

INVESTOR 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 **30-Yr Fixed:** With 10 year Interest-Only period

Eligible borrowers: Citizens / US persons and foreign borrowers permitted (refer to Section 4.1 of the Sales Guide)

Minimum debt service coverage ratio: 100% of PITIA or 110% of PITIA if either the LTV > 80%; Loan Amount > \$1.5MM; or LTV > 70% and FICO < 680

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:

<u>Investment / Business Purpose</u>
<u>Purchase and Rate & Term Re-fi*</u>
1-4 unit and Condos**
<i>(example based on 740 min credit score)</i>
85% to \$1,000,000
<i>(example based on 720 min credit score)</i>
80% to \$1,500,000
75% to \$2,500,000
70% to \$3,000,000
65% to \$3,500,000
55% to \$4,000,000

<u>Investment / Business Purpose</u>
<u>Cash-out Re-fi</u>
<i>(example based on 740 min credit score)</i>
80% to \$1,000,000
<i>(example based on 720 min credit score)</i>
75% to \$1,500,000
70% to \$2,000,000
65% to \$2,500,000
60% to \$3,000,000

* Rate&Term Refinance and Cash Out transactions, I/O and 2-4 unit properties are limited to 80% LTV

Loans with one or more foreign borrowers:

70% to \$1,000,000	65% to \$1,500,000
65% to \$2,500,000	

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. Refer to the Sales Guide for prepayment penalty information and for escrow information. ACH draft required if one or more Borrowers is a foreign national.