

INVESTOR DEBT SERVICE COVERAGE RATIO

PROGRAM ID: SP I5

Program Description: Qualification based on cash flow from the rental property

Products and Terms:

- 5/1 ARM: Fully Amortizing
- 5/1 ARM: With 7 or 10 year Interest-Only period
- 5/1 Interest Only LIBOR ARM: 40-yr term with 10 year Interest-Only period
- 7/1 ARM: Fully Amortizing
- 7/1 ARM: With 10 year Interest-Only period
- 7/1 Interest Only LIBOR ARM: 40-yr term with 10 year Interest-Only period
- 15-Yr Fixed: Fully Amortizing
- 30-Yr Fixed: With 7 or 10 year Interest-Only period
- 30-Yr Fixed: Fully Amortizing

Eligible borrowers: Borrowers who are natural persons may be citizens / US or foreigners. Borrowers who are eligible legal persons (LLCs and corporations) must be organized in one of the 50 states or DC. *If one or more borrowers is foreign, LTV is capped at 70% and 12 mths of reserves are required.*

Minimum Debt Service Coverage: 1.0 times PITIA

Minimum credit score: 620, based on no less than three trade lines established for one or more years, no foreclosure, bankruptcy or deed-in-lieu or short sale over past 48 months at standard LTVs and reserves. No foreclosure, bankruptcy, deed-in-lieu or short sale over past 24 months available at a max LTV of 75% and reserves increased by 6 months. Maximum permitted mortgage or rental payment delinquency is 1x30x12

Loan amounts and loan to value limits (example based on 720 min credit score):

| <u>Investment / Business Purpose / Purchase and Rate & Term Re-fi</u> | <u>Investment / Business Purpose / Cash-out Re-fi</u> | |
|---|---|--|
| 80% to \$1,000,000 | 80% to \$750,000 | |
| 75% to \$1,500,000 | 75% to \$1,000,000 | |
| 70% to \$2,000,000 | 70% to \$1,500,000 | |
| 65% to \$3,000,000 | 65% to \$2,500,000 | |
| 60% to \$4,000,000 | 60% to \$3,000,000 | |
| 55% to \$5,000,000 | 55% to \$3,500,000 | Loans with foreign borrowers limited to 70% LTV |

Acceptable occupancy: Investor / business purpose properties only. Borrowers must sign a business use affidavit (no primary or second home occupancies) and co-ops in NY and NJ only. Condotels not permitted.

Acceptable property types: 1-4 units, warrantable / non-warrantable condo (non-warrantable condos require a rate add-on) and co-ops in NY and NJ only. Condotels not permitted.

Required reserves: 3 - 12 months PITIA (based on loan amount). For cash-out refinances, loan proceeds disbursed to Borrower may be used to meet reserve requirements. If Borrowers own investment properties which are not the Subject Property, then required reserves must be increased by 1% of the mortgages outstanding on mortgage debt not secured by the Subject Property.

Acceptable states: 50 states and DC (US Territories not allowed)

Other Info: ARM Index - 1-yr LIBOR; Margins – owner occupied 3.25%; investor-occupied 5.25%; Floor (lifetime minimum rate) is initial note rate. Escrows required. 3-yr prepayment penalty required where permitted by law; PPP buyouts may be available.