

Primary Residence		Maximum LTV/CLTVs		
Credit Score	Maximum Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
720	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	80	80
	2,500,000	80	75	75
	3,000,000	75	70	70
	3,500,000	70	70	N/A
	4,000,000	70	65	N/A
700	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	75	70
	2,500,000	75	70	65
	3,000,000	75	70	65
	3,500,000	70	65	N/A
680	1,000,000	90	85	75
	1,500,000	85	80	75
	2,000,000	80	75	70
	2,500,000	75	70	65
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000	80	75	75
	2,000,000	75	70	65
	2,500,000	70	65	65
Housing History			Occupancy Restrictions 2nd Home	Occupancy Restrictions Investment
1x30x12			Max LTV/CLTV: • 85 – Purchase • 80 – Rate/Term • 75 – Cash-out Max Loan Amount: \$2,500,000	Max LTV/CLTV: • 85 – Purchase • 80 – Rate/Term • 75 – Rate/Term Max Loan Amount: \$3,500,000
Credit Event Seasoning				
BK/FC/SS/DIL >=48 Months See Non-Agency Guide for details				
State Eligibility				
<ul style="list-style-type: none"> State overlays for CT, FL, IL, NJ, NY: <ul style="list-style-type: none"> o Maximum LTV/CLTV limited to 85% for purchase and 80% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM. Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands 				
Declining Market				
If the appraisal report identifies the property in a declining market, maximum LTV/CLTV is limited to 85% for purchase and 80% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.				
General Requirements				
Product Type	Fixed Terms: 15-, 30-, 40-years			
Interest Only	• Min Credit Score: 660 • Max LTV: 90%			
Loan Amounts	• Min: 150,000 • Max: 4,000,000			
Loan Purpose	• Purchase, Rate/Term, and Cash Out			
Occupancy	• Primary, Second Home, Investment			
Property Type	<ul style="list-style-type: none"> • Single Family: Attached, Detached • 2-4 Units and Condominiums: Max LTV/CLTV 85%. • Condo Hotel: Max LTV/CLTV 85%, Max Loan Amount \$2,500,000. • Rural: Not Eligible 	Florida Condominiums: <ul style="list-style-type: none"> • A structural inspection is required for projects: <ul style="list-style-type: none"> o greater than 5 stories; and o over 30 years old (or 25 years if within 3 miles of the coast) • Projects with an unacceptable or no inspection are ineligible. 		
Acreage	• Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%			
Cash-In-Hand	• Max Cash-In-Hand: Unlimited			
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000.			
Income Requirements				
Income	<ul style="list-style-type: none"> • Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C 			
Underwriting Requirements				
Credit Score	• Use representative credit score of the borrower with the highest qualifying income			

Reserves	<ul style="list-style-type: none"> • LTV 85%: 6-months of PITIA • LTV > 85%: 12-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"> • Min contribution: 5% primary/second home, 10% investment
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. • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced
DTI Requirements	<ul style="list-style-type: none"> • Max: 50% <ul style="list-style-type: none"> ◦ See FTHB guidelines for DTI restrictions • Primary Residence - Up to 55% allowed: <ul style="list-style-type: none"> ◦ Min residual income of \$3,500 ◦ Max LTV/CLTV <= 80% ◦ Standard Doc 2-years ◦ Minimum 12-months reserves ◦ First time homebuyer not eligible
Document Age	<ul style="list-style-type: none"> • 120-days
Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM, and RI • Penalties not allowed on loans vested to individuals in IL & NJ • Penalties not allowed on loan amounts less than \$312,159 in PA • Only declining prepayment penalty structures allowed in MS
Escrows	<ul style="list-style-type: none"> • HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) • See waiver options in Section 2.4.5 – Escrow/Impounds for non-HPML and Business Purpose loans
<p>Email: lockdesk@lendzfinancial.com</p> <p>Lock hours: 9 am - 6 pm EST Monday - Friday</p> <p>Lock window: 10 am - 5 pm EST Monday - Friday</p>	

Primary Residence		Maximum LTV/CLTV		
Credit Score	Maximum Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
720	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	80	80
	2,500,000	80	75	75
	3,000,000	75	70	70
	3,500,000	70	70	N/A
	4,000,000	70	65	N/A
700	1,000,000	90	85	80
	1,500,000	90	85	80
	2,000,000	85	75	70
	2,500,000	75	70	65
	3,000,000	75	70	65
	3,500,000	70	65	N/A
680	1,000,000	90	85	75
	1,500,000	85	80	75
	2,000,000	80	75	70
	2,500,000	75	70	65
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000	80	75	75
	2,000,000	75	70	65
	2,500,000	70	65	65
Housing History			Occupancy Restrictions 2nd Home	Occupancy Restrictions Investment
1x30x12			Max LTV/CLTV:	Max LTV/CLTV:
Credit Event Seasoning			<ul style="list-style-type: none"> • 85 – Purchase • 80 – Rate/Term • 75 – Cash-out 	<ul style="list-style-type: none"> • 85 – Purchase • 80 – Rate/Term • 75 – Rate/Term
BK/FC/SS/DIL >=48 Months See Non-Agency Guide for details			Max Loan Amount: \$2,500,000	Max Loan Amount: \$3,500,000
Written Verification of Employment and P&L Only			Max LTV/CLTV: 80% Purchase, 75% Rate/Term, 70% Cash-out Min Credit Score: 680 Max Loan Amount: \$2,500,000	
State Eligibility				
<ul style="list-style-type: none"> • State overlays for CT, FL, IL, NJ, NY: <ul style="list-style-type: none"> o Maximum LTV/CLTV limited to 85% for purchase and 80% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM. • Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands 				
Declining Market				
If the appraisal report identifies the property in a declining market, maximum LTV/CLTV is limited to 85% for purchase and 80% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.				
General Requirements				
Product Type	Fixed Terms: 15-, 30-, 40-years			
Interest Only	<ul style="list-style-type: none"> • Min Credit Score: 660 • Max LTV: 90% 			
Loan Amounts	<ul style="list-style-type: none"> • Min: 150,000 • Max: 4,000,000 			
Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash Out 			
Occupancy	<ul style="list-style-type: none"> • Primary, Second Home, Investment 			
Property Type	<ul style="list-style-type: none"> • Single Family: Attached, Detached • 2-4 Units and Condominiums: Max LTV/CLTV 85%. • Condo Hotel: Max LTV/CLTV 85%, Max Loan Amount \$2,500,000. • Rural: Not Eligible 	Florida Condominiums: <ul style="list-style-type: none"> • A structural inspection is required for projects: <ul style="list-style-type: none"> o greater than 5 stories; and o over 30 years old (or 25 years if within 3 miles of the coast) • Projects with an unacceptable or no inspection are ineligible. 		
Acreage	<ul style="list-style-type: none"> • Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80% 			
Cash-In-Hand	<ul style="list-style-type: none"> • Max Cash-In-Hand: Unlimited 			
Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000. 			
Income Requirements				
Personal Bank Statements:	<ul style="list-style-type: none"> • 12- or 24-months of personal and 2-months of business bank statements. • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. • The business bank statements must reflect business activity and transfers to the personal account. 			

Business Bank Statements	<ul style="list-style-type: none"> • 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> o Fixed Expense Ratio (50%) o Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10% o 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
Profit & Loss Statement Only	<ul style="list-style-type: none"> • 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only • CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return
Written Verification of Employment	<p>FNMA Form 1005</p> <p>Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements</p>
IRS Form 1099	<ul style="list-style-type: none"> • 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD Documentation to support continued receipt of income from same source
Asset Utilization	<ul style="list-style-type: none"> • Eligible assets divided by 84 to determine a monthly income stream • Min Credit Score: 660
Underwriting Requirements	
Credit Score	<ul style="list-style-type: none"> • Use representative credit score of the borrower with the highest qualifying income
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced
Gift Funds	<ul style="list-style-type: none"> • Min contribution: 5% primary/second home, 10% investment
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 • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
DTI Requirements	<ul style="list-style-type: none"> • Max: 50% <ul style="list-style-type: none"> o See FTHB guidelines for DTI restrictions
Reserves	<ul style="list-style-type: none"> • LTV < 85%: 6-months of PITIA • LTV > 85%: 12-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
Document Age	<ul style="list-style-type: none"> • 120-days
Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM, 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
Escrows	<ul style="list-style-type: none"> • HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) • See waiver options in Section 2.4.5 – Escrow/Impounds for non-HPML and Business Purpose loans
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Maximum LTV/CLTVs		Standard Doc - Primary Residence		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700	1,000,000	85	80	80
	1,000,001 - 1,500,000	85	80	80
	1,500,001 - 2,000,000	80	75	75
	2,000,001 - 3,000,000	70	65	65
680	1,000,000	85	80	75
	1,000,001 - 1,500,000	80	75	75
	1,500,001 - 2,000,000	80	70	70
	2,000,001 - 3,000,000	70	65	65
660	1,000,000	80	80	75
	1,000,001 - 1,500,000	80	75	75
	1,500,001 - 2,000,000	70	65	65
640	1000000	80	75	70
	1,000,001 - 1,500,000	70	65	65
	1,500,001 - 2,000,000	65	NA	NA
620	1,000,000	70	70	NA
Housing History Restrictions				Occupancy Restrictions 2nd Home and Investment
Housing History:	1x30x12	0x60x12	0x90x12	Max LTV/CLTV Purchase: 80% Max LTV Refinance: 75% Max Loan Amount: \$2,500,000
Max LTV/CLTV: Purchase	85	80	70	
Max LTV: Refinance	80	75	N/A	
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	
Credit Event Seasoning				Forbearance, Modification, or Deferral
BK/FC/SS/DIL/Mod:	>= 36 Mo	>= 24 Mo	>= 12 Mo	See Non-Agency Guide for details
Max LTV/CLTV: Purchase	85	80	70	
Max LTV: Refinance	80	75	NA	
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	
State Eligibility				
<ul style="list-style-type: none"> State Overlays for CT, FL, IL, NJ, NY: <ul style="list-style-type: none"> o Maximum LTV/CLTV limited to 80% for purchase and 75% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM. Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands 				
Declining Market				
If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 80% for purchase and 75% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.				
General Requirements				
Product Type	Fixed Terms: 30-, 40-years			
Interest Only	• Min Credit Score: 660		• Max LTV: 85%	
Loan Amounts	• Min: 150,000		• Max: 3,000,000	
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Primary, Second Home, Investment			
Property Type	<ul style="list-style-type: none"> • Single Family: Attached, Detached • 2-4 Units and Condominiums: Max LTV/CLTV Purchase 80%, Refinance 75% • Condo Hotel: Max LTV/CLTV Purchase 80%, Refinance 75% • Max Loan Amount \$2,500,000 • Rural: Not Eligible 		Florida Condominiums: <ul style="list-style-type: none"> • A structural inspection is required for projects: <ul style="list-style-type: none"> o greater than 5 stories;and o over 30 years old (or 25 years if within 3 miles of the coast) • Projects with an unacceptable or no inspection are ineligible. 	
Acreage	Property up to 20-acres, not meeting the rural definition, eligible, 10 or more acres limited to a max LTV/CLTV 80%			
Cash-In-Hand	• Max Cash-In-Hand: Unlimited			
Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. • Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000. 			
Income Requirements				
Income	<ul style="list-style-type: none"> • Wage/Salary: Paystubs, W-2, 2-Years or 1-Year Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 2 or 1-Year Personal and Business Tax Returns, YTD P&L, 2-monthly bank statements, IRS Form 4506-C 			
Underwriting Requirements				
Credit Score	• Use representative credit score of the borrower with the highest qualifying income			
Assets	• Min of 30-days asset verification required; any large deposit must be sourced			
Gift Funds	• Min contribution: 5% primary/second home, 10% investment			

Reserves	<ul style="list-style-type: none"> • 6-months of PITIA if LTV >= 80% • 3-months of PITIA if LTV < 80% • Cash out may be used to satisfy requirement
Document Age	<ul style="list-style-type: none"> • 120-Days
DTI Requirements	<ul style="list-style-type: none"> • Standard Max 50% <ul style="list-style-type: none"> ◦ See FTHB guidelines for DTI restrictions
Prepayment Penalty - Investment Property Only	<ul style="list-style-type: none"> • 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
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. • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
Escrows	<ul style="list-style-type: none"> • HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) • See waiver options in Section 6.9 – Escrow/Impounds for non-HPML and Business Purpose loans
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Maximum LTV/CLTVs		Bank Statements, 1099 & Asset Utilization - Primary Residence		
Credit Score	Maximum Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700	1,000,000	85	80	80
	1,500,000.00	85	80	80
	2,000,000	80	75	75
	3,000,000	70	65	65
680	1,000,000	85	80	75
	1,500,000	80	75	75
	2,000,000	80	70	70
	3,000,000	70	65	65
660	1,000,000	80	80	75
	1,500,000.00	80	75	75
	2,000,000	70	65	65
640	1,000,000	80	75	70
	1,500,000	70	N/A	N/A
	2,000,000	65	N/A	N/A
620	1,000,000	70	70	N/A
Housing History Restrictions				Occupancy Restrictions 2nd Home & Investment
Housing History:	1x30x12	0x60x12	0x90x12	Max LTV/CLTV Purchase: 80% Max LTV Refinance: 75% Max Loan Amount: \$2,500,000
Max LTV/CLTV: Purchase	85	80	70	
Max LTV: Refinance	80	75	NA	
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	
Housing Event Seasoning Restrictions				Forbearance, Modification, or Deferral See Non-Agency Guide for details
BK/FC/SS/DIL/Mod:	>=36 Mo	>= 24 Mo	>= 12 Mo	
Max LTV/CLTV: Purchase	85	80	70	
Max LTV: Refinance	80	75	N/A	
Max Loan Amt:	\$3,000,000	\$1,500,000	\$1,000,000	
State Eligibility				
<ul style="list-style-type: none"> State Overlays for CT, FL, IL, NJ, NY: <ul style="list-style-type: none"> o Maximum LTV/CLTV limited to 80% for purchase and 75% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM. Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands 				
Declining Market				
If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 80% for purchase and 75% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.				
General Requirements				
Product Type	Fixed Terms: 30-, 40-years			
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 660 Max LTV: 85% 			
Loan Amounts	<ul style="list-style-type: none"> Min: 150,000 Max: 3,000,000 			
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash Out 			
Occupancy	<ul style="list-style-type: none"> Primary, Second Home, Investment 			
Property Type	<ul style="list-style-type: none"> Single Family: Attached, Detached 2-4 Units and Condominiums: Max LTV/CLTV Purchase 80%, Refinance 75% Condo Hotel: Max LTV/CLTV Purchase 80%, Refinance 75% Max Loan Amount \$2,500,000 Rural: Not Eligible 		Florida Condominiums: <ul style="list-style-type: none"> A structural inspection is required for projects: <ul style="list-style-type: none"> o greater than 5 stories;and o over 30 years old (or 25 years if within 3 miles of the coast) Projects with an unacceptable or no inspection are ineligible. 	
Acreage	<ul style="list-style-type: none"> Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80% 			
Cash-In-Hand	<ul style="list-style-type: none"> Max Cash-In-Hand: Unlimited 			
Appraisals	<ul style="list-style-type: none"> FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. 2nd Appraisal required for loans > \$2,000,000. 			
Income Requirements				
Personal Bank Statements:	<ul style="list-style-type: none"> 12- or 24-months of personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements. The business bank statements must reflect business activity and transfers to the personal account. 			
Business Bank Statements	<ul style="list-style-type: none"> 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> o Fixed Expense Ratio (50%) o Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10% o 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer) 			
Profit & Loss Statement Only	<ul style="list-style-type: none"> 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent business tax return 			
Written Verification of Employment	<ul style="list-style-type: none"> FNMA Form 1005 Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements 			

IRS Form 1099	<ul style="list-style-type: none"> • 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD Documentation to support continued receipt of income from same source
Underwriting Requirements	
Credit Score	<ul style="list-style-type: none"> • Use representative credit score of the borrower with the highest qualifying income
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required; any large deposit must be sourced
Gift Funds	<ul style="list-style-type: none"> • Min contribution: 5% primary/second home, 10% investment
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 • If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
DTI Requirements	<ul style="list-style-type: none"> • Max: 50% <ul style="list-style-type: none"> ◦ See FTHB guidelines for DTI restrictions
Reserves	<ul style="list-style-type: none"> • 6-months of PITIA if LTV >= 80% • 3-months of PITIA if LTV < 80% • Cash out may be used to satisfy requirement
Document Age	<ul style="list-style-type: none"> • 120-days
Prepayment Penalty Investment Property Only	<ul style="list-style-type: none"> • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM, 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
Escrows	<ul style="list-style-type: none"> • HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable) • See waiver options in Section 6.9 – Escrow/Impounds for non-HPML and Business Purpose loans
<p>Email: lockdesk@lendzfinancial.com</p> <p>Lock hours: 9 am - 6 pm EST Monday - Friday</p> <p>Lock window: 10 am - 5 pm EST Monday - Friday</p>	

Maximum LTV/CLTVs		>= 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700	1,000,000	80	75	75
	1,000,001 - 1,500,000	80	75	75
	1,500,001 - 2,000,000	75	70	70
	2,000,001 - 3,000,000	70	65	65
	3,000,001 - 3500000	70	65	N/A
660	1,000,000	75	75	70
	1,000,001 - 1,500,000	75	70	70
	1,500,001 - 2,000,000	70	65	65
	2,000,001 - 2,500,000	70	65	65
	2,500,001 - 3,000,000	65	N/A	N/A
640	1,000,000	75	70	N/A
	1,000,001 - 1,500,000	65	65	N/A
	1,500,001 - 2,000,000	65	N/A	N/A
	2,000,001 - 3,000,000	60	N/A	N/A

Maximum LTV/CLTVs		< 1.00		
700	1,000,000	75	70	70
	1,000,001 - 1,500,000	75	70	70
	1,500,001 - 2,000,000	70	65	65
	2,000,001 - 2,500,000	65	N/A	N/A
	2,500,001 - 3,000,000	60	N/A	N/A
680	1,000,000	70	65	N/A
	1,000,001 - 1,500,000	70	65	N/A
	1,500,001 - 2,000,000	65	60	N/A
	2,000,001 - 3,000,000	60	N/A	N/A
660	1,000,000	65	N/A	N/A

Investor Experience

Experienced Investor: Borrower/guarantor 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

Unleased Properties

All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria.

Housing History	Non-Permanent Resident	Credit Event Seasoning
<ul style="list-style-type: none"> • 1x30x12 – No reduction • 0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out 	Max CLTV 75%	BK/FC/SS/DIL: <ul style="list-style-type: none"> • >=36 Mo – No reduction • >=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out See Non-Agency Guide for details

State Eligibility

- State Overlays for CT, FL, IL, NJ, NY:
 - o Maximum LTV/CLTV limited to 75% for purchase and 70% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.
- Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

Declining Markets

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 75% for purchase and 70% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.

General Requirements

Product Type	Fixed Terms: 30-year
Interest Only	<ul style="list-style-type: none"> • Min Credit Score: 680 • Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out
Loan Amounts	<ul style="list-style-type: none"> • Min: 100,000 • Max: 3,500,000
Loan Amt < 150K	Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)
Loan Purpose	Purchase, Rate/Term, and Cash Out
Occupancy	Investment Only
	Single Family, Attached, Detached: No restrictions

Property Type	Rural – Not eligible	Florida Condominiums: · A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast · greater than 5 stories; · Projects with an unacceptable or no inspection are not eligible.
	2-4 Units and Condominiums: Max LTV/CLTV Purchase 75%, Refinance 70%	
	Condo Hotel Max LTV/CLTV: • Purchase - 75% • Refinance - 65% Max Loan Amount \$1,500,000	
Acreage	Property up to 2-acres, not meeting the rural definition, eligible.	
Cash-In-Hand	<ul style="list-style-type: none"> • Max cash-in-hand: <ul style="list-style-type: none"> - LTV > 65% - \$500,000 - LTV < 65% - \$1,000,000 - Total equity withdrawn cannot exceed above limits 	
Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. • Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000. 	
Income Requirements		

Long-Term Rental Documentation and DSCR Calculation

• **Purchase Transactions:**

- o Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.
- o If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.
 - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
 - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
 - 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%.
- o A vacant or unleased property is allowed without LTV restriction.
- o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

• **Refinance Transactions:**

- o Required documentation:
 - FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement.
 - 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:
 - LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix
- o Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows:
 - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
 - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
 - 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%.
- o A vacant or unleased property is allowed subject to the following:
 - LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix
- o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

• **DSCR Calculation:**

- o Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property.
- o Gross rents divided by PITIA = DSCR

Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation

Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.

• **Short-Term Rental Income – Purchase and Refinance Transactions:**

- o 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)

o DSCR Calculation:

- Monthly gross rents based upon a 12-month average to account for seasonality required.
- 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.
- (Gross Rents * .80) divided by PITIA = DSCR.

- When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.

- Any of the following methods may be used to determine gross monthly rental income:

- o A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.
 - If long-term rent is utilized, 20% expense factor is not to be applied.
- o An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following:
 - Analysis must be completed pursuant to the lender's appraisal management process.
 - Must be completed by a licensed appraiser.
 - Must include daily rental rate and occupancy percentage.
- o 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 qualifying income must be net of all vendor or management fees.
- o The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.
- o AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental data, must meet the following:
 - Rentalizer (Property Earning Potential Report)
 - Only allowed for purchase transaction
 - Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor
 - Forecast period must cover 12-months and dated 90-days within the Note date
 - Maximum occupancy limited to 2 individuals per bedroom
 - Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy
 - Market score must be 60 or greater as reflected on the Property Earning Potential Report.

Income

Underwriting Requirements

Credit Score	• Use representative credit score of the borrower/guarantor with the highest representative score.
Assets	• Min of 30-days asset verification required
Gift Funds	• Allowed after min 10% borrower contribution
Tradelines	• If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived • Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
Reserves	• 2-months of PITIA • Loan Amount > \$1.5M: 6-months of PITIA • Loan Amount > \$2.5M: 12-months of PITIA • Cash out may be used to satisfy requirement
Document Age	• 120-days

Escrows	<ul style="list-style-type: none"> • Escrows may be waived, see Section 6.9 – Escrow/Impounds for requirements
Prepayment Penalty	<ul style="list-style-type: none"> • Acceptable structures include the following: <ul style="list-style-type: none"> o Fixed percentage of no less than 3% o 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%) o Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period. • Prepayment periods up to 5-Years eligible, see rate sheet • Penalties not allowed in AK, KS, MI, MN, NM, 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

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Maximum LTV/CLTVs		>= 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700	<= 1,500,000	75	70	65
	1,500,001 - 2,000,000	70	65	65
Housing History	Credit Event Seasoning	Investor Experience		
0x60x12	BK/FC/SS/DIL: • >=36 Mo – Any event See Non-Agency Guide for details	Experienced Investor: Borrower/guarantor 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: Not eligible First Time Homebuyer: Not eligible		
Unleased Units				
<ul style="list-style-type: none"> • Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units • Vacant unit(s) qualify at 75% of market rent 				
State Restrictions				
<ul style="list-style-type: none"> • State Overlays for CT, FL, IL, NJ, NY: <ul style="list-style-type: none"> o Purchase Transactions <ul style="list-style-type: none"> ▪ Max LTV/CLTV 70%, min credit score 720 o Refinance Transactions <ul style="list-style-type: none"> ▪ Max LTV/CLTV 65%, min credit score 720 • Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands 				
Declining Markets				
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.				
General Requirements				
Product Type	• Fixed Terms: 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 Only			
Eligible Borrower	<ul style="list-style-type: none"> • U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien 			
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 <ul style="list-style-type: none"> o Commercial usage limited to Retail/Office/Restaurant <ul style="list-style-type: none"> ▪ 2-3 Units: Max 1 commercial Unit ▪ 4-5 Units: Max 2 commercial Units ▪ 6-8 Units: Max 3 commercial Units ▪ Commercial space must not exceed 49% of the total building area • Rural: Not eligible 			
Acreage	• Property up to 2-acres, not meeting the rural definition, eligible.			
Appraisals	<ul style="list-style-type: none"> • A full interior inspection with photos is required for all units. • 5-8 Residential <ul style="list-style-type: none"> o FHLMC 71A, FHLMC 71B, FNMA 1050 or similar short form used to appraise 5+ residential properties, or o Narrative report can be utilized but not required. • 2-8 Mixed Use <ul style="list-style-type: none"> o 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"> o Rent Roll o Income and Expense Statement o Photos of subject including exterior/interior and street scene o Aerial photo o Sketch or floor plan of typical units o Map o Appraiser qualifications • Review Product – A commercial BPO required for all loans. <ul style="list-style-type: none"> o In Pennsylvania and North Carolina, 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	<ul style="list-style-type: none"> • Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable. • Vacant commercial space not allowed. 			
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. <ul style="list-style-type: none"> Max: 1 vacant unit on 2-3 Unit property: 2 vacancies on 4+ Units. Vacant residential units must be actively marketed for rent. Provide screenshot of listing or other documentation. Vacant commercial space not allowed. 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 representative credit score of the borrower/guarantor with the highest representative score.
Assets	<ul style="list-style-type: none"> Min of 30-days asset verification required
Gift Funds	<ul style="list-style-type: none"> Not eligible
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/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).
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 not be used to satisfy requirement
Document Age	<ul style="list-style-type: none"> 120-days
Escrows	<ul style="list-style-type: none"> Escrows may be waived, see Section 6.9 – Escrow/Impounds for requirements
Prepayment Penalty	<ul style="list-style-type: none"> Acceptable structures include the following: <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 yrs. 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, 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
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Maximum LTV/CLTVs		>= 1.00		
Min DSCR	Minimum Credit Score	Purchase	R/T Refinance	Cash-Out Refinance
>=1.20	700	70	65	65
	660	65	N/A	N/A
Cross Collateral	Minimum	Maximum		
Loan Amounts	\$400,000	\$3,000,000		
Property Count	3	25		
Property Level Allocated Balance	\$50,000	\$1,000,000		
Housing History	Credit Event Seasoning	Investor Experience		
0x60x12	BK/FC/SS/DIL: • >=36 Mo – Any event See Non-Agency Guide for details	Experienced Investor: Borrower/guarantor 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: Not eligible First Time Homebuyer: Not eligible		
Unleased Units				
<ul style="list-style-type: none"> • Maximum: 1 vacant unit on 1-4 Unit property • Vacant unit qualifies at 75% of market rent 				
State Restrictions				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Markets				
Maximum eligible LTVs do not require a market adjustment for the cross-collateral program.				
General Requirements				
Product Type	• Fixed Terms: 30-years			
Interest Only Eligible	• Eligible			
Loan Purpose	• Purchase, Rate/Term, and Cash Out • Mixed transactions permitted (i.e., Purchase, Cash Out), eligibility/pricing to be based on the most conservative transaction type.			
Cash-In-Hand	• Unlimited			
Occupancy	• Investment			
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien			
Property Type	• Eligible: 1-4 unit residential properties, condominiums, condo hotels • Ineligible: 5-8 unit residential and 2-8 mixed use properties, rural			
Acreage	• Property up to 2 acres, not meeting the rural definition, eligible			
Eligibility Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible			
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.			
DSCR	• Minimum Loan DSCR: >= 1.20 • Minimum Property DSCR: >=1.00 fully amortizing or >=1.20 interest only			
Partial Release	• 120% of the allocated balance required to be paid to obtain a partial release			
Income Requirements				
See Correspondent Seller Guide for details.				
Underwriting Requirements				
Credit Score	• Use representative credit score of the borrower/guarantor with the highest representative score.			
Assets	• Min of 30-days asset verification required			
Gift Funds	• Not eligible			
Tradelines	• Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity • For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).			
Reserves	• 2-months of PITIA for each property • Total Loan Amount > \$1.5M: 6-months of PITIA for each property • Total Loan Amount > \$2.5M: 12-months of PITIA for each property • Cash out may be used to satisfy requirement•			
Document Age	• 120-days			
Escrows	• Escrows are required for cross-collateral, may not be waived			
Prepayment Penalty	<ul style="list-style-type: none"> • Acceptable structures include the following: <ul style="list-style-type: none"> o Fixed percentage of no less than 3% o Declining structures that do not exceed 5% and do not drop below 3% in the first 3 yrs. 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, 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 			
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Maximum LTV/CLTVs		DSCR - Investment Only		
DSCR >=1.00		Purchase	R/T Refi	Cash-Out Refi
680	<= 1,000,000	75	65	65
	1,000,001 - 1,500,000	70	60	60
No Credit Score	<= 1,000,000	75	65	65
	1,000,001 - 1,500,000	70	60	60
DSCR <=1.00		Purchase	R/T Refi	Cash-Out Refi
680	<= 1,000,000	65	60	60
	1,000,001 - 1,500,000	65	N/A	N/A
No Credit Score	<= 1,000,000	65	60	60
	1,000,001 - 1,500,000	65	N/A	N/A
Housing History	Credit Event Seasoning	First Time Homebuyer	Unleased Properties	
0x30x12, if documented	BK/FC/SS/DIL/Mod: >= 36 Mo, See Guide for details	Allowed	Refinance: LTV Reduction not required	
State Restrictions				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
Declining Markets and State Overlays				
Maximum eligible LTVs do not require a market adjustment for the Foreign National program.				
General Requirements				
Product Type	• Fixed Terms: 30-, 40-years;			
Interest Only	• Eligible			
Loan Amounts	• Min: 150,000 • Max: 1,500,000			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	• Investment for all eligible foreign citizens			
Eligibility Restrictions	<ul style="list-style-type: none"> • Citizens and individuals from OFAC sanctioned countries are not eligible • Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association: <ul style="list-style-type: none"> o Conveyances to Foreign Entities – By Individual Buyer o Conveyances to Foreign Entities – By Entity Buyer 			
Property Type	<ul style="list-style-type: none"> • Single Family: Attached, Detached • 2-4 Units and Condominiums: Max LTV/CLTV <ul style="list-style-type: none"> o Purchase – 70%, Refinance – 65% • Condo Hotel: Max LTV/CLTV: <ul style="list-style-type: none"> o Purchase – 70%, Refinance – 65% • Rural: Not Eligible 	<u>Florida Condominiums:</u> <ul style="list-style-type: none"> • A structural inspection is required for projects: <ul style="list-style-type: none"> o greater than 5 stories; and o over 30 years old (or 25 years if within 3 miles of the coast) • Projects with an unacceptable or no inspection are ineligible 		
Acreage	• Property up to 2-acres, not meeting the rural definition, eligible			
Cash--In-Hand	<ul style="list-style-type: none"> • \$300,000 if LTV > 50% • \$500,000 for LTV <= 50% • Total equity withdrawn cannot exceed above limits 			
Appraisals	• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.			
Income Requirements				

Long-Term Rental Documentation and DSCR Calculation

- **Purchase Transactions:**
 - o Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.
 - o If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.
 - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
 - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
 - 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%.
 - o A vacant or unleased property is allowed without LTV restriction.
 - o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
- **Refinance Transactions:**
 - o Required documentation:
 - FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement.
 - 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.
 - o Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025 as follows:
 - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
 - If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
 - 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%.
 - o A vacant or unleased property is allowed, LTV reduction not required.
 - o Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
- **DSCR Calculation:**
 - o 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.
 - o $Gross\ rents\ divided\ by\ PITIA = DSCR$

Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation

Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.

- **Short-Term Rental Income – Purchase and Refinance Transactions:**
 - o LTV is lesser of 70% for a purchase and 65% for a refinance, or the LTV based upon the DSCR/FICO/Loan balance (Excludes Condo Hotel projects).
 - o **DSCR Calculation:**
 - Monthly gross rents based upon a 12-month average to account for seasonality required.
 - 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.
 - $(Gross\ Rents * .80) \div PITIA = DSCR$
- When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
- Any of the following methods may be used to determine gross monthly rental income:
 - o A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.
 - If long-term rent is utilized, 20% expense factor is not to be applied
 - o An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following:
 - Analysis must be completed pursuant to the lender's appraisal management process.
 - Must be completed by a licensed appraiser.
 - Must include daily rental rate and occupancy percentage.
 - o 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 qualifying rental income must be net of all vendor or management fees.
 - o The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.
 - o AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental Data, must meet the following requirements:
 - Rentalizer (Property Earning Potential Report)
 - Only allowed for purchase transaction
 - Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor
 - Forecast period must cover 12-months and dated 90-days within the Note date
 - Maximum occupancy limited to 2 individuals per bedroom
 - Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy
 - Market Score must be 60 or greater as reflected on the Property Earning Potential Report

Income

Underwriting Requirements

Credit Score	• If score available, use representative credit score of the borrower/guarantor with the highest representative score.
Assets	• Min of 30-days asset verification
Gift Funds	• Not allowed
Tradelines	• Tradelines not required, if borrower has U.S. credit score see section 2.5.12 of the Non-Agency Seller Guide
DTI Requirements	• (DSCR – no DTI component)
Reserves	• 6-months of PITIA • Cash out may be used to satisfy requirement
Document Age	• 120-days

**Prepayment Penalty
Investment Property Only**

- Prepayment periods up to 5-Years eligible, see rate sheet
- Penalties not allowed in AK, KS, MI, MN, NM, 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

Email: lockdesk@lendzfinancial.com

Lock hours: 9 am - 6 pm EST Monday - Friday

Lock window: 10 am - 5 pm EST Monday - Friday

Loan Amount/Credit Score/CLTV Matrix

Standard Doc

Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	90	80	75
	700	85	80	65
	680	75	75	N/A
\$500,000	740	85	75	75
	700	85	75	65
	680	75	70	N/A

Alt Doc

Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	85	75	70
	700	80	70	60
	680	75	65	N/A
\$500,000	740	80	70	65
	700	75	65	60
	680	70	60	N/A

Housing History	Credit Event Seasoning	Forbearance, Modification, or Deferral	First Time Homebuyer
0x30x12	BK/FC/SS/DIL: >= 48 Mo See Non-Agency Guide for details	See Non-Agency Guide for details	Not Allowed

State Eligibility

- Not Eligible: Texas and Territories of Puerto Rico, Guam, & the US Virgin Islands
- State overlays for CT, FL, IL, NJ, NY:
 - o Single Family, Condominiums: Max CLTV 80%, min credit score 720
 - o 2-4 Units: Max CLTV 75%, min credit score 720

Declining Market

If the appraisal report identifies the property in a declining market, maximum LTV/CLTV is limited to 85% for purchase and 80% for rate/term and cash-out transactions and the maximum loan amount is limited to \$2.0MM.

General Requirements

Product and Term	• Fixed Rate - Fully amortizing term of 30 years.
Loan Amounts	• Min: \$75,000 • Max: \$500,000
Combined Loan Balance	<ul style="list-style-type: none"> • The CLTV of the combined 1st and 2nd lien loan balances are restricted as follows: <ul style="list-style-type: none"> o Total lien balance > \$2,000,000 – 80% CLTV o Total lien balance > \$3,000,000 – 75% CLTV • Maximum combined loan balance for all liens not to exceed \$4,000,000
Loan Purpose	<ul style="list-style-type: none"> • Stand-Alone Cash Out (minimum ownership of 6 months required) • Simultaneous/Piggyback
Occupancy	• Primary, Second Home, Investment
Cash-Out	• Max cash-out: \$500,000
Eligible Borrower	<ul style="list-style-type: none"> • U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien: Max 80% CLTV
Ineligible Loan Features	<ul style="list-style-type: none"> • Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. • Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months. • All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of Verus Seller Guide. <ul style="list-style-type: none"> o All Solar Panel loans and leases with PACE/HERO financing must be paid off.

Income Requirements

Standard Doc	<ul style="list-style-type: none"> • Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business (If applicable) Tax Returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	<ul style="list-style-type: none"> • 12- or 24-months of personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements • The business bank statements must reflect business activity and transfers to the personal account
Business Bank Statements	<ul style="list-style-type: none"> • 12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> o Fixed Expense Ratio (50%) o Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) with min ratio of 10% o 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)

IRS Form 1099	<ul style="list-style-type: none"> • 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD documentation to support continued receipt of income
Desktop Underwriter (DU) or Loan Prospector (LP)	<ul style="list-style-type: none"> • For simultaneous purchase transactions only • Findings permitted to be used for income, asset, and liability documentation • Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible) • Max DTI based upon CLTV restrictions for this program. See DTI section.
Underwriting Requirements	
Eligibility Criteria	<ul style="list-style-type: none"> • For criteria that is not referenced in this matrix, follow the Closed End Second chapter in the Non-Agency Seller Guide
First Lien	<ul style="list-style-type: none"> • First lien documentation requirements: <ul style="list-style-type: none"> o Copy of 1st lien Note; and <ul style="list-style-type: none"> ▪ Default interest rate on Note cannot exceed Note rate ▪ If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) o Copy of most recent monthly mortgage payment statement <ul style="list-style-type: none"> ▪ Utilized to determine if payment includes escrows (See DTI Requirements) • Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> o Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12 months of the Note date o Loans in active forbearance or deferment o Negative amortization including loans with Paid-In-Kind (PIK) features o Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien o Reverse Mortgages o First liens for the subject property not reporting on credit report <ul style="list-style-type: none"> ▪ e.g., Private party mortgages including any loan not reporting on credit report o Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages o Home Equity Line of Credit o Note with default interest rate greater than the Note rate
Credit and Fraud	<ul style="list-style-type: none"> • Credit report • Gap credit report or Undisclosed Debt Monitoring (UDM) • Fraud report • OFAC
Qualifying Credit Score	<ul style="list-style-type: none"> • Use representative credit score of the borrower with the highest qualifying income
First Lien Payment Verification	<ul style="list-style-type: none"> • Verify the 1st lien P&I payment with all of the following: <ul style="list-style-type: none"> o Copy of 1st lien Note, and o Copy of most recent monthly mortgage payment statement
Tradelines	<ul style="list-style-type: none"> • Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Reserves	<ul style="list-style-type: none"> • None required
Assets	<ul style="list-style-type: none"> • Asset verification required if funds needed to consummate the transaction
DTI Requirements	<ul style="list-style-type: none"> • Maximum DTI ratio: <ul style="list-style-type: none"> o 50% DTI for CLTV less than or equal to 80% o 45% DTI for CLTV greater than 80% • Qualifying payment for first lien: <ul style="list-style-type: none"> o Stand-alone: Utilize senior lien mortgage payment from credit report o Simultaneous: Utilize 1st lien qualifying method <ul style="list-style-type: none"> ▪ Fixed rate: Note rate amortized over the total term <ul style="list-style-type: none"> • Interest Only: Note rate amortized over the remaining term after the expiration of the interest only period ▪ ARMs: Qualifying rate is the higher of the fully indexed rate or note rate <ul style="list-style-type: none"> • Interest Only: Qualifying rate amortized over the remaining term after the expiration of the interest only period
Age of Documents	<ul style="list-style-type: none"> • Credit Documents: May not be over 120-days old at the time of closing. • Appraisals, Title Report (or O&E): May not be over 120-days old at time of closing. <ul style="list-style-type: none"> o AVM may not be over 90- days old at time of closing.
Appraisal and Property	
Property Type	<ul style="list-style-type: none"> • Single Family (Attached, Detached, PUD) • 2-4 Unit residential properties (Max CLTV 75%) • Condominiums (Max CLTV 80%) • Rural: Not eligible

Appraisals

- **HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance.**
 - Any simultaneous transaction requires a full appraisal.
 - Transferred appraisals are eligible.
- Loan Amount <=\$250,000**
- AVM within 90- days of the Note date from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or
 - Exterior Drive-By appraisal (Hybrid or 2055 or 1075), or
 - o One (1) unit property, with or without an accessory dwelling unit
 - New Appraisal (FNMA Form 1004/1025/1073), or
 - Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to the following:
 - o The lender on the prior appraisal must be the same as the subject loan, and
 - o A new Property Condition Report with acceptable findings, and
 - o Recertification of value by the original appraiser.
 - Broker Price Opinion (BPO) from one of the following:
 - o Clear Capital, or
 - o Consolidated Analytics, or
 - o Computershare, or
 - o Stewart Valuation Intelligence
- Loan Amount >\$250,000**
- New Appraisal (FNMA Form 1004/1025/1073), or
 - Prior 1st lien appraisal dated within 12- months of subject loan Note Date allowed subject to the following:
 - o The lender on the prior appraisal must be the same as the subject loan, and
 - o A new Property Condition Report with acceptable findings, and
 - o Recertification of value by the original appraiser, and
 - o AVM within 90- days of the Note date from approved vendor with acceptable FSD.
 - The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV
- Secondary Valuation Product**
- Secondary valuation product required in every file
 - Acceptable review products include one of the following:
 - o The Seller may submit the appraisal report to Collateral Underwriter® (CU®) or Loan Collateral Advisor® (LCA). An eligible score is 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). (Only one score required, if both scores (CU & LCA) provided, both required to be 2.5 or less). If the score exceeds 2.5, the file must include either an enhanced desk review, field review, or second appraisal; or
 - o An enhanced desk review product from one of the following choices:
 - ARR from Stewart Valuation Intelligence FKA Pro Teck.
 - CDA from Clear Capital.
 - ARA from Computershare.
 - CCA from Consolidated Analytics.
 - VRR from Homegenius Real Estate
- Valreview Appraisal Review Value from Valligent (Veros Software Company)
- o If the enhanced desk review or BPO product reflects a value more than 10% below the appraised value or cannot provide a validation, the file must include either a field review or a second appraisal. A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report.
 - o AVM within 90- days of Note date (If primary valuation based on an AVM, review must be a different vendor)
 - If two AVMs are ordered, the AVM with the higher FSD (closest to zero) will be treated as the primary valuation product.
 - The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%.
 - If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV.
 - o Broker Price Opinion (BPO)
 - If two BPOs are ordered, the BPO with the lowest value will be treated as the primary valuation product.
 - If two BPOs are ordered, they must be completed by different brokers.

AVM and FSD Score	The following AVM vendors are acceptable:	
	AVM Vendor	Acceptable FSD Score
	Clear Capital	<= 0.13
	Collateral Analytics	<= 0.10
	House Canary	<= 0.10
	Red Bell Real Estate (Homegenius)	<= 0.10

Property Condition Report

- When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics.

Recently Listed Properties

- Properties currently listed for sale or previously listed for sale within the past 6-months are not eligible

Title Insurance	<p><u>Loan Amount <=\$250,000, provide one of the following:</u></p> <ul style="list-style-type: none"> o Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> ▪ Current Grantee / Owner ▪ How property was conveyed to current owner ▪ Liens (e.g., mortgage, UCC, other financing) ▪ Involuntary liens and judgements ▪ Property Tax Information with break-down of all taxes including special assessments ▪ Legal Description o ALTA Full Title Policy o ALTA Short Form Residential Limited Coverage Junior Loan Policy <p><u>Loan Amount >\$250,000, provide one of the following</u></p> <ul style="list-style-type: none"> o ALTA Full Title Policy o ALTA Short Form Residential Limited Coverage Junior Loan Policy
Flood Certificate and Flood Insurance	<ul style="list-style-type: none"> • Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA <ul style="list-style-type: none"> o Loss payee clause must reflect seller as additional insured.
Escrows	<ul style="list-style-type: none"> • Escrows for taxes and hazard insurance not required
Hazard Insurance	<ul style="list-style-type: none"> • Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect seller as additional insured
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Statewide		CBSA-Specific	
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

[Use this link to access a zip code list of the above states/CBSA's.](#)