

InvestGen DSCR Product Matrix (Residential Mixed 5-8 Units)

Effective 10.09.2023

Investment Property (Business Purpose)				
Maximum LTV/CLTVs		>= 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
720+	≤1,500,000	75	75	70
	1,500,001 – 2,000,000	75	70	65
	2,000,001 – 2,500,000	70	70	65
	2,500,001 – 3,000,000	70	70	65
700+	≤1,500,000	75	75	65
	1,500,001 – 2,000,000	70	70	65
	2,000,001 – 2,500,000	65	65	60
	2,500,001 – 3,000,000	65	65	60
Housing History	State Restrictions		Investor Experience	
0x30x24	Reduce LTVs by 5% for loans in MS. Non-Permanent Resident Aliens and Foreign Nationals from China are ineligible in the State of Florida. Non-licensed States: HI & VT		<ul style="list-style-type: none"> •No First-Time Investors •Experienced Investor: Borrower must have a history of owning and managing commercial or residential real estate for at least 1 year in the last 3 years 	
Housing Event Seasoning				
BK/FC/SS/DIL/Mod: 24 Mos				

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General Requirements	
Product Types	30-Yr Fixed, 15-Yr Fixed, 40 YR I/O, 30 YR I/O
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 700 Max LTV: 75% Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate).
Loan Amounts	<ul style="list-style-type: none"> Min: \$250,000 Loan sizes under \$400,000 require a 5% reduction to LTV Max: \$3,000,000
Occupancy	Investment Properties (Business Purpose)
Loan Purpose	Purchase, Rate/Term, and Cash Out
Cash Out	Max Cash-Out: \$1,000,000
Foreign National	<ul style="list-style-type: none"> Min DSCR >= 1.00 Min Score: 700 if using US Credit Foreign Credit is permitted. Note* No Short Term Rentals/ Air DNA Reserves: 12 months PITIA <p>LTV requirements:</p> <ul style="list-style-type: none"> <= \$2.0M = Purch & R/T: 70% LTV or Cash-Out: 65% LTV > \$2.0M - \$2.5M = Purch & R/T: 65% LTV or Cash-Out: 60% LTV > \$2.5M - \$3.0M = Purch & R/T: 60% LTV or Cash-Out: 55% LTV
Property Type	<ul style="list-style-type: none"> Residential 5-8 units Mixed Use 2-8 units. For properties with less than 5 units, at least 1 unit must be commercial. <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
Property Requirements	<ul style="list-style-type: none"> Minimum 400 square feet per unit Be accessible for year-round residential use. Contain a full kitchen and bath. Represent highest and best use of the property. Not contain any health or safety issues
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material, ex. Dry Cleaners, Laundromat) No health or safety issues as noted by the appraiser (ex. Broken windows, stairs etc.) No excessive deferred maintenance that could become a health or safety issue for tenants. No structural deferred maintenance (ex. Foundation, roof, electrical, plumbing)
Unleased Units	<ul style="list-style-type: none"> Maximum 1 vacant unit on a 2-3 Unit property; 2 vacancies on 4+ units. Note that properties are permitted to be delivered vacant on purchase transactions. Borrower LOE for unleased units on a refinance required. Unleased units must be in lease ready condition; units cannot be undergoing rehab, etc.
Appraisals	<ul style="list-style-type: none"> Residential 5-8 units <ul style="list-style-type: none"> FHLMC 71A, FNMA 1050 or similar short form appraisal report Narrative report may be used but is not required. Mixed Use 2-8 Units <ul style="list-style-type: none"> General Purpose Commercial Forms (ex. GP Commercial Summary Form) The following are required for both 5-8 Residential and Mixed Use 2-8 Unit appraisal reports. <ul style="list-style-type: none"> Full interior inspection required of each unit Rent roll Income and Expense statement Photos of subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units Map Plot plan or survey Appraisal Qualifications 2nd Appraisal required for loan amounts > \$2M <ul style="list-style-type: none"> (2nd appraisal not required when Form 71A Multifamily or Commercial Narrative report is provided) BPO to be ordered on all transactions with the exception of those including two full appraisals
Declining Markets	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV
Rural Property	Up to 2 acres, not meeting the rural definition, permitted
Income Guidelines	

Income	<ul style="list-style-type: none"> • Use lower of Estimated market rent or lease agreement. • For leases that have converted to month-to-month, provide 2 months bank statements to support rental income. • Vacant unit(s) – use 75% of market rents. Max 1 vacancy on 2–3-unit properties or 2 vacancies on 4+ units. • Reduce qualifying rents by any management fee reflected on the appraisal report. • 2-8 Mixed Use: Income from commercial space must not exceed 49% of the total property income. • Minimum DSCR >=1.00 • Loan Amounts => \$2,000,000 also require Debt Yield of 9% or greater (Net Operating Income/Loan Amount = 9% or greater)
Underwriting Guidelines	
Credit Score	<ul style="list-style-type: none"> • Middle of 3 scores or lower of 2 of all Borrowers
Reserves	<ul style="list-style-type: none"> • Loan Amt <= \$1.5M: 6 Months PITIA • Loan Amt > \$1.5M - \$2.0M: 9 months PITIA • Loan Amt > \$2.0M - \$2.5M: 12 Months PITIA • Loan Amt > \$2.5M - \$3.0M: 12 Months PITIA • Cash out may be used to meet reserve requirements
Tradelines	<ul style="list-style-type: none"> • All borrowers have 3 scores: or • Min: 2 open and reporting 24-months; or • 3 open and reporting 12-months.
Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution. • Cannot be used to meet reserve requirements
Assets	<ul style="list-style-type: none"> • 30-day asset verification required
Document Age	<ul style="list-style-type: none"> • 90-days
Prepayment Penalty	<ul style="list-style-type: none"> • Required on Investment Properties when permitted. • See PPP Requirements Matrix

InvestGen DSCR Credit Matrix

Product Description	Product Code
InvestGen 30-Year Fixed Rate MULTI (DSCR) 5-8 Unit	D30MULTI