

Single Property Rental Program

MAXIMUM LTV

FICO	Purch/RT Refi	Cash Out
≥740	80%	75%
720 - 739	75%	70%
700 - 719	75%	70%
680-699	70%	65%

U.S. Non-Permanent Residents/Foreign Nationals: 65%

MAXIMUM LTC FOR C/O REFI LOANS

Subject to LTV limits:

- 80% if Property purchased < 3 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)

PREPAYMENT PENALTIES

- 3 years: 3%, 2%, 1%, 0%
- 4 years: 4%, 3%, 2%, 1%, 0%
- 5 years: 5%, 4%, 3%, 2%, 1%, 0%

STATE RESTRICTIONS

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

LOAN PRODUCTS/AMORTIZATION

- 5/1, 7/1 or 10/1 ARM (Adjustable Rate Mortgage)
- 30-year FRM (Fixed Rate Mortgage)
- 30-year Amortization Term
- 5-year Interest Only Period + 25-year Amortization Term
- 7-year Interest Only Period + 23-year Amortization Term
- 10-year Interest Only Period + 20-year Amortization Term

LOAN GENERAL

- Min Loan amount: \$75,000
- Max Loan amount: \$1,000,000 (1 Unit) and \$2,000,000 (2-4 Unit)
- 1-4 Unit Properties/PUDs/Warrantable Condos/Townhomes /Eligible Mixed Use (>50% SF must be residential)
- No Vacation or Seasonal rentals

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

DEBT SERVICE COVERAGE RATIO (DSCR)

- Calculation: Monthly In-Place Gross Rental Income divided by Monthly PITIA $\geq 1.20x$
- 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
- PITIA: total monthly payments of
 - Monthly Mortgage Principal and Interest Payment at Qualifying Rate
 - Monthly Property Tax Payment
 - Monthly Home Insurance Payment
 - Monthly HOA Payment or Property Management Fee
- Leased Properties are defined as those with:
 - A currently active lease with a minimum initial term of 12 months, between unrelated parties
 - Month-to-month lease with evidence of a prior active lease
 - A lease with a start date within 30 days of closing date and proof of receipt of security deposit
- Unleased Properties are defined as those with:
 - No Current Tenant/Vacant
 - Month-to-month lease with no evidence of prior active lease
 - Unleased Properties are only allowed for Purchase loans

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 on Roc loans: 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"> Loan Amount \leq \$1,000,000: 6 Months of PITIA Loan Amount $>$ \$1,000,000: 9 Months of PITIA Subject to <ul style="list-style-type: none"> Non-Permanent Residents & Foreign Nationals: Minimum 12 Months of PITIA 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

THIRD PARTY REPORTS

- Loan Amount \leq \$1,500,000
 - One Full Independent 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
- Loan Amount $>$ \$1,500,000
 - Two Full Independent Appraisals
 - Lower of Two Appraised Values to be Used in LTV Calculations
- Appraisals dated within 180 days of closing date are required (recertified if more than 120 days old)