



HOMEEXPRESS
MORTGAGE CORP

SPEED | EASE | CONVENIENCE

INVESTORX

NON-OWNER OCCUPIED
BUSINESS PURPOSE

LOAN
PROGRAM
DESCRIPTIONS

InvestorX 1-4 Units

General	
Transaction types	Purchase, Rate/Term, Cash-Out (maximum 80% LTV) Cash-out Refi: The majority of the cash-out must be used for business purposes. A letter of explanation signed by the borrower confirming the use of the cash-out is required. Only liens on the property can be paid through proceeds.
Occupancy	Non-Owner Occupied only
Minimum Loan Amount	\$100,000 (DSCR under .75 min loan amount of \$200,000) Condotel - \$150,000
Products Available	30 year fixed, 5/1 ARM, 40-year fixed IO, 5/1 ARM IO
Maximum Loan Amount	\$2,500,000 (DSCR under .75 max. loan amount of \$2,000,000) Condotel - \$1,500,000
Maximum Cash-Out	\$1,000,000 when LTV is equal to or less than 65%, over 65% maximum is \$500,000 (cash out over \$500,000 requires Management approval when DSCR is under .75)
Minimum Equity Requirement	\$40,000 (Defined as Home Value less loan amount)
Subordinate Financing	Allowed where CLTV does not exceed program LTV.
First Time Homebuyer	Allowed with a DSCR of 1.0 or greater
Non-Arm's Length Transaction	Allowed with a 10% reduction from maximum LTV.
Eligible Borrowers	US Citizens Permanent Resident Aliens Non-Permanent Resident Aliens (Max 75% LTV purchases and 70% LTV all refinances) Foreign Nationals (DSCR only. Must close in a Legal Entity with a domestic agent). (Max 75% LTV purchases and 70% LTV all refinances) Legal Entities (S Corp, LLC, Limited Partnership – subject to approval). Note: Legal entities not in good standing will be ineligible to execute loan documents
Taxes/Insurance Impounds	Only when required by state law.
Financed Discount Points and/or Broker Origination Fees	HomeXpress will finance up to two (2) percent of the base loan amount that may be used to pay discount points, broker origination fees, and/or buyer's realtor fees. These funds used will be reflected in the LTV, however pricing of the loan will be based on the base LTV. Further, this increase is allowed on all loans up to a combined total 80% LTV and although the LTV is beyond the "base" LTV, it will not be viewed as an exception to the loan program. Example: A loan of \$210,000 is being made at 70% LTV. The borrower wishes to finance two (2) percent of the loan amount to pay for discount points and broker origination fees. This will increase the loan amount to \$214,200. Although the LTV of this loan is now 71.4%, the pricing of the loan will be based on 70% LTV. Further, if the program

	maximum is 70%, the LTV of 71.4% will not be viewed as an exception.
ACH	All loans made to Legal Entities (S Corp, LLC, etc.) require set up for ACH payments at Loan Closing
Personal Guarantee	If the borrower is a Legal Entity (LLC, Corporation, etc.), all parties owning at least 25% of the entity must sign a Personal Guarantee as well as any party submitting an application for the loan.
Properties Owned	No maximum on number of properties owned.
Maximum Number of Loans	Maximum 10 loans to borrower not to exceed a combined \$4,000,000 in loan amounts.
Credit	
Minimum FICO Score	<p>Primary Borrower – 620</p> <p>All borrowers must meet the program requirements.</p> <p>When multiple borrowers are on the loan, the middle score of the primary wage earner will be used for LTV and pricing purposes. If the income of the borrowers is equal or DSCR is used to qualify, then the highest score will be used for LTV and pricing purposes.</p>
Housing History	<p>0x30 Mortgage last 12 months</p> <p>1x30 Mortgage (no rolling) last 12 months with ≥ 700 FICO and DSCR .75 or greater</p> <p>Ratings must be obtained for the subject property and the borrower's primary residence. Mortgage/rental history must reflect no more than 1x30 on the borrower's primary residence, the subject property, and all mortgages currently reporting on the credit report used by HomeXpress in the underwriting of the loan.</p>
Minimum Tradelines	3 trade lines reporting for ≥ 12 month; or 2 trade lines reporting for ≥ 24 months with activity in the past 12 months. Borrower must have housing history or one of the trades must have \$5,000 high credit/limit.
Bankruptcy/Foreclosure/Short Sale/Deed-in-Lieu	<p>36 months seasoning. Multiple events not allowed.</p> <p>Loans with multiple Bankruptcies and/or foreclosures are not eligible.</p>
Forbearance	<p>A forbearance during the housing lookback period is allowed if during the forbearance period the borrower continued making their contractual mortgage payments as specified in the Note, if the loan was brought current during the month immediately following the end of the forbearance, or if the borrower has made all payments as agreed for at least 3 months following the end of the forbearance.</p> <p>Example 1: The borrower's contractual payments according to the terms of the Note is \$1,000 per month. The borrower entered into a forbearance agreement for 3 months which required no payments. Although the borrower entered into a forbearance agreement, the borrower made payments of \$1,000 each month of the forbearance. In this example, the borrower would be eligible for financing.</p> <p>Example 2: The borrower's contractual payments according to the</p>

	<p>terms of the Note are \$2,000 per month. The borrower entered into a forbearance which did not require payments for 3 months. The borrower did not make payments during the time the forbearance was in effect. In the month following the forbearance (month 4), the borrower made a payment of \$8,000 which is the equivalent of the 3 missed payments plus the current month. This borrower would be eligible for financing as long as there were no delinquent payments after exiting the forbearance.</p> <p>Example 3: The borrower's contractual payments according to the terms of the Note are \$2,000 per month. The borrower entered into a forbearance which did not require payments for 3 months. The borrower did not make payments during the time the forbearance was in effect. Beginning the month following the forbearance (month 4), the borrower made a payment of \$2,000 (the contractual payment amount) for at least 3 consecutive months. This borrower would be eligible for financing as long as there were no delinquent payments after exiting the forbearance.</p>
Tax Liens/Judgements	All tax liens and judgments must be paid at closing
Collections/Charge-offs	All collections and charge-offs must be paid except the following: Medical collections Collections and charge-offs over two years old
Assets	
Reserves	<p><u><=65% LTV</u></p> <ul style="list-style-type: none"> No Reserves Required <p><u>>65% to 80% LTV</u></p> <ul style="list-style-type: none"> 3 months PITI <p>DSCR under 1.00 requires a minimum 640 FICO and 6 months reserves.</p> <p>Loans amounts over \$1,500,000 require 6 months reserves.</p> <p>Reserves must be seasoned 30 days.</p> <p>Cash-out from loan proceeds <u>may</u> be used to satisfy reserve requirements.</p>
Funds to Close	<p>Funds to close must be sourced and seasoned for 10 days.</p> <p>Gift funds are allowed with 5% of the borrower's own funds in the transaction. If the borrower does not have the minimum 5% funds to close, a 10% reduction to the LTV will be required. Note: Gift funds not allowed if the borrower is a Foreign National</p>

Lender Credit	<p>HomeXpress will allow the application of Lender Credit to be used for recurring and non-recurring closing costs.</p> <ul style="list-style-type: none"> - Any overages will be applied to principal reduction - Lender credit can be used on Lender Paid and Borrower Paid loans <p>Lender credit cannot be used to pay broker compensation.</p>
Income/DSCR	
Income Documentation Types Available	<p>DSCR</p> <p>Full Doc 2 years</p> <p>Full Doc 1 Year</p> <p>Alt Doc 24 months Business Bank Statements</p> <p>Alt Doc 24 months Personal Bank Statements</p> <p>Alt Doc 12 months Business Bank Statements</p> <p>Alt Doc 12 months Personal Bank Statements</p>
DSCR	<p>Total borrower income is not disclosed, and borrower income is not calculated.</p> <p>Long Term Rental (LTR) Income can be documented via:</p> <ul style="list-style-type: none"> • Market Rents on FNMA form 1007 or 216 • Actual Rents can be used in place of Market Rents with lease agreement showing ≥6 months remaining on lease and evidence of receipt of 3 most recent months' rent. If the property has been recently rehabilitated, actual rents can be supported by a copy of the lease and evidence of receipt of the first month's rental and security deposit. <p>DSCR = Rental Income/PITIA (ITIA on loans with an interest only feature).</p> <p>Short Term Rental (STR) Income can be used to qualify with a 20% reduction from gross monthly rents to account for operating costs associated with the operation of a STR as compared to a LTR property. The gross monthly rents can be documented via any of the following:</p> <p>FNMA form 1007 or 216 where the appraiser provides STR comparables.</p> <p>The most recent 12-month rental history from a professional third party rental/management service clearing stating the rental property, rents collected for the previous 12 months and all vendor fees. The rental income will be reduced by the fees prior to DSCR calculation. When using this method of rental income verification, the 20% reduction noted above does not apply as the operating costs have already been accounted for.</p> <p>The most recent 12 months borrower bank statements showing the STR deposits plus rental records to support the monthly deposits.</p>

	<p>For purchases only: AIRDNA reports may be utilized in the absence of the above.</p> <ul style="list-style-type: none"> • The AIRDNA forecast must cover 12 months from Note date, the occupancy rate must be > 65%. Six comparison properties must be provided located within 2 miles of the subject with similar square footage, room count, amenities, availability, and occupancy. • The market score must be 60 or higher. <p>A 5% LTV reduction will be applied when STR income is used to calculate DSCR.</p>
Full/ALT Doc	The borrower's income will be verified, and a DTI will be calculated. The maximum DTI is 50% and residual income must be met.
Residual Income	\$1500 per household plus \$500 first child. \$250 per child thereafter. Child maximum \$1500. This is not applicable when the loan is qualified using DSCR.
Payment Shock	Not Applicable.
Qualifying Rate	Both the DSCR and the Full/ALT doc loans will be qualified on start rate. Additionally, if the loan is interest-only, the interest-only payment may be used to qualify.
Property	
Property Types	Single Family Residence Condominium (Warrantable and non-warrantable) High Rise Condominium Max 80% LTV (FL High Rise Max 75%) Planned Unit Development (PUD) Townhouse Condotel (Max 75% purchase and 65% all refinances and Foreign National purchase) 2-4 units Rural Properties (Max 75% LTV on purchase and 70% on refinances)
Ineligible Property Types	Rural properties with a DSCR under .75. Site > 10 acres, properties over 5 acres and under .75 DSCR require Management approval. Mixed-Use Properties Properties in below average condition.
Appraisal	Full Interior Appraisal on appropriate FNMA form including the appropriate rental schedule, i.e. 1007, 216, etc. <ul style="list-style-type: none"> • SFR/PUD – 1004 • Condo – 1073 • 2-4 Units - 1025
2 nd Appraisal	Required on Cash Out refinances greater than \$1.5M. Required on loan amounts > \$2,000,000 HomeX, at its discretion, may order a 2 nd appraisal when it is deemed warranted

Property Seasoning	<p>If the property was purchased in the last 6 months using solely cash and no underlying mortgage, refer to the delayed financing section for additional requirements.</p> <p><u>Cash-Out Refinance Transactions:</u></p> <ul style="list-style-type: none"> • If the property was purchased 6 months ago or less, the max LTV is 75%. The property must be occupied by a tenant (not currently vacant). If the property is vacant, the loan amount will be limited to the purchase price plus documented improvements and new loan fees. • If the property was purchased over 6 months but less than 12 months ago, the loan amount will be limited to the purchase price plus documented improvements and new loan fees or 80% LTV of the appraised value, whichever is less; or if improvements cannot be documented, the maximum LTV is 75% of the appraised value. • Properties purchased over 12 months ago, cash out is allowed to 80% LTV of the appraised value. • 2nd signature required by UW managers for: <ul style="list-style-type: none"> ▪ All LTVs equal to or greater than 75% on a cash out refinance ▪ Property that has been purchased in the last 12 months and experiences a value increase of more than 100% of the purchase price ▪ Cash out amounts of more than 50% of total investment (defined as actual borrower funds; not financed) <p><u>Rate and Term Refinance Transactions:</u></p> <ul style="list-style-type: none"> • Allowed to 80%, regardless of seasoning since purchase. • 2nd signature required by UW managers for: <ul style="list-style-type: none"> ▪ All LTVs equal to or greater than 80% on a rate/term refinance. ▪ Property that has been purchased in the last 12 months and experiences a value increase of more than 100% of the purchase price
Listed Properties	Refinance Loans – properties listed for sale with the past 6 months are allowed but require a minimum of 2-year prepayment penalty. The lendable value may not exceed the lowest listing price.
<u>Non-Permanent Resident Aliens Requirements</u>	
Acceptable Visa Classifications	The borrower must provide a visa indicating that they are legally allowed to reside in the United States.
Documentation Requirements	Copies of the borrower's passport and unexpired visa must be obtained. Acceptable alternative documentation to verify visa classification is an I-797 form (Notice of Action) with valid extension dates and an I-94 form (Arrival/Departure Record). Borrowers unable to provide evidence of lawful residency status in the U.S. are not eligible for financing under the NPRA program.

	<p>For wage earners, a valid employment authorization document (EAD) must be obtained if the visa is not sponsored by the borrower's current employer. If a NPRA is borrowing with a U.S. citizen, it does not eliminate visa or other residency requirements. Individuals in possession of spouse or family member visas are to qualify as co-borrowers only. A valid EAD must be provided to use their income for qualification.</p> <p>Borrowers who are residents of countries which participate in the State Department's Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html.</p>
Credit	A U.S. credit report is required for each borrower on the loan using a valid Social Security number. The credit report should provide merged credit information from the 3 major national credit repositories. A 2-year U.S. housing history is required
Qualifying Foreign Credit	<p>The Qualifying Foreign Credit designation refers to NPRA borrowers who do not meet the Standard Tradeline requirements in HomeXpress Tradeline Requirements guidelines. A Qualifying Foreign Credit borrower may or may not have a U.S. credit report with no credit score, a single score, or a score with insufficient tradelines. If no credit score is available, a 680 FICO score will be used to determine the rate and LTV.</p> <p>Qualifying Foreign Credit borrowers must establish an acceptable credit history subject to the following requirements:</p> <ul style="list-style-type: none"> • Three open accounts with a 2-year history must be documented for each borrower reflecting no late payments. • A 2-year housing history can be used as a tradeline. • U.S. credit accounts can be combined with letters of reference from verifiable financial institutions in a foreign country to establish the 3 open accounts and an acceptable credit reputation. If letters of reference are obtained, they must: <ul style="list-style-type: none"> ○ State the type and length of the relationship, how the accounts are held, and status of the account; ○ Provide contact information for person signing the letter; and ○ Translations must be signed and dated by a certified translator

Foreign Nationals

Credit	<p>The following minimum credit references are required:</p> <ul style="list-style-type: none"> • A U.S. credit report with at least two (2) trade lines with minimum age of two (2) years for one tradeline; or • An international credit report is required if a U.S. credit report cannot be produced; or • An original credit reference letter from an internationally known financial institution. <p>If no U.S. FICO is available, a 680 score will be assigned for qualifying and pricing purposes.</p> <p>The borrower(s)' primary residence must be validated.</p> <p>Cash out limited to \$250,000 if LTV is over 65% and the borrower has owned the property for less than 3 years.</p>
Assets	A copy of the two (2) most recent bank statements for the account. If the funds are not seasoned a minimum of sixty (60) days, a letter of explanation is required along with the information to comprise a sixty (60) day chain of funds. No gift funds allowed.
Assets in Foreign Accounts	<p>Assets in foreign accounts must meet the following requirements:</p> <ul style="list-style-type: none"> • Must be verified in U.S. Dollar equivalency at the current exchange rate via either www.xe.com or the Wall Street Journal conversion table. • Sufficient funds to close must be on deposit at a domestic bank three (3) days prior to any closing date. • A copy of the two (2) most recent bank statements of the foreign account. If the funds are not seasoned a minimum of sixty (60) days, a letter of explanation is required along with the information to comprise a sixty (60) day chain of funds. • No Russian based banks allowed.
Specific Closing Documentation Requirements	<p>The following is required on all Foreign National loans:</p> <ul style="list-style-type: none"> • A copy of current Passport. • All loans must be closed with a title and closing agent approved and/or vetted by HomeX. • Documents signed outside of the U.S. must be notarized by a U.S. embassy or consular official. The certificate of acknowledgement must include the embassy or consular seal and be acceptable to the title company. • For documents signed in a country that is party to the "Hague Convention Treaty Abolishing the Requirement of Legalization for Foreign Public Documents" a certificate of acknowledgment completed and signed by a notary public authorized or commissioned to perform such duties plus authentication by apostle in English and attached to the executed documents and certification of acknowledgement with title company acceptance is agreeable to lender. • Executed W-8 (BEN) IRS form. • Loan must be made to a domestic LLC and a domestic agent of

	<p>service is required. Total ownership of the LLC must be greater than 50% for borrower(s) and all owners of the LLC must submit a loan application.</p> <ul style="list-style-type: none">• No parties may be of Russian citizenship.
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16.0 Loan Product Features

5/6 ARM – For loans submitted 3/8/2021 or later	
Index	30-day SOFR
Term	30 Years
Fixed Interest Rate Term	5 Years
Adjustment Frequency	Every 6 months after Fixed Interest Period
Initial Adjustment Maximum	2.00%
Subsequent Adjustment Maximum	1.00%
Lifetime Maximum Adjustment	5.00%
Lifetime Floor Rate	Start Rate
Qualifying payment for CoreX/PrimeX/NPRA or ITIN	Greater of start rate or fully indexed rate
Qualifying payment for InvestorX	Start Rate

5/1 ARM – For loans submitted 3/7/2021 or earlier	
Index	1-Year LIBOR
Term	30 Years
Fixed Interest Rate Term	5 Years
Adjustment Frequency	Annual after Fixed Interest Period
Initial Adjustment Maximum	2.00%
Subsequent Adjustment Maximum	2.00%
Lifetime Maximum Adjustment	5.00%
Lifetime Floor Rate	Start Rate
Qualifying payment for CoreX/PrimeX/NPRA or ITIN	Greater of start rate or fully indexed rate
Qualifying payment for InvestorX	Start Rate

Fixed Rate	
Index	N/A
Term	30 Years
Fixed Interest Rate Term	30 years
Adjustment Frequency	N/A
Initial Adjustment Maximum	N/A
Subsequent Adjustment Maximum	N/A
Lifetime Maximum Adjustment	N/A
Lifetime Floor Rate	N/A
Qualifying payment	Note Rate

5/6 ARM Interest-Only	
Index	30-day SOFR
Term	40 Years
Interest Only Period	1 st 10 Years
Fully Amortized Period	30 Years (after expiration of interest-only period)
Fixed Interest Rate Term	5 Years
Adjustment Frequency	Every 6 months after Fixed Interest Period
Initial Adjustment Maximum	2.00%
Subsequent Adjustment Maximum	1.00%
Lifetime Maximum Adjustment	5.00%
Lifetime Floor Rate	Start Rate
Qualifying payment for CoreX/PrimeX/NPRA or ITIN	Greater of start rate or fully indexed rate based on 30-year amortization
Qualifying payment for InvestorX	Interest Only Payment

5/1 ARM Interest-Only	
Index	1-Year LIBOR
Term	40 Years
Interest Only Period	1 st 10 Years
Fully Amortized Period	30 Years (after expiration of interest-only period)
Fixed Interest Rate Term	5 Years
Adjustment Frequency	Annual after Fixed Interest Period
Initial Adjustment Maximum	2.00%
Subsequent Adjustment Maximum	2.00%
Lifetime Maximum Adjustment	5.00%
Lifetime Floor Rate	Start Rate
Qualifying payment for CoreX/PrimeX	Greater of start rate or fully indexed rate based on 30-year amortization
Qualifying payment for InvestorX	Interest Only Payment

Fixed Rate Interest-Only	
Index	N/A
Term	40 Years
Interest Only Period	1 st 10 Years
Fully Amortized Period	30 Years (after expiration of interest-only period)
Fixed Interest Rate Term	40 years
Adjustment Frequency	N/A
Initial Adjustment Maximum	N/A
Subsequent Adjustment Maximum	N/A
Lifetime Maximum Adjustment	N/A
Lifetime Floor Rate	N/A
Qualifying payment for CoreX/PrimeX	Note Rate based on 30 year fully amortized payment
Qualifying payment for InvestorX	Interest Only Payment