



DSCR (5-8 UNITS OR MIXED USE)

Single Investment Property 5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs			>= 1.00	
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,500,000	75	70	70
	2,000,000	70	65	65
Housing History				
· 0x30x12				
Housing Event Seasoning				
BK/FC/SS/DIL:				
· >36 Mo – Any event				
Forbearance, Mod or Deferral: See ATM Eligibility Guide				
Investor Experience				
Experienced Investor:				
· Borrower must have a history of owning and managing commercial or nonowner occupied residential real estate for at least 1 year in last 3 years				
First Time Investor:				
Not eligible				
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
Declining Market and State/CBSA Restrictions				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				



General Requirements	
Product Type	· Fixed Rate Terms: 15 & 30 years; 5/6 ARM, 7/6 ARM, 10/6 ARM Maximum loan term cannot exceed 30-years.
Interest Only	· Eligible
Loan Amounts	· Min: 400,000 · Max: 2,000,000
Loan Purpose	· Purchase, Rate/Term, and Cash Out
Cash-In-Hand	· Max cash-in-hand \$1,000,000
Occupancy	· Investment
Eligibility Restrictions	· Citizens and individuals from OFAC sanctioned countries are not eligible.
Property Type	<ul style="list-style-type: none"> · Residential 5 – 8 Units · Mixed use 2 – 8 Units · Commercial usage limited to Retail/Office/Restaurant · 2-3 Units: Max 1 commercial Unit · 4-5 Units: Max 2 commercial Units · 8 Units: Max 3 commercial Units · Commercial space must not exceed 49% of the total building area
Acreage	· Property up to 2-acres, not meeting the rural definition, eligible
Unleased Units	· Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.
Appraisals	<ul style="list-style-type: none"> · A full interior inspection with photos is required for all units. · 5-8 Residential · FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ residential properties, or · Narrative report can be utilized but not required. · 2-8 Mixed Use · General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode) · The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports: <ul style="list-style-type: none"> · Rent Roll · Income and Expense Statement · Photos of subject including exterior/interior and street scene · Aerial photo · Sketch or floor plan of typical units · Map · Appraiser qualifications · Review Product – A commercial BPO required for all loans · PA, NC- a commercial evaluation product is used instead of a commercial BPO
Property Condition	<ul style="list-style-type: none"> · No fair or poor ratings · No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) · No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) · No excessive deferred maintenance that could become a health or safety issue for tenants · No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)
Mixed Use	· Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable.
Income Requirements	
Income	<ul style="list-style-type: none"> · Leased – Use lower of Estimated market rent or lease agreement. · Short-Term Rental Income not eligible · Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units. · Reduce qualifying rents by any management fee reflected on appraisal report. · 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income
DSCR	<ul style="list-style-type: none"> · Minimum DSCR >= 1.00 · DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). · Loan amounts >= \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) · Reduce qualifying rents by any management fee reflected on the appraisal report



Underwriting Requirements

Credit Score	<ul style="list-style-type: none"> Use highest decision score amongst all borrower(s)/guarantor(s). Middle of 3 scores or lower of 2
Assets	<ul style="list-style-type: none"> Min of 30-days asset verification required;
Reserves	<ul style="list-style-type: none"> 6 months of PITIA Loan Amount > \$1.5M: 9-months of PITIA Loan Amount > \$2.5M: 12-months of PITIA Cash out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> Not eligible
Document Age	<ul style="list-style-type: none"> 90-days
Tradelines	<ul style="list-style-type: none"> Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity For each borrower who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually).
Prepayment Penalty - Investment Property Only	<p>Acceptable Structures include the following:</p> <ul style="list-style-type: none"> Fixed percentage of no less than 3% 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%) 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 \$312,159 in PA Only declining prepayment penalty structures allowed in MS

Cross Collateral DSCR Matrix

Cross Collateral

Minimum DSCR	Minimum Credit Score	LTV/CLTV		
		Purchase	Rate/Term	Cash-Out
>=1.20	700	70	65	65
	660	65	NA	NA
	Foreign National (FN)	65	NA	NA
Housing 0x60 x12	Credit Event >=36 months			

	Minimum	Maximum
Loan Amount	\$400,000	\$3,000,000
Property Count	3	25
Property level allocated balance	\$50,000	\$1,000,000

Cash-Out

LTV <= 65%	Unlimited
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State/CBSA Restrictions

Maximum eligible LTVs do not require a market adjustment for the cross-collateral program

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

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Product Type	Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM, 10/6 ARM. Maximum loan term cannot exceed 30-years.
Property Type	<p>Eligible: 1-4 unit residential properties, condominiums, condo hotels. Ineligible: 5-8 unit residential and 2-8 mixed use properties.</p>
Eligibility Restrictions	Citizens and individuals from OFAC sanctioned countries are not eligible



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