

Table of Contents

1.0 SERIES 3 ELIGIBILITY GUIDELINES	2
1.1 GENERAL INFORMATION	2
2.0 SUMMARY OF OVERLAYS	2
3.0 BORROWER ELIGIBILITY.....	2
3.3 NON-PERMANENT RESIDENT ALIENS	2
3.3.1 VERIFICATION OF NON-PERMANENT RESIDENCY STATUS	2
3.4 FOREIGN NATIONAL.....	3
6.0 TRANSACTION SPECIFIC.....	3
6.3 CASH-OUT REFINANCE TRANSACTION	3
6.7 INTERESTED PARTY CONTRIBUTIONS	3
7.0 CREDIT ELIGIBILITY.....	3
7.9 CREDIT EVENTS.....	3
7.9.1 BANKRUPTCY.....	3
8.0 INCOME AND EMPLOYMENT	3
8.6.2 12- OR 24-MONTH PROFIT AND LOSS (P&L) ONLY STATEMENT	3
8.7 DEBT SERVICE COVERAGE (INVESTMENT PROPERTY).....	4
8.7.8 CROSS COLLATERAL.....	4
10.0 COLLATERAL.....	4
10.7 APPRAISAL REVIEW REQUIREMENTS	4
10.8 ELIGIBLE PROPERTY TYPES.....	4
11.0 CONDOMINIUMS.....	4
11.3 LENDZ FINANCIAL EXPOSURE FOR CONDOMINIUMS	4
11.4 CONDOMINIUM HOTEL – AKA CONDOTEL	4

1.0 SERIES 3 ELIGIBILITY GUIDELINES

1.1 GENERAL INFORMATION

The Lendz Financial Series 3 Eligibility Guidelines are to be used in conjunction with the Lendz Financial Non-QM Eligibility Guidelines dated 11.4.24.

The Lendz Financial guidelines are intended to reference and supplement Fannie Mae's Seller Guide. Refer to the Fannie Mae Seller Guide for specific information concerning qualification requirements that are not specifically referenced in the guidelines. All loans must be manually underwritten

All Covered Loans must be designated as ATR compliant and must adhere to the standards set forth in the CFPB's Reg Z, Section 1026.43(c).

Deviations from the underwriting guidelines based on compensating factors need to be documented in the loan file.

2.0 SUMMARY OF OVERLAYS

1. Foreign National, EAD cards without visas, or DACA not eligible.
2. Condotels not eligible.
3. Rural DSCR appraisals should be submitted for prior review to Lendz Credit Committee.
4. P&L expense ratio floor 15% Lendz underwriter will review P&L income calculations to ensure expense ratios are reasonable for the applicable business
5. Interested Party Contributions - Permitted up to 3% for LTV >80, 6% for LTV <=80
6. Ch 13 seasoning based on discharge/dismissal date (Same as 7 and 11)
7. When using higher lease over market rent to calculate DSCR, 3 months of receipt required
8. Cross Collateral not eligible
9. Max Condo Project exposure is 5MM or 20%
10. Desk review variance +/- 10% requires an additional secondary valuation product

3.0 BORROWER ELIGIBILITY

3.3 NON-PERMANENT RESIDENT ALIENS

3.3.1 VERIFICATION OF NON-PERMANENT RESIDENCY STATUS

- EAD Card must have a valid VISA – *refer to Page 11*
 - If expiration is within six months of the application the borrower must show evidence, they have applied for an extension or provide letter from the employer indicating they will continue to sponsor their employment
- Deferred Action for Childhood Arrivals are not eligible – *refer to page 14*

3.4 FOREIGN NATIONAL

A Foreign National is not eligible for Series 3 – refer to page 14

6.0 TRANSACTION SPECIFIC

6.3 CASH-OUT REFINANCE TRANSACTION

Cash-Out Seasoning is defined as the time difference between note date of the new loan and the property acquisition date.

Refer to page 26

6.7 INTERESTED PARTY CONTRIBUTIONS

Occupancy	LTV	Max Percentage
Primary and 2 nd Homes	≤80	6%
Primary and 2 nd Homes	>80%	3%
Investment	≤80%	6%

Refer to page 27

7.0 CREDIT ELIGIBILITY

7.9 CREDIT EVENTS

7.9.1 BANKRUPTCY

Chapter 7,11 and 13 bankruptcy seasoning will be measured from the discharge/dismissal date.

Refer to page 39

8.0 INCOME AND EMPLOYMENT

8.6.2 12- OR 24-MONTH PROFIT AND LOSS (P&L) ONLY STATEMENT

8.6.2.1 DOCUMENTATION REQUIREMENTS

- Expenses on the P&L must be reasonable for the industry, Lendz Financial reserves the right to require additional information. The P&L expense minimum floor allowed is 15%.

Refer to page 54

8.7 DEBT SERVICE COVERAGE (INVESTMENT PROPERTY)

8.7.3.1.1 LONG TERM RENTAL DOCUMENTATION AND DSCR CALCULATION

Purchase Transactions - *Refer to page 60*

- When using the higher lease amount over the market rent to calculate DSCR, 3 months of documented receipt of rent is required

Refinance Transactions - *Refer to page 60*

- When using the higher lease amount over the market rent to calculate DSCR, 3 months of

8.7.8 CROSS COLLATERAL

The term cross collateral loan refers to a single mortgage that covers three (3) or more properties. Cross collateral loans are not eligible for Series 3

Refer to page 65

10.0 COLLATERAL

10.7 APPRAISAL REVIEW REQUIREMENTS

If the enhanced desk review product reflects a value +/- 10% of the appraised value, an additional secondary valuation product will be required.

Refer to page 78

10.8 ELIGIBLE PROPERTY TYPES

- Rural properties – DSCR rural properties will need prior approval by the Lendz Financial Credit Committee.

Refer to page 78

11.0 CONDOMINIUMS

11.3 LENDZ FINANCIAL EXPOSURE FOR CONDOMINIUMS

Lendz Financial condo project exposure maximum may be \$5,000,000 or 20% of project whichever is lower.

Refer to page 80

11.4 CONDOMINIUM HOTEL – AKA CONDOTEL

- Not eligible for Series 3

Refer to page 80