

DSCR Guidelines & Pricing - Summary Sheet

Effective: 2/27/2023

Underwriting Guidelines

Leverage Grid		Max As Is LTV	Max LTC
FICO: 780+	Purchase	75%	75%
	Refinance (No Cash Out)	75%	N/A
	Refinance (Cash Out)	75%	N/A
FICO: 760 - 779	Purchase	75%	75%
	Refinance (No Cash Out)	75%	N/A
	Refinance (Cash Out)	75%	N/A
FICO: 740 - 759	Purchase	75%	75%
	Refinance (No Cash Out)	75%	N/A
	Refinance (Cash Out)	75%	N/A
FICO: 720 - 739	Purchase	75%	75%
	Refinance (No Cash Out)	75%	N/A
	Refinance (Cash Out)	75%	N/A
FICO: 700 - 719	Purchase	75%	75%
	Refinance (No Cash Out)	75%	N/A
	Refinance (Cash Out)	75%	N/A
FICO: 680 - 699	Purchase	70%	70%
	Refinance (No Cash Out)	70%	N/A
	Refinance (Cash Out)	70%	N/A
FICO: 660 - 679	Purchase	65%	65%
	Refinance (No Cash Out)	65%	N/A
	Refinance (Cash Out)	65%	N/A
Foreign National	Purchase	65%	65%
	Refinance (No Cash Out)	65%	N/A
	Refinance (Cash Out)	65%	N/A
Leverage Reductions			
Property classified as "unlicensed" & Loan Purpose as "Refinance"			-10%
Non-Warrantable Condominium (doesn't apply to pending litigations)			-10%
Market Specific: Chicago / Detroit / Baltimore / Flint			-5%
UPB > \$1.5MM (including portfolio loans)			-10%

Coupon	5/1 ARM	7/1 ARM	Fixed 30
10.125%	103.375%	103.250%	102.875%
10.000%	103.250%	103.125%	102.750%
9.875%	103.125%	103.000%	102.625%
9.750%	103.000%	102.875%	102.500%
9.625%	102.875%	102.750%	102.375%
9.500%	102.750%	102.625%	102.250%
9.375%	102.625%	102.500%	102.125%
9.250%	102.500%	102.375%	102.000%
9.125%	102.375%	102.250%	101.875%
9.000%	102.250%	102.125%	101.750%
8.875%	102.063%	101.938%	101.563%
8.750%	101.875%	101.750%	101.375%
8.625%	101.688%	101.563%	101.188%
8.500%	101.500%	101.375%	101.000%
8.375%	101.250%	101.125%	100.750%
8.250%	101.000%	100.875%	100.500%
8.125%	100.750%	100.625%	100.250%
8.000%	100.500%	100.375%	100.000%
7.875%	100.250%	100.125%	99.750%
7.750%	100.000%	99.875%	99.500%
7.625%	99.750%	99.625%	99.250%
7.500%	99.500%	99.375%	99.000%
7.375%	99.250%	99.125%	98.750%
7.250%	98.625%	98.500%	98.125%
7.125%	98.000%	97.875%	97.500%
7.000%	97.375%	97.250%	96.875%
6.875%	96.750%	96.625%	96.250%
6.750%	96.125%	96.000%	95.625%

Program Notes

Minimum Price	96.500%
Maximum Price	102.500%
Maximum Price (PPP < 3 Years)	99.000%

Pricing Matrix

FICO Buckets	LLPAs (Price Adjustments)						
	LTV/CLTV						
	< 50	50.01-55	55.01-60	60.01-65	65.01-70	70.01-75	75.01-80
FICO: 780+	1.625%	1.375%	1.250%	1.000%	0.875%	-0.250%	N/A
FICO: 760 - 779	1.500%	1.250%	1.125%	0.875%	0.750%	-0.375%	N/A
FICO: 740 - 759	1.375%	1.125%	1.000%	0.625%	0.500%	-0.500%	N/A
FICO: 720 - 739	0.750%	0.500%	0.375%	0.125%	-0.250%	-1.125%	N/A
FICO: 700 - 719	0.125%	-0.125%	-0.375%	-0.500%	-1.125%	-2.000%	N/A
FICO: 680 - 699	-0.125%	-0.375%	-0.500%	-0.750%	-1.375%	N/A	N/A
FICO: 660 - 679 / Foreign National	-0.500%	-0.625%	-0.750%	-1.250%	N/A	N/A	N/A
FICO: 640 - 659	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FICO: 620 - 639	N/A	N/A	N/A	N/A	N/A	N/A	N/A
0.80 <= DSCR < 1.00	-1.000%	-1.500%	-2.000%	-2.500%	N/A	N/A	N/A
1.00 <= DSCR < 1.15	0.000%	0.000%	0.000%	0.000%	-1.000%	N/A	N/A
UPB <= \$100,000	0.000%	0.000%	0.000%	0.000%	-0.250%	-0.500%	N/A
UPB > \$1,500,000 (including Portfolio Loans)	-0.500%	-0.500%	-0.750%	-1.000%	N/A	N/A	N/A
Refinance (Cash Out)	0.000%	0.000%	0.000%	-0.500%	-1.250%	-2.000%	N/A
Non-Warrantable Condo	-0.500%	-0.500%	-0.500%	-0.500%	N/A	N/A	N/A
Condo	0.000%	0.000%	0.000%	0.000%	-0.250%	-0.500%	N/A
2-4 Unit	0.000%	0.000%	0.000%	0.000%	-0.250%	-0.500%	N/A
Multifamily 5-12 Units	-1.000%	-1.000%	-1.000%	-1.000%	-2.000%	N/A	N/A
Foreign National	-0.250%	-0.250%	-0.250%	-0.250%	N/A	N/A	N/A
7 Years (84 Months) Minimum Interest	0.625%	0.625%	0.625%	0.625%	0.625%	0.625%	N/A
7 Y ears (7%/6%/5%/4%/3%/2%/1%)	0.375%	0.375%	0.375%	0.375%	0.375%	0.375%	N/A
5 Years (60 Months) Minimum Interest	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	N/A
5 Years (5%/4%/3%/2%/1%)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	N/A
3 Years (3%/2%/1%)	-0.250%	-0.250%	-0.250%	-0.250%	-0.250%	-0.250%	N/A
2 Years (2%/1%)	-0.750%	-0.750%	-0.750%	-0.750%	-0.750%	-0.750%	N/A
1 Year (1%)	-1.250%	-1.250%	-1.250%	-1.250%	-1.250%	-1.250%	N/A
Interest Only (10 Years)	0.000%	0.000%	0.000%	-0.250%	-0.250%	N/A	N/A

Eligible Loan Characteristics

Minimum Loan Amount	\$75,000 (Single Property)
Maximum Loan Amount	\$2,000,000 (Single Property)
Maximum Crossed Collateralized Loan Amount	\$5,000,000 (Multiple Properties)
Minimum DSCR	0.80x
Purchase / Refinance Seasoning	Property acquisition within 6 months of loan origination date
Liquidity Requirement	DSCR >1.00: 6 months of PITIA / DSCR <1.00: 9 months of PITIA
Recourse	Loans require executed personal guarantees by 100% of the entity's ownership. On an exception basis, we will approve a recourse structure of no less than 51% of the entity members
Rate Type	Fixed and Adjustable Rates are permitted. The following methodology applies to Adjustable-Rate Mortgages ("ARM"): - Fixed Period (Month): 60 ("5/1") / 84 ("7/1") - Adjustment / Index: Annually / 30-Day Average SOFR - Margin: 5.00% - Caps (5/1): 2 / 2 / 5 - Caps (7/1): 5 / 2 / 5 - Floor: 5.00% - Rounding Factor / Method: 0.125% / Up - Lookback Days: 45
Borrowing Entity	The following structures are allowed: - LLC - Limited Partnership - Corporation - Trust (Has to be irrevocable) - Individual

Underwriting Fee	\$1,995
Property Ownership	Fee Simple. Leasehold is not permitted
Not Permitted States	North Dakota, South Dakota, Hawaii and Alaska
Lien	Only first liens are allowed
Housing Event Seasoning	Bankruptcy: 4 Years / Foreclosure, Deeds in Lieu, Short Sale, Bankruptcy Dismissal: 2 Years
Loan Term	360 Months
Interest Only Term	10 Years. All Interest Only loans are based on an accelerated amortization. No balloon payments will be due at the end of the term
Prepayment Penalty Structure	Option between the following structures: - 7 Year Minimum Interest - 7 Year: 7% / 6% / 5% / 4% / 3% / 2% / 1% - 5 Year Minimum Interest - 5 Years: 5% / 4% / 3% / 2% / 1% - 3 Years: 3% / 2% / 1% - 2 Years: 2% / 1% - 1 Year: 1%
Closing Escrows	The lender needs to collect escrows at closing that equal to the sum of: - 2 months of taxes - 2 months of insurance - Any tax payment due in the next 90 days - Any open taxes, unless paid at closing by Title