



## AMERITRUST RUBY DSCR 1-4

Single Investment Property				
Maximum LTV/CLTVs				>= 1.00
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	75	70	70
	3,000,000	70	65	70
660	1,000,000	75	75	70
	1,500,000	75	70	70
	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	NA	NA

  

Housing History
<ul style="list-style-type: none"> <li>• 1x30x12 – No reduction</li> <li>• 0x60x12 – Max 70% LTV Purchase &amp; Max 65% LTV Rate/Term &amp; Cash-out</li> <li>• Min 700 FICO qualifying rent will be higher of: The market rent as per the 1007 up to a max 20% difference of the Current lease income</li> </ul>
Housing Event Seasoning:
<ul style="list-style-type: none"> <li>• Bankruptcy, Short Sale, Deed-in-Lieu, Charge-off Mortgage and/or Foreclosure: 36 months</li> <li>• COVID Forbearance must be released and fully current.</li> <li>• Non-COVID deferred payments would need to meet the following:</li> <li>• Mortgage Loan Modifications are acceptable with 36 months seasoning, min 720 FICO and no additional credit events after modification. Examples of loan modifications are:               <ul style="list-style-type: none"> <li>&gt;Principal and/or Interest Forgiveness on either the first or second mortgage.</li> <li>&gt;Principal Curtailment by or on behalf of the investor to simulate principal forgiveness.</li> <li>&gt;Conversion of any part of the original mortgage debt from secured to unsecured debt.</li> </ul> </li> </ul>
Credit Event Seasoning
BK/FC/SS/DIL: <ul style="list-style-type: none"> <li>• &gt;=36 Mo – No reduction</li> <li>• &gt;=24 Mo – Max 75% LTV Purchase &amp; Max 70% LTV Rate/Term &amp; Cash-out</li> </ul>
Unleased Properties
All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 75% for Purchase and 70% for Refinance. Not applicable for short-term rental see income section for specific criteria on full guidelines.



### 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 1 year in last 3 years.

**First Time Investor:** First-Time Investor is a borrower not meeting the Experienced Investor definition, but who currently has a verified 12-month housing payment history with a max LTV of 75% with minimum of 1.00 DSCR ratio with a minimum of 700 FICO score. First Time Investors are eligible subject to the following restrictions:

- Minimum credit score: 700.
- Minimum of 36-months seasoning from any credit event.
- Cash-out transactions not eligible.
- 12-months minimum rental history fully documented, if private party, must provide cancelled checks/bank statements, or PayPal etc. proof with copy of lease.
- 12-month reserves

**First time Homebuyer/First Time Investor:**

- Minimum credit score 700
- 12-months minimum rental history fully documented, if private party, must provide cancelled checks/bank statements, or PayPal etc. proof with copy of lease. 0x 30 x 12
- must provide proof of utility bill with address along with valid driver's license.
- max LTV 75% purchase to LTV matrices limit
- Minimum DSCR 1.00
- 12-months reserves
- No gifts allowed.
- No Cash out

### Declining Market

#### DECLINING MARKETS

Required to be applied for LTVs >65%

Property Value	Demand	Market Time	Reduction to LTV
Declining	Any	Any	5%

Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

### General Requirements

<b>Product Type</b>	Fixed Rate Terms: 30, 40-year fixed, 30 or 40 YR with 10 YR I/O Option; 5/6 ARM, 7/6 ARM – 30 YR full am, 30 YR with 10 YR I/O option.
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>• Min Credit Score: 680</li> <li>• FTHB 700 /12 months reserves</li> <li>• Max LTV:75% Purchase, 75% Rate/Term,70% Cash-Out</li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>• Min: 100,000</li> <li>• Max: 3,000,000</li> </ul>
<b>Loan Amt &lt; 150K</b>	• Max LTV/CLTV: Purchase 70%, any Refinance 65%
<b>Loan Purpose</b>	• Purchase, Rate/Term, and Cash Out
<b>Occupancy</b>	• Investment



<p><b>Property Type</b></p>	<ul style="list-style-type: none"> <li>• Single Family: Attached, Detached, SFR +ADU, Modular</li> <li>• 2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%</li> <li>• Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance-Rate and Term or Cash-Out 65% (Max Loan Amount \$1,500,000/Min Loan Amount \$150k)</li> <li>• Rural: up to 20 Acres minimum <b>700 FICO</b> required</li> <li>• <u>Florida Condominiums:</u> <ul style="list-style-type: none"> <li>• A structural inspection is required for projects:               <ul style="list-style-type: none"> <li>• Greater than 5 stories; and over 30 years old (or 25 years if within 3 miles of the coast)</li> <li>• Projects with an unacceptable or no inspection are ineligible</li> </ul> </li> </ul> </li> </ul>
<p><b>Acreage</b></p>	<ul style="list-style-type: none"> <li>• Property up to 20-acres MIN <b>FICO 700</b></li> </ul>
<p><b>Vacant Property/Month-to-Month/Using higher of 1007 or Current Lease</b></p>	<ul style="list-style-type: none"> <li>• Purchase: No reduction may use 1007 Market Rent</li> <li>• Refinance: if lease has been converted to month-to-month, then provide the most recent two (2) months proof of receipts to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following; Refinance 70%.</li> <li>• Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows:       <ul style="list-style-type: none"> <li>➢ If using the lower of the actual lease amount or estimated market rent, nothing further is required OR is <b>MINIMUM FICO 700</b> and you may use the higher of the two provided not exceeding 20%.</li> <li>➢ <b>If FICO is &lt;700</b>, if using the higher actual lease amount, evidence of 2-months 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 estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped.</li> </ul> </li> </ul>
<p><b>Cash-In-Hand</b></p>	<ul style="list-style-type: none"> <li>• LTV &gt; 65% - \$1,000,000</li> <li>• LTV &lt; 65% - unlimited</li> <li>• Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)</li> </ul>
<p><b>Appraisals</b></p>	<ul style="list-style-type: none"> <li>• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.</li> <li>• 2nd Appraisal required for loans &gt; \$2,000,000.</li> </ul>



**RUBY DSCR 1-4 CONT'D**

Income Requirements	
Long-Term Rental Documentation and DSCR Calculation	
<b>Income</b>	<ul style="list-style-type: none"> <li>• <b>Purchase Transactions:</b> <ul style="list-style-type: none"> <li>• Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>• If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.</li> <li>• A vacant or unleased property is allowed without LTV restriction.</li> </ul> </li> <li>• <b>Refinance Transactions:</b> <ul style="list-style-type: none"> <li>• Required documentation: <ul style="list-style-type: none"> <li>• FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement.</li> <li>• 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 and subject to the following: Max LTV: Purchase 75% , Refinance 70%</li> </ul> </li> <li>• Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows: <ul style="list-style-type: none"> <li>• If using the lower of the actual lease amount or estimated market rent, nothing further required.</li> <li>• If using a higher actual lease amount, evidence of 2 months of receipts required and the lease amount must be within 120%, the rents are capped at 120%</li> <li>• If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> </ul> </li> </ul> </li> <li>• <b>DSCR Calculation:</b> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Gross rents divided by PITIA = DSCR</li> </ul> </li> </ul>
Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation	
<b>Income</b>	<p>Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> <li>• <b>Short-Term Rental Income – Purchase and Refinance Transactions:</b> <ul style="list-style-type: none"> <li>• LTV is lesser of 75% for a purchase and 70% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance. (Excludes Condo Hotel projects)</li> </ul> </li> <li>• DSCR Calculation: <ul style="list-style-type: none"> <li>• Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>• Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) 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.</li> <li>• (Gross Rents * .80) divided by PITIA = DSCR.</li> <li>• When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.</li> </ul> </li> <li>• Any of the following methods may be used to determine gross monthly rental income: When multiple sources <ul style="list-style-type: none"> <li>• A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.</li> <li>• The most recent 12-month rental history statement from the 3rd party rental/management service. 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.</li> <li>• The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits.</li> <li>• AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental data, must meet the following requirements: <ul style="list-style-type: none"> <li>• Rentalizer (Property Earning Potential) <ul style="list-style-type: none"> <li>• Only allowed for purchase transaction</li> <li>• Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor</li> <li>• Forecast period must cover 12 months from the Note date</li> <li>• The occupancy rate must be &gt; 60%</li> <li>• Maximum occupancy limited to 2 individuals per bedroom</li> <li>• Must have five (5) comparable properties, all within the same ZIP code</li> <li>• Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> </ul> </li> <li>• Overview Report (Evaluate a Market) <ul style="list-style-type: none"> <li>• Market score or Sub-Market score by zip code.</li> <li>• Market score or Sub-Market score must be 60 or greater.</li> </ul> </li> </ul> </li> </ul>



**DSCR 1-4, CONT'D**

Underwriting Requirements	
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Use highest decision score amongst all borrower(s)/guarantor(s).</li> <li>• Middle of 3 scores or lower of 2</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Min of 30-days asset verification required</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 2 months of PITIA</li> <li>• Loan Amount &gt; \$1.5M: 6-months of PITIA</li> <li>• Loan Amount &gt; \$2.5M: 12-months of PITIA</li> <li>• Cash out may be used to satisfy requirement</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Allowed after min 10% borrower contribution</li> </ul>
<b>Document Age</b>	<ul style="list-style-type: none"> <li>• 90-days</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived</li> <li>• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity</li> </ul>
<b>Prepayment Penalty - Investment Property Only</b>	<p><u>Acceptable Structures include the following:</u></p> <ul style="list-style-type: none"> <li>• Fixed percentage of no less than 3%</li> <li>• Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)</li> <li>• Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.</li> <li>• Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>• Penalties not allowed in AK, KS, MI, MN, NM, OH and RI</li> <li>• Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>• Penalties not allowed on loan amounts less than \$312,159 in PA</li> <li>• Only declining prepayment penalty structures allowed in MS</li> </ul>