

## NON-QM INVESTOR (DSCR) PROGRAM

TRANSACTION TYPE	LTV/CLTV	MAX LOAN AMOUNT	FICO
PURCHASE RATE AND TERM	80%	<\$1,500,000	740-760+
	75%	>\$ 1,500,000- \$ 2,000,000	700-739
	70%	>\$ 2,000,000-	Foreign National*
CASH OUT	75%	\$100,000-unlimited with qualifying collateral	700-760+

### QUICK NOTES

- DSCR Min 1.00, Min CO DSCR-1.00
- \*Foreign National-12-month Reserves, Max LTV 70%
- Minimum loan amount \$100,000, Maximum amount \$3,000,000
- Rate Term <=65% no minimum reserves requirement
- Delinquency-1X30 in last 12 months
- Warrantable Condo- Max 80% LTV
- Non-Warrantable Condo - Max 75% LTV
- Declining Market

<b>ELIGIBILITY</b>	This product allows investors to qualify for the loan based on the subject property Debt Service Coverage Ratio of DSCR rather than traditional income verifications and DTI Calculations. This document is intended as a general rule, is not inclusive and provides basic product parameters. For items not otherwise addressed in this product description, refer to the Seller Guide or FNMA guidelines as applicable.		
<b>PRODUCTS</b>	<b>Product</b>	<b>Description</b>	<b>Term</b>
	30 Yr Fixed	30 Yr Full Am, 30 Yr w/10 Yr I/O Option	360
	Adjustable-Rate Mortgage	5/6m, 7/6 m, 30yr Full Am, 30 Yr w/10 Yr I/O Option	360
	40 Yr Fixed w/IO Options	40 Yr with 10 Yr IO Option	360
	Adjustable-Rate Mortgage	5/6m, 30D Avg SOFR - Margin: 6.0%, Caps: 2/1/5	360
<b>MIN/MAX LOAN AMOUNT</b>	Minimum loan amount for this program is \$ 100,000. Maximum loan amount for this program is \$3,000,000.		
<b>INTEREST ONLY</b>	<ul style="list-style-type: none"> <li>• Min FICO 700</li> <li>• Max loan amount &lt;= \$ 2,000,000</li> <li>• Max LTV 75%, &lt; \$2,000,000-2,500,000</li> </ul>		
<b>QUALIFICATION</b>	Fully amortizing fixed, Interest Only and ARM loans are qualified at the initial P&I (30-yr or 40-yr, as applicable), property taxes, Insurance, HOA. Interest only loans are qualified on the interest only payment, property taxes, insurance, HOA.		
<b>BORROWERS</b>	<ul style="list-style-type: none"> <li>• US Citizen</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens</li> <li>• Foreign National</li> </ul>		



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<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Investment Property ONLY</li> </ul>
<b>QUALIFYING FICO</b>	<ul style="list-style-type: none"> <li>Highest Mid FICO score for single guarantor</li> <li>Use the highest mid FICO of all guarantors if there is more than 1 guarantor on the loan.</li> <li>No Borrower can have less than a 660 mid FICO</li> </ul>
<b>CREDIT/TRADE LINES</b>	<ul style="list-style-type: none"> <li>Each Borrower must have 2 trade lines, rated at least 12 months, with activity in the last 24 months.</li> <li>Tradeline may be opened or closed</li> <li>Eligible tradelines cannot have any derogatory history in previous 36 months</li> <li>Current housing not reporting on credit can be considered an open trade if supported by bank records</li> <li>Borrower(s) not using income to qualify are not required to meet the minimum tradeline requirements listed above.</li> <li>No authorized user accounts may be used to satisfy minimum tradelines.</li> <li>Non-traditional credit is not allowed as an eligible tradeline</li> </ul>
<b>RESERVES</b>	<ul style="list-style-type: none"> <li>Purchase/Rate Term</li> <li>No reserves <u>&lt; 65%</u> LTV</li> <li>&lt;\$1,000,000 Reserves required -3 months</li> <li>\$1,000,00-1,500,000 – 6 months</li> <li>&gt;\$1,500,000 – 9 months</li> </ul>
<b>ASSETS</b>	<ul style="list-style-type: none"> <li>Asset Utilization Max LTV 75%</li> <li>Most recent 2 months Asset Statements for Purchase,</li> <li>1 month for Rate and Term,</li> <li>Not required for Cash Out transactions</li> <li>Quarterly Statement or FNMA approved third party direct pull services</li> <li>100% value of Bank Accounts, Stocks, Bonds, Mutual Funds. Retirement Accounts at vesting percentage</li> </ul>



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PROPERTY	<ul style="list-style-type: none"><li>• Single Family Residence, including PUDs</li><li>• Modular</li><li>• 2-4 Units</li><li>• Minimum square footage for all properties/units is 500 sq</li><li>• Co-op</li><li>• Rural Properties up to 20 acres</li><li>• Condos (Warrantable and Non-Warrantable), Non-Warrantable Max 75%</li><li>• Condotel-Max/Min Loan amt: \$1.0mm/\$150,000. Max LTVs: Purchase 75%/RT&amp;CO 65%, <b>DSCR-1.00</b></li><li>• Declining Markets required to be applied for LTVs &gt;65%- Shortage or In Balance: under 3 m, reduce LTV 5%, Shortage: 3-6 m, reduce LTV 5%, In Balance: 3-6 m or over 6 m, reduce LTV 10%, Over Supply over 6 m, reduce LTV 10%</li></ul>	
NON-WARRANTABLE CONDOS	Non-Warrantable Condos - Limited to Two	
	Max LTV	Max 75% LTV/CLTV
	Presale	At least 30% of the units must be sold or under bona fide contract
	Investor Concentration	Up to 55% of units can be tenant occupied
	Single Entity Ownership	A single entity can own up to 30% of units
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements
	Reserves	<10% replacement, maintenance, and/or deductible
	Material Litigation – Structural/Functional litigation against developer	Ineligible
	Delinquent HOA – in excess of Fannie Mae 15% limit	Ineligible
	Newly Converted – Non-full gut rehabs	Ineligible
APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"><li>• All must have full appraisal</li><li>• 1 Full appraisal &lt;= \$ 2,000,000 + CDA (Collateral Desktop Analysis)</li><li>• 2 Full Appraisals &gt; \$ 2,000,000</li></ul>	
CASH-OUT	LTV/CLTV	Maximum Cash Out
	Max >65%	\$500,000
	Max <= 65%	Unlimited
	<ul style="list-style-type: none"><li>• Minimum FICO 700</li><li>• Loan amount &gt; \$ 1,500,000, max LTV 6 5%</li><li>• Allows interest only cash-out</li></ul>	



<b>Foreign National</b>	<ul style="list-style-type: none"> <li>• Required reserves 12 months</li> <li>• Max LTV 70%</li> </ul>
<b>INSURANCE</b>	<ul style="list-style-type: none"> <li>• Must meet FNMA lending guidelines for coverage requirements.</li> <li>• State specific requirements must be met for Wind/Hail (Alabama, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas and Virginia)</li> <li>• Flood coverage when required by the flood certificate</li> <li>• Commercial, Landlord or rental dwelling policy with rent loss coverage is required.</li> </ul>
<b>PREPAYMENT PENALTY</b>	<ul style="list-style-type: none"> <li>• Applies to investment properties only</li> <li>• EPM will not purchase loans with prepayment penalties in the following states. All other loans with a prepayment penalty must comply with applicable State Law. ALASKA, KANSAS, OREGON, MARYLAND, MINNESOTA, NEW MEXICO, NORTH DAKOTA. STATE SPECICS- ILLINOIS to individual Borrowers; permitted to legal entities when APR is =&lt;8%. NEW JERSEY to individual Borrowers; permitted to legal entities. OHIO loan amount &lt;\$107,633. PENNSYLVANIA loan amount =&lt;\$301,022. WASHINGTON ARM loans; permitted on fixed rate loans. OREGON requires state specific disclosure besides the Note and SI Rider.</li> </ul>



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