



DIAMOND PLUS DSCR 1-4 Unit Matrix				
Investment Property with DSCR >= 1.00				
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	1,000,000	80	80	75
	2,000,000	75	75	60
700	1,500,000	75	75	70
	2,000,000	70	70	60
680	1,000,000	75	75	65
	1,500,000	70	70	60
	2,000,000	65	65	NA
660	1,000,000	70	70	65
	1,500,000	65	65	60
	2,000,000	60	60	NA

Housing History

- 0x30x12 for subject property and each borrower's/guarantor's primary residence for the most recent 12 months, regardless of whether the borrower/guarantor is on the Note or vested on title

Housing/Credit Event Seasoning

The following derogatory credit events require a 36+ month seasoning (Derogatory credit events include all REOs):

- BK/FC/SS/DIL/NOD/Lis Pendens
- Modifications (Due to Default)
- 120+ Day Delinquency
- Balloon payments that are more than 180 days past maturity

Vacant Properties

Vacant Properties For Refinance Transactions

- Vacant properties are not eligible for refinance transactions unless:
 - The subject property recently underwent renovations or rehab with the intention of being rented out soon AND The appraiser confirms that renovations/rehab were recently completed and provides visual evidence
- If the foregoing conditions are met, utilize the market rent from the 1007/1025 or supplemental appraisal form completed by the appraiser of record

Investor Experience

Experienced Investor:

The borrower must have a history of owning and managing commercial or non-owner occupied residential real estate for at least one (1) year in the last three (3) years.

First-Time Investor:

First-Time Investor is a borrower not meeting the Experienced Investor definition. First-Time Investors are eligible subject to the following restrictions:

- Minimum credit score: 700
- DSCR >1.0

First-Time Homebuyer:

- Not eligible





Geographic Restrictions			
Ineligible Locations: Baltimore City, MD, Philadelphia, PA, Puerto Rico, Guam, and the U.S. Virgin Islands			
DECLINING MARKETS			
Property Value	Demand	Market Time	Reduction to LTV
Declining	Any	Any	5%

General Requirements	
Borrower Eligibility	<ul style="list-style-type: none"> All borrowers must have a valid social security number and established U.S. credit history No Asylum Non-Permanent Resident Alien: Max 75% LTV/CLTV, no cash-out
Product Type	<ul style="list-style-type: none"> 15 YR fixed, 30 YR fixed, 40 YR fixed, 30 and 40-YR with 10-YR I/O Option; 5/6 ARM, 7/6 ARM – 30-YR Full AM
Interest Only	<ul style="list-style-type: none"> Min Fico: 700 Max LTV/CLTV: 75% for ratios ≥ 1.0
Loan Amounts	<ul style="list-style-type: none"> Min: \$125,000 Max: \$2.0 MM
Cash-In-Hand	<ul style="list-style-type: none"> LTV > 60% - \$500,000 LTV \leq 60% - Unlimited
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash-Out
Cash-Out Transactions	<ul style="list-style-type: none"> Borrower must have owned the property for a minimum of 12 months measured from acquisition date to note date Refinance of a previous loan that provided cash out will be considered a cash out refinance if the loan being refinanced is seasoned for less than 12 months (measured from note date to note date)
Occupancy	<ul style="list-style-type: none"> Investment
Eligible Property Types	<ul style="list-style-type: none"> Single Family: Attached, Detached SFR + one (1) Legal ADU's allowed 2-4 Units: Max LTV/CLTV 75% Warrantable and Non-Warrantable Condos: Max LTV/CLTV 75% <p><u>Florida Condominiums:</u></p> <ul style="list-style-type: none"> A structural inspection is required for projects greater than 3 stories; and over 30 years old (or 25 years if within 3 miles of the coast) Subject to Florida's SB-4D requirements
Rural Properties	<ul style="list-style-type: none"> Not eligible
Acreage	<ul style="list-style-type: none"> Property up to 20 Acres
Appraisals	<ul style="list-style-type: none"> FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. 2nd Appraisal required for Loan Amounts > \$2.0MM
Recently Listed Properties	<ul style="list-style-type: none"> Refinance Transactions <ul style="list-style-type: none"> Properties that have been listed for sale by the borrowers for less than or equal to 6 months from the note date may not be currently listed at the time of loan application and will require a LOE signed by the borrower and evidence the listing is cancelled Multiple listings within 12 months of the note date are ineligible
Property Flips	<ul style="list-style-type: none"> When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than ten (10%), the transaction is considered a "flip". <ul style="list-style-type: none"> To determine the three hundred sixty-five (365) day period, the acquisition date (the day the seller became the legal owner of the property) and the purchase date (the day both parties executed the purchase agreement) should be used Flip transactions are subject to the following requirements: Property Flips <ul style="list-style-type: none"> All transactions must be arm's length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction. See Non-Arms Length Transactions section No pattern of previous flipping activity may exist in the last 12 months. Exceptions to ownership transfers may include newly constructed properties, sales by government agencies, properties inherited or acquired through divorce, and sales by the holder of a defaulted loan The property was marketed openly and fairly, through a multiple listing service, auction, for sale by owner offering (documented) or developer marketing The property seller must be the owner of record



	<ul style="list-style-type: none"> ○ No assignments of the contract to another buyer ○ Increases in value should be documented with commentary from the appraiser and recent comparable sales. <ul style="list-style-type: none"> ■ Sufficient documentation to validate the actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable. ○ If the property is being purchased for more than 5% above the appraised value, a signed letter of acknowledgement from the Borrower must be obtained ○ A second appraisal is required, prior to closing, in the following circumstances: <ul style="list-style-type: none"> ■ Greater than ten (10%) increase in sales price if seller acquired the property in the past 90 days ■ Greater than twenty (20%) increase in sales price if seller acquired the property in the past 180 days ■ The second appraisal must be dated prior to the loan consummation/note date. ■ The Borrower may not pay for the 2nd appraisal ○ Flip transactions must comply with the HPML appraisal rules in Regulation Z. ● Bank owned REO and Corporate Relocations are eligible and not considered a flip transaction.
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Income Requirements

Long-Term Rental Documentation and DSCR Calculation

	<ul style="list-style-type: none"> ● Gross Rental Income is calculated using the lower of: <ul style="list-style-type: none"> ○ Executed Lease Agreement or 1007/1025 Market rent from appraisal (both must be included in the loan file) ○ If the executed lease agreement reflects a higher monthly rent than the appraisal, it may be used in the calculation provided that the most recent three consecutive months of receipt can be documented with cancelled checks or other electronic records
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Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation

	<p>Short-term rental are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> ● Short-Term Rental Income <ul style="list-style-type: none"> ○ Eligibility <ul style="list-style-type: none"> ■ Short-term rental income is permitted for both purchase and refinance transactions ■ Short-term rental income must be legally permitted and considered common for the area, as confirmed by the appraisal and/or property location ■ Max 70% LTV/CLTV ■ DSCR ≥ 1.0 ○ Documentation Requirements <ul style="list-style-type: none"> ■ Short-term rental income may be documented using a supplemental appraisal form completed by the licensed appraiser who performed the original appraisal. The form must accompany and be part of the original appraisal. ■ Income must be verified through a third-party property management provider <ul style="list-style-type: none"> ● Vendors such as Airbnb, AirDNA, VRBO, and HomeAway are acceptable ● Documentation must include the property address or a unique property ID specific to the subject property ○ Calculation <ul style="list-style-type: none"> ■ Purchase Transactions <ul style="list-style-type: none"> ● Gross rent is 100% of the estimated market rent from: <ul style="list-style-type: none"> ○ Form 1007/1025 OR ○ Supplemental appraisal form completed by the appraiser of record ■ Refinances <ul style="list-style-type: none"> ● Use the lower of: <ul style="list-style-type: none"> ○ 100% of the estimated market rent from: <ul style="list-style-type: none"> ■ Form 1007/1025 OR ■ Supplemental appraisal form completed by the appraiser of record ○ The actual 12-month short-term rental income history, supported with documentation from Airbnb, AIRDNA, VRBO, HomeAway, or a third-party management provider. <ul style="list-style-type: none"> ■ 12 months of history is required for refinance transactions
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Underwriting Requirements

Credit Score	<ul style="list-style-type: none"> ● Middle of 3 scores or lower of 2 ● Use highest representative score from the borrower with the highest percentage of ownership. In the case where two borrowers or more borrowers have the same highest percentage of ownership, the loan level Representative Credit Score will be the lowest borrower representative score amongst these borrowers.
Tradelines	<ul style="list-style-type: none"> ● Each qualifying borrower must have:



	<ul style="list-style-type: none"> ○ Min: 2 reporting 12-months with activity in last 24-months or 3 reporting 12-months, or a combined credit profile between Borrower and Co-Borrower with a minimum of three tradelines showing at least 12 months of history in the last 24 months ○ Tradeline activity is not required, and the tradelines can be opened or closed
Assets	<ul style="list-style-type: none"> ● Min of 30-days asset verification required or most recent quarterly statement for both funds to close and reserves. ● Business Assets acceptable for down payment, closing costs, and reserves, all of the following must be met: <ul style="list-style-type: none"> ○ The borrowers on the loan must have a minimum of 50% ownership of the business and must be owners on the business account ○ Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent ○ All non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and confirming the borrower's access to funds in the account ○ The balance of the business assets must be multiplied by the ownership percentage to determine the owner's portion of business assets allowed for the transactions ○ A signed letter from a CPA must also be obtained verifying that the withdrawal of funds for the transaction will not have a negative impact on the business
Reserves	<ul style="list-style-type: none"> ● Loan Amount ≤ \$500,000: 3-months of PITIA ● Loan Amount > \$500,001 - \$2.0 MM: 6-months of PITIA ● Cash out may be used to satisfy requirement
Gift Fund	<ul style="list-style-type: none"> ● Gift funds not permitted for LTV/CLTV > 80% ● Purchase transactions only ● Acceptable as 100% downpayment for loans < 75% LTV/CLTV ● Acceptable for loans ≥ 75% LTV/CLTV, however the underlying borrowers must contribute a minimum of 5% of the transaction from their own funds (lower of purchase price or appraised value)
Document Age	<ul style="list-style-type: none"> ● Credit Documents: 90-days ● Preliminary Title Policies and Appraisal: 120-days
Escrows	<ul style="list-style-type: none"> ● Escrows for hazard insurance and taxes are required for HPML loans. ● Escrow accounts may be waived for loans meeting the following requirements: <ul style="list-style-type: none"> ○ LTV less than or equal to 80% ○ Min Fico score of 680 ○ Min 6-months reserve ● Escrow waiver is subject to a loan level pricing adjustment, <i>refer to rate sheet</i>
Prepayment Penalty	<ul style="list-style-type: none"> ● <i>Refer to Prepayment Penalty Matrices for all details.</i>