

## Single Investment Property 5 – 8 Unit Residential

Loan Amount	DSCR				Loan Programs	<ul style="list-style-type: none"> <li>• 15-Year Fixed (180 Months)</li> <li>• 30-Year Fixed (360 Months)</li> <li>• 30-Year Fixed IO (120 mos IO + 240 mos Amort)</li> </ul> Maximum loan term cannot exceed 30 years
	FICO to Max LTV/CLTV					
	FICO	Purchase	Rate/Term	Cash-Out	Product Type	Residential 5-8 Units
\$1,500,000	720	75%	75%	65%	Interest Only	Eligible, qualify with IO payment based on 10yr IO term
	700	75%	75%	65%		
	680	70%	65%	60%		
\$2,000,000	720	70%	70%	65%	Loan Purpose	Purchase, Rate/Term and Cash-Out
	700	70%	65%	65%	Occupancy	Investment
	680	65%	65%	60%	Loan Amounts	• Min: \$250,000 • Max: \$2,000,000
DSCR					State Restrictions	See State Licensing Map on website
<ul style="list-style-type: none"> <li>• Minimum DSCR ≥ 1.00</li> <li>• DSCR = Eligible monthly rents/PITIA (loans with an interest only feature may use the ITIA payment)</li> <li>• Reduce qualifying rents by any management fee reflected on the appraisal report</li> </ul>					Cash In Hand	\$1.0MM max, 65% max LTV
General Requirements				Property Requirements		
Investor Experience	Experienced Investor: Must have at least ONE of the following: 1) Owned 2 or more properties greater than most recent 12 months 2) Owned 1 investment property for greater than 24 months 3) Ownership in commercial RE within last 12 months First Time Investor/Inexperience Investor Ineligible			Appraisals	<ul style="list-style-type: none"> <li>• Appraisals to be dated no more than 120 days prior to Note date</li> <li>• New appraisal required if dated more than 120 days prior to Note date</li> <li>• Full interior inspection of all units with photos required</li> <li>• Acceptable appraisal forms:                             <ul style="list-style-type: none"> <li>◦ FHLMC 71A</li> </ul> </li> <li>• Transferred appraisals not allowed</li> <li>• Attachments required for appraisal reports:                             <ul style="list-style-type: none"> <li>◦ Rent Roll</li> <li>◦ Income and Expense Statement</li> <li>◦ Photos of subject including exterior/interior and street scene</li> <li>◦ Aerial photo</li> <li>◦ Sketch or floor plan of typical units</li> <li>◦ Area map</li> <li>◦ Plot plan or survey</li> <li>◦ Appraiser qualifications</li> </ul> </li> </ul>	
Borrowers	<ul style="list-style-type: none"> <li>• U.S Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens</li> <li>• Foreign Nationals, ITIN, DACA are not allowed</li> </ul>					
Housing History	0 x 30 x 24					
Credit Event	BK/FC/SS/DIL/Mod: ≥ 36 Mos seasoning					
Interested Party Contributions (IPC)	May not exceed 3%					
Prepayment Penalty	Refer to PPP Matrix for state specific details					
Income Requirements				Review Product	Commercial Sales and Income BPO (exterior) is required on all properties • Appraised value used when BPO is greater than or no more than 10% below appraised value • BPO value used when BPO is more than 10% below appraised value	
Income	<ul style="list-style-type: none"> <li>• Leased - Use lower of estimated market rent or lease agreement</li> <li>• Reduce qualifying rents by any management fee reflected on the appraisal report</li> <li>• Use 75% of market rents for vacant unit, no more than 2 vacant units allowed</li> <li>• STR income ineligible, considered a vacant unit and no income used</li> </ul>			Property Restrictions	<ul style="list-style-type: none"> <li>• Properties &gt; 2 acres not allowed</li> <li>• Rural properties and Leaseholds ineligible (Contact AE for complete list of ineligible property types and transactions)</li> </ul>	
Leased Units	<ul style="list-style-type: none"> <li>• Existing leases with ≥ 6 mos initial term to be provided</li> <li>• Month-to-month leases allowed w/prior lease of ≥ 6 months &amp; most recent 2 mos receipt</li> <li>• Individual room leases, Single Room Occupancy (SRO) or boarder leases ineligible</li> <li>• Commercial use of the unit is not allowed</li> <li>• STR income not permitted, considered a vacant unit and no income used</li> </ul>			Property Condition	<ul style="list-style-type: none"> <li>• No fair or poor ratings</li> <li>• No environmental issues (storage or use of hazardous material e.g., Dry Cleaners, Laundromat)</li> <li>• No health or safety issues (e.g., broken windows, stairs)</li> <li>• No excessive deferred maintenance that could become a health or safety issue for tenants</li> <li>• No structural deferred maintenance, (e.g., foundation, roof, electrical, plumbing)</li> </ul>	
Unleased Units	Maximum 2 vacancies					
Seasoning Requirements						
Rate/Term Refinance			Cash-Out Refinance			
<ul style="list-style-type: none"> <li>• Acquired ≤ 6 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used</li> <li>• Acquired &gt; 6 months - Appraised value is used</li> </ul>			<ul style="list-style-type: none"> <li>• Acquired &gt; 6 months &amp; &lt; 12 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used</li> <li>• Acquired &gt; 12 months - Appraised value used</li> </ul>			
Underwriting Requirements						
Reserves		Tradelines				
<ul style="list-style-type: none"> <li>• 6 months</li> <li>• &gt; \$1.5MM loan amount: 9 months</li> <li>• Cash out may not be used to satisfy requirement</li> </ul>		<ul style="list-style-type: none"> <li>• At least three (3) tradelines reporting for a minimum of 12- months with activity in the last 12-months, or</li> <li>• At least two (2) tradelines reporting for a minimum of 24-months with activity in the last 12-months, or</li> <li>• At least 1 revolving tradeline reporting for 60 months with activity in the last 12 months and a verified 12-month housing history 0x30; or</li> <li>• At least 1 installment tradeline reporting for 36 months with activity in the last 12 months and a verified 12-month housing history 0x30</li> <li>• Limited tradeline option is not allowed</li> </ul>				
Credit Score	Document Age	Assets	Escrows			
<ul style="list-style-type: none"> <li>• Lowest decision score</li> <li>• When vesting in an entity, decision score of the member with the highest percentage of ownership used</li> </ul>	90 days	<ul style="list-style-type: none"> <li>• Min of 30 days asset verification required</li> <li>• Gift funds ineligible</li> </ul>	Escrows for insurance and taxes required			