



# Forward DSCR Loan Programs

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Effective Date: 1/30/2023 | Last Revised 2/2/2023

NonQM Investor Programs								
DSCR Select Ratio 1.25   DSCR Ratio 1.0   No-Ratio Ratio < 1.0								
Qualifying Matrix	Forward SELECT		Forward IQ				Forward NO RATIO	
Loan Amount	FICO to Max LT/CLTV		FICO to Max LTV/CLTV					FICO to Max LTV/CLTV
	740+	700+	740+	720+	680+	640+	620+	640+
\$ 1,000,000.00	75%	75%	85%*	85%*	80%	75%	70%	70%
\$ 1,500,000.00	75%	75%	85%*	85%*	80%	70%	65%	65%
\$ 2,000,000.00	75%	70%	80%	80%	75%	70%	60%	60%
\$ 2,500,000.00	70%	65%	75%	75%	70%	65%	55%	55%
\$ 3,000,000.00	65%	60%	70%	70%	65%	≤ 60%	≤ 50%	50%
\$ 3,500,000.00			65%	65%				
\$ 4,000,000.00								
\$ 5,000,000.00								
* > 80%	Not allowed		*Purchase only				Not allowed	
Ratio	Min 1.25 Ratio		Min 1.00 Ratio   >80% LTV Min 1.20 Ratio				Min 0.75 Ratio	
Cash Out	5% Reduction   Max 80%							
Housing History	0 x 30 x 12		1 x 30 x 12				0 x 30 x 12	
Credit Event (BK,SS,FC,DIL)	48 Months		36 Months (12 BK 13 & 24 SS/DIL, Ch. 7 BK)				36 Months	
Reserves	3 Months		> 65% LTV, 3 Months   12 Months on Foreign Nationals				6 Months	
Max Loan Amount	Min. \$250,000		Min. \$125,000				Min. \$125,000	
Max LTV	Condo - 75% Condo NW - no 2-4 Unit - no Rural - no		Condo - 80 % Condo Non-Warrantable (Max \$3m) - 75 % 2-4 Unit - 80 % Rural - 65 %				Condo - 60 % Condo NW - 60 % 2-4 Unit - 60 % Acc Dwell > 1 - 60 % Rural - no .	
Short Term Rentals	Not allowed		5% Reduction   Max 80%				Not allowed	
Declining Mkt Rent	≥ 1:1 DSCR Max LTV 65% OR Program Max LTV ≥ 1.25 DSCR						Not allowed	
Recently Listed w/C/O	Available w/minimum 1 year PPP, Vacant Max 70% LTV						Not allowed	
ITIN	Not allowed		• 700+ FICO • Max 75% LTV • \$1.5M Max				Temporary Suspension	
Foreign National	Not allowed		• 700+ FICO • Max 75% • C/O 65% • Max LA \$2M				Temporary Suspension	
Interest Only	• Qualify on IO Payment ALL States • Reserves based on IO Pmt							

Loan Programs	
<b>Fully Amortized ARM</b>	<ul style="list-style-type: none"> <li>• 5/6 SOFR: (2/1/5 Cap Structure)</li> <li>• 7/6 SOFR: (5/1/5 Cap Structure)</li> </ul>
<b>Fully Amortized Fixed</b>	<ul style="list-style-type: none"> <li>• 15-Year Fixed (180 Months)</li> <li>• 30-Year Fixed (360 Months)</li> <li>• 40-Year Fixed (480 Months)</li> </ul>
<b>Interest-Only (IO)</b>	<ul style="list-style-type: none"> <li>• 30-Year Fixed IO (120mo. IO + 240mo. Amor.)</li> <li>• 40 -Year Fixed IO (120mo. IO + 360mo. Amor.)</li> <li>• 5/6 IO SOFR: (2/1/5 Cap Structure)</li> <li>• 7/6 IO SOFR: (5/1/5 Cap Structure)</li> </ul>

Debt Service Coverage Ratio Requirements	
<b>Qualifying Ratio</b>	<ul style="list-style-type: none"> <li>• Gross Income/PITIA or ITIA; Qualified on cash flow of subject property.</li> <li>• Gross Income: Lower of estimated market rent from Form 1007 and monthly rent from existing lease (if lease amount is higher, needs to be documented with two months proof of receipt of rent or if brand new lease see guidelines).</li> </ul>
<b>Investor Experience</b>	<ul style="list-style-type: none"> <li>• Experienced Investor: Must have at least ONE of the following:               <ol style="list-style-type: none"> <li>1) Owned 2 or more properties greater than most recent 12 months.</li> <li>2) Owned 1 investment property for greater than 24 months.</li> <li>3) Ownership in commercial RE within the last 12 months.</li> </ol> </li> <li>• Inexperienced Investor/1st Time Investor: Must have owned a residence (primary or investment) in the most recent 12 mo, for a min of 12 mo. Max 75% LTV for DSCR ≥ 1.00   Max 60% LTV for No-Ratio &lt; 1.00   C/O NA for No-Ratio Inexperienced Investor.</li> </ul>



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Effective Date: 1/11/2023 | Last Revised 1/11/2023

Additional Product Details: ALL Products																							
<p><b>Cash In Hand Limit (Based on LTV)</b>            LTV ≤ 65%: \$2M max cash in hand (unless owned free &amp; clear)            LTV &gt; 65% ≤ 70% \$1M max cash in hand            LTV &gt; 70% \$500K max cash in hand            Free &amp; Clear: \$1.5M max cash in hand and max LTV 65%</p>	<p><b>Appraisal</b></p> <ul style="list-style-type: none"> <li>• If Loan Amount &gt; \$1,500,000 - 2nd Appraisal Required and must be from the Approved AMC List</li> <li>• CU ≤ 2.5 &amp; LA ≤ \$1,500,000 = No Add'l Requirements</li> <li>• CU &gt; 2.5 &amp; LA ≤ \$1,500,000 = ARR Req. Under 10% Variance</li> </ul> <p style="text-align: center;"><a href="#">Approved AMC List Link</a></p>																						
<p><b>Vacant / Unleased Properties</b></p> <ul style="list-style-type: none"> <li>• Purchase Transaction Program Max</li> <li>• Refinance (Rate/Term and Cash-Out)               <ul style="list-style-type: none"> <li>• Loan Balance ≤ \$1,000,000 – 70%/70%</li> <li>• Loan Balance &gt; \$1,000,000 – 65%/65%.</li> </ul> </li> </ul>	<p><b>Short Term Rentals</b></p> <ul style="list-style-type: none"> <li>• Purchase or Refi (R/T &amp; C/O)</li> <li>• Apply 20% Management Fee Reduction to Income</li> <li>• Document Income with 1007/1025 supported by 12 M. History of payments OR AirDNA/Overview Report see guidelines.</li> </ul>																						
<table border="0"> <tr><td>First Time Home Buyer</td><td>Not Allowed</td></tr> <tr><td>Gift funds</td><td>100% with 10% LTV reduction OR Min 5% buyer own funds</td></tr> <tr><td>Over \$3,000,000+ Loan Amount</td><td>See Guides for Appraisal &amp; Credit Overlay.</td></tr> <tr><td>Cash Out Seasoning</td><td>6 Months Min. Ownership Seasoning Over 6 Months for a prior Cash-Out Seasoning.</td></tr> <tr><td>Additional Reserves</td><td>Add'l Financed Properties - Not Applicable</td></tr> <tr><td>Interested Party Contribution</td><td>IPC: Investment Property - All LTV's   Max: 3%</td></tr> <tr><td>Occupancy</td><td>Non-Owner Occupied Only, Investment Properties Only.</td></tr> <tr><td>Min sq. footage</td><td>(SFR: 600sq.ft.) (Condo: 500sq.ft.) (2-4 Units: 400sq.ft. ea.)</td></tr> <tr><td>Pre-Payment Penalty</td><td>6 months interest on 80% of the original balance. Not allowed in: IL*, MD, MI, MN, ND, NJ*, NM, OH, PA. *Allowed to close in the name of a Corp.</td></tr> <tr><td>Private Party VOR's</td><td>LTV ≤ 80% &amp; ≥ 660 FICO   LTV ≤ 70% &amp; ≥ 600 FICO</td></tr> <tr><td>Declining Markets</td><td>Areas designated declining value on the appraisal will take a 5% reduction in LTV when &gt; 70% LTV</td></tr> </table>	First Time Home Buyer	Not Allowed	Gift funds	100% with 10% LTV reduction OR Min 5% buyer own funds	Over \$3,000,000+ Loan Amount	See Guides for Appraisal & Credit Overlay.	Cash Out Seasoning	6 Months Min. Ownership Seasoning Over 6 Months for a prior Cash-Out Seasoning.	Additional Reserves	Add'l Financed Properties - Not Applicable	Interested Party Contribution	IPC: Investment Property - All LTV's   Max: 3%	Occupancy	Non-Owner Occupied Only, Investment Properties Only.	Min sq. footage	(SFR: 600sq.ft.) (Condo: 500sq.ft.) (2-4 Units: 400sq.ft. ea.)	Pre-Payment Penalty	6 months interest on 80% of the original balance. Not allowed in: IL*, MD, MI, MN, ND, NJ*, NM, OH, PA. *Allowed to close in the name of a Corp.	Private Party VOR's	LTV ≤ 80% & ≥ 660 FICO   LTV ≤ 70% & ≥ 600 FICO	Declining Markets	Areas designated declining value on the appraisal will take a 5% reduction in LTV when > 70% LTV	
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Tradeline Requirements
<ul style="list-style-type: none"> <li>• <b>Tradeline Requirements:</b> 3 trades reporting 12 months with 12 months activity, OR 2 trades reporting for 24 months with 12 months activity, OR See guides for other options when borrower(s) do not meet min criteria. (ITIN see ITIN Guides)</li> <li>• <b>Limited Tradelines:</b> Max 70% LTV see guidelines, not available on Select and No Ratio.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Tradelines</b> for mortgages that reflect on credit report that have been paid off or sold in the last 12 months can meet the above requirements.</li> <li>• <b>Inexperienced investor</b>, all borrowers must meet inexperienced definition.</li> <li>• <b>No first-time home buyers are allowed</b> with inexperience.</li> <li>• <b>Experienced Investor</b>, only one borrower has to meet the experienced investor definition, all other borrowers can either be inexperienced or first-time home buyer. All properties to meet above definitions must be domiciled in the United States (Foreign National excluded).</li> </ul>
<p><i>*All Adjustments on this matrix are cumulative, all LTV calculations start from the highest LTV allowed per product.</i></p>

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