

# INVESTOR MIXED USE DEBT SERVICE COVERAGE

PROGRAM ID: **SP I12**

**Program description:** Mixed-Use Properties, 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 for loans ≤ \$1MM; 110% of PITIA for loans > \$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 2-8 units

*(example based on 740 min credit score)*

75% to \$1,000,000

*(example based on 720 min credit score)*

70% to \$1,500,000

65% to \$2,500,000

### Investment / Business Purpose

Cash-out Re-fi 2-8 units

*(example based on 720 min credit score)*

65% to \$1,500,000

60% to \$2,000,000

### For Loans with one or more foreign borrowers:

70% to \$1,000,000

65% to \$2,500,000

65% to \$2,500,000

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

**Acceptable property types:** Properties consisting of 2 to 8 units, if the property is less than 5 units at least one unit must be commercial (store, restaurant, etc.) and properties with more than 2 commercial units are not permitted. Please see the Sprout Sales Guide for important additional property requirements.

**Required reserves:** 6 months PITIA for loan amount ≤ \$2MM; 12 months PITIA for loan amount > \$2MM. If one or more borrowers is a foreigner, 12 months of reserves are required.

**Acceptable states:** All 50 states and DC (US Territories not permitted).

**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. Interest only loans are for 40-year terms (after the 10-year Interest Only period the loan must amortize over the remaining 30 years). Refer to the Sales Guide for prepayment penalty information. Escrows required. ACH draft required.