

**2nd Homes and Investment Properties
2 yr. Standard Doc/Asset Utilization**

FICO	Loan Amount	Purchase	R/T	Cash Out
680	≤ 1,500,000	75%	70%	70%
	\$1,500,000 - \$2,000,000	70%	65%	65%
Foreign Credit	≤ 1,500,000	70%	65%	65%
	\$1,500,000 - \$2,000,000	65%	60%	60%

DSCR ≥ 1.00

FICO	Loan Amount	Purchase	R/T	Cash-Out
680+	\$1,000,000	75%	65%	65%
	\$1,500,000	70%	60%	60%

DSCR < 1.00

Loan Amount	Purchase	R/T	Cash-Out	Reserves
\$1,000,000	65%	60%	60%	12- Months
\$1,500,000	65%	N/A	N/A	
\$1,000,000	65%	60%	60%	
\$1,500,000	65%	N/A	N/A	

Reserves

C/O proceeds can be used
Reserves for I/O based of ITIA Payment
Gift Funds cannot be used for reserves

Credit		Program Parameters	
Mortgage History	0x30x12	Minimum Loan Amount	\$150,000
FC, DIL, SS, 120+ Days late	36 Months	Maximum Loan Amount	\$2,000,000
Chapter 7/11/13 BK Seasoning	36 Months	Maximum Cash-Out	≥ 50% LTV max \$300,000; < 50% LTV max \$500,000
Borrower Eligibility		LTV Restrictions	
1 st Time Investor	680 Minimum Fico	ACH Enrollment	Required
1 st Time Homebuyer	Allowed	Non-Warrantable Condo	Allowed
Citizenship	Russia, Venezuela, and Belarus are not Eligible	Condotel	65% LTV Max
Credit Score	US Credit - Middle score or lower of 2, No US Credit - Treat as 680	*STR	5% LTV reduction 20% expense factor to be applied to Gross Rental Income
Tradeline Requirement	US Credit - Min 2x24 or 3x12, No US Credit - 2 Credit Reference Letters	Assisted Living / Nursing Home	Not Allowed
Quick Reference Guidelines		Modular	65%

Qualifying Rate	Note Rate	Rural Properties	Not Eligible
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate	Unleased Property (Refinance only); Does not apply to short term rentals	5% LTV Reduction
Arm Index & Floor	Index: 30 Day SOFR : Floor = Note Rate	Gift Funds	Not Eligible
Cash-Out	Allowed	Additional Restrictions	
Impounds	Not Required	Max # of Financed Properties	Committee review over 4
Compliance	Points & Fees may not exceed 5%	Non Arm's Length Transactions	Not Eligible
Seller Concessions	6% - LTV ≤ 70% 4% - LTV > 70%	Vesting in LLC's	Entity must be domestic
Appraisal	No C5 or C6; 2 Appraisals >\$1.5MM; ARR/CDA req or CU risk score >2.5	DSCR < 0.75	Not Eligible
Minimum SQFT	SFR - 700 ft / Condo – 500 ft	Eligible States	
Max Acreage	2	AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY	
Prepayment Penalty			
Available Prepayment Penalties: Fixed Percentage: <ul style="list-style-type: none"> Prepay is 5% of the amount prepaid *Prepay Options: 0, 1, 2, 3, 4 & 5 year prepay options available *Not allowed in AK, KS, MI, MN, MS, NM, RI; Must buyout 		Declining Balance: <ul style="list-style-type: none"> 5 year: 5%, 4%, 3%, 2%, 1% 4 year: 5%, 4%, 3%, 2% 3 year: 5%, 4%, 3% 2 year: 5%, 4% 	State Specific: <ul style="list-style-type: none"> *PA- Loan amounts < \$278,204 cannot have a prepayment penalty *IL - Loan with a rate ≥ 8% must close in the name of an entity IL & NJ - Prepayment penalty not allowed if vesting as an individual
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)		
Loan Purpose	Purchase, Rate/Term, and Cash Out		
Occupancy	Second Home or Investment		
Eligibility Restrictions	Citizens and individuals from OFAC sanctioned countries including Venezuela, Russia and Belarus are not eligible		
Property Type	Single Family, Attached, Detached: No restrictions Rural: Not eligible	2-4 Units, Condominium: Max LTV/CLTV 65%	Condo Hotel Max LTV: Purchase – 65% Refinance – R/T & Cash-out – 65% Occupancy Type: 2nd Home, Investment
Acreage	Property up to 20-acres, not meeting the rural definition, eligible for Standard documentation and Asset Utilization. NONI maximum 2-acres.		
Appraisal	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. CDA required unless 2nd appraisal obtained		
Income Requirements			
Income – Standard Doc	Salary/Wage <ul style="list-style-type: none"> A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2-years. Letter from employer must be on company letterhead, including address and company web address, Employer to be independently verified (LexisNexis, D&B, Google, other). An independent certified translator must translate all docs. Self-Employed <ul style="list-style-type: none"> Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower's CPA or local equivalent (the "Accountant") on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided; and A copy of the accountant's current license is required. The Business & Accountant must be independently verified; and An independent certified translator must translate all documents 		
Asset Utilization	Eligible assets divided by 84 to determine a monthly income stream, US Credit and Foreign Credit eligible		
Income – DSCR	Use lower of Estimated market rent from 1007 or lease if provided. All refinance transactions require a 5% LTV reduction if appraisal reflects any unit is vacant		

Credit Score	<ul style="list-style-type: none"> If score available, use the lowest decision score amongst all borrowers Middle of 3 scores or lower of 2, if available 	DTI Restrictions	Standard Max - 50% Minimum DSCR - 0.75
Assets	Min of 30-days asset verification required; any large deposit must be sourced	Tradelines	<ul style="list-style-type: none"> US credit: Min 2 reporting 24-months or 3 reporting 12-months, for borrowers Without U.S. credit: two credit reference letters must be provided, see Guide for requirements
Reserves	<ul style="list-style-type: none"> 12-months of PITIA 6-months with 5% LTV reduction and price adjustment Cash out may be used to satisfy requirement 	Document age	90 Days