

MAXIMUM LTVs		
FICO	PURCH/RT REFI	CASHOUT
≥ 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
<p>For all loans:</p> <ul style="list-style-type: none"> <li>5-year loan term:           <ul style="list-style-type: none"> <li>Yield maintenance with 6 month open prepay window at end of loan term</li> <li>5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure</li> </ul> </li> <li>10-year loan term:           <ul style="list-style-type: none"> <li>Yield maintenance with 6 month open prepay window at end of loan term</li> <li>5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure</li> </ul> </li> <li>30-year loan term:           <ul style="list-style-type: none"> <li>5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure</li> </ul> </li> </ul> <p>Additional options for loans ≤ \$3MM only:</p> <ul style="list-style-type: none"> <li>3 years penalty with 3%, 2%, 1% stepdown structure</li> </ul>

LOAN GENERAL
<ul style="list-style-type: none"> <li>Min/Max loan amount: \$250,000/\$3,000,000</li> <li>Up to 5 properties per loan</li> <li>5-8 unit residential or mixed use properties, only if residential units &gt; 50% of total SF and residential rent DSCR &gt; 1.0x</li> <li>No vacation or seasonal rentals</li> <li>Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans</li> </ul>

LOAN PRODUCTS/AMORTIZATION
<ul style="list-style-type: none"> <li>5/6, 7/6 and 10/6 ARMs (Adjustable Rate Mortgages): 30-year term loans, with or without partial IOs</li> <li>30-year FRM (Fixed Rate Mortgage): 30-year term loans &amp; loan amount ≤ 2MM</li> <li>30-year FRM: 30-year amortization</li> <li>5/6 ARM IO: 5-year interest only period + 25-year amortization</li> <li>7/6 ARM IO: 7-year interest only period + 23-year amortization</li> <li>10/6 ARM IO: 10-year interest only period + 20-year amortization</li> </ul>

MAXIMUM LTC FOR C/O REFI LOANS
<ul style="list-style-type: none"> <li>Subject to LTV limits:           <ul style="list-style-type: none"> <li>80% if property purchased &lt; 6 months</li> <li>Additional 5% haircut on Max LTV if property purchased between 3 and 6 months (for borrowers with &lt; 5 rental properties owned in the last 24 months)</li> </ul> </li> </ul>

DEBT SERVICE COVERAGE RATIO (DSCR)
<ul style="list-style-type: none"> <li>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</li> <li>Gross Rental Income: the lower of           <ul style="list-style-type: none"> <li>Actual monthly rent in the lease agreement</li> <li>Market monthly rent in the appraisal</li> <li>10% haircut of market monthly rent for unleased properties</li> </ul> </li> <li>Mortgage payment: Initial payment amount at close</li> <li>Minimum NCF DSCR of:           <ul style="list-style-type: none"> <li>Top or standard market: 1.20x</li> <li>Small market 1.30x</li> <li>Very small market: 1.40x</li> </ul> </li> </ul>

RESERVES/ESCROWS
<p>At closing:</p> <ul style="list-style-type: none"> <li>First 3 Months of PITI, not including stub interest for closing month</li> <li>Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date</li> </ul> <p>Ongoing monthly:</p> <ul style="list-style-type: none"> <li>Real estate taxes: 1/12<sup>th</sup> annual taxes due</li> <li>Insurance: 1/12<sup>th</sup> annual insurance costs</li> <li>Capital expenditures: 1/12<sup>th</sup> annual capital expenditures budget, as reasonably determined by lender</li> </ul>

STATE RESTRICTIONS
<ul style="list-style-type: none"> <li>All US, except MN, ND, SD, VT, UT &amp; WV</li> </ul>

BORROWER/GUARANTOR REQUIREMENTS	
CREDIT & BACKGROUND	LIQUIDITY
<ul style="list-style-type: none"> <li>New borrower: Tri-Merge Credit Report no older than 90 days</li> <li>Existing borrower with 0x30x12 payment History: Tri-Merge Credit Report no older than 120 days</li> </ul> <p>680 minimum qualifying FICO determined as:</p> <ul style="list-style-type: none"> <li>Mid score if 3 scores are available</li> <li>Low score if 2 scores are available</li> <li>For multiple guarantors, lowest score calculated as above is used</li> <li>Bankruptcy discharge date must be no less than 3 years prior to closing date</li> <li>Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date</li> </ul>	<ul style="list-style-type: none"> <li>Lower of 10% of loan balance and 9 months of PITIA</li> <li>Two most recent consecutive months of bank statements or investment account statements required</li> <li>Cashout amounts from subject loan may be used to satisfy reserve requirements</li> <li>Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions</li> <li>The cumulative amount including all guarantors is considered for loans with multiple guarantors</li> </ul>
<ul style="list-style-type: none"> <li>No first time borrowers, need prior multifamily property ownership experience</li> <li>Self-managed properties may be allowed for loans ≤ \$5MM, at lender discretion</li> <li>Third party property manager required for loans &gt; \$5MM</li> <li>Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non-Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts</li> <li>LLCs and US corporations only</li> </ul>	

THIRD PARTY REPORTS
<ul style="list-style-type: none"> <li>One full independent Narrative Commercial Appraisal required</li> <li>USPAP/FIRREA compliant interior/exterior appraisals with as-is value</li> <li>Appraisals dated within 120 days of closing date are required. Appraisals dated between 120 and 180 days are acceptable with a recertification of value</li> <li>Environmental Database Survey if loan amount &lt; \$3MM</li> <li>Phase I Environmental Report if loan amount ≥ \$3MM</li> <li>All third party reports need to be addressed and assigned to lender per guidelines</li> </ul>