

### 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
Housing History		Credit Event Seasoning	First Time Investor	Unleased Properties	
0x30x12, if documented		BK/FC/SS/DIL/Mod: >= 36 Mo	Allowed	Refinance: LTV reduction not required	
Declining Market Restrictions					
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.					
General Requirements					
Product Type	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)				
Interest Only	Eligible				
Loan Amounts	• Min: 150,000 • Max: 1,500,000				
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Restrictions	Citizens & individuals from OFAC sanctioned counties including Russia and Belarus are not eligible. 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: <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>				
State Restrictions	IL, MD (Baltimore City Row Homes) & NY are ineligible				
Property Type	Single Family, Attached, Detached. 2-4 Units, Condominium: Max LTV/CLTV 70% (Purchase) – Max LTV/CLTV 65% (Refinance) Condotels or Non-Warrantable Condo: Max LTV/CLTV: 70% (Purchase) -- Max LTV/CLTV: 65% (Refinance). Rural: Not eligible <b>Florida Condominiums:</b> An inspection is required for projects 3 stories or greater and over 30 years old (or 25 years if within 3 miles of the coast). Projects with an unacceptable or no inspection are ineligible.				
Acreage	DSCR maximum 2-acres.				
Cash-In-Hand	• \$300,000 if LTV > 50% • \$500,000 for LTV <= 50% Total equity withdrawn can't exceed above limits				
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained.				
Income Requirements					
Income	<b>Long-Term Rental Documentation and DSCR Calculation:</b> Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR. <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. Monthly gross rent is to be evaluated for each unit individually.<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 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 without LTV restriction.</li><li>o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</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>▪ Original appraisal report reflecting tenant-occupied, and</li><li>▪ FNMA Form 1007 or 1025 reflecting long-term market rents and</li><li>▪ Executed lease agreement.</li><li>▪ Lease that has converted to month-to-month are allowed.</li></ul></li><li>o Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.<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></ul></li></ul>				

**Foreign National – Investment, continued**

Income Requirements - Continued			
Income	<ul style="list-style-type: none"> <li>○ A vacant or unleased property is allowed, LTV reduction not required.</li> <li>○ Unite subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.</li> </ul> <p>• <b>DSCR Calculation:</b></p> <ul style="list-style-type: none"> <li>○ DSCR is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property. See this matrix for required DSCRs.</li> <li>○ PITIA: Gross rents divided by PITIA = DSCR</li> <li>○ ITIA: Gross rents divided ITIA = DSCR</li> </ul> <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>▪ (Gross Rents * .80) divided by PITIA = DSCR</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>○ STR analysis form or 1007 or 1025 may be used. The analysis must include the following: <ul style="list-style-type: none"> <li>▪ Provide the source of the data used to complete the STR analysis.</li> <li>▪ Include comparable STR properties, focusing on room count, gross living area, location and market appeal.</li> <li>▪ Include daily rental rate and occupancy percentage.</li> <li>▪ Factor seasonality and vacancy into the analysis.</li> <li>▪ Must be completed by a licensed appraiser.</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 Report) <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 be 12 months and dated 90 days within the Note Date.</li> <li>• Maximum occupancy limited to 2 individuals per bedroom</li> <li>• Must have three (3) comparable properties similar in size, room count, amenities, availability and occupancy.</li> <li>• Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report.</li> </ul> </li> </ul> </li> </ul> </li> </ul>		
	Underwriting Requirements		
Credit Score	<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>	DTI Requirements	Not Applicable
Assets	Min of 30-days asset verification required; any large deposit must be sourced.	Reserves	<ul style="list-style-type: none"> <li>• 6-months of PITIA</li> <li>• Cash out may be used to satisfy requirement</li> </ul>
Gift Funds	Not allowed	Document Age	90-days (Credit Report and Assets)
Escrows	Impounds are required. No exception will be allowed.		
Tradelines	US credit: Min 2 reporting 24-months or 3 reporting 12-months.	Prepayment Penalty - Investment Property Only	<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 IL &amp; NJ.</li> <li>• Penalties not allowed on loan amount less than \$319,777 in PA</li> </ul>