Investor Solutions - DSCR Plus

Single Investment Property – Maximum LTV/CLTV				
Maximum LTV/CLTV		**≥ 1.00**		
Minimum Credit Score	**Maximum Loan Amount**	**Purchase**	**Rate/Term**	**Cash-Out**
700	1,000,000	80	80	75
	1,500,000	80	80	75
	2,000,000	75	75	70
	2,500,000	70	70	65
680	1,000,000	75	75	70
	1,500,000	75	75	70
	2,000,000	70	70	65
	2,500,000	70	70	65

Property Type

- Single Family: Attached, Detached
- 2-4 Unit and Condominium: Max LTV/CLTV Purchase 75%, Refinance 70%
- **Ineligible:** Condo Hotel (Condotel), Rural

Housing History	Credit Event Seasoning	Investor Experience
0x30x12	BK/FC/DIL/PreFC/SS/MC/LP/NoD: ≥ 48 Mo Forbearance, Modification, or Deferral: See Non-Agency Seller Guide	**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:** Ineligible **First Time Homebuyer (FTHB):** Ineligible
Vacant Refinance	LTV is lesser of 70% for refinance, or LTV based upon the DSCR/Credit Score/Loan Balance table	

State Restrictions

- IL, NY: 2-4 Unit not eligible
- Ineligible Locations:
  - Baltimore City, MD
  - Philadelphia County, PA
  - Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, IL, NJ, NY: Max LTV/CLTV limited to 75% for purchase and 70% for refinance, max loan amount limited to $2.0MM

Declining Market

If appraisal report identifies the property in declining market, max LTV/CLTV is limited to 75% for purchase and 70% for refinance, max loan amount limited to $2.0MM

General Requirements

Product Type	• Fixed Rate Terms: 15, 30 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term
Interest Only (IO)	• Max LTV/CLTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out • 30-year total term, qualification based upon the interest only payment
Loan Amount	• Min: $100,000 • Max: $2,500,000
Loan Amt < 150K	• Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)
Loan Purpose	• Purchase, Rate/Term, Cash-Out • Non-Arm's Length transactions are ineligible
Occupancy	• Investment
Eligible Borrower	• U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien
Acreage	• Max 5-acres, not meeting the rural definition
Cash-In-Hand	• Max: $500,000 if LTV ≥ 65% • Max: $1,000,000 if LTV < 65% • Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)
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	**Short-Term Rental income is ineligible.**
	
	Long-Term Rental Documentation and DSCR Calculation
	• **DSCR Calculation:**
	  ○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property.
	  ○ PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR
	• **Purchase Transactions:**
	  ○ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long-term market rents.
	  ○ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually.
	  ▪ 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%.
	  ○ A vacant or unleased property is allowed without LTV restriction.

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Income Requirements, Continued	

Income	• **Refinance Transactions:**
	  ○ Required documentation:
	  ▪ Original appraisal report reflecting tenant-occupied, and
	  ▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and
	  ▪ Executed lease agreement
	  ▫ Leases that have converted to month-to-month are allowed
	  ▫ If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or per DSCR/FICO/Loan balance matrix
	  ○ A vacant property as indicated on the appraisal is allowed subject to the following:
	  ▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.
	  ○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.
	  ▪ 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%.
	• **Restrictions:**
	  ○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
	  ○ Lease agreement(s) cannot be with an interested party or a family member.

Underwriting Requirements			
Credit Score	• Use representative credit score of the borrower/ guarantor with the highest representative score • Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**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
Assets	• Min of 30-days asset verification required	**Reserves**	• 6-months of PITIA • Loan Amount > $1.5M: 9-months of PITIA • Cash-out may be used to satisfy requirement
Gift Funds	• Allowed after min borrower contribution of 10%	**Document Age**	• 120-days

Prepayment Penalty	• Acceptable structures include the following:
	  ○ Fixed percentage of no less than 3%
	  ○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years
	  Example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
	  ○ 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
			• **AK, MI, NM, OH:** Penalties not allowed
			• **IL, NJ:** Penalties not allowed on loans vested to individuals
			• **MS:** Only declining prepayment penalty structures are allowed
			• **PA:** Penalties not allowed on 1-2 unit loans with a loan amount less than or equal to the base figure ($329,411 for 2026; adjusted annually). This restriction applies to business purpose loans whether vested to an individual or an entity. 3+ unit loans, or with a loan amount greater than $329,411 are not subject to prepayment restrictions.

Escrows	• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements		