INVE$TOR DEBT SERVICE COVERAGE RATIO

PROGRAM ID: **SP I10**

Program description: Investor Debt Service Coverage Ratio

Products and Terms:

5/1 ARM: Fully Amortizing **5/1 ARM:** With 10 year Interest-Only period
7/1 ARM: Fully Amortizing **7/1 ARM:** With 10 year Interest-Only period
15-Yr Fixed: Fully Amortizing
30-Yr Fixed: Fully Amortizing

Eligible borrowers: Citizens / US persons and foreign borrowers permitted, LLCs and Corporations organized in one of the fifty states or the District of Columbia

Minimum debt service coverage ratio: 100% of PITIA for LTV ≤ 75% or Loan Amount ≤ $1MM; 110% of PITIA for LTV > 75% or Loan Amount > $1MM

Minimum credit score: 660. No foreclosure, bankruptcy, deed in lieu or short sale permitted in the past 24 months. If foreclosure, bankruptcy, deed in lieu or short sale between 24 and 48 months, then max 65% LTV and reserves increased by 6 months. Mortgage and Rental History: maximum 1 x 30 x 12 with 0 x 30 in the last 6 months from Note Date

Loan amounts and loan to value limits:

Investment / Business Purpose
Purchase and Rate & Term Re-fi*
1-4 unit and Condos**
(example based on 740 min credit score)
85% to $1,000,000

(example based on 720 min credit score)
80% to $1,000,000
75% to $1,500,000
70% to $2,500,000
65% to $3,000,000

Investment / Business Purpose
Cash-out Re-fi
(example based on 720 min credit score)
75% to $1,000,000
70% to $1,500,000
60% to $2,000,000

* Rate and Term Refinance and Cash Out transactions are limited to 80% LTV

** I/O limited to 80% LTV; 2-4 unit properties limited to 80% LTV

Loans with one or more foreign borrowers:
70% to $1,000,000
65% to $2,500,000
65% to $1,500,000

Acceptable occupancy: investment / business purpose properties only. (Borrowers must sign a business use affidavit)

Acceptable property types: 1-4 units, warrantable / non-warrantable condo. Condotels not permitted.

Required reserves: 6 months PITIA for loan amount <$2MM; 12 months PITIA for loan amount ≥ $2MM

Acceptable states: All 50 states and DC (US Territories not permitted). Wholesale; verify currently licensed states

Other Info: ARM Index - 1-yr LIBOR; Margins – investor-occupied 5.25%; Caps – 2% initial, 2% each year and 5% lifetime; Floor (lifetime minimum rate) - is initial note rate. 3-yr prepayment penalty required for investor occupancy / business purpose loans where permitted by law; PPP buyouts may be available. For escrow information please see the Sprout Sales Guide. ACH draft required if one or more Borrowers is a foreign national.

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