



NanQ "Select" and Grades																			
Full Doc/ Alt Doc Purchase & R/T   Income Types Include; Full Doc, 1099, VOE, Asset Utilization, Bank Statements, P&L with 3 mos. Bank Stmt, Assets as blended income.																			
Loan Amount	Select NQM					A+					A				B			C	
	FICO to Max LTV/CLTV					FICO to Max LTV/CLTV (Min 660 FICO)					FICO to Max LTV/CLTV (Min 600 FICO)				FICO to Max LTV/CLTV (Min 600 FICO)			(Min 600 FICO)	
	740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+	600+
\$ 1,000,000.00	90%	90%	85%	80%	80%	90%	90%	90%	85%	80%	85%	80%	80%	80%	80%	80%	80%	80%	70%
\$ 1,500,000.00	90%	85%	80%	80%	60%	90%	90%	90%	85%	80%	80%	80%	75%	80%	75%	75%	75%		
\$ 2,000,000.00	90%	85%	80%	80%	60%	90%	90%	85%	80%	75%	75%	75%		70%	65%	50%			
\$ 2,500,000.00						80%	80%	80%	75%	70%	70%	70%		60%	50%				
\$ 3,000,000.00						80%	80%	75%	70%	60%	65%	60%		50%					
\$ 3,500,000.00						65%	65%	60%	60%	50%	50%								
\$ 4,000,000.00						65%	60%	50%											
\$ 5,000,000.00																			
Purchase	Max 90%					Max 90%					Max 85%				Max 80%			Max 70%	
Rate & Term	Max 90%					Max 85%					Max 80%				Max 80%			Max 70%	
Cash Out	10% Reduction   Max 80%   Max \$1M   700 Min FICO					5% Reduction   Max 80%					5% Reduction   Max 75%				5% Reduction   Max 70%			Not allowed	
Housing History	0 x 30 x 24					0 x 30 x 12					1 x 30 x 12				1 x 60 x 12			1 x 120 x 12	
Credit Event (BK,SS,FC,DIL)	48 Months					36 Months (12 on BK 13 w/pay history)					24 Months (Settled on BK 13 w/pay history)				18 Months (Settled on BK 13 & SS/DIL)			Settled	
Min Loan Amount	<ul style="list-style-type: none"> <li>Full Doc Min. 150K</li> <li>Alt Doc Min. 150K</li> </ul>					<ul style="list-style-type: none"> <li>Full Doc Min. 125K</li> <li>Alt Doc Min. 125K</li> </ul>					<ul style="list-style-type: none"> <li>Full Doc Min. 125K</li> <li>Alt Doc Min. 125K</li> </ul>				<ul style="list-style-type: none"> <li>Full Doc Min. 125K</li> <li>Alt Doc Min. 125K</li> </ul>			<ul style="list-style-type: none"> <li>Full Doc Min. 125K</li> <li>Alt Doc: Not Allowed</li> </ul>	
Max LTV	Non-Owner Occupied - NA 2nd Home - NA Condo - 90 % Condo Non-Warrantable - NA 2 Unit - 85 % 3-4 Unit - 80 % Rural - NA					Non-Owner Occupied - 85 % 2nd Home - 85 % Condo - 85 % Condo Non-Warrantable - 75 % 2 Unit - 85 % 3-4 Unit - 80 % Rural - 70 %					Non-Owner Occupied - 80 % 2nd Home - 80 % Condo - 80 % Condo Non-Warrantable - 75 % 2-4 Unit - 80 % Rural - 70 %				Non-Owner Occupied - 75 % 2nd Home - 75 % Condo - 75 % Condo Non-Warrantable - 70 % 2-4 Unit - 75 % Rural - 65 %			NOO - no 2nd Home - no Condo - 65 % Condo NW - no 2-4 Unit - no Rural - no	
DTI <small>50-55% DTI see below<sup>1</sup></small>	<ul style="list-style-type: none"> <li>Full Doc: Max 50%</li> <li>Alt Doc: Max 50%</li> </ul>					<ul style="list-style-type: none"> <li>Full Doc: Max 50%, Max 45% if ≥ 85% LTV</li> <li>Alt Doc: Max 50%, Max 45% if ≥ 85% LTV</li> </ul>					<ul style="list-style-type: none"> <li>Full Doc: Max 50%, Max 45% if ≥ 85% LTV</li> <li>Alt Doc: Max 50%, Max 45% if ≥ 85% LTV</li> </ul>				<ul style="list-style-type: none"> <li>Full Doc: Max 50%</li> <li>Alt Doc: Max 43%</li> </ul>			<ul style="list-style-type: none"> <li>Full Doc: Max 50%</li> <li>Alt Doc: Not allowed</li> </ul>	
One Year Self-Employed	Not allowed					Max 80% LTV • Min 660 FICO • Bank Stmt. Only					Not allowed				Not allowed			Not allowed	
Asset Utilization	Not allowed					Max 80% LTV   Max \$2m					Max 80% LTV   Max \$2m				Max 80% LTV   Max \$2m			Not allowed	
1099 Only	Not allowed					Max 80% LTV   2 Most Recent Bank Stmt					Max 80% LTV   2 Most Recent Bank Stmt				Max 80% LTV   2 Most Recent Bank Stmt			Not allowed	
VOE Only	Not allowed					<ul style="list-style-type: none"> <li>Max 80% LTV</li> <li>Max 70% LTV - Cash Out &amp; 1st-Time Buyer</li> </ul>					<ul style="list-style-type: none"> <li>Max 80% LTV • Min 620 FICO</li> <li>Max 70% LTV - Cash Out &amp; 1st-Time Buyer</li> </ul>				<ul style="list-style-type: none"> <li>Max 80% LTV • Min 620 FICO</li> <li>Max 70% LTV - Cash Out &amp; 1st-Time Buyer</li> </ul>			Not allowed	
ITIN	Not allowed					<ul style="list-style-type: none"> <li>660+ FICO • Max 85% LTV • \$1.5M Max</li> <li>&gt; 80% LTV Max LA \$1M • NOO Max 80% LTV</li> <li>Full Doc &amp; 12mos. Bank Stmt Only</li> </ul>					<ul style="list-style-type: none"> <li>700+ FICO • Max 80% LTV • \$1.5M Max</li> <li>Full Doc &amp; 12mos Bank Stmt. Only</li> </ul>				Not allowed			Not allowed	
Foreign National 2nd Home/NOO	Not allowed					700+ FICO • Max 75% • C/O 65% • Max LA \$2M					700+ FICO • Max 75% • C/O 65% • Max LA \$2M				Not allowed			Not allowed	
Reserves	6 Months Min.					≤ 75% LTV No Reserves   > 75% 3 Mos., > 80% 6 Mons.					≤ 65% LTV No Reserves   > 65% 3 Mos.				3 Months Min.				
	Add'l Financed Properties - Contact AE					Non-Owner Occ., ≤ 70% LTV No Reserves   > 70% 3 mos.   All Products <i>cash-out can be utilized</i>   Loan Amt > \$3m, 12 mos. reserves; > \$2m, 6 mos. reserves, <i>cash out cannot be utilized</i>													

NanQ Investor Programs								
DSCR Select Ratio 1.25   DSCR Ratio 1.0   No-Ratio Ratio <1.0								
Loan Amount	Select DSCR		DSCR				No Ratio	
	FICO to Max LT/CLTV		FICO to Max LTV/CLTV				FICO to Max LTV/CLTV	
	740+	700+	740+	720+	680+	640+	620+	640+
\$ 1,000,000.00	75%	75%	85%	85%	80%	75%	70%	70%
\$ 1,500,000.00	75%	75%	85%	85%	80%	70%	65%	65%
\$ 2,000,000.00	75%	70%	80%	80%	75%	70%	60%	60%
\$ 2,500,000.00	70%	65%	75%	75%	70%	65%	55%	55%
\$ 3,000,000.00	65%	60%	70%	70%	65%	≤ 60%	≤ 50%	50%
\$ 3,500,000.00			65%	65%				
\$ 4,000,000.00								
\$ 5,000,000.00								
Purchase	Max 75%		Max 85%				Max 70%	
Rate and Term	Max 75%		Max 85%				Max 70%	
Cash Out	5% Reduction   Max 75%							
Ratio	Min 1.25 Ratio		Min 1.00 Ratio   >80% LTV Min 1.20 Ratio				Min 0.75 Ratio	
Housing History	0 x 30 x 12		1 x 30 x 12				0 x 30 x 12	
Credit Event (BK,SS,FC,DIL)	48 Months		36 Months (12 BK 13 & 24 SS/DIL, Ch. 7 BK)				36 Months	
Reserves	3 Months		> 65% LTV, 3 Mos.; <i>cash-out can be utilized</i> ; 2 Months on Foreign Nationals				6 Months	
	Loan Amt > \$3m, 12 mos. reserves; > \$2m, 6 mos. reserves, <i>cash out cannot be utilized</i>							
Min Loan Amount	Min. \$250,000		Min. \$125,000				Min. \$125,000	
Max LTV	Condo - 75% Condo NW - no 2-4 Unit - no Rural - no		Condo - 80 % Condo Non-Warrantable (Max \$3m) - 75 % 2-4 Unit - 80 % Rural - 65 %				60 % 60 % 60 % No	
Short Term Rentals	Not allowed		5% Reduction   Max 80%				Not allowed	
Declining Mkt Rent	≥ 1:1 DSCR Max LTV 65% OR Program Max LTV ≥ 1.25 DSCR							
Recently Listed w/C/O (< 6Mos. Off Mkt)	≥ 3 mos. Off Mkt., ≥ 3 mos. Leased, 3 mos. Reserves (not from C/O), 1 yr. min. PPP required, 70% Max LTV							
ITIN	Not allowed		• 700+ FICO • Max 75% LTV • \$1.5M Max				Temporary Suspension	
Foreign National	Not allowed		• 700+ FICO • Max 75% • C/O 65% • Max LA \$2M				Temporary Suspension	
Interest Only	• Qualify on IO Payment ALL States • Reserves based on IO Pmt							

Loan Programs		
ARM Fully Amortized	Fixed Fully Amortized	Interest-Only (IO)
<ul style="list-style-type: none"> <li>5/6 SOFR: (2/1/5 Cap Structure)</li> <li>7/6 SOFR: (5/1/5 Cap Structure)</li> <li>Not Available on Select NQM</li> </ul>	<ul style="list-style-type: none"> <li>15-Year Fixed (180 Months)</li> <li>30-Year Fixed (360 Months)</li> <li>40-Year Fixed (480 Months)</li> <li>40-Yr Not Avail on Select NQM</li> </ul>	<ul style="list-style-type: none"> <li>30-Year Fixed IO (120mos. IO + 240mos. Amor.)</li> <li>40-Year Fixed IO (120mos. IO + 360mos. Amor.)</li> <li>5/6 IO SOFR: (2/1/5 Cap Structure)</li> <li>7/6 IO SOFR: (5/1/5 Cap Structure)</li> <li>IO Not Available on Select NQM</li> </ul>

Additional Product Details: ALL Products & DSCR	
<b>Cash In Hand Limit (Based on LTV)</b> LTV ≤ 65%: \$1.5M max cash in hand LTV > 65% ≤ 70% \$1M max cash in hand LTV > 70% \$500K max cash in hand Free & Clear: \$1.5M max cash in hand and max LTV 65% Vacant Properties: \$750K max cash in hand	<b>Appraisal</b> <ul style="list-style-type: none"> <li>If Loan Amount &gt; \$1,500,000 - 2nd Appraisal Required and must be from the Approved AMC List</li> <li>CU ≤ 2.5 &amp; LA ≤ \$1,500,000 = No Add'l Requirements</li> <li>CU &gt; 2.5 &amp; LA ≤ \$1,500,000 = ARR Req. Under 10% Variance</li> </ul> <p style="text-align: right;"><a href="#">Approved AMC List Link</a></p>
Gift funds	100% with 10% LTV reduction OR Min 5% buyer own funds
Over \$3,000,000+ Loan Amount	See Guides for Appraisal & Credit Overlay.
Impound Waivers	Owner / 2nd Home: only if NOT HPML loan; Non-Owner is allowed (see rate sheet).
Cash Out Seasoning	6 Months Min. Ownership Seasoning Over 6 Months for a prior Cash-Out Seasoning.
Residual Income	\$1250/mo. + 250 1st + 125 others
Min sq. footage	(SFR: 600sq.ft.) (Condo: 500sq.ft.) (2-4 Units: 400sq.ft. ea.)
Financed Property Limits	20 financed properties incl subject (non DSCR). • LS Exposure - \$5m or 6 Properties
Pre-Payment Penalty	6 months interest on 80% of the original balance. Not allowed in: MI, MN, NJ*, NM. *Allowed to close in the name of a Corp. Refer to Rate Sheet or PPP Chart.
Debt Consolidation	Follows R/T Refi FICO, 80% Max LTV, OO Only (Max 5K Cash)
State Restrictions	Texas Cash-Out: Max 80% LTV (Owner-Occ, per TX 50(a)(6)).
Private Party VOR's	LTV ≤ 80% & ≥ 660 FICO   LTV ≤ 70% & ≥ 600 FICO
Foreign National	1.) Asset Utilization only for 2nd Home & NOO when not DSCR 2.) 12 Mo Res. all Occupancy types
Non-Occupant Co-Borr	Purchase / Rate & Term Only (Grades A, A+, B only)
Declining Markets	Areas designated declining value on the appraisal will take a 5% reduction in LTV from qual. program max, only when > 70% LTV
50.01% - 55% DTI	Full / All Doc Types Allowed   3 Months Reserves   Max 80% LTV   Min 660 FICO   Primary Only   Purchase Only   Grades A+*
Tradelines Requirements	3 trades reporting 12 months with 12 months activity, OR 2 trades reporting for 24 months with 12 months activity, OR See guides for other options when borrower(s) do not meet min criteria. (ITIN see ITIN Guides)

Additional DSCR Guides	
<b>Debt Service Coverage Ratio Requirements</b> <ul style="list-style-type: none"> <li>Gross Income/PITIA or ITIA; Qualified on cash flow of subject property.</li> <li>Gross Income: Lower of estimated market rent from Form 1007 and monthly rent from existing lease (if lease amount is higher, needs to be documented with two months proof of receipt of rent or if brand new lease see guidelines).</li> <li>Experienced Investor: Must have at least ONE of the following:               <ol style="list-style-type: none"> <li>Owned 2 or more properties greater than the most recent 12 months.</li> <li>Owned 1 investment property for greater than the most recent 24 months.</li> <li>Ownership in commercial RE within the last 12 months.</li> </ol> </li> <li>Inexperienced Investor: Must have owned a residence (primary or investment) in the most recent 12 mos., for a min of 12 mos. Max 75% LTV for DSCR ≥ 1.00   Max 60% LTV for No-Ratio &lt; 1.00   C/O NA for No-Ratio Inexperienced Investor.</li> </ul>	
<b>Tradelines</b> Tradelines for mortgages that reflect on credit report that have been paid off or sold in the last 12 months can meet the above requirements. Inexperienced investor, all borrowers must meet inexperienced definition. No first-time home buyers are allowed with inexperienced. Experienced Investor, only one borrower has to meet the experienced investor definition, all other borrowers can either be inexperienced or first-time home buyer. All properties to meet above definitions must be domiciled in the United States (Foreign National excluded).	
Limited Tradelines	Max 70% LTV see guidelines, not available on Select DSCR and No Ratio.
Additional Reserves	Add'l Financed Properties - Not Applicable
Occupancy	Non-Owner Occupied Only, Investment Properties Only.
<b>Short Term Rentals</b> Purchase or Refi (R/T & C/O) <ul style="list-style-type: none"> <li>Apply 20% Management Fee Reduction to Income</li> <li>Document Income with 1007/1025 supported by 12 M. History of payments OR AirDNA/Overview Report (purch. only) contact AE.</li> <li>Rural not available.</li> <li>Vacant ok.</li> </ul>	<b>Vacant / Unleased Properties</b> <ul style="list-style-type: none"> <li>Purchase Transaction Program Max</li> <li>Refinance Rate/Term               <ul style="list-style-type: none"> <li>Loan Balance ≤ \$1,000,000 – 70% LTV Max</li> <li>Loan Balance ≤ \$2,000,000 – 65% LTV Max</li> </ul> </li> <li>Refinance Cash-Out               <ul style="list-style-type: none"> <li>Loan Balance ≤ \$1,500,000 – 60% LTV Max</li> </ul> </li> <li>Appraisal from LSM Preferred AMC only*</li> <li>LOE for cause of vacancy</li> <li>*(contact AE for details)</li> </ul>

Select NQM Restrictions (Not Permitted)
<ul style="list-style-type: none"> <li>Residency other than US Citizens, US Nationals, Permanent Resident Alien, and Non-Permanent Resident Aliens</li> <li>More than 4 financed properties</li> <li>Less than year-round occupancy</li> <li>ADU income</li> <li>Gifts of Equity</li> <li>Paying off Installment Land Contract</li> </ul>

Links	
<a href="mailto:NanQScenario@LSMortgage">NanQScenario@LSMortgage</a>	<a href="mailto:NanQLockDesk@LSMortgage">NanQLockDesk@LSMortgage</a>
<a href="mailto:EZCalc@LSMortgage">EZCalc@LSMortgage</a>	<a href="mailto:NanQCondoReview@LSMortgage">NanQCondoReview@LSMortgage</a>

\*All Adjustments on this matrix are cumulative, all LTV calculations start from the highest LTV allowed per product.