			DSCR < 1.00				
FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out	FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	\$100,000-\$1,500,000	0 months	80%	75%	680+	\$100,000-\$1,500,000	6 months	75%	70%
	\$1,500,001-\$2,500,000		80%	70%		\$1,500,001-\$2,500,000	12 months	75%	65%
	\$2,500,001-\$3,500,000		65%	60%			640-679	\$100,000-\$1,500,000	6 months
\$100,000-\$1,500,000	0 months	80%	70%	\$1,500,001-\$2,500,000	12 months	70%		60%	
\$1,500,001-\$2,500,000		75%	65%		\$100,000-\$1,500,000	6 months		70%	65%
\$2,500,001-\$3,500,000		60%	50%	620-639		\$100,000-\$1,500,000	6 months	70%	65%
\$100,000-\$1,500,000	0 months	70%	65%		\$1,500,001-\$2,500,000	12 months	55%	45%	
\$1,500,001-\$2,500,000		60%	50%			\$100,000-\$1,500,000	6 months	70%	65%
\$2,500,001-\$3,500,000		55%	45%	\$1,500,001-\$2,500,000	12 months		55%	45%	

Investor - Doc Options	
Investor Cash Flow	<ul style="list-style-type: none"> Path 7: DSCR ≥ 1.0 Path 8: Limited DSCR < 1.0
LTV Overlays	Max LTV
Non-Warrantable Condo	65%
Warrantable Condo	75%
2 Unit	No Restriction
3-4 Unit	No Restriction
Modular	65%
Foreign National: If no score use 680	65%

Additional Overlays	
Maximum Cash-Out	\$2,000,000
1st Time Investor Min FICO (Path 7 Only)	680
1st Time Investor (Path 7 Only)	5% LTV reduction
Unleased Property (Refinance only)	5% LTV reduction
Max Acreage	20
Max # of Financed Properties	Unlimited
Foreign National	No Venezuela
Gift Funds allowed with 5% borrower funds	NO LTV reductions
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
C/O refi property listed in the last 6 months	10% LTV reduction


Products	Margin & Caps	I/O (Y/N)	IO Period	Final Maturity	Interested Party Contributions/Seller Concessions	Residency
5/1 Adjustable Rate (ARM)	6.00	2/2/5	N	NA	All LTVs	US Citizen, Perm/NonPerm Res.
30 Year Fixed	NA	NA	N	NA	Eligible States	Alien & Foreign Nat'l
Interest Only: 5/1 Adj Rate (ARM)	6.00	2/2/5	Y	10 Years	AZ, CA, CO, FL, IL**, MO, MD, NJ**, KY, TN, TX, UT, WA	

**IL, NJ: Loan must be closed in the name of LLC (personal guarantee required).

Guidelines Quick Reference		
ARM Index & Floor	Index: 1 year LIBOR Floor = Margin	Impounds
Qualifying Rate	Note Rate	Not required
Qualifying Payment	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate	Appraisal
Assets	Sourced or seasoned 60 days per FNMA	<ul style="list-style-type: none"> No C5 or C6 2 appraisals >\$1.5MM
Credit	Two (2) tradelines with a history covering 24 months. At least one trade must have been active in the last 6 months and at least one seasoned for 24 mos.	Min Sq. footage
Cash Out	Business purpose use ONLY	600 sq feet
Prepayment Penalty	6 months interest on 80% of the original principal balance (Standard Term = 3 years); ** Loan must be closed in the name of LLC (personal guarantee required).	Credit Score
		<ul style="list-style-type: none"> Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; Lowest of all borrowers Representative score
		Compliance
		<ul style="list-style-type: none"> Points & Fees may not exceed 5%
		Option 1:
		• 3 yr Hard Prepay: cannot sell or refi
		Option 2:
		• 1 yr Hard / 2 yr Soft PrePay: cannot sell or refi in the 1st year, can sell but not refi in yrs 2-3

Credit	
Maximum Housing Lates	1x30x12
Minimum FC Seasoning months	36
Minimum SS/DIL Seasoning months	36
Minimum BK 7 Seasoning months	36
Minimum BK 13 Seasoning	36
Maximum LTV	36

Reserves (Path 8 Only)	
• C/O proceeds can be used to meet reserves	
• Gift funds cannot be used to meet reserves requirements	
• Waived on R/T if: 0x30x12	
• Reserves for IO based on Interest Only Payment	



Home of the
NONI
Non Owner No Income

What is a DSCR Loan? How do you qualify?

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.

How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Full Amortization Example: If your DSCR ≥ 1.00 you've got a "NONI". $\frac{\text{Gross Rents} = \$2000}{\text{PITIA} = \$2000} = 1.00 \text{ DSCR}$	Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI". $\frac{\text{Gross Rents} = \$1500}{\text{ITIA} = \$1500} = 1.00 \text{ DSCR}$	Full Amortization Example: If your DSCR < 1.00 you still have a loan just at a different price. $\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$	Interest Only Example: If your DSCR < 1.00 you still have a loan just at a different price. $\frac{\text{Gross Rents} = \$1200}{\text{ITIA} = \$1500} = 0.80 \text{ DSCR}$
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