

<b>SELECT DSCR (Debt Service Coverage Ratio)</b>						
Documentation	Loan Amount	FICO	Purchase	Rate / Term	Cash Out	DSCR Ratio
<b>DSCR</b>	\$1.0 MM	700	65	65	65	1.25
	\$1.0 MM	720	65	65	65	1.15
Ratio Calculation		Gross Income / PITIA Expenses = Debt Service Coverage Ratio				
<b>Additional DSCR Requirements</b>						
<ul style="list-style-type: none"> <li>• Loan Amount minimum - \$250k</li> <li>• Maximum Loan amount - \$1.00 MM</li> <li>• 12 months PITIA reserves – required.</li> <li>• Pre-payment penalty – Not Allowed</li> <li>• PITIA Expenses – Total principal, interest, taxes, insurance, and association dues (as applicable)</li> <li>• Interest Only – uses ITIA Expenses</li> </ul>						
<b>Program Restrictions</b>						
<ul style="list-style-type: none"> <li>• 10% LTV / CLTV reduction for property located in NY &amp; NJ</li> <li>• 5% LTV / CLTV reduction for property located in CT &amp; IL</li> <li>• \$550k maximum cash out</li> <li>• Texas Cash Out transactions – Not Allowed</li> <li>• CEMA transactions – Not Allowed</li> <li>• Cooperatives – Not Allowed</li> </ul>						

<b>Product Codes</b>	<b>Description</b>
9045-49	30 Yr Fixed Select DSCR 1.25 +
9145-49	30 Yr Fixed Interest Only Select DSCR 1.25 +
9044-49	30 Yr Fixed Select DSCR 1.15 – 1.24
9144-49	30 Yr Fixed Interest Only Select DSCR 1.15 – 1.24

<b>Product Offerings Fixed Rate Products</b>		
<b>Product</b>	<b>30 Year Fixed Rate Mortgage</b>	<b>30 Year Interest Only Mortgage</b>
Description	Fully amortizing mortgage loan with an interest rate that is fixed over the entire 30 year term.	Fully amortizing mortgage loan that pays interest only during the first 10 years and amortizes down over the remaining 20 years.
Term	360	360
Interest Only Term	N/A	120
Amortization Term	360	240
Conversion Option	Not Applicable	
Pre-payment Penalty (PPP)	Not Applicable	

Mortgage Professional Use ONLY. Not for Consumer distribution. All information and parameters contained here subject to change without notice and may not address product specifics. Items not covered will default to investor guidelines subject to Credit Risk review and/or approval.

Borrower Qualification	Borrowers qualify at the Note rate based on fully amortizing Principal and Interest payment	Borrowers qualify at the Note rate Interest Only payment. Refer to ITIA Expenses on the DSCR Matrix for more detail.
Temporary Buydown	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>	
Mortgage Insurance	<ul style="list-style-type: none"> <li>Not Required or Permitted</li> </ul>	
Assumability	<ul style="list-style-type: none"> <li>Not Assumable</li> </ul>	

Appraisal Valuation	
Requirements	Purchase: <ul style="list-style-type: none"> <li>1 Full Appraisal if Combined Loan Amount &lt;=\$2.0 MM</li> <li>2 Full Appraisals if combined Loan Amount &gt; \$2.0 MM</li> </ul> Refinance: <ul style="list-style-type: none"> <li>1 Full Appraisal if Combined Loan Amount &lt;=\$1.5 MM</li> <li>2 Full Appraisals if combined Loan Amount &gt; \$1.5 MM</li> </ul>
Third Party Review Requirements	<ul style="list-style-type: none"> <li>Collateral Desktop Analysis (CDA)</li> </ul>
Clear Capital Escalation	<ul style="list-style-type: none"> <li>If the CDA returns a value that is &lt;= 5% of the Appraised Value or the purchase price, the lower of the Appraised Value or purchase price can be used to establish the LTV / CLTV</li> <li>If the CDA returns a value that is "Indeterminate" or &gt; 5% of the Appraised Value, a Clear Capital Broker Price Opinion (BPO) and Clear Capital Value Reconciliation of three Reports must be ordered. The reconciled value determined by Clear Capital will be used to determine LTV / CLTV.</li> </ul>
Property Condition	<ul style="list-style-type: none"> <li>Property condition of C3 or higher - REQUIRED</li> </ul>
HOA Certification	<ul style="list-style-type: none"> <li>Condominiums require HOA Certification Form</li> </ul>

Program Credit Matrix	
Documentation Types	<ul style="list-style-type: none"> <li>DSCR</li> </ul>
QM / Non-QM Eligibility	<ul style="list-style-type: none"> <li>Non-QM only</li> </ul>
Mortgage History (includes all financed properties)	<ul style="list-style-type: none"> <li>0 x 30 in the past 12 months</li> <li>1 x 30 (no rolling) in the past 24 months</li> </ul>
Minimum FICO Score	<ul style="list-style-type: none"> <li>700 with a 1.25 DSCR</li> <li>720 with a 1.15 DSCR</li> </ul>
Bankruptcy History	<ul style="list-style-type: none"> <li>Chapter 7: Four (4) years from discharge date to Note date</li> <li>Chapter 13 and Chapter 11 personal: Four (4) years from discharge date to Note date.</li> </ul>

Mortgage Professional Use ONLY. Not for Consumer distribution. All information and parameters contained here subject to change without notice and may not address product specifics. Items not covered will default to investor guidelines subject to Credit Risk review and/or approval.

Prior Loss Mitigation	<ul style="list-style-type: none"> <li>Four (4) years prior to Note Date</li> </ul>
Foreclosure History	
Multiple Derogatory Credit Events	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Maximum DTI	<ul style="list-style-type: none"> <li>DSCR 1.15 for FICO <math>\geq 720</math></li> <li>DSCR 1.25 for FICO <math>\geq 700</math></li> </ul>
Adverse Credit	All delinquent credit that will impact title or lien position of the subject property; including delinquent taxes, judgements, charge-off accounts, tax liens and mechanic's liens – MUST BE PAID OFF PRIOR TO OR AT CLOSING
Tax Payment Plans	MUST BE PAID OFF PRIOR TO OR AT CLOSING
Residual Income	<ul style="list-style-type: none"> <li>None - required</li> </ul>
Reserves All reserve requirements are calculated by determining the subject property PITIA and adding other property PITIAs as applicable	<ul style="list-style-type: none"> <li>12 months PITIA</li> </ul>

## Documentation Overview

Debt Service Coverage Ratio (DSCR)	<ul style="list-style-type: none"> <li>The subject properties income is utilized to qualify the transaction. This program compares the gross income from the subject property to the property's total debt service to document the borrower's ability to repay</li> </ul>
------------------------------------	---

## COVID UPDATE:

### Forbearance:

- No loan can be in forbearance at the time of funding: This includes all properties owned by the borrower.
- Borrowers exiting COVID related forbearance (Non-COVID related forbearance loans have to meet seasoning requirements on the Program Credit Matrix.)
  - Borrowers that missed payments while in forbearance (accepted a payment deferral or other loss mitigation solution), must exit forbearance and have made 3 months of consecutive payments after forbearance ends to be eligible.
  - Borrowers that made all standard monthly payments in full and on time while in forbearance are eligible with proof they have exited forbearance.

### Employment:

- Verbal Verification of Employment (VVOE) is required within 5 business days of note date.
  - As an alternative, an email directly from the employer's work email address may be used. The email must be from the employer's HR department or direct supervisor/manager. The email must identify the name/title/phone number of the verifier, the borrower's name and current employment status.

Mortgage Professional Use ONLY. Not for Consumer distribution. All information and parameters contained here subject to change without notice and may not address product specifics. Items not covered will default to investor guidelines subject to Credit Risk review and/or approval.

<ul style="list-style-type: none"><li>• Verification of Self-Employment: Confirm the borrower’s business is open within 10 days of the note date. Follow Fannie Mae method of verification of self-employment.</li></ul>
<b>Asset:</b>
<ul style="list-style-type: none"><li>• Market-based asset account documentation updated within 30 days o note date. Applicable for assets used for reserves, and assets used for Asset Depletion.</li></ul>
<b>Income:</b>
<ul style="list-style-type: none"><li>• Rental income: proof that there is no outstanding rent due on rental income that has been used to qualify.</li><li>• Unemployment benefits can’t be used as income</li></ul>
<b>Property</b>
<ul style="list-style-type: none"><li>• LTV Maximum of 70% on High-Rise Condos (greater than 4 stories.</li></ul>

Mortgage Professional Use ONLY. Not for Consumer distribution. All information and parameters contained here subject to change without notice and may not address product specifics. Items not covered will default to investor guidelines subject to Credit Risk review and/or approval.