

**Foreign National – Investment Property Only**

Maximum LTV/CLTVs			DSCR (Investment Only)		
DSCR	Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi
≥1.00	680+	≤ 1,000,000	75	65	65
		1,000,001 – 1,500,000	70	60	60
	Foreign Credit	≤ 1,000,000	75	65	65
		1,000,001 – 1,500,000	70	60	60
<1.00	680+	≤ 1,000,000	65	60	60
		1,000,001 – 1,500,000	65	NA	NA
	Foreign Credit	≤ 1,000,000	65	60	60
		1,000,001 – 1,500,000	65	NA	NA
<b>Housing History</b>		<b>Credit Event Seasoning</b>	<b>First Time Investor</b>		<b>Unleased Properties</b>
0x30x12, if documented		BK/FC/SS/DIL/Mod: ≥ 36 Mo	Allowed		Refinance: LTV reduction not required
<b>Declining Market Restrictions</b>					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
<b>General Requirements</b>					
<b>Product Type</b>	40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed, 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)				
<b>Interest Only</b>	Eligible				
<b>Loan Amounts</b>	• Min: 150,000 • Max: 1,500,000				
<b>Loan Purpose</b>	Purchase, Rate/Term, and Cash Out				
<b>Restrictions</b>	<p>Citizens &amp; individuals from OFAC sanctioned counties including Russia and Belarus are not eligible.</p> <p>Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association:</p> <ul style="list-style-type: none"> <li>o Conveyances to Foreign Entities – By Individual Buyer</li> <li>o Conveyances to Foreign Entities – By Entity Buyer</li> </ul>				
<b>Property Type</b>	<p>Single Family, Attached, Detached.</p> <p>2-4 Units, Condominium: Max LTV/CLTV 70% (Purchase) – Max LTV/CLTV 65% (Refinance)</p> <p>Condotels or Non-Warrantable Condo: Max LTV/CLTV: 70% (Purchase) -- Max LTV/CLTV: 65% (Refinance).</p> <p>Rural: Not eligible</p> <p><b>Florida Condominiums:</b></p> <p>A structural inspection is required if the project is greater than 5 stories; and over 30 years old (or 25 years old if within 3 miles of the coast.</p> <p>Projects with an acceptable inspection, max LTV is reduced 5%</p> <p>Projects with an unacceptable or no inspection are not eligible.</p>				
<b>Acreage</b>	DSCR maximum 2-acres.				
<b>Cash-In-Hand</b>	<ul style="list-style-type: none"> <li>• \$300,000 if LTV &gt; 50%</li> <li>• \$500,000 for LTV ≤ 50%</li> </ul> <p>Total equity withdrawn can't exceed above limits</p>				
<b>Appraisals</b>	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained.				
<b>Income Requirements</b>					
<b>Income</b>	<p><b>Long-Term Rental Documentation and DSCR Calculation:</b></p> <ul style="list-style-type: none"> <li>• <b>Purchase Transactions:</b> <ul style="list-style-type: none"> <li>o Monthly Gross Rents are the monthly rents, established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>o If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.</li> <li>o A vacant or unleased property is allowed without LTV restriction.</li> </ul> </li> <li>• <b>Refinance Transactions:</b> <ul style="list-style-type: none"> <li>o Required Documentation: <ul style="list-style-type: none"> <li>▪ FNMA Form 1007 or 1025 reflecting long-term market rents and lease agreement.</li> <li>▪ If the lease has been converted month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant.</li> </ul> </li> <li>o Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows: <ul style="list-style-type: none"> <li>▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> </ul> </li> <li>o A vacant or unleased property is allowed, LTV reduction not required.</li> </ul> </li> <li>• <b>Debt Service Coverage Ratio (DSCR) Calculation:</b> <ul style="list-style-type: none"> <li>o DSCR is the Monthly Gross Rent divided by the PITIA of the subject property. See this matrix for DSCR requirements.</li> <li>o Gross rents divided by PITIA = DSCR</li> </ul> </li> </ul>				

**Foreign National – Investment, continued**

Income Requirements - Continued			
<b>Income</b>	<p><b>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation:</b> Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> <li>• Short-Term Rental Income – Purchase and Refinance Transactions:               <ul style="list-style-type: none"> <li>○ LTV is lesser of 70% for a purchase and 65% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects).</li> <li>○ DSCR Calculation:                   <ul style="list-style-type: none"> <li>▪ Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>▪ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short-term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used.</li> <li>▪ <math>(\text{Gross Rents} * .80) \text{ divided by PITIA} = \text{DSCR}</math></li> </ul> </li> </ul> </li> <li>• When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.</li> <li>• Any of the following methods may be used to determine gross monthly rental income:               <ul style="list-style-type: none"> <li>○ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.                   <ul style="list-style-type: none"> <li>▪ If long-term rent is utilized, the 20% expense factor is not to be applied.</li> </ul> </li> <li>○ The most recent 12-month rental history statement from the 3rd party rental/management service.                   <ul style="list-style-type: none"> <li>▪ The statement must identify the subject property/unit, rents collected for the previous 12 months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.</li> </ul> </li> <li>○ The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.</li> <li>○ AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements:                   <ul style="list-style-type: none"> <li>▪ Rentalizer (Property Earning Potential)                       <ul style="list-style-type: none"> <li>• Only allowed for purchase transaction</li> <li>• Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor.</li> <li>• The forecast period must cover 12 months from the Note Date.</li> <li>• The occupancy rate must be &gt; 60%                           <ul style="list-style-type: none"> <li>○ Maximum occupancy limited to 2 individuals per bedroom.</li> </ul> </li> <li>• Must have five (5) comparable properties, all within the same ZIP code.                           <ul style="list-style-type: none"> <li>○ Must be similar in size, room count, amenities, availability, and occupancy.</li> </ul> </li> </ul> </li> <li>▪ Overview Report (Evaluate a Market)                       <ul style="list-style-type: none"> <li>▪ Market Score or Sub-Market Score by zip code</li> <li>▪ Market Score or Sub-Market Score must be 60 or greater.</li> </ul> </li> </ul> </li> </ul> </li> </ul>		
Underwriting Requirements			
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Use highest decision score amongst all borrower(s)/guarantor(s)</li> <li>• Middle of 3 scores or lower of 2, if available.</li> </ul>	<b>DTI Requirements</b>	Not Applicable
<b>Assets</b>	Min of 30-days asset verification required; any large deposit must be sourced.	<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 6-months of PITIA</li> <li>• Cash out may be used to satisfy requirement</li> </ul>
<b>Gift Funds</b>	Not allowed	<b>Document Age</b>	90-days (Credit Report and Assets)
<b>Escrows</b>	<ul style="list-style-type: none"> <li>• Impounds are required. No exception will be allowed!</li> </ul>		
<b>Tradelines</b>	US credit: Min 2 reporting 24-months or 3 reporting 12-months.	<b>Prepayment Penalty - Investment Property Only</b>	<ul style="list-style-type: none"> <li>• Prepayment periods up to 5-Years eligible, see rate sheet.</li> <li>• Penalties not allowed in KS, NM, OH and RI.</li> <li>• Penalties not allowed on loans vested to individuals in NJ.</li> <li>• Penalties not allowed on loan amount less than \$312.159 in PA</li> </ul>