

Single Investment Property 5 – 8 Unit Residential						
Loan Amount	DSCR				Loan Programs	<ul style="list-style-type: none"> • 15-Year Fixed (180 Months) • 30-Year Fixed (360 Months) • 30-Year Fixed IO (120 mos IO + 240 mos Amort) Maximum loan term cannot exceed 30 years
	FICO to Max LTV/CLTV					
	FICO	Purchase	Rate/Term	Cash-Out		
\$1,500,000	720	75%	75%	65%	Interest Only	Qualify with IO payment based on 10yr IO term
	700	75%	75%	65%		
	680	70%	65%	60%		
\$2,000,000	720	70%	70%	65%	Product Type	Residential 5-8 Units
	700	70%	65%	65%	Loan Purpose	Purchase, Rate/Term and Cash-Out
	680	65%	65%	60%	Occupancy	Investment
\$2,500,000	720	65%	60%	60%	Loan Amounts	<ul style="list-style-type: none"> • Min: \$350,000 • Max: \$3,000,000
	700	65%	60%	60%		
	680					
\$3,000,000	720	60%	55%		Cash In Hand	\$1.0MM max • 65% max LTV
	700	60%	55%			
	680					
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) • Reduce qualifying rents by any management fee reflected on the appraisal report 						
General Requirements				Property Requirements		
Investor Experience	<ul style="list-style-type: none"> • Experienced Investor: Borrower(s) with history of owning & managing non-owner occupied income-producing investment real estate for at least 1 year within the last 3 years • Only 1 borrower has to meet the Experienced Investor definition 			Appraisals	<ul style="list-style-type: none"> • Appraisals to be dated no more than 120 days prior to Note date • New appraisal required if dated more than 120 days prior to Note date 	
Borrowers	<ul style="list-style-type: none"> • U.S Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens • Foreign Nationals, ITIN, DACA are not allowed 				<ul style="list-style-type: none"> • Full interior inspection of all units with photos required • Acceptable appraisal forms: <ul style="list-style-type: none"> ◦ FHLMC 71A/71B, FNMA Form 1050, or a similar short form for 5+ unit residential properties • Narrative reports are also acceptable w/sales approach with repeat sales analysis 	
Housing History	• 0 x 30 x 12 & 1 x 30 x 24				<ul style="list-style-type: none"> • Attachments required for 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 ◦ Area map ◦ Plot plan or survey ◦ Appraiser qualifications 	
Credit Event	• BK/FC/SS/DIL/Mod: > 36 Mos seasoning				<ul style="list-style-type: none"> • Commercial Sales and Income BPO (exterior) is required on all properties • Appraised value used when BPO is greater than or no more than 10% below appraised value • BPO value used when BPO is more than 10% below appraised value 	
Interested Party Contributions (IPC)	• May not exceed 3%				<ul style="list-style-type: none"> • Properties > 2 acres not allowed • Rural properties and Leaseholds ineligible (Contact AE for complete list of ineligible property types and transactions) 	
Prepayment Penalty	• Refer to PPP Matrix for state specific details				<ul style="list-style-type: none"> • No fair or poor ratings • No environmental issues (storage or use of hazardous material e.g., Dry Cleaners, Laundromat) • No health or safety issues (e.g., broken windows, stairs) • No excessive deferred maintenance that could become a health or safety issue for tenants • No structural deferred maintenance, (e.g., foundation, roof, electrical, plumbing) 	
Income Requirements				Review Product		
Income	<ul style="list-style-type: none"> • Leased - Use lower of estimated market rent or lease agreement • Reduce qualifying rents by any management fee reflected on the appraisal report. Purchases only - 8% fixed expense factor applied if management fee is not listed. • Use 75% of market rents for vacant unit, no more than 2 vacant units allowed • STR income ineligible, considered a vacant unit and no income used 			Property Restrictions		
Leased Units	<ul style="list-style-type: none"> • Existing leases with ≥ 6 mos initial term to be provided • Month-to-month leases allowed w/prior lease of ≥ 6 months & most recent 2 mos receipt • Individual room leases, Single Room Occupancy (SRO) or boarder leases ineligible • Commercial use of the unit is not allowed • STR income not permitted, considered a vacant unit and no income used 			Property Condition		
Unleased Units	• Maximum 2 vacancies					
Seasoning Requirements						
Rate/Term Refinance				Cash-Out Refinance		
<ul style="list-style-type: none"> • Acquired ≤ 6 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 6 months - Appraised value is used 				<ul style="list-style-type: none"> • Acquired > 6 months & < 12 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 12 months - Appraised value used 		
Underwriting Requirements						
Reserves		Standard Tradeline Requirements				
<ul style="list-style-type: none"> • 6 months • > \$1.5MM loan amount: 9 months • Cash out may not be used to satisfy requirement 		<ul style="list-style-type: none"> • 3 tradelines reporting 12 months with activity in last 12 months, or • 2 tradelines reporting for 24 months with activity in last 12 months, or • 1 revolving tradeline reporting for 60 months with activity in the last 12 months, or • 1 installment tradeline reporting for 36 months with activity in the last 12 months • If each borrower has 3 credit scores, the minimum tradeline requirement is met. Any borrower with less than 3 credit scores must independently meet the minimum tradeline requirement. When closing in an entity, if the member with highest percentage of ownership has 3 credit scores, the minimum tradeline requirement is met. If all members have equal ownership shares each borrower evaluated individually. • Limited tradeline option is not allowed • Note: Borrower's credit scores primarily based on thin credit—such as authorized user accounts, self-reported accounts, or recently opened accounts with limited activity—must still meet one of the standard tradeline requirements 				
Credit Score	Document Age	Assets	Escrows			
<ul style="list-style-type: none"> • Lowest decision score • When vesting in an entity, decision score of the member with the highest percentage of ownership used • If all members have equal ownership, the lowest score is used • If members are married and each owns 50%, the higher score may be used 	<ul style="list-style-type: none"> • 90 days 	<ul style="list-style-type: none"> • Min of 30 days asset verification required • Gift funds ineligible 	<ul style="list-style-type: none"> • Escrows for insurance and taxes required 			