

INVESTOR DEBT SERVICE COVERAGE

PROGRAM ID: **SP I10**
Program description: Investor Debt Service Coverage Ratio

Products and Terms:

5/6-mth ARM: Self-Amortizing **5/6-mth ARM:** With 10-year Interest-Only period
7/6-mth ARM: Self-Amortizing **7/6-mth ARM:** With 10-year Interest-Only period
15-Yr Fixed: Self-Amortizing
30-Yr Fixed: Self-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:
Investment / Business Purpose
Purchase and Rate & Term Re-fi*

1-4 unit and Condos

(example based on 740 min credit score)

85% to \$1,000,000

(example based on 720 min credit score)

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

Investment / Business Purpose
Cash-out Re-fi*

(example based on 740 min credit score)

80% to \$1,000,000

(example based on 720 min credit score)

75% to \$1,500,000

70% to \$2,000,000

60% to \$2,500,000

55% 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 \$2,500,000

65% to \$1,500,000

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 – 30-day average of SOFR; Margins – investor-occupied 5.25%; Caps (5/6-mth) – 2% initial, 1% every 6 months and 5% lifetime; (7/6-mth) - 5% initial, 1% every 6 months and 5% lifetime ; Floor (lifetime minimum rate) - is initial note rate. Refer to the Sales Guide for prepayment penalty information and for escrow information. Gifts permitted and must conform to all Fannie Mae gift requirements (except that Fannie requirements are modified to permit gifts for investor occupancy). ACH draft required if one or more Borrowers is a foreign national.