

# 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

**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:** 115% of PITIA

**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:

Investment / Business Purpose /  
Purchase and Rate & Term Re-fi

1-4 unit, Condo  
(example based on 720 min credit score)  
70% to \$1,000,000  
65% to \$2,000,000  
55% to \$2,500,000  
50% to \$3,000,000

Investment / Business Purpose  
Cash-out Re-fi

(example based on 720 min credit score)  
55% to \$2,000,000  
50% to \$3,000,000

Loans to one or more foreign borrowers are limited to 60% LTV and \$2,500,000 Loan Amount

**Acceptable occupancy:** Primary residences, second homes, investment properties. (For investment / business purpose 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.