



**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	65
	3,500,000	70	65	NA
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
640	1,000,000	75	70	NA
	1,500,000	65	65	NA
	2,000,000	65	NA	NA
	3,000,000	60	NA	NA
Maximum LTV/CLTVs				< 1.00
700	1,000,000	75	75	70
	1,500,000	75	75	70
	2,000,000	70	70	65
	2,500,000	65	65	NA
	3,000,000	60	65	NA
680	1,000,000	70	65	NA
	1,500,000	70	65	NA
	2,000,000	65	60	NA
	3,000,000	60	NA	NA
660	1,000,000	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> </ul>				
Housing Event Seasoning:				
Forbearance, Mod or Deferral: See ATM Eligibility Guide				
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				
<b>All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70% for Refinances. . PLEASE NOTE; NO LTV RESTRCITIONS ON PURCHASE TRANSACTIONS.</b> Not applicable for short-term rental s see income section for specific criteria on full guidelines.				



### Investor Experience

**Experienced Investor:**

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:**

A borrower not meeting the experienced investor criteria.

- First Time investors eligible subject to the following restrictions:
- Min credit score: 680
- If reported, no mortgage late payments during the past 36 Mo
- >= 36 Mo from any credit event
- Owned a primary residence for at least 1-year
- Cash-out not eligible
- First Time Home Buyer not eligible

### Declining Market and State/CBSA Restrictions

If either or both of the following apply:

- 1) The appraisal report identifies the property as a declining market;
- 2) The subject property is in a state or CBSA in the table at the end of this document, the maximum LTV/CLTV is limited to 75% for purchase and 70% for all refinances and the maximum loan amount is limited to \$2MM.

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

### General Requirements

<b>Product Type</b>	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)
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>· Min Credit Score: 680</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: 3,500,000</li> </ul>
<b>Loan Amt &lt; 150K</b>	· Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)
<b>Loan Purpose</b>	· Purchase, Rate/Term, and Cash Out
<b>Occupancy</b>	· Investment
<b>Property Type</b>	<ul style="list-style-type: none"> <li>· Single Family: Attached, Detached</li> <li>· 2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%</li> <li>· Condo Hotel: Max LTV/CLTV Purchase 75%, Refinance 65%</li> <li>· Max Loan Amount \$1,500,000</li> <li>· Rural: Not Eligible</li> </ul> <p><u>Florida Condominiums:</u></p> <ul style="list-style-type: none"> <li>· A structural inspection is required for projects:</li> <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>
<b>Acreage</b>	· Property up to 2-acres, not meeting the rural definition, eligible
<b>Cash-In-Hand</b>	<ul style="list-style-type: none"> <li>· LTV &gt; 65% - \$500,000</li> <li>· LTV &lt; 65% - \$1,000,000</li> <li>· Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)</li> </ul>
<b>Appraisals</b>	<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></li> <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> <li>• <b>Refinance Transactions:</b></li> <li>• Required documentation:</li> <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> <li>• Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows:</li> <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> <li>• A vacant or unleased property is allowed subject to the following: Max LTV Purchase 75% Refi 70%</li> <li>• <b>DSCR Calculation:</b></li> <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>
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></li> <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> <li>• DSCR Calculation:</li> <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> <li>• Any of the following methods may be used to determine gross monthly rental income: When multiple sources</li> <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:</li> <li>• Rentalizer (Property Earning Potential)</li> <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> <li>• Overview Report (Evaluate a Market)</li> <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>



**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>



**RUBY**

Statewide		CBSA-Specific	
State Name	State	CBSA Name	CBSA Code
Connecticut	CT	Phoenix-Mesa-Scottsdale, AZ	38060
Idaho	ID	Sacramento-Roseville, CA	40900
Illinois	IL	San Francisco-Oakland-Hayward, CA	41860
Louisiana	LA	San Jose-Sunnyvale-Santa Clara, CA	41940
New Jersey	NJ	Santa Cruz-Watsonville, CA	42100
New York	NY	Boulder, CO	14500
		Breckenridge, CO	14720
		Sevierville, TN	42940
		Austin-Round Rock, TX	12420