



# EQUITY INCORPORATED

REAL ESTATE SIMPLIFIED: WE BUY, WE LEND.

## Anthony Crupi 561-350-0617 Single Property Rental Program

### MAXIMUM LTVs

FICO	PURCH/RT REFI	CASHOUT
≥ 740	80%	75%
720 - 739	75%	75%
700 - 719	75%	70%
680 - 699	70%	65%
660 - 679	65%	60%

### MAXIMUM LTC FOR C/O REFI LOANS

- Subject to LTV limits:
  - 80% if Property purchased < 3 months
  - Additional 5% Haircut on Max LTV if Property purchased between 3 and 6 months (for Borrowers with < 5 Rental Properties owned in the last 24 months)

### RESERVES/ESCROWS

- At Closing:
- First 3 months of PITI, not including stub interest for closing month
  - Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date
- Ongoing Monthly:
- Real Estate Taxes - 1/12th annual taxes due
  - Insurance - 1/12th annual insurance costs

### PREPAYMENT PENALTIES

- 1 year: 3%, 0%, 0%
- 1 year: 1%, 0%, 0%
- 3 years: 3%, 2%, 1%, 0%
- 4 years: 4%, 3%, 2%, 1%, 0%
- 5 years: 5%, 4%, 3%, 2%, 1%, 0%

### BORROWER/GUARANTOR REQUIREMENTS

#### CREDIT & BACKGROUND

- New borrower: Tri-Merge Credit Report no older than 90 Days
  - Existing borrower with 0x30x12 payment history on loans previously originated with Lender: Tri-Merge Credit Report no older than 120 days
- 660 Minimum Qualifying FICO determined as:
- Mid Score if 3 Scores are available
  - Low Score if 2 Scores are available
  - For Multiple Guarantors, lowest score calculated as above is used
  - Bankruptcy discharge date must be no less than 3 Years Prior to closing date
  - Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date

### LOAN GENERAL

- Min Loan amount: \$75,000
- Max Loan amount: \$2,500,000 (2-4 Unit)
- 1-4 Unit Properties/PUDs/warrantable condos/townhomes
- No vacation or seasonal rentals
- Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans

### LOAN PRODUCTS/AMORTIZATION

- 5/6, 7/6 or 10/6 ARM (Adjustable Rate Mortgage) or 30-year FRM (Fixed Rate Mortgage)
- Maximum IO periods for ARMs: initial fixed rate period (5, 7 or 10 years)
- 30-year FRM loans are offered as fully amortizing or 10-year IO/20-year fully amortizing options
- 30-year amortization term
- 5-year interest only period + 25-year amortization term
- 7-year interest only period + 23-year amortization term
- 10-year interest only period + 20-year amortization term

### OTHER LTC/LTV LIMITS

- U.S. non-permanent residents/foreign nationals: Max 65% LTV
- For purchase loans, the lowest of
  - Purchase price
  - Appraised value
  - ARR/CDA value is used to calculate LTV
- UPB < 100k: Max 75% LTV
- Interest Only: Max 75% LTV

#### LIQUIDITY

- Loan Amount ≤ \$1,000,000: 6 Months of PITIA
- Loan Amount > \$1,000,000: 9 Months of PITIA
- Subject to
  - Non-permanent residents & foreign nationals: Minimum 12 months of PITIA
  - Cashout amounts from subject loan may be used to satisfy reserve requirements
  - Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions
- The cumulative amount including all guarantors is considered for loans with multiple guarantors

### DEBT SERVICE COVERAGE RATIO (DSCR)

- Calculation: Monthly In-Place Gross Rental Income divided by Monthly PITIA
- Gross Rental Income: the lower of
  - Actual monthly rent in the lease agreement
  - Market monthly rent in the appraisal
  - 10% haircut of market monthly rent for unleased properties
- PITIA: total monthly payments of
  - Monthly mortgage principal and interest payment at qualifying rate
  - Monthly property tax payment
  - Monthly home insurance payment
  - Monthly HOA payment or property management fee
- Minimum In-Place DSCR of 1.1x is required, based on initial payment amount at close. The loan is subject to a 5% reduction to the max allowable LTV based on the borrower's FICO for DSCRs between 110x - 119x
- All 80 LTV hybrid ARMs with IO periods must also qualify with a minimum In-Place DSCR of 1.0x, with debt service including the fully amortizing principal payment at the end of the IO period
- Leased properties are defined as those with:
  - A currently active lease with a minimum initial term of 12 months, between unrelated parties
  - Month-to-month lease with evidence of a prior active lease
  - A lease with a start date within 30 days of closing date and proof of receipt of security deposit
- Unleased Properties are defined as those with:
  - No current tenant/vacant
  - Month-to-month lease with no evidence of prior active lease
- Unleased properties are only allowed for purchase loans

### THIRD PARTY REPORTS

- Loan Amount ≤ \$1,500,000
  - One full independent appraisal + Appraisal Risk Review (ARR) or Collateral Desktop Analysis (CDA) Required
  - If Appraisal-ARR/CDA variance exceeds 10%, second full independent appraisal required
  - Lower of two appraised values to be used
- Loan Amount > \$1,500,000
  - Two full independent appraisals
  - Lower of two appraised values to be used in LTV calculations
- Appraisals dated within 180 days of closing date are required

### STATE RESTRICTIONS

- All US, except MN, ND, OR, SD, VT & UT
- For NV and AZ: all lenders and brokers must provide evidence that they are licensed to close NV and AZ loans with us. Required licenses are - Mortgage Company License for the lender or broker and Mortgage Loan Originator (MLO) license for individuals at the lender

- First time borrowers may be allowed at lender discretion
- Full Recourse with warm body guaranty from all members with ≥ 20% ownership
- LLCs and US Corporations only