

| Single Investment Property 5 – 8 Unit Residential | | | | | | |
|--|---|--|--|---|--|---|
| Loan Amount | DSCR | | | | Loan Programs | <ul style="list-style-type: none"> • 15-Year Fixed (180 Months) • 30-Year Fixed (360 Months) • 30-Year Fixed IO (120 mos IO + 240 mos Amort) Maximum loan term cannot exceed 30 years |
| | FICO to Max LTV/CLTV | | | | | |
| | FICO | Purchase | Rate/Term | Cash-Out | Product Type | Residential 5-8 Units |
| \$1,500,000 | 720 | 75% | 75% | 65% | Interest Only | Eligible, qualify with IO payment based on 10yr IO term |
| | 700 | 75% | 75% | 65% | | |
| | 680 | 70% | 65% | 60% | | |
| \$2,000,000 | 720 | 70% | 70% | 65% | Loan Purpose | Purchase, Rate/Term and Cash-Out |
| | 700 | 70% | 65% | 65% | Occupancy | Investment |
| | 680 | 65% | 65% | 60% | Loan Amounts | • Min: \$250,000 • Max: \$2,000,000 |
| DSCR | | | | | State Restrictions | See State Licensing Map on website |
| <ul style="list-style-type: none"> • Minimum DSCR ≥ 1.00 • DSCR = Eligible monthly rents/PITIA (loans with an interest only feature may use the ITIA payment) • Reduce qualifying rents by any management fee reflected on the appraisal report | | | | | Cash In Hand | \$1.0MM max, 65% max LTV |
| General Requirements | | | | Property Requirements | | |
| Investor Experience | Experienced Investor: Must have at least ONE of the following: 1) Owned 2 or more properties greater than most recent 12 months 2) Owned 1 investment property for greater than 24 months 3) Ownership in commercial RE within last 12 months First Time Investor/Inexperience Investor Ineligible | | | Appraisals | <ul style="list-style-type: none"> • Appraisals to be dated no more than 120 days prior to Note date • New appraisal required if dated more than 120 days prior to Note date • Full interior inspection of all units with photos required • Acceptable appraisal forms: <ul style="list-style-type: none"> ◦ FHLMC 71A • Transferred appraisals not allowed • Attachments required for appraisal reports: <ul style="list-style-type: none"> ◦ Rent Roll ◦ Income and Expense Statement ◦ Photos of subject including exterior/interior and street scene ◦ Aerial photo ◦ Sketch or floor plan of typical units ◦ Area map ◦ Plot plan or survey ◦ Appraiser qualifications | |
| Borrowers | <ul style="list-style-type: none"> • U.S Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens • Foreign Nationals, ITIN, DACA are not allowed | | | | | |
| Housing History | 0 x 30 x 24 | | | | | |
| Credit Event | BK/FC/SS/DIL/Mod: ≥ 36 Mos seasoning | | | | | |
| Interested Party Contributions (IPC) | May not exceed 3% | | | | | |
| Prepayment Penalty | Refer to PPP Matrix for state specific details | | | | | |
| Income Requirements | | | | Review Product | Commercial Sales and Income BPO (exterior) is required on all properties • Appraised value used when BPO is greater than or no more than 10% below appraised value • BPO value used when BPO is more than 10% below appraised value | |
| Income | <ul style="list-style-type: none"> • Leased - Use lower of estimated market rent or lease agreement • Reduce qualifying rents by any management fee reflected on the appraisal report • Use 75% of market rents for vacant unit, no more than 2 vacant units allowed • STR income ineligible, considered a vacant unit and no income used | | | Property Restrictions | <ul style="list-style-type: none"> • Properties > 2 acres not allowed • Rural properties and Leaseholds ineligible (Contact AE for complete list of ineligible property types and transactions) | |
| Leased Units | <ul style="list-style-type: none"> • Existing leases with ≥ 6 mos initial term to be provided • Month-to-month leases allowed w/prior lease of ≥ 6 months & most recent 2 mos receipt • Individual room leases, Single Room Occupancy (SRO) or boarder leases ineligible • Commercial use of the unit is not allowed • STR income not permitted, considered a vacant unit and no income used | | | Property Condition | <ul style="list-style-type: none"> • No fair or poor ratings • No environmental issues (storage or use of hazardous material e.g., Dry Cleaners, Laundromat) • No health or safety issues (e.g., broken windows, stairs) • No excessive deferred maintenance that could become a health or safety issue for tenants • No structural deferred maintenance, (e.g., foundation, roof, electrical, plumbing) | |
| Unleased Units | Maximum 2 vacancies | | | | | |
| Seasoning Requirements | | | | | | |
| Rate/Term Refinance | | | | Cash-Out Refinance | | |
| <ul style="list-style-type: none"> • Acquired ≤ 6 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 6 months - Appraised value is used | | | | <ul style="list-style-type: none"> • Acquired > 6 months & < 12 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 12 months - Appraised value used | | |
| Underwriting Requirements | | | | | | |
| Reserves | | Tradelines | | | | |
| <ul style="list-style-type: none"> • 6 months • > \$1.5MM loan amount: 9 months • Cash out may not be used to satisfy requirement | | <ul style="list-style-type: none"> • At least three (3) tradelines reporting for a minimum of 12- months with activity in the last 12-months, or • At least two (2) tradelines reporting for a minimum of 24-months with activity in the last 12-months, or • At least 1 revolving tradeline reporting for 60 months with activity in the last 12 months and a verified 12-month housing history 0x30; or • At least 1 installment tradeline reporting for 36 months with activity in the last 12 months and a verified 12-month housing history 0x30 • Limited tradeline option is not allowed | | | | |
| Credit Score | Document Age | Assets | Escrows | | | |
| <ul style="list-style-type: none"> • Lowest decision score • When vesting in an entity, decision score of the member with the highest percentage of ownership used | 90 days | <ul style="list-style-type: none"> • Min of 30 days asset verification required • Gift funds ineligible | Escrows for insurance and taxes required | | | |