

## DSCR Investor Advantage (5-8 Units or 2-8 Mixed Use) Program Summary

Single Investment Property (5-8 Units or 2-8 Mixed Use)				
		>=1.00		
Credit Score	Loan Amount	Maximum LTV/CLTV		
		Purchase	Rate Term	Cash-out
700 +	<= \$1,500,000	75	75	70
660 - 699	<= \$1,500,000	70	70	65
Appraisal	<ul style="list-style-type: none"> <li>• 5-8 Residential               <ul style="list-style-type: none"> <li>○ Narrative report can be utilized but not required.</li> <li>○ FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ residential properties.</li> </ul> </li> <li>• 2-8 Mixed Use               <ul style="list-style-type: none"> <li>○ General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)</li> </ul> </li> <li>• The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports:               <ul style="list-style-type: none"> <li>○ Rent Roll</li> <li>○ Income and Expense Statement</li> <li>○ Photos of subject including exterior/interior and street scene</li> <li>○ Aerial photo</li> <li>○ Sketch or floor plan of typical units</li> <li>○ Map</li> <li>○ Plot plan or survey</li> <li>○ Appraiser qualifications</li> </ul> </li> </ul>			
Appraisal Review	A Clear Capital CDA (Collateral Desktop Analysis) is required on all LCA (Loan Collateral Advisor) scores greater than 2.5			
Available Products	<ul style="list-style-type: none"> <li>• 30 Year Fixed</li> <li>• 15 Year Fixed</li> <li>• 30 Year Fixed I/O</li> <li>• 40 Year Fixed I/OA</li> </ul>			
Assets	Min of 30-days asset verification required; any large deposit must be sourced			
Credit Score	Middle of 3 scores or lower of 2			
Document Age	90 days			
Eligible Property Types	<ul style="list-style-type: none"> <li>• Single Family, Attached, Detached</li> <li>• 2-4 Unit</li> <li>• 5-8 Unit</li> <li>• Condominium</li> </ul>		<ul style="list-style-type: none"> <li>• Modular</li> <li>• Properties of 20 acres or less</li> <li>• Leaseholds</li> </ul>	
Escrows	Escrow funds/impound accounts can be waived, with the exception of Flood Insurance Premium, for non-HPML loans or exempt business purpose loans when the following requirements are met: <ul style="list-style-type: none"> <li>• LTV less than 80%</li> <li>• Minimum decision credit score of 720</li> <li>• Minimum 12-months of reserves</li> </ul> Pricing adjustment may apply, see rate sheet.			
Gifts	Gift funds permitted after a minimum 10% borrower contribution, documented per the Asset Documentation Section. Gift of Equity <b>NOT</b> allowed for the DSCR Investor Advantage product.			
Housing History	0 X 30 X 24			
Housing Event Seasoning	BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> <li>• &gt;=24 Mo</li> </ul>			
Income Requirements	See below			
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• Irrevocable Trust</li> <li>• Land Trust</li> </ul>			

	<ul style="list-style-type: none"> <li>Blind Trust</li> <li>Borrowers with diplomatic immunity or otherwise excluded from US jurisdiction</li> <li>Not-for-profit entity</li> <li>First-Time Home-Buyers</li> <li>Any material parties (company or individual) to the transaction listed on HUD's Limited Denial of Participation (LDP) list, the federal General Services Administration (GSA) Excluded Party list, or any other exclusionary list.</li> </ul>
Ineligible States	AK, AR, HI, ID, KS, ME, MA, MS, MO, NE, NH, NY, RI, VT, VA, WV, WY
Interest Only	Eligible – DSCR based upon amortizing payment
Investor Experience	<p><b>Experienced Investor:</b> A borrower who has owned two (2) or more properties for at least twelve (12) months during the most recent thirty-six (36) month period. One (1) property must be an income producing property (residential or commercial).</p> <p><b>First Time Investor:</b> <b>NOT</b> Eligible</p>
Maximum Cash-out	\$1,000,000
Max Financed Properties	<ul style="list-style-type: none"> <li>Maximum exposure is \$5,000,000 or 10 financed properties with any single investor.</li> <li>Unlimited financed properties outside of the concentration risk listed above.</li> </ul>
Minimum FICO	<ul style="list-style-type: none"> <li>600</li> <li>I/O – 660</li> </ul>
Minimum Loan Amount	\$250,000
Minimum Square Footage	<ul style="list-style-type: none"> <li>SFR – 700 sq. feet</li> <li>Condominium – 500 sq. feet</li> <li>2-8 units – 400 sq. feet per unit</li> </ul>
Mixed Use	Commercial use limited to retail or office space. Residential/Commercial zoning acceptable.
Occupancy	Investment
Power of Attorney	<p>A limited Power of Attorney is acceptable when all the following are met:</p> <ul style="list-style-type: none"> <li>It is specific to the transaction;</li> <li>It is recorded with the Mortgage/Deed of Trust;</li> <li>It contains an expiration date;</li> <li>It is used to execute ONLY the final loan documents; and</li> <li>The Borrower who executed the POA signed the initial 1003, and</li> <li>An interested party to the transaction (such as seller, broker, loan officer, realtor, etc.) may not act as POA</li> <li><b>NOT</b> eligible for cash-out transactions</li> </ul>
Pre-Payment	<p>Acceptable structures include the following:</p> <ul style="list-style-type: none"> <li>5% fixed up to 5-years</li> <li>Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)</li> <li>Prepayment periods up to 5 years eligible – Refer to rate sheet.</li> <li>Penalties NOT allowed in MI, MN, NM, OH</li> <li>Penalties NOT allowed to loans vested to individuals in IL and NJ</li> </ul>
Properties Listed for Sale	<ul style="list-style-type: none"> <li>Properties that were listed for sale must have been taken off the market on or before the Note Date as evidenced by a canceled real estate contract or MLS listing.</li> <li>For all cash-out refinances, properties previously listed for sale must be seasoned at least six months from the listing contract expiration date to the loan application date. For investment properties, a listing expiration of less than six months is permitted with a prepayment penalty.</li> </ul>
Property Conditions	<ul style="list-style-type: none"> <li>No fair or poor ratings</li> <li>No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat)</li> <li>No health or safety issues (As noted by appraiser, i.e., broken windows, stairs)</li> <li>No excessive deferred maintenance that could become a health or safety issue for tenants</li> <li>No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)</li> </ul>
Property Type	<ul style="list-style-type: none"> <li>Residential 5 – 8 Units</li> <li>Mixed use 2 – 8 Units (Residential with Retail/Office) <ul style="list-style-type: none"> <li>2-3 Units: Max 1 commercial Unit</li> <li>4-5 Units: Max 2 commercial Units</li> <li>6-8 Units: Max 3 commercial Units</li> </ul> </li> </ul>

<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 2 months PITIA for each property that is cross-collateralized</li> <li>• Loan Amount &gt; \$1,500,000 – 6 months</li> <li>• Cash-out may be used to satisfy the reserve requirement</li> </ul>
<b>Seller Contributions</b>	3%
<b>State Restrictions</b>	Max LTV: 75% Purchase, 70% all refinances - CT, IL, NJ
<b>Tradelines</b>	Minimum: 2 reporting 24 months with activity in the last 12 months OR 3 reporting with 12 months with recent activity
<b>Unleased Properties</b>	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units
<b>Income Requirements</b>	
<b>Income</b>	<ul style="list-style-type: none"> <li>• Leased - Use lower of Estimated market rent or lease agreement.</li> <li>• Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units.</li> <li>• Reduce qualifying rents by any management fee reflected on appraisal report.</li> </ul>
<b>DSCR</b>	<ul style="list-style-type: none"> <li>• Minimum DSCR &gt;= 1.00</li> <li>• DSCR = Eligible monthly rents/PITIA</li> </ul>