

INVESTOR MIXED USE DEBT SERVICE COVERAGE

PROGRAM ID: **SP I12**
Program description: Mixed-Use Properties, 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 if LTV ≤ 75% and loan amount ≤ \$1MM; 110% of PITIA if 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* 2-8 units
(example based on 740 min credit score)

80% to \$1,000,000
75% to \$1,500,000
70% to \$2,000,000

*I/O limited to 75% LTV

Investment / Business Purpose
Cash-out Re-fi* 2-8 units
(example based on 760 min credit score)

75% to \$1,000,000
(example based on 720 min credit score)
70% to \$1,000,000
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 – 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. 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. Gifts are not permitted. ACH draft required.