

DSCR Matrix (5-8 Units or 2-8 Mixed Use)

5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs		>= 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700+	<= 1,500,000	75	70	70
	1,500,001 – 2,000,000	70	65	65
Housing History	Housing Event Seasoning	Investor Experience		
<ul style="list-style-type: none"> 0x30x24 	BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> >=36 Mo – Any event Forbearance, Mod or Deferral – Refer to the guideline. 	Experienced Investor: Borrower must have a history of owning and managing (one) commercial or residential real estate for at least 1 year in the last 3 years. First Time Investor: Not eligible		
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
Declining Market Restrictions				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
General Requirements				
Product Type	15-Yr Fixed, 30-Yr Fixed, 5/6 ARM, 7/6 ARM, 10/6 ARM. The maximum loan term cannot exceed 30 years.			
Interest Only	Eligible			
Loan Amounts	<ul style="list-style-type: none"> Min: 400,000 Max: 2,000,000 			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Cash-In-Hand	<ul style="list-style-type: none"> Max cash-in-hand \$1,000,000 			
Occupancy	Investment			
Restrictions	Citizens & individuals from OFAC sanctioned counties including Russia & Belarus are not eligible. Foreign Nationals: Use 660 – 699 credit score Loan/LTV eligibility criteria			
Property Type	<ul style="list-style-type: none"> Residential 5 – 8 Units Mixed use 2 – 8 Units (Residential with Retail/Office) <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial Unit 4-5 Units: Max 2 commercial Units 6-8 Units: Max 3 commercial Units Commercial space must not exceed 49% of the total building area 			
Acreage	Property up to 2-acres, not meeting the rural definition, eligible			
Unleased Units	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.			
Appraisals	<ul style="list-style-type: none"> A full interior inspection with photos is required for all units. 5-8 Residential <ul style="list-style-type: none"> FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ residential properties, or Narrative reports can be utilized but not required. 2-8 Mixed Use <ul style="list-style-type: none"> General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode) The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports: <ul style="list-style-type: none"> Rent Roll Income and Expense Statement Photos of subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units Map Plot plan or survey Appraiser qualifications Review Product – A commercial BPO required for all loans. 			
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants. No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing) 			
Mixed Use	Commercial use is limited to retail or office space. Residential/Commercial zoning acceptable.			
Income Requirements				
Income	<ul style="list-style-type: none"> Leased - Use lower of Estimated market rent or lease agreement. Short-Term Rental Income not eligible Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units. Reduce qualifying rents by any management fee reflected on appraisal report. 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income 			
DSCR	<ul style="list-style-type: none"> Minimum DSCR >= 1.00 DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). Loan amounts = \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) Reduce qualifying rents by any management fee reflected on the appraisal report 			

DSCR (5-8 Units or 2-8 Mixed Use), continued

Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • Use highest decision score amongst all borrower(s)/guarantor(s) • Middle of 3 scores or lower of 2. 	Tradelines	<ul style="list-style-type: none"> • The minimum tradeline is not required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity.
Assets	Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none"> • 6 months of PITIA • Loan Amount > \$1.5M: 9-months of PITIA • Cash out may not be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Not eligible. 	Document Age	90-days (Credit Report and Assets)
Prepayment Penalty	<ul style="list-style-type: none"> • Acceptable structures include the following: <ul style="list-style-type: none"> ○ Six (6) months of interest in prepayments not available. ○ 5% fixed up to 5-years 		<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet. • Penalties not allowed in KS, NM, OH and RI. • Penalties not allowed on loans vested to individuals in NJ. • Penalties not allowed on loan amounts less than \$312,159 in PA