

| Single Investment Property 5 – 8 Unit Residential | | | | | | |
|--|--|---|-----------|---|---|--|
| Loan Amount | DSCR | | | | Loan Programs | <ul style="list-style-type: none"> • 15-Year Fixed (180 Months) • 30-Year Fixed (360 Months) • 30-Year Fixed IO (120 mos IO + 240 mos Amort) Maximum loan term cannot exceed 30 years |
| | FICO to Max LTV/CLTV | | | | | |
| | FICO | Purchase | Rate/Term | Cash-Out | | |
| \$1,500,000 | 720 | 75% | 75% | 65% | Interest Only | <ul style="list-style-type: none"> • Qualify with IO payment based on 10 yr IO term |
| | 700 | 75% | 75% | 65% | | |
| | 680 | 70% | 65% | 60% | | |
| \$2,000,000 | 720 | 70% | 70% | 65% | Product Type | • Residential 5-8 Units |
| | 700 | 70% | 65% | 65% | Loan Purpose | • Purchase, Rate/Term and Cash-Out |
| | 680 | 65% | 65% | 60% | Occupancy | • Investment |
| \$2,500,000 | 720 | 65% | 60% | 60% | Loan Amounts | <ul style="list-style-type: none"> • Min: \$250,000 • Max: \$3,000,000 |
| | 700 | 65% | 60% | 60% | | |
| | 680 | | | | | |
| \$3,000,000 | 720 | 60% | 55% | | Geographic Restrictions | <ul style="list-style-type: none"> • See State Licensing Map on website • All subject properties located in Baltimore City, MD (and it's neighborhoods) and Philadelphia County, PA are temporarily ineligible |
| | 700 | 60% | 55% | | | |
| | 680 | | | | | |
| | | | | | Cash In Hand | \$1.0MM max • 65% max LTV |
| DSCR | | | | | | |
| <ul style="list-style-type: none"> • Minimum DSCR ≥ 1.00 • DSCR = Eligible monthly rents/PITIA (loans with an interest only feature may use the ITIA payment) • Reduce qualifying rents by any management fee reflected on the appraisal report | | | | | | |
| General Requirements | | | | Property Requirements | | |
| Investor Experience | <ul style="list-style-type: none"> • Experienced Investor: Borrower(s) with history of owning & managing non-owner occupied income-producing investment real estate for at least 1 year within the last 3 years • First Time Investor/Inexperience Investor Ineligible | | | Appraisals | <ul style="list-style-type: none"> • Appraisals to be dated no more than 120 days prior to Note date • New appraisal required if dated more than 120 days prior to Note date | |
| Borrowers | <ul style="list-style-type: none"> • U.S Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens • Foreign Nationals, ITIN, DACA are not allowed | | | | <ul style="list-style-type: none"> • Full interior inspection of all units with photos required • Acceptable appraisal forms: <ul style="list-style-type: none"> ◦ FHLMC 71A | |
| Housing History | • 0 x 30 x 12 & 1 x 30 x 24 | | | | <ul style="list-style-type: none"> • Attachments required for appraisal reports: <ul style="list-style-type: none"> ◦ Rent Roll ◦ Income and Expense Statement ◦ Photos of subject including exterior/interior and street scene ◦ Aerial photo ◦ Sketch or floor plan of typical units ◦ Area map ◦ Plot plan or survey ◦ Appraiser qualifications | |
| Credit Event | • BK/FC/SS/DIL/Mod: > 36 Mos seasoning | | | | <ul style="list-style-type: none"> • 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 | |
| Interested Party Contributions (IPC) | • May not exceed 3% | | | | <ul style="list-style-type: none"> • Properties > 2 acres not allowed • Rural properties and Leaseholds ineligible (Contact AE for complete list of ineligible property types and transactions) | |
| Prepayment Penalty | • Refer to PPP Matrix for state specific details | | | | <ul style="list-style-type: none"> • No fair or poor ratings • No environmental issues (storage or use of hazardous material e.g., Dry Cleaners, Laundromat) • No health or safety issues (e.g., broken windows, stairs) • No excessive deferred maintenance that could become a health or safety issue for tenants • No structural deferred maintenance, (e.g., foundation, roof, electrical, plumbing) | |
| Income Requirements | | | | | | |
| Income | <ul style="list-style-type: none"> • Leased - Use lower of estimated market rent or lease agreement • Reduce qualifying rents by any management fee reflected on the appraisal report. Purchases only - 8% fixed expense factor applied if management fee is not listed. • Use 75% of market rents for vacant unit, no more than 2 vacant units allowed • STR income ineligible, considered a vacant unit and no income used | | | Review Product | | |
| Leased Units | <ul style="list-style-type: none"> • Existing leases with ≥ 6 mos initial term to be provided • Month-to-month leases allowed w/prior lease of ≥ 6 months & most recent 2 mos receipt • Individual room leases, Single Room Occupancy (SRO) or boarder leases ineligible • Commercial use of the unit is not allowed • STR income not permitted, considered a vacant unit and no income used | | | Property Restrictions | | |
| Unleased Units | • Maximum 2 vacancies | | | Property Condition | | |
| Seasoning Requirements | | | | | | |
| Rate/Term Refinance | | | | Cash-Out Refinance | | |
| <ul style="list-style-type: none"> • Acquired ≤ 6 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 6 months - Appraised value is used | | | | <ul style="list-style-type: none"> • Acquired > 6 months & < 12 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 12 months - Appraised value used | | |
| Underwriting Requirements | | | | | | |
| Reserves | | Standard Tradeline Requirements | | | | |
| <ul style="list-style-type: none"> • 6 months • > \$1.5MM loan amount: 9 months • Cash out may not be used to satisfy requirement | | <ul style="list-style-type: none"> • 3 tradelines reporting 12 months with activity in last 12 months , or • 2 tradelines reporting for 24 months with activity in last 12 months, or • 1 revolving tradeline reporting for 60 months with activity in the last 12 months or • 1 installment tradeline reporting for 36 months with activity in the last 12 months • If each borrower has 3 credit scores, the minimum tradeline requirement is met. Any borrower with less than 3 credit scores must independently meet the minimum tradeline requirement. When closing in an entity, if the member with highest percentage of ownership has 3 credit scores, the minimum tradeline requirement is met. If all members have equal ownership shares each borrower evaluated individually. • Limited tradeline option is not allowed • Note: Borrower's credit scores primarily based on thin credit—such as authorized user accounts, self-reported accounts, or recently opened accounts with limited activity—must still meet one of the standard tradeline requirements | | | | |
| Credit Score | | Document Age | | Assets | | Escrows |
| <ul style="list-style-type: none"> • Lowest decision score • When vesting in an entity, decision score of the member with the highest percentage of ownership used | | <ul style="list-style-type: none"> • 90 days | | <ul style="list-style-type: none"> • Min of 30 days asset verification required • Gift funds ineligible | | <ul style="list-style-type: none"> • Escrows for insurance and taxes required |