



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

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

- 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

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
 1. Purchase price
 2. Appraised value
 3. ARR/CDA value is used to calculate LTV
- UPB < 100k: Max 75% LTV
- Interest Only: Max 75% LTV

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 1.10x - 1.19x
- 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