

NON-QM FOREIGN NATIONAL – INVESTMENT PROPERTY ONLY PROGRAM MATRIX

Maximum LTV/CLTV			DSCR (Investment Only)		
DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	R/T Refi	Cash-Out Refi
≥1.00	680	1,000,000	75	65	65
		1,500,000	70	60	60
	Foreign Credit	1,000,000	75	65	65
		1,500,000	70	60	60
<1.00	680	1,000,000	65	60	60
		1,500,000	65	NA	NA
	Foreign Credit	1,000,000	65	60	60
		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 and State/CBSA Restrictions					
Maximum eligible LTVs do not require a market adjustment for the Foreign National Program.					
Ineligible locations: HI, NY, RI, Puerto Rico, Guam, & the US Virgin Islands					
General Requirements					
Product Type	Fixed Rate Terms: 15, 30, 40-years; 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				
Occupancy	Investment for all eligible foreign citizens 2 nd Home Only for Canadian citizens (see guide for criteria)				
Eligibility Restrictions	Citizens and individuals from OFAC sanctioned countries including Russia and Belarus are not eligible				
Property Type	<ul style="list-style-type: none"> Single Family, Attached/Detached: No restrictions. 2-4 Units and Condominiums: Max LTV/CLTV <ul style="list-style-type: none"> Purchase – 70%, Refinance – 65% Condo Hotel: Max LTV/CLTV: <ul style="list-style-type: none"> Purchase – 70%, Refinance – 65% Rural – Not Eligible 		Florida Condominiums: A structural inspection is required for projects: <ul style="list-style-type: none"> Greater than 5 stories, and Over 30 years old (or 25 years if within 3 miles of the coast) • Projects with an unacceptable or no inspection are not eligible.		
Acreage	DSCR maximum 2-acres.				
Cash-In-Hand	<ul style="list-style-type: none"> \$300,000 if LTV > 50% \$500,000 for LTV ≤ 50% Total equity withdrawn cannot exceed above limits				
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained.				
Income Requirements					
Income	Long Term Rental Documentation and DSCR Calculation <ul style="list-style-type: none"> Purchase Transactions: <ul style="list-style-type: none"> Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. A vacant or unleased property is allowed without LTV restriction. Refinance Transactions: <ul style="list-style-type: none"> Required documentation: <ul style="list-style-type: none"> FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement. If the lease has converted to 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. Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025. If using a higher monthly actual lease amount, evidence of 2-months of receipts is required, and the lease amount must be within 120% of the estimated market rent from the 1007 or 1025. If the actual rent exceeds the market more than 120%, the rents are capped at 120%. A vacant or unleased property is allowed, LTV reduction not required. DSCR Calculation: <ul style="list-style-type: none"> Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. Gross rents divided by PITIA = DSCR Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation Short-term rental are properties which are leased on a nightly, weekly, monthly, or seasonal basis.				

Date: 10/16/2023



Income (cont.)	<ul style="list-style-type: none"> • Short-Term Rental Income – Purchase and Refinance Transactions: <ul style="list-style-type: none"> ◦ 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). ◦ DSCR Calculation: <ul style="list-style-type: none"> • Monthly gross rents based upon a 12-month average to account for seasonality required. • Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleansing) 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. • (Gross Rents * .80) divided by PITIA = DSCR • Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> ◦ A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. ◦ The most recent 12-month rental history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> • The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The rental income will exclude all vendor or management fees. ◦ The most recent 12-months bank statement from the borrower evidencing short-term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits. ◦ AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements: <ul style="list-style-type: none"> • Rentalizer (Property Earning Potential) <ul style="list-style-type: none"> ◦ Only allowed for purchase transaction ◦ Gross rents equal the revenue projection from the Rentalizer Report less than 20% extraordinary expense factor ◦ Forecast period must cover 12 months from the Note date ◦ The occupancy rate must be > 60% <ul style="list-style-type: none"> • Maximum occupancy limited to 2 individuals per bedroom ◦ Must have five (5) comparable properties, all within the same ZIP code <ul style="list-style-type: none"> • Must be similar in size, room count, amenities, availability, and occupancy • Overview Report <ul style="list-style-type: none"> ◦ Market grade by zip code ◦ Must be 60 or greater 		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • If score available, use the highest decision score amongst all borrower(s) / guarantor(s) • Middle of 3 scores or lower of 2, if available 	DTI Requirements	(DSCR – no DTI component)
Assets	Min of 30-days asset verification required	Reserves	<ul style="list-style-type: none"> • 6-months of PITIA • Cash out may be used to satisfy requirement
Gift Funds	Not allowed	Document Age	90-days
Tradelines	<ul style="list-style-type: none"> • U.S. credit: Min 2 reporting 24-months or 3 reporting 12-months, for borrowers 	Prepayment Penalty – Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM, OH and RI • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts less than \$301,022 in PA • Only declining prepayment penalty structures allowed in MS

Date: 10/16/2023

