

Single Property Rental Program

MAXIMUM LTVs

FICO	Purch / RT Refi	Cash Out
>=720	80%	75%
700 - 719	75%	70%
680-699	70%	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, UT, VT & WV

RESERVES/ESCROWS

At Closing:

- First 3 Months of PITI, 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

LOAN PRODUCTS/AMORTIZATION

- 5/6, 7/6 or 10/6 ARM (Adjustable Rate Mortgage) or 30-Year FRM (Fixed Rate Mortgage)
- Maximum IO periods for ARMs: initial fixed rate period (5, 7 or 10 years)
- 30-Year FRM loans are offered as Fully Amortizing or 10-year IO/20-year Fully Amortizing options
- 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
- No Vacation or Seasonal rentals
- Properties without existing debt financed within 180 days of purchase are considered Delayed Purchase loans, and eligible for all terms applicable to Purchase loans

OTHER LTC/LTV LIMITS

- U.S. Non-Permanent Residents/Foreign Nationals: Max 65% LTV
- For Purchase loans, the lowest of 1. Purchase Price, 2. Appraised Value and 3. ARR/CDA value is used to calculate LTV

DEBT SERVICE COVERAGE RATIO (DSCR)

- Calculation: Monthly In-Place Gross Rental Income divided by Monthly PITIA
- 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
- Minimum In-Place DSCR of 1.20x is required, based on initial payment amount at close
- All 80 LTV hybrid ARMs with IO periods must also qualify with a Minimum In-Place DSCR of 1.0x, with debt service including the fully amortizing principal payment at the end of the IO period
- 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: 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 ≤ \$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
<ul style="list-style-type: none"> ▪ First time borrowers may be allowed at Lender discretion ▪ Full Recourse with warm body guaranty from all members with >=20% ownership ▪ LLCs, US Corporations and individuals allowed 	

THIRD PARTY REPORTS

- Loan Amount ≤ \$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