

# INVESTOR DEBT SERVICE COVERAGE - LOW RATIO

PROGRAM ID: **SP I14**

**Program description:** Investor Debt Service Coverage, Low 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:** 75% of PITIA for LTV ≤ 75% or Loan Amount ≤ \$1,000,000; 80% of PITIA for LTV > 75% and Loan Amount > \$1,000,000

**Minimum credit score:** 680. 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:**

<u>Investment / Business Purpose</u>	<u>Investment / Business Purpose</u>
<u>Purchase and Rate &amp; Term Re-fi*</u>	<u>Cash-out Re-fi</u>
1-4 unit and Condos	<i>(example based on 740 min credit score)</i>
<i>(example based on 740 min credit score)</i>	70% to \$1,000,000
80% to \$1,000,000	60% to \$1,500,000
75% to \$1,500,000	55% to \$2,000,000
70% to \$2,000,000	

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

Loans with one or more foreign borrowers:

65% to \$1,000,000	50% to \$1,000,000
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**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.