

Effective Date: May 2, 2023  
 theLender Non-QM Business Purpose Rate Sheet

**LOCK DESK**

**CONTACT:**  
**E-mail:** [lockdesk@thelender.com](mailto:lockdesk@thelender.com)  
**Direct:** 833-381-8733  
**Lock Desk Closes at 3:00 PM PST**

**APPRAISAL ORDER PROCEDURES**

AMC selection can be made at:  
<https://www.thelender.com/appraisals/>

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**NON QM Fees**

Underwriting Fee: \$1,995  
 \*Doc Prep Fee: \$599 (Business Purpose Only)

*EXTENSION FEES	
NON QM	
5 day	-0.125
7 day	-0.250
10 day	-0.375
15 day	-0.500
*2 total lock extensions allowed	

**Eligible States**

AK\*, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS\*, KY, LA, MA, MD, ME, MI\*, MN\*, MO, MS, MT, NC, ND, NE, NH, NJ, NM\*, NV, NY, OH\*, OK, OR, PA, RI\*, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

\*See Matrix for restrictions and additional details regarding Prepayment Penalty



**LOSS PAYEE**

Hometown Equity Mortgage, LLC dba theLender its successors and/or assigns  
 25531 Commercentre Dr #250, Lake Forest, CA 92630



the <b>NONI</b>					
FICO	Loan Amount	Purchase	R/T	Cash-Out	Reserves
700+	\$1,000,000	80%	75%	75%	0 Months- Purchase & R/T 3 Months > 70% LTV 6 Months- C/O
	\$1,500,000	75%	75%	70%	3 Months- Purchase & R/T 6 Months- C/O
	\$2,000,000	70%	70%	65%	
	\$3,500,000	70%	70%	N/A	
660+	\$1,000,000	75%	75%	70%	0 Months- Purchase & R/T 3 Months > 70% LTV 6 Months- C/O
	\$1,500,000	75%	75%	70%	3 Months- Purchase & R/T 6 Months- C/O
	\$2,000,000	70%	70%	65%	
	\$3,000,000	65%	65%	N/A	
620+	\$1,000,000	70%	70%	65%	0 Months- Purchase & R/T 3 Months > 70% LTV 6 Months- C/O
	\$1,500,000	65%	65%	N/A	3 Months- Purchase & R/T 6 Months- C/O
	\$2,000,000	65%	65%	N/A	
	\$3,000,000	60%	60%	N/A	

the <b>nearNONI</b>					
FICO	Loan Amount	Purchase	R/T	Cash-Out	Reserves
700+	\$1,000,000	75%	70%	70%	6-Months
	\$1,500,000	75%	70%	65%	
	\$2,000,000	70%	70%	60%	
	\$3,000,000	65%	65%	N/A	12- Months
660+	\$1,000,000	70%	70%	65%	6-Months
	\$1,500,000	70%	70%	65%	
	\$2,000,000	65%	65%	60%	
	\$3,000,000	60%	60%	N/A	12- Months
State & County Restrictions				Reserves	
States: <ul style="list-style-type: none"> <li>AK, AZ, CT, ID, IL, MT, NY, NJ, OR, TN &amp; UT</li> </ul> Counties: <ul style="list-style-type: none"> <li>Austin-Round Rock TX, San Francisco/San Jose CA</li> </ul> Restrictions: <ul style="list-style-type: none"> <li>FICO &lt; 700 or DSCR &lt; 1.0               <ul style="list-style-type: none"> <li>Purchase 70% Max LTV</li> <li>Refinance 65% Max LTV</li> </ul> </li> </ul>				*C/O proceeds can be used *Reserves for I/O based of ITIA Payment *Gift Funds cannot be used for reserves	

Credit		Program Parameters	
Mortgage History	1x30x12 No Restriction	Minimum Loan Amount	\$100,000
	0x60x12 Max LTV 70% Purchase-R/T / 65% Cash-Out	Maximum Loan Amount	\$3,500,000
FC, DIL, SS, BK	≥ 36 Months – No Restrictions	Maximum Cash-Out	LTV ≥ 65% Max \$500k LTV < 65% Unlimited
	24 to 35 Months Max LTV 75% Purchase-R/T / 70% Cash-Out	LTV Restrictions	
Borrower Eligibility		*STR	75% Max LTV 20% expense factor to be applied to Gross Rental Income
1 <sup>st</sup> Time Investor	680 Minimum Fico	ACH Enrollment required	Purchase & R/T LTV > 75%; Cash-out LTV> 70%
Interest Only	Qualify at ITIA	Non-Warrantable Condo	Purchase & R/T 75%    Cash-out 70%
Citizenship	US Citizen, Perm/Non-Perm Res. Alien	Condotel	Purchase 75%    Refinances 65% Max Loan = \$1,500,000 Min Sq Ft = 500
Credit Score	Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; Highest of all borrowers Representative score		
Tradeline Requirement	(2) open and active tradelines, with at least (1) seasoned for 24 months. If all Borrowers have 3 Fico Scores, No Tradelines required.	Assisted Living / Nursing Home	By exception only
Quick Reference Guidelines		Modular	65% Max LTV
Qualifying Rate	Note Rate	Rural Properties	Eligible
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate	Unleased Property (Refinance only); Does not apply to short term rentals	Max LTV 70% for DSCR ≥ 1.00 Max LTV 65% for DSCR < 1.00
Arm Index &Floor	Index: 30 Day SOFR : Floor = Note Rate	Gift Funds	Allowed
Assets	Sourced & Seasoned 30 Days (1 Mo's recent Statements Req)	100% Gift Funds	10% reduction in maximum LTV required unless the borrower has 5% of their own funds verified.
Cash-Out	Business Purpose use ONLY	Additional Restrictions	
Impounds	Not Required	Max # of HEM Financed Properties	Committee review for over 4 loans to 1 borrower
Compliance	Points & Fees may not exceed 5%	Non Arm's Length Transactions	Not Eligible
Seller Concessions	6% - LTV ≤ 70% 4% - LTV > 70%	Vesting in LLC's	All Members must be individuals
Appraisal	No C5 or C6; 2 Appraisals >\$2.0M; ARR/CDA req or CU risk score >2.5	DSCR < 0.75	See rate sheet for pricing
Minimum SQFT	SFR - 700 sq ft Condo – 500 sq ft	Eligible States	
Max Acreage	2	AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY	
Prepayment Penalty			
Available Prepayment Penalties: Fixed Percentage: <ul style="list-style-type: none"><li>• Prepay is 5% of the amount prepaid</li><li>• *Prepay Options: 0, 1, 2, 3, 4 &amp; 5 year prepay options available</li><li>• *Not allowed in AK, KS, MI, MN, MS, NM, OH &amp; RI; Must buyout</li></ul>		Declining Balance: <ul style="list-style-type: none"><li>• 5 year: 5%, 4%, 3%, 2%, 1%</li><li>• 4 year: 5%, 4%, 3%, 2%</li><li>• 3 year: 5%, 4%, 3%</li><li>• 2 year: 5%, 4%</li></ul>	
State Specific: <ul style="list-style-type: none"><li>• *PA- Loan amounts &lt; \$301,022 cannot have a prepayment penalty</li><li>• *IL - Loan with a rate ≥ 8% must close in the name of an entity</li><li>• IL &amp; NJ - Prepayment penalty not allowed if vesting as an individual</li></ul>			

the **NONI65**

FICO	Loan Amount	Purchase	R/T	Cash-Out	Reserves
680+	\$2,000,000	65%	65%	65%	None Required

**Reserves**

\*C/O proceeds can be used  
 \*Reserves for I/O based of ITIA Payment  
 \*Gift Funds cannot be used for reserves

**Condotel Parameters**

- Projects that are managed and operated as a hotel or motel.
- A project that includes registration services
- Investor concentration up to 100%.
- Maximum Loan Amount: \$1.5 million
- Minimum Loan Balance: \$150,000
- Minimum square footage: 500

**Credit**

Mortgage History	0x60x12	
FC, DIL, SS, 120+ Days late	24 Months	< 36 months - \$1.5M Max Loan Amount
Chapter 7/11/13 BK Seasoning	24 Months	

**Program Parameters**

Minimum Loan Amount	\$100,000
Maximum Loan Amount	\$2,000,000
Maximum Cash-Out	\$1,000,000

**Borrower Eligibility**

1 <sup>st</sup> Time Investor	Allowed
1 <sup>st</sup> Time Homebuyer	Not Eligible
Citizenship	US Citizen, Perm/Non-Perm Res. Alien
Credit Score	Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2, if only 2; Highest of all borrowers Representative score
Tradeline Requirement	Mortgage only credit report with FICO required.

**LTV Restrictions**

ACH Enrollment required	Required
Non-Warrantable Condo	No Restriction
Condotel	No Restriction
*STR	75% max LTV 20% expense factor to be applied to Gross Rental Income
Assisted Living / Nursing Home	By exception only

**Quick Reference Guidelines**

Qualifying Rate	Note Rate
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate
Arm Index & Floor	Index: 30 Day SOFR : Floor = Note Rate
Assets	Sourced & Seasoned 30 Days (1 Mo's recent Statements Req)
Cash-Out	Business Purpose use ONLY    6 Months - 12 to use appraised value
Impounds	Not Required
Compliance	Points & Fees may not exceed 5%
Seller Concessions	6% - LTV ≤ 70% 4% - LTV > 70%
Appraisal	No C5 or C6; 2 Appraisals >\$2.0M; ARR/CDA req or CU risk score >2.5
Minimum SQFT	SFR - 700 sq ft Condo – 500 sq ft
Max Acreage	2

**Modular**

Modular	No Restriction
Rural Properties	Eligible
Unleased Property (Refinance only); Does not apply to short term rentals	No Restriction
100% Gift Funds	No LTV Reduction

**Additional Restrictions**

Max # of Financed Properties	Committee review over 4
Non-Arms Length Transactions	Not Eligible
Vesting in LLC's	All Members must be individuals
DSCR	No Minimum
STR Experience	Not Required

**Eligible States**

AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL\*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA\*, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY

**Prepayment Penalty**

Available Prepayment Penalties: Fixed Percentage:

- Prepay is 5% of the amount prepaid
- \*Prepay Options: 0, 1, 2, 3, 4 & 5 year prepay options available

\*Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout

Declining Balance:

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

State Specific:

\*PA- Loan amounts < \$301,022 cannot have a prepayment penalty

\*IL - Loan with a rate ≥ 8% must close in the name of an entity

IL & NJ - Prepayment penalty not allowed if vesting as an individual

