

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

Effective 7.1.2023

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"> <li>•No First-Time Investors</li> <li>•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</li> </ul>	
Housing Event Seasoning				
BK/FC/SS/DIL/Mod: 24 Mos				

**InvestGen DSCR Credit Matrix (Residential Mixed 5-8 Units)**

General Requirements	
<b>Product Types</b>	30-Yr Fixed, 15-Yr Fixed, 40 YR I/O, 30 YR I/O
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>Min Credit Score: 700</li> <li>Max LTV: 75%</li> <li>Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate).</li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>Min: \$250,000</li> <li>Loan sizes under \$400,000 require a 5% reduction to LTV</li> <li>Max: \$3,000,000</li> </ul>
<b>Occupancy</b>	Investment Properties (Business Purpose)
<b>Loan Purpose</b>	Purchase, Rate/Term, and Cash Out
<b>Cash Out</b>	Max Cash-Out: \$1,000,000
<b>Foreign National</b>	<ul style="list-style-type: none"> <li>Min DSCR &gt;= 1.00</li> <li>Min Score: 700 if using US Credit</li> <li>Foreign Credit is permitted.</li> <li>Reserves: 12 months PITIA</li> </ul> <p>LTV requirements:</p> <ul style="list-style-type: none"> <li>&lt;= \$2.0M = Purch &amp; R/T: 70% LTV or Cash-Out: 65% LTV</li> <li>&gt; \$2.0M - \$2.5M = Purch &amp; R/T: 65% LTV or Cash-Out: 60% LTV</li> <li>&gt; \$2.5M - \$3.0M = Purch &amp; R/T: 60% LTV or Cash-Out: 55% LTV</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>Residential 5-8 units</li> <li>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"> <li>2-3 Units: Max 1 commercial unit</li> <li>4-5 Units: Max 2 commercial units</li> <li>6-8 Units: Max 3 commercial units</li> <li>Commercial space must not exceed 49% of the total building area</li> </ul> </li> </ul>
<b>Property Requirements</b>	<ul style="list-style-type: none"> <li>Minimum 400 square feet per unit</li> <li>Be accessible for year-round residential use.</li> <li>Contain a full kitchen and bath.</li> <li>Represent highest and best use of the property.</li> <li>Not contain any health or safety issues</li> </ul>
<b>Property Condition</b>	<ul style="list-style-type: none"> <li>No fair or poor ratings</li> <li>No environmental issues (Storage or use of hazardous material, ex. Dry Cleaners, Laundromat)</li> <li>No health or safety issues as noted by the appraiser (ex. Broken windows, stairs etc.)</li> <li>No excessive deferred maintenance that could become a health or safety issue for tenants.</li> <li>No structural deferred maintenance (ex. Foundation, roof, electrical, plumbing)</li> </ul>
<b>Unleased Units</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Borrower LOE for unleased units on a refinance required.</li> <li>Unleased units must be in lease ready condition; units cannot be undergoing rehab, etc.</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>Residential 5-8 units               <ul style="list-style-type: none"> <li>FHLMC 71A, FNMA 1050 or similar short form appraisal report</li> <li>Narrative report may be used but is not required.</li> </ul> </li> <li>Mixed Use 2-8 Units               <ul style="list-style-type: none"> <li>General Purpose Commercial Forms (ex. GP Commercial Summary Form)</li> </ul> </li> <li>The following are required for both 5-8 Residential and Mixed Use 2-8 Unit appraisal reports.               <ul style="list-style-type: none"> <li>Full interior inspection required of each unit</li> <li>Rent roll</li> <li>Income and Expense statement</li> <li>Photos of subject including exterior/interior and street scene</li> <li>Aerial photo</li> <li>Sketch or floor plan of typical units</li> <li>Map</li> <li>Plot plan or survey</li> <li>Appraisal Qualifications</li> </ul> </li> <li>2nd Appraisal required for loan amounts &gt; \$2M               <ul style="list-style-type: none"> <li>(2nd appraisal not required when Form 71A Multifamily or Commercial Narrative report is provided)</li> </ul> </li> <li>BPO to be ordered on all transactions with the exception of those including two full appraisals</li> </ul>
<b>Declining Markets</b>	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV
<b>Rural Property</b>	Up to 2 acres, not meeting the rural definition, permitted
Income Guidelines	

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

**InvestGen DSCR Credit Matrix**

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