

Residential Transition Loan (“RTL”)

Version: 3.1

Underwriting Guidelines

		Score
Credit Decision Score	>= 750	3
	700-749	2
	< 700 / Foreign National	0
# of Verified Experience	20+	5
	5-20	3
	< 5	1

		Total Score
Borrower Classification	A	6
	B	3-5
	C	<=2

Loan Program	Loan Purpose	Borrower Classification	Initial Loan Amount		Loan Amount
			AS-IS LTV	LTC	LTARV
Fix & Flip	Purchase	A	85%	85%	70%
		B	85%	80%	65%
		C	75%	70%	60%
	Refinance (Rate & Term)	A	70%	N/A	65%
		B	70%	N/A	60%
		C	N/A	N/A	N/A
Refinance (Cash Out)	A	65%	N/A	65%	
	B	65%	N/A	60%	
	C	N/A	N/A	N/A	
Bridge	Purchase	A	80%	80%	N/A
		B	80%	80%	N/A
		C	75%	75%	N/A
	Refinance (Rate & Term)	A	75%	N/A	N/A
		B	75%	N/A	N/A
		C	N/A	N/A	N/A
Refinance (Cash Out)	A	70%	N/A	N/A	
	B	70%	N/A	N/A	
	C	N/A	N/A	N/A	
Bridge Plus	Purchase	A	75%	75%	N/A
		B	75%	75%	N/A
		C	70%	70%	N/A
	Refinance (Rate & Term)	A	70%	N/A	N/A
		B	70%	N/A	N/A
		C	N/A	N/A	N/A
Refinance (Cash Out)	A	65%	N/A	N/A	
	B	65%	N/A	N/A	
	C	N/A	N/A	N/A	

Underwriting Description	Leverage Reductions
Heavy Rehab Projects	-10%
HPA decline between 3% - 6%	-5%
300% > ZHVI Multiplier > 200%	-5%
Loan Amount between \$2.0M and \$3.0M	-10%

Pricing Matrix

		Based on LTC										
Purchase		60.00%	60.01%	65.00%	65.01%	70.00%	70.01%	75.00%	75.01%	80.00%	80.01%	85.00%
A		10.500%	10.625%		10.750%		10.875%		11.000%		11.125%	
B		10.750%	10.875%		11.000%		11.125%		11.250%		11.375%	
C		11.000%	11.125%		11.250%		11.375%		11.500%		11.625%	

		Based on As Is LTV										
Refinance (No Cash Out)		60.00%	60.01%	65.00%	65.01%	70.00%	70.01%	75.00%	75.01%	80.00%	80.01%	85.00%
A		11.250%	11.375%		11.500%		11.625%		N/A		N/A	
B		11.500%	11.625%		11.750%		11.875%		N/A		N/A	
C		11.750%	11.875%		12.000%		12.125%		N/A		N/A	

		Based on As Is LTV										
Refinance (Cash Out)		60.00%	60.01%	65.00%	65.01%	70.00%	70.01%	75.00%	75.01%	80.00%	80.01%	85.00%
A		12.000%	12.125%		12.250%		N/A		N/A		N/A	
B		12.250%	12.375%		12.500%		N/A		N/A		N/A	
C		12.500%	12.625%		12.750%		N/A		N/A		N/A	

Borrower Experience

Experience Description	Qualifying Points (<= 48 Months)	Qualifying Points (>48 Months)
Property rehab completed and sold	1.00	0.75
Property rehab completed and retained as rental	0.75	0.50
Property acquired as rental	0.50	0.25
Ground up construction and sold	1.00	0.75
Ground up construction and retained as rental	0.75	0.50
Rehab completed and sold as GC for 3rd party investor	0.50	0.25

Eligible Loan Characteristics

Minimum Loan Amount	\$100,000	Loan Term (Fix & Flip)	12-24 Months
Maximum Loan Amount	\$3,000,000	Loan Term (Bridge)	12 Months
Minimum Qualifying Credit Score	660	Loan Term (Bridge Plus)	24 Months
Eligible Property Types	SFR, Townhome, Condo, 2-4 Units	Interest Accrual (Fix & Flip)	Dutch / Non-Dutch
Loan Structure	Interest Only	Interest Accrual (Bridge / Bridge Plus)	Dutch
Borrower Eligibility	LLC, Ltd Partnership, Corp, Trust, Individual	Property Ownership	Fee Simple
Heavy Rehab	Rehab Budget >35% of Pur. Price/As-Is Value	Not Permitted States	N. Dakota, S. Dakota, Hawaii, Alaska
Lien Position	Only 1st Liens are allowed	Minimum Square Footage	SFR/Townhome: 600 / Condo/2-4 Unit: 500 per unit
Rate Type	Fixed	Recourse	At least 51% of entity

Valuation Type

	Full Appraisal	Interior BPO		Full Appraisal	Interior BPO
Loan Amount Less than or equal to \$1,500,000	✓	✓	As-Is LTV Less than or equal to 80%	✓	✓
Loan Amount Greater than \$1,500,000	✓	✗	As-Is LTV Greater than 80%	✓	✗
Property Type: SFR, Townhome, PUD, Condo	✓	✓	Loan Purpose: Purchase	✓	✓
Property Type: 2-4 Units	✓	✗	Loan Purpose: Refinance (Rate & Term)	✓	✗
Rehab Less than or equal to \$100,000	✓	✓	Loan Purpose: Refinance (Cash Out)	✓	✗
Rehab Greater than \$100,000	✓	✗			