



INTERNAL MEMORANDUM

DATE: January 21, 2022
TO: All Origination Staff
FROM: Craig Timmins, Managing Director
RE: Guideline Change on DSCR Loans

On January 18, 2021, guidelines were changed on DSCR loans where if the DSCR was less than 1.00, the maximum LTV is now 75%. Previously, we allowed 80% LTV as long as the borrower had sufficient reserves to cover the difference between the rents and the mortgage payment.

For any loan that was submitted prior to January 18th and approved under the previous guideline, we will allow loans to fund until February 18th under this guideline. After this deadline, the loan must meet the new guidelines and LTV will be limited to 75%.

Although we will honor the old guidelines for underwriting until February 18th, if the lock on the loan expires, then the loan must be repriced under current rates.

Disclaimer: If new information materially impacts the underwriting decision, Acra reserves the right to halt, terminate or modify the rates, terms or programs without notice, revoke rate lock confirmations, or may cancel your application at any time, for any reason including but not limited to, interruptions to financial markets, loss or malfunctions of utilities, communications, computer (software and hardware) or labor, disasters, disease, epidemics, pandemics, government action or regulations, strike, riot, acts of terrorism, acts of war, acts of civil or military authority, acts of god, etcetera.