

Rental Portfolio Program

MAXIMUM LTV

FICO	Purch/RT Refi	Cash Out
≥740	≤\$3MM: 75% >\$3MM: 75%	≤\$3MM: 75% >\$3MM: 70%
720 - 739	≤\$3MM: 75% >\$3MM: 75%	≤\$3MM: 75% >\$3MM: 70%
700 - 719	≤\$3MM: 75% >\$3MM: 75%	≤\$3MM: 70% >\$3MM: 70%
680-699	≤\$3MM: 75% >\$3MM: 70%	≤\$3MM: 70% >\$3MM: 65%
U.S. Non-Permanent Residents/Foreign Nationals: 65%		

PREPAYMENT PENALTIES

For all loans ≥ \$500,000:

- 5 year Loan Term:
 - Yield maintenance with 6 month open prepay window at end of loan term
 - 5 years Penalty with 5%, 4%, 3%, 2%, 1% Stepdown Structure
- 10 year Loan Term:
 - Yield maintenance with 6 month open prepay window at end of loan term
 - 5 years Penalty with 5%, 4%, 3%, 2%, 1% Stepdown Structure
- 30 year Loan Term:
 - 5 years Penalty with 5%, 4%, 3%, 2%, 1% Stepdown Structure

Additional options for loans ≤ \$3MM only:

- 3 years Penalty with 3%, 2%, 1% Stepdown Structure

LOAN PRODUCTS/AMORTIZATION

- 5/1 & 7/1 ARM (Adjustable Rate Mortgage)
 - 10 & 30 Year Term Loans
- 10/1 ARM (Adjustable Rate Mortgage)
 - 30 Year Term Loans
- 5-year FRM (Fixed Rate Mortgage)
 - 5 Year Term Loans
- 10-year FRM (Fixed Rate Mortgage)
 - 10 Year Term Loans
- 30-year FRM (Fixed Rate Mortgage)
 - 30 Year Term Loans & Loan Amount ≤ 3MM
- 30-year FRM: 30 Year Amortization
- 5/1 ARM IO: 5 Year Interest Only Period + 25-year Amortization
- 7/1 ARM IO: 7 Year Interest Only Period + 23-year Amortization
- 10/1 ARM IO: 10 Year Interest Only Period + 20-year Amortization

RESERVES/ESCROWS

At Closing:

- First 3 Months of Debt Service, not including Stub Interest for Closing Month
- Pro-Rata Property Taxes for next Tax Due Date, such that Tax Due is Fully Funded 30 Days in Advance of Due Date

Ongoing Monthly:

- Real Estate Taxes - 1/12th Annual Taxes Due
- Insurance - 1/12th Annual Insurance Costs
- Capital Expenditures - 1/12th Annual Capital Expenditures Budget, as reasonably determined by Lender

STATE RESTRICTIONS

- All US, except MN, ND, SD, VT & WV

DEBT SERVICE COVERAGE RATIO (DSCR)

- Calculation: In-Place Net Cash Flow (NCF) divided by Mortgage Payment, after accounting for all Property Operating Revenues, Expenses and Capital Expenditure Reserves, as reasonably determined by Lender
- Gross Rental Income: the lower of:
 - Actual Monthly Rent in the Lease Agreement
 - Market Monthly Rent in the Appraisal
 - 10% Haircut of Market Monthly Rent for Unleased Properties
- Mortgage Payment: initial payment amount at close
- Minimum NCF DSCR of:
 - Top or Standard Market: 1.20x

LOAN GENERAL

- Min Loan amount:
 - \$75,000 per Property for portfolios < \$500,000
 - \$50,000 per Property for portfolios ≥ \$500,000
- Max Loan amount: \$50MM+, subject to \$1MM (1-Unit) and \$2,000,000 (2-4 Units) individual property limits
- 1-4 Unit Properties/PUDs/Warrantable Condos/Townhomes/Eligible Mixed Use (> 50% of SF must be residential)
- No Vacation or Seasonal rentals

MAXIMUM LTC FOR C/O REFI LOANS

Subject to LTV limits:

- 80% if Property purchased < 6 mos
- Additional 5% Haircut on Max LTV if Property purchased between 3 and 6 months (for Borrowers with < 5 Rental Properties owned in the last 24 months)

BORROWER/GUARANTOR REQUIREMENTS

Credit & Background	Liquidity
<ul style="list-style-type: none"> ▪ New Borrower: Tri-Merge Credit Report No Older than 90 Days ▪ Existing Borrower with 0x30x12 Payment History: Tri-Merge Credit Report No Older than 120 days <p>680 Minimum Qualifying FICO determined as:</p> <ul style="list-style-type: none"> ▪ Mid Score if 3 Scores are available ▪ Low Score if 2 Scores are available ▪ For Multiple Guarantors, Lowest Score Calculated as above is used ▪ Bankruptcy Discharge Date must be no less than 3 Years Prior to Closing Date ▪ Foreclosure/Deed-in-Lieu/Short Sale Date must be no less than 3 Years Prior to Closing Date 	<ul style="list-style-type: none"> ▪ Lower of 10% of Loan Balance and 9 Months of PITIA ▪ Two Most Recent Consecutive Months of Bank Statements or Investment Account Statements required ▪ Cash Out Amounts from Subject Loan May Be Used to Satisfy Reserve Requirements ▪ Liquid Reserves Must Be Seasoned for a Minimum of 3 Months for Purchase Transactions ▪ The cumulative amount including all guarantors is considered for loans with multiple guarantors
<ul style="list-style-type: none"> ▪ No first time borrowers, need prior rental property ownership experience ▪ Self managed properties may be allowed for loans ≤ \$3MM, at Lender discretion ▪ Third party property manager required for loans >\$5MM ▪ Non-Recourse with pledge of equity of borrowing entity and customary bad boy carveouts ▪ LLCs and US Corporations only 	

THIRD PARTY REPORTS

- Loan Amount ≤ \$1,500,000
 - One Full Independent Appraisal Required
 - Market Rent Estimate Included in Appraisal
 - Appraisal Risk Review (ARR) or Collateral Desktop Analysis (CDA) Required
 - If Appraisal-ARR/CDA Variance Exceeds 10%, Second Full Independent Appraisal Required
 - Lower of Two Appraised Values to be Used in LTV Calculations
- Loan Amount > \$1,500,000
 - Two Full Independent Appraisals Required
 - Market Rent Estimate Included in Appraisal
 - Lower of Two Appraised Values to be Used in LTV Calculations
- USPAP/FIRREA Compliant Interior/Exterior Appraisals with As-is Value
- Appraisals must be dated within 120 days of closing date, or within 180 days with recertification of value
- All third party reports need to be addressed and assigned to Lender per guidelines