

		the <b>NONI</b>			the <b>nearNONI</b>				
		Investor Option 1			Investor Option 2				
		DSCR ≥ 1.00			DSCR < 1.00				
FICO	Min Loan Amount 100K Loan Amount	Reserves	Purchase or R/T	Cash-Out	FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	\$2,000,000	0 Months- Purchase & R/T 6 Months- C/O	80%	75%	680+	\$1,500,000	6 months	75%	70%
	\$3,000,000		75%	65%					
660-679	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	75%	70%	640-679	\$1,500,000	6 months	70%	65%
	\$2,500,000		70%	65%					
640-659	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	70%	65%	640-679	\$2,500,000	12 months	70%	60%
	\$2,500,000		60%	60%					
620-639	\$1,000,000	6 Months	65%	65%	620-639	\$1,500,000	6 months	65%	60%
	\$2,000,000		60%	60%					

Investor - Doc Options	
Investor Cash Flow	<ul style="list-style-type: none"> <li>Option 1: DSCR ≥ 1.0</li> <li>Option 2: Limited DSCR &lt; 1.0</li> </ul>

Property Restrictions	Max LTV
Non-Warrantable Condo	Purchase & R/T 75% Cash-out 70%
Warrantable Condo	No Restriction
2-4 Unit	No Restriction
Modular	65%
Florida Condo	No Restriction
Rural Properties	70%

Additional Restrictions	
Maximum Cash-Out	Unlimited
1st Time Investor Min FICO	680
Max Acreage	20
Unleased Property ( <b>Refinance only</b> ) Does not apply to short term rentals	5% LTV reduction
Max # of Financed Properties By HEM	Committee review over 4
Gift Funds allowed with 5% borrower funds	NO LTV reductions
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
Minimum Loan Amount	100000
Foreign Nationals	Not Allowed
First Time Home Buyers	Not Eligible
DSCR < .75%	680 FICO
ACH required on all loans (waiver available)	

Products	Margin & Caps	I/O (Y/N)	IO Period	Final Maturity	Interested Party Contributions/Seller Concessions	Residency
7/6 & 10/6 Adjustable Rate (ARM)	4.50	2/1/5	N	NA	30 years	All LTVs
30 Year Fixed	NA	NA	N	NA	30 years	Max 2%
Interest Only: 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	10 Years	30 Years	US Citizen, Perm/NonPerm Res. Alien
Eligible States AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KY, LA, MA, MD, ME, MI**, MO, MS, MT, NC, NE, NH, NJ, NV, NY, OH**, OK, OR, PA*, RI**, SC, TN, TX**, UT, VA, WA, WI, WV, WY						

Guidelines Quick Reference			
<b>ARM Index &amp; Floor</b>	Index: 30 day SOFR   Floor = Note Rate	<b>Impounds</b>	Not required
<b>Qualifying Rate</b>	Note Rate	<b>Appraisal</b>	• No C5 or C6 • 2 appraisals >\$1.5MM
<b>Qualifying Payment</b>	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate	<b>Min Sq. footage</b>	• ARR/CDA req or CU risk score > 2.5 600 sq feet
<b>Assets</b>	Sourced or seasoned 60 days (2 mos most recent bank statements req.)	<b>Credit Score</b>	• 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
<b>Credit</b>	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.	<b>Compliance</b>	• Points & Fees may not exceed 5%
<b>Cash Out</b>	Business purpose use ONLY	<b>Hard Prepay Only</b>	1, 2, 3, 4 & 5 year prepays available
<b>Prepayment Penalty</b>	* 5% of the amount prepaid		
<b>State Specific</b>	*PA- Loan amounts ≥ \$256,024 can be vested as an Entity or as an Individual *PA- Loan amounts < \$256,024 must be vested in a Corp, LLC, Partnership or Trust **MI, OH, & RI - PPP not allowed. Must buyout PPP. ***TX C/O refinance must vest as Individual (no entities: LLC, inter vivos trust, etc) Note: IL - must vest in a business entity if the rate exceeds 8%		

Credit	
Maximum Housing Lates	0x30x12 1x30x12 by exception only
Minimum FC Seasoning months	48
Minimum SS/DIL Seasoning months	48
Minimum BK 7 Seasoning months	48
Minimum BK 13 Seasoning	48

Reserves	
• C/O proceeds can be used to meet reserves	
• Reserves for IO based on Interest Only Payment	
• Gift funds cannot be used to meet reserves requirements	



## 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)

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.

$$\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$$
