

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: 100% of PITIA for LTV \leq 75% or Loan Amount \leq \$1MM;
110% of PITIA for LTV > 75% or Loan Amount > \$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

1-4 unit and Condos

(example based on 720 min credit score)

80% to \$1,000,000

75% to \$1,500,000

70% to \$2,500,000

65% to \$3,000,000

Investment / Business Purpose

Cash-out Re-fi

(example based on 720 min credit score)

75% to \$1,000,000

70% to \$1,500,000

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: 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 \geq \$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.