

DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	80% ^{1,2,3}	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	740
	75%	\$1,000,000	620
		\$1,500,000	640
		\$2,000,000	700
	70%	\$1,500,000	620
		\$2,000,000	640
		\$2,500,000	700
		\$2,000,000	620
65%	\$2,500,000	660	
	75%	\$1,500,000	700
		\$1,500,000	660
	65%	\$1,000,000	620
\$2,000,000		660	
CASH OUT	60%	\$2,500,000	700

- Minimum loan amount \$100,000
- Loan amounts \$100k-\$150k – require min DSCR 1.25

¹2-4 Unit Max 75%

²Warrantable Condo– Max 75% LTV/CLTV

³Non-Warrantable Condo – Max 75% LTV/CLTV

Short Term Rental Refinance: Min DSCR 1.50%, Max LTV 65%, Min Score 700, and 1-year experience operating a short-term rental. Purchases not permitted.

DSCR Premier - DSCR 1.0+

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	70%	\$1,000,000	720
CASH OUT			

- Minimum loan amount \$100,000
- Loan amounts < \$175,000 – require min 1.25 DSCR
- Non-Perm Resident Aliens and Foreign Nationals not permitted.
- 40-Yr Fixed and 40-Yr ARM fully amortizing products not permitted
- All additional overlays of Standard DSCR otherwise apply

DSCR .85-.991

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	70%	\$1,500,000	680
	65%	\$2,000,000	700

¹Min \$175k loan amount; 40 yr. IO not permitted.

ELIGIBILITY	Financing of the investment property must be solely for commercial / business purposes and is required to sign a Certification of Business Purpose/Non-Owner Occupancy					
PRODUCTS						
	Product	Term	IO Term	Initial Cap	Periodic Cap	Life Cap
	5/6 ARM	360 mo	NA	2	1	5
	5/6 ARM	480 mo	NA	2	1	5
	5/6 ARM IO	360 mo	120 mo	2	1	5
	5/6 ARM IO	480 mo	120 mo	2	1	5
	7/6 ARM	360 mo	NA	5	1	5
	7/6 ARM	480 mo	NA	5	1	5
	7/6 ARM IO	360 mo	120 mo	5	1	5
	7/6 ARM IO	480 mo	120	5	1	5
	30 Yr Fixed	360 mo	NA	NA	NA	NA
	30 Yr Fixed IO	360 mo	120 mo	NA	NA	NA
	40 Yr Fixed	480 mo	NA	NA	NA	NA
	40 Yr Fixed IO	480 mo	120 mo	NA	NA	NA
MIN LOAN AMOUNT	Standard DSCR - \$100,000 - Loan amounts \$100k-\$150k – require min 1.25 DSCR DSCR Premier - \$100,000 - Loan amounts < \$175,000 – require min 1.25 DSCR					
INTEREST ONLY	Interest Only Period – 40 Year Interest Only = 10-year IO then 30-year amortization (not permitted on DSCR <0.99) 30 Year Interest Only = 10-year IO then 20-year amortization					
QUALIFICATION	Fully amortizing fixed and ARM loans are qualified at the initial P&I (30-yr or 40-yr, as applicable), property taxes, HOA, Insurance, etc. Interest only loans are qualified on the interest only payment, property taxes, insurance, HOA.					
DSCR CALCULATION	Lesser of 1) 1007 market rent or 2) current lease or 12 mo Short-Term Rental statements divided by (P)ITIA. See Rent Qualification in Manual.					
DSCR MAX LTV/CLTV	DSCR .85 – 0.99		DSCR 1.0+		DSCR Premier DSCR 1.0+	
	Max 70% LTV/CLTV Min 680 FICO		Max 80% LTV/CLTV		Max 70%	
BORROWERS	US Citizen Non-Permanent Resident Aliens - 1-2-unit properties only First Time Investors (see below for details) Limited Partnerships, General Partnerships, Corporations, Limited Liability Company Inter-vivos Revocable Trust Ineligible: First Time Homebuyer, Foreign Nationals					
FIRST TIME INVESTOR	Eligible with DSCR ≥1.0 Only DSCR <1.0 not permitted for first time investors Motivation letter required if property is purchased out of state from the borrower's/guarantor's residence					
CREDIT EVENTS	4 years seasoning, reduced to minimum 3 years with additional LLPA LOE required for credit event < 4 years seasoned *Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default or 120+ Delinquent Bankruptcy Ch 7 and 11, based on discharged or dismissal date and Ch. 13 paid as agreed within 4 years of filed date, or 3 years with LLPA. All bankruptcies must have been discharged/dismissed prior to application. No open bankruptcies allowed.					

HOUSING HISTORY	<ul style="list-style-type: none"> · 1x30x12 (no rolling) · All borrowers must be current on mortgage, property taxes and HOA dues, or rent at loan application · Housing history required for Primary and subject property refi. Other REO, not reported on credit, no mortgage rating required · Document housing history via 12 months proof of payment via credit report, cancelled checks, bank debits or institutional VOR/VOM. · Rent free or incomplete housing history <ul style="list-style-type: none"> o No open and active mortgages reporting on credit will require an exception and is generally limited to max 75% LTV. o Open and active mortgage(s) reporting on initial credit for minimum 12 months is permitted to satisfy housing history. o With minimum 12 months previous mortgage history reporting on initial credit within the last 12 months is permitted to satisfy housing history. o No private VOMs or credit supplements permitted. · Rent free from spouse is not permitted. o Institutional VOM or bank records are required to satisfy primary housing history
QUALIFYING FICO	<p>Highest Mid FICO score</p> <p>*Use highest mid FICO of any guarantor if more than 1 guarantor. No borrower can have less than a 620 mid FICO</p>
TRADELINES	<ul style="list-style-type: none"> · Each borrower must have 2 tradelines, rated at least 12 months, with activity in the last 24 months. · Tradeline may be opened or closed · Eligible tradelines cannot have any derogatory history in previous 24 months · Current housing not reporting on credit can be considered an open trade if supported by bank records · Borrower(s) not using income to qualify are not required to meet the minimum tradeline requirements listed above. · No authorized user accounts may be used to satisfy minimum tradelines. · Non-traditional credit is not allowed as an eligible tradeline
RESERVES	<p>DSCR 1.0+ - Purchase/Rate Term \$1,500,000 – No reserves < 70%, 6 months > 70% \$2,500,000 – 9 months Cash-out – 6 months</p> <p>DSCR .85-.99 \$1,500,000 – 3 months \$2,000,000 – 9 months</p> <p>DSCR Premier Purchase/Rate Term – No Reserves Cash-out – 6 months No additional reserves needed for additional financed properties. Cash out may be used as reserves</p>
ASSETS	<p>Most recent 2 months Asset Statements for Purchase, 1 month for Rate and Term, not required for Cash Out transactions which satisfy reserves. Quarterly Statement or FNMA approved third party direct pull services 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds. Retirement Accounts at vesting percentage</p>
INSURANCE	<p>Commercial, Landlord or rental dwelling policy with rent loss coverage required.</p>
GIFT FUNDS	<ul style="list-style-type: none"> · Eligible for purchase transactions · Max gift is 10% of purchase price

PROPERTY	<p>Rural Properties not eligible</p> <p>Warrantable and Non-Warrantable Condos – Max 75%</p> <p>Standard DSCR</p> <ul style="list-style-type: none"> · Max Financed Properties - No limit to the number of financed properties. · Lenz exposure to a single borrower/guarantor cannot exceed \$5MM UPB or 10 loans. <p>DSCR Premier</p> <ul style="list-style-type: none"> · The max financed properties = 15 residential <p>Declining Markets requires a 5% LTV reduction; max 80% LTV/CLTV</p> <p>Max 2 Acres</p> <p>Minimum square footage required 500 sq ft. per unit – Kitchenettes ineligible</p> <p>SFR/PUDs – Max 6 Bedrooms</p>
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NON-WARRANTABLE CONDOS	Non-Warrantable Condos - Limited to Two	
	Max LTV	Max 75% LTV/CLTV
	Presale	At least 30% of the units must be sold or under bona fide contract
	Investor Concentration	Up to 55% of units can be tenant occupied
	Single Entity Ownership	A single entity can own up to 30% of units
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements
	Reserves	<10% replacement, maintenance, and/or deductible
	Material Litigation – Structural/Functional litigation against developer	Ineligible
	Delinquent HOA – in excess of Fannie Mae 15% limit	Ineligible
	Newly Converted – Non-full gut rehabs	Ineligible

APPRAISAL REQUIREMENTS	<p>1 Full appraisal required for all transactions.</p> <p>Hybrid appraisals on SFRs and Condos allowed with min 680 FICO, Max Loan Amount \$1,500,000 based on the below chart:</p>	
	Transaction Type	Max LTV/CLTV
	Purchase	Max 70% LTV/CLTV
	Rate & Term	Max 65% LTV/CLTV
	Cash Out	Max 60% LTV/CLTV
	<p>All appraisals require a third-party valuation by an Lenz approved vendor:</p> <p>Contact Lenz for a list of approved desk review vendors.</p>	
	<p>CU score of 2.5 or below, no further review required per chart</p>	
	Transaction Type	LTV/CLTV
	Purchase/Rate & Term	<70% LTV/CLTV
	Cash Out	<60% LTV/CLTV

CASH-OUT	LTV/CLTV	Maximum Cash Out		
	70.01 -75.00%	\$300k		
	65.01 – 70.00%	\$500k		
	≤65%	\$750k		
	Ownership Seasoning	0-6 Months	6.1-12 Months	
	Rate/Term	Lesser of (PP + Improvements*) -or- Appraisal	Appraisal	
	Cash Out	Not permitted	Appraisal – Max 70%	
	*Purchase appraisal or original listing photos required along with schedule of improvements			

PREPAYMENT PENALTY	· Standard Prepayment Penalty Term – 1, 2, 3, 4 or 5-year (see rate sheet for details)					
	· Tiered structure as indicated below:					
		5 Year PPP	4 Year PPP	3 Year PPP	2 Year PPP	1 Year PPP
	Payoff Year 1	5%	5%	5%	3%	3%
	Payoff Year 2	4%	4%	4%	3%	
	Payoff Year 3	3%	3%	3%		
	Payoff Year 4	2%	2%			
	Payoff Year 5	1%				
· Flat structure - 3- or 5-year prepayment term can be selected at a 5% flat rate instead of a tiered structure.						

PROPERTIES LISTED FOR SALE	Transaction Type	PPP Term/ LTV	0-6 months	6.1-12 months
	Rate/Term no Penalty	N/A	Not Permitted	By exception only
	Rate/Term Penalty	Min 2 yr penalty	Permitted	Permitted
	Cash Out no Penalty	Max LTV 70%	Not Permitted	By exception only
	Cash Out w/ Penalty	Min 2 yrs and max LTV 70%	Permitted	Permitted

Platinum

FULL DOC, EXPRESS DOC, ASSET UTILIZATION, BANK STATEMENT AND 12/24 MONTH P&L

PRIMARY RESIDENCE (1-2 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	90% ^{1,2} (Purchase Only)	\$1,000,000	720
	85% ³ (Purchase Only)	\$2,000,000	680
	80%	\$2,000,000	660
		\$2,500,000	680
		\$3,000,000	700
CASH OUT	80%	\$1,500,000	700
		\$2,000,000	720
	75%	\$1,500,000	660
		\$2,000,000	700
		\$2,500,000	720
	70%	\$2,000,000	660
		\$2,500,000	700
\$3,000,000		720	

SECOND HOME (1 Unit)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	85% ³ (Purchase Only)	\$1,000,000	680
		\$1,500,000	720
	80%	\$1,000,000	660
		\$2,000,000	680
		\$2,500,000	700
	75%	\$1,500,000	660
\$2,500,000		680	
CASH OUT	75%	\$1,500,000	680
		\$2,000,000	720
	70%	\$1,500,000	660
		\$2,000,000	680
		\$2,500,000	720
		\$2,000,000	660

INVESTMENT (1-4 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80% (Purchase Only)	\$1,500,000	660
		2000000 ⁴	680
		2500000 ⁴	700
	75%	2000000 ⁴	660
CASH OUT	75%	\$1,500,000	680
	70%	\$2,000,000 ⁴	660
		\$2,500,000 ⁴	720

¹Condos – Max 85%

²Min loan amount \$200k. Interest Only not permitted- No FTHB

³Interest Only 40 Yr IO not permitted.

⁴Loans \$2MM+ are allowed for 2-4-unit properties only

• Exception: SFR and 2-4-unit properties allowed in California only

Asset Utilization

- Primary and 2nd home – Max 80% LTV/CLTV

- Investment Property – Max 65% LTV/CLTV

- Cash out – Max 60% LTV/CLTV

- Gift funds may not be used

Gold

FULL DOC, EXPRESS DOC, ASSET UTILIZATION, BANK STATEMENT AND 12/24 MONTH P&L

PRIMARY RESIDENCE (1-2 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80%	\$1,500,000	640
		\$2,000,000	680
		\$2,500,000	720
	75%	\$2,000,000	620
		\$2,500,000	680
		\$3,000,000	700
CASH OUT	80%	\$1,000,000	680
	75%	\$1,500,000	660
		\$2,000,000	680
	70%	\$1,500,000	640
		\$2,000,000	660
		\$2,500,000	700
	65%	\$1,500,000	620
\$2,500,000		680	

SECOND HOME (1 Unit)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80%	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	680
	75%	\$1,500,000	640
		\$2,000,000	660
		\$2,500,000	700
	70%	\$2,000,000	640
\$2,500,000		680	
CASH OUT	75%	\$1,500,000	660
		\$2,000,000	700
	70%	\$1,000,000	640
		\$2,000,000	680
	65%	\$2,000,000	660

INVESTMENT (1-4 Units)

TRANSACTION TYPE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PURCHASE RATE AND TERM	80% (Purchase Only)	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	680
	75%	\$1,500,000	640
		\$2,000,000	660
	70%	\$2,500,000	680
CASH OUT	75%	\$1,500,000	660
		\$2,000,000	700
	70%	\$1,000,000	640
		\$2,000,000	660
	65%	\$1,500,000	640
		\$2,500,000	680

Asset Utilization

- Primary and 2nd home – Max LTV/CLTV 80%
- Investment Property – Max LTV/CLTV 65%
- Cash out – Max LTV/CLTV 60%
- Gift funds may not be used

FLEX Underwrite

FNMA DU®/DO® or FHLMC LPA® ("AUS") DOCUMENTATION

OCCUPANCY	TRANSACTION TYPE	CREDIT GRADE	MAX LTV/CLTV	MAX LOAN AMOUNT	MIN FICO
PRIMARY 1-2 Units	PURCHASE RATE AND TERM	Platinum	80%	\$2,500,000	660
		Gold			640
	CASH OUT	Platinum	75%	\$2,500,000	660
		Gold			640
SECOND HOME 1 Unit	PURCHASE RATE AND TERM	Platinum	75%	\$2,500,000	680
		Gold			640
INVESTMENT 1-4 Units	PURCHASE RATE AND TERM	Platinum	70%	\$2,500,000	660
		Gold			640

	All Products					
	Product	Term	IO Term	Initial Cap	Periodic Cap	Life Cap
PRODUCTS	5/6 ARM	360 mo	NA	2	1	5
	5/6 ARM	480 mo	NA	2	1	5
	5/6 ARM IO	360 mo	120 mo	2	1	5
	5/6 ARM IO	480 mo	120 mo	2	1	5
	7/6 ARM	360 mo	NA	5	1	5
	7/6 ARM	480 mo	NA	5	1	5
	7/6 ARM IO	360 mo	120 mo	5	1	5
	7/6 ARM IO	480 mo	120	5	1	5
	30 Yr Fixed	360 mo	NA	NA	NA	NA
	30 Yr Fixed IO	360 mo	120 mo	NA	NA	NA
	40 Yr Fixed	480 mo	NA	NA	NA	NA
	40 Yr Fixed IO	480 mo	120 mo	NA	NA	NA
MIN LOAN AMOUNT	All Programs	\$125,000				
INTEREST ONLY	Platinum	Purchase: Max 85% LTV/CLTV Rate & Term and Cash-Out: Max 80% LTV/CLTV Min 700 FICO				
	Gold	Purchase/Rate & Term/Cash-Out: Max 80% LTV /CLTV Min 680 FICO				
	FLEX Underwrite	Purchase/Rate & Term: Max 80% LTV/CLTV, Cash-Out 75% LTV/CLTV				
INTEREST ONLY PERIOD	40 Year Interest Only = 10 year I/O then 30-year amortization 30 Year Interest Only = 10 year I/O then 20-year amortization					
QUALIFICATION	Platinum, Gold	5/6s and 7/6s – greater of Note Rate or the Fully Indexed Rate (rounded)				
	FLEX Underwrite	5/6s – greater of the Note Rate + 2% or Fully Indexed rate 7/6s – greater of Note Rate or the Fully Indexed rate				
	For I/O's calculate payment based on (1) the Qualifying Rate described above, (2) the original balance, and (3) a term that equals the amortization term (i.e., 360 months for 40 year I/O). Qualifying payment for I/O must include principal component.					
DTI	Platinum and Gold	> 85% LTV/CLTV	45% DTI			
		≤ 85% LTV/CLTV	50% DTI			
	FLEX Underwrite	Per FNMA DU®/DO® or FHLMC LPA® ("AUS") Findings (max of 50% DTI)				
BORROWER	Non-Occupant Co-Borrower	Platinum	Primary Purchase & R&T, 1 Unit Only Eligible with blended ratios			
		Gold	Per AUS			
		FLEX Underwrite	Per AUS			
	Non-Permanent Resident Aliens	Platinum, Gold,	Max 80% LTV, Primary Purchase & R&T, 1-2 Units Only			
		FLEX Underwrite	Per AUS			
Limited Partnerships, General Partnerships, Corporations, Limited Liability Company – Eligible (Layered entities not permitted) First Time Homebuyers – Eligible Foreign Nationals – Ineligible FLEX Underwrite – All borrowers must have a valid SSN						

FIRST TIME INVESTOR	Platinum, Gold	Eligible with a 5% LTV/CLTV reduction		
	FLEX Underwrite	Per AUS		
CREDIT EVENTS		Short Sale, Foreclosure, Bankruptcy	12 Month Housing History	
	Platinum	4 Years BK – Ch 7, 11 – based on discharge or dismissal date BK – Ch 13 paid as agreed based on filed date BK – Ch 13 – payment history shows no 30-day lates Note: Cash out cannot be used to settle, BK must have been settled prior to application	0 x 30 x 12	
	Gold	2 Years 1 year (additional LLPA applies)	0 x 60 x 12	
	FLEX Underwrite	Follow applicable Platinum or Gold credit grades For loan casefiles with credit events outside of FNMA or FHLMC allowances, "Extenuating Circumstance (EC)" override in AUS may be used. The loan must still fall within Platinum or Gold requirements for seasoning. See Underwriting Guidelines for details.	Platinum: 1 x 30 x 12 (per AUS, no rollin Gold: 0 x 60 x 12	
QUALIFYING FICO	Full Doc, Express Doc, Asset Utilization and FLEX	Bank Statement		
	Primary wage earner	Primary wage earner Borrowers with 50/50 split ownership need to use the higher of the two mid FICO scores		
	No borrower can have a middle FICO score less than 660 (Platinum), 620 (Gold) FLEX Underwrite – Per AUS (see above matrix for minimum qualifying FICO requirements)			
RESERVES	Platinum	≤\$2,000,000	6 months	
		>\$2,000,000	9 months	
	Gold	≤ \$1,000,000	3 months	
		≤\$2,000,000	6 months	
		>\$2,000,000	9 months	
		R/T Refi, Max 60% LTV/CLTV, Min 0x30x12	No reserves needed	
	FLEX Underwrite	Per AUS		
	Departing Residence Pending Sale – An additional 6 months PITIA reserves for the departure residence is required if payment is being excluded and property is under contract. For FLEX Underwrite, follow AUS requirements.			
GIFT FUNDS	Primary Purchase Only >80% LTV/CLTV – Borrower must have 10% of their own funds documented but not required to use ≤80% LTV/CLTV – Borrower must have 5% of their own funds documented but not required to use Gift of equity eligible to a max 75% LTV (Primary Only) FLEX Underwrite – Follow FNMA/FHLMC Selling Guide for all gift, gift of equity and minimum borrower contribution requirements			
	If min borrower contribution % is not used towards the down payment, those funds can be used towards reserves.			
MAX CASH OUT		≥65% to 80% LTV/CLTV	>50% to <65% LTV/CLTV	≤50% LTV/CLTV
	Platinum			
	FLEX Platinum	\$500,000	\$750,000	\$1,000,000
	Gold			
	FLEX Gold	\$350,000	\$500,000	Unlimited
CASH OUT TRANSACTION	- Cash-Out permitted to meet reserves for all programs - Borrower must have owned the property for a minimum of 6 months prior to the application date except for FLEX Underwrite, which will follow FNMA/FHLMC Selling Guide			
ASSETS	Most recent required months asset statements, quarterly statement or FNMA approved third party direct pull services 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage			
	Transaction Type	Asset Statement Requirement		
	Asset Utilization	4 Months Statements		
	Purchase	2 Months Statements		
	Rate/Term Refinance	1 Month Statement		
Cash-Out Refinance	0 Months required if Cash Out satisfied reserve requirement (1 month requi			

INCOME DOCS (See guidelines for more details)	Full Doc	Express Doc
	Bank Statement	Asset Utilization
	12/24 Month CPA Prepared P&L	FLEX Underwrite
BANK STATEMENT INCOME	<ul style="list-style-type: none"> · 12- or 24- months most recent Personal or Business bank statements · 2-year history of business ownership – greater than 1-year but less than 2 can be considered as per FNMA. · Business ownership – Minimum of 25% ownership 	
	BUSINESS BANK STATEMENTS	
	Borrowers who are using more than 3 separate bank accounts must qualify using personal bank statements	
	Option 1 – FIXED EXPENSE RATIO	Option 2 - THIRD PARTY EXPENSE RATIO
	<p>All business can qualify using a 50% expense ratio</p> <p>Option 1: 50% Expense Factor will be utilized to calculate income</p> <ul style="list-style-type: none"> · Any loan with LTV>85.01 will be required to use 50% expense factor · Verify borrower is minimum 25% owner of business · Decreasing or negative ending balances must be addressed · Cyclical and seasonal trends may be taken into consideration <p>Option 2: 20% Expense Ratio eligible only if all of the following applies to the business Max LTV 85%</p> <ul style="list-style-type: none"> · Borrower is sole owner and operator of the business (no partners, employees, etc.) · Service business (no cost of goods, no heavy equipment, machinery, etc.) · Does not require office space that would incur rent 	<ul style="list-style-type: none"> (CPA/Tax Attorney/Enrolled Agent/PTIN) · Max LTV 80% · 10% Floor · 3rd party must have filed most recent business tax returns · Tax Professional must verify the borrower's ownership percentage To determine net income, multiply eligible business deposits by the following: 100% minus the Expense Ratio as described above
	PERSONAL BANK STATEMENTS	
<ul style="list-style-type: none"> · 12- or 24-months personal bank statements – average total eligible deposits · 2 months of business bank statements must be provided to validate borrower utilizes separate bank accounts 		
12/24 MONTH CPA/ENROLLED AGENT (EA) PREPARED PROFIT & LOSS	<ul style="list-style-type: none"> · Max LTV 80% · Self-Employed borrowers only · Most recent 12 or 24 -month Profit & Loss statement (P&L). P&L end date must be less than 90 days old at closing · All Profit & Loss statements must be completed by an independent CPA/EA · CPA/EA license must be verified · Self-employed borrowers who file their own tax returns are not eligible · Minimum of 2 years self-employment in the current profession · Borrower narrative on nature of business required · A minimum 2-months of business bank statements covering the most recent 2-month period · See Underwriting Manual for additional requirements 	
FLEX Underwrite (AUS Documentation and Bank Sta	FLEX program will utilize Fannie Mae Desktop Underwriter (DU®/DO®) or Freddie Mac Loan Product Advisor (LPA®) findings, referred to throughout this document as "AUS," with the added guideline allowance of Platinum and Gold benefits for ease of process. The loan will be underwritten to the FLEX program matrix, the AUS Findings and the overlays noted below. Any items not addressed in this section will default to FNMA/FHMLC Selling Guides. This is a Non-QM program. Please refer to full matrix and guidelines for additional process details.	
	Underwriting Process	<ul style="list-style-type: none"> · FNMA DU®/DO® or FHLMC LPA® is required · References to "AUS" throughout this document collectively refer to FNMA DU®/DO® or FHLMC LPA® Findings · For underwriting guidelines not addressed in this document or UW Guidelines, please reference the Fannie Mae or Freddie Mac Seller Guide for details.
	AUS Requirements	<ul style="list-style-type: none"> · Approve/Eligible · Approve/Ineligible (due to loan amount, loan structure, Interest Only, property (non-warrantable condo) and credit event · Refer to Credit Event section for details · Note: Refer or Caution findings will not be eligible for delivery, however, may be eligible under Platinum or Gold Program and considered a manual underwrite

TRADELINES	Platinum Gold	<ul style="list-style-type: none"> · Each borrower must have 2 tradelines, rated at least 12 months, with activity in the last 24 months. · Tradeline may be opened or closed · Eligible tradelines cannot have any derogatory history in previous 24 months · Current housing not reporting on credit can be considered an open trade if supported by bank records (cancelled checks/debits) · Borrower(s) not using income to qualify are not required to meet the minimum tradeline requirements listed above · No authorized user accounts will be used to satisfy minimum tradelines <p>Non-traditional credit is not allowed as an eligible tradeline.</p>	
	FLEX Underwrite	Follow AUS Findings	
PROPERTY	Primary 1-2 Units / Second Home 1-Unit /Non-Owner 1-4 Units Rural Properties – eligible for Platinum, Gold and FLEX Underwrite · Primary Residence – Max 75% LTV/CLTV · 2nd Home – Max 70% LTV/CLTV · Must be primarily for residential use Max Financed Properties – Platinum/Gold- no limit; FLEX- as per FNMA DO®, DU®, FHLMC LPA® Lenz exposure to a single borrower/guarantor is limited to \$5M UPB or 10 loans. Live/Work Condos – Follow FNMA Subject Property Short Term Rentals not permitted	Co-Ops Permitted Max Acreage – Max 10 acres Minimum Square Footage – 500 sq ft per unit-No kitchenettes Properties with Business and Residential Use · Eligible for Platinum, Gold and FLEX Underwrite · Must be a primary residence · 10% LTV/CLTV reduction – 65% LTV/CLTV floor · Max 4-Units Declining Markets requires 5% LTV reduction; max 80% LTV/CLTV	
	NON-WARRANTABLE CONDOS	Non-Warrantable Condos – Limited to two (2)	
	Max LTV	75%	
	Presale	At least 30% of the units must be sold or under bona fide contract	
	Investor Concentration	Up to 55% of units can be tenant occupied	
	Single Entity Ownership	A single entity can own up to 30% of units	
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements	
	Reserves	<10% replacement, maintenance, and/or deductible	
	Material Litigation - Structural/Functional litigation against developer	Ineligible	
	Delinquent HOA - in excess of Fannie Mae 15% limit	Ineligible	
	Newly Converted - Non-full gut rehabs	Ineligible	

APPRAISAL REQUIREMENTS	Platinum	Loan amount ≥ \$2,000,000 and >65% LTV/CLTV - 2 full appraisals				
	Gold	1 Full appraisal required for all transactions				
		Follow applicable credit grade (Platinum or Gold) appraisal requirements. PIW Ineligible				
	FLEX Underwrite	All appraisals require a third-party desk review · For CU scores ≤ 2.5 – no additional review is required				
	Hybrid appraisals	Approved Vendors	Lendz Financial approved vendors			
		Hybrid Appraisal Type	Purchase, Rate/ Term Cash Out	Interior Hybrid Appraisal signed by a state licensed/ certified appraiser		
		Max Loan Amount	\$1,500,000			
		Min FICO	680			
		Property Types	Eligible	Ineligible		
			· SFR 1-4 Unit · Condo · PUD	· Rural · Leaseholds or Properties on leased land · Irregular or non-residential zoning · Atypical or extremely custom homes · Properties on acreage - 5+ Acres · Properties in need of major repairs · Condotels · New construction PUDs / Condos · Properties subject to inspection · HPML		
		Hybrid Appraisal Max LTV/CLTV		Purchase	Rate/Term	Cash Out
	Owner Occupied		75%	70%	60%	
2nd Home	70%		70%	60%		
	Investment	70%	65%	60%		
RESIDUAL INCOME	HPML requires Residual Income required per household size: 1 person \$1550; 2 persons \$2500, Add \$150 per additional household member Not required on Non-Owner Properties A variance of 20% is allowed with documented compensating factors FLEX Underwrite – Per AUS					
ESCROWS	Required for HPML loans per CFPB and LTVs > 85%					
SUBORDINATE FINANCING	Allowed behind Fixed and Institutional Financing Only, Primary Residence Only FLEX Underwrite – Follow AUS					
PAYMENT SHOCK	Max 300% for FTHB. FLEX Underwrite – Follow AUS					
PREPAYMENT PENALTY (INVESTMENT PROPERTIES)	Applies to all Investment Properties – Platinum, Gold, FLEX Underwrite Standard Prepayment Penalty Term – 1, 2, 3, 4, or 5-year (see rate sheet)					