

NONI58+

(5-10 Units or 2-8 Mixed Use)

5 – 10 Residential Units and 2 – 8 Mixed Use										
Maximum LTV/CLTV		≥ 1.00								
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance						
720	1,500,000	75	75	70						
	2,000,000	75	70	65						
	2,500,000	70	70	65						
	3,000,000	70	70	65						
Housing History			Credit Event Seasoning							
0x30x12			BK/FC/SS/DIL: • ≥ 36 Mo – Any event See HEM Non-Agency Guide for details							
Investor Experience										
Experienced Investor	<ul style="list-style-type: none"> No First Time Investors for 2-8 unit Mixed Use. Borrower must have a history of owning and managing commercial or residential real estate for at least 1 year in the last 3 years First Time Investors considered on 5-10 Unit residential properties with a 0x30x24 housing or when the primary is owned F&C. 									
First Time Investor	<ul style="list-style-type: none"> Not eligible on Mixed Use 									
First Time Homebuyer	<ul style="list-style-type: none"> Not Eligible 									
Unleased Units										
<ul style="list-style-type: none"> Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units Vacant unit(s) qualify at 75% of market rent 										
State/County Restrictions										
<ul style="list-style-type: none"> FL: Foreign Nationals & Non-Permanent Resident Aliens from China are ineligible HI: Not eligible MD: Not eligible. NY: STRs in the 5 NYC Boroughs are ineligible Properties in the following counties are ineligible <ul style="list-style-type: none"> Brooklyn, NY Lubbock, TX Patterson, NJ Charlotte, Lee, Hendry & Glades counties, FL Indianapolis, IN Washington, DC Orange County, NY Cook County, IL Baltimore City, MD 										
Declining Market										
Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV, when $>65\%$ LTV										
General Requirements										
Product Type	<ul style="list-style-type: none"> 30-Yr Fixed, 15-Yr Fixed, 30 YR I/O, 40 YR I/O 									
Interest Only	<ul style="list-style-type: none"> Min Credit Score: 720 Max LTV: 75% Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate). 									
Loan Amounts	<ul style="list-style-type: none"> Min: 250,000 Max \$3,000,000 Loans $< 400,000$ require a 5% LTV reduction 									
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term, and Cash Out FSBOs are not allowed 									
Cash-In-Hand	<ul style="list-style-type: none"> Max cash-in-hand \$1,000,000 									
Occupancy	<ul style="list-style-type: none"> Investment (business purpose only) 									
Eligible Borrower	<ul style="list-style-type: none"> U.S. Citizen Permanent Resident Alien Non-Permanent Resident Alien Foreign National 									
Eligibility Restrictions	<ul style="list-style-type: none"> Citizens and individuals from OFAC sanctioned countries are not eligible 									
Escrow Impounds	<ul style="list-style-type: none"> Required, cannot be waived 									
Foreign National	<ul style="list-style-type: none"> DSCR ≥ 1.00 Min Score: 720 if using US Credit Foreign Credit is permitted. 									

	<ul style="list-style-type: none"> Reserves: 12 months PITIA LTV requirements: <ul style="list-style-type: none"> ≤ \$2.0M = Purch & R/T: 70% LTV or Cash-Out: 65% LTV > \$2.0M - \$2.5M = Purch & R/T: 65% LTV or Cash-Out: 60% LTV > \$2.5M - \$3.0M = Purch & R/T: 60% LTV or Cash-Out: 55% LTV
Property Type	<ul style="list-style-type: none"> Residential 5-10 Units Mixed Use 2-8 units. For properties with less than 5 units, at least 1 unit must be commercial. <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial unit 4-5 Units: Max 2 commercial units 6-8 Units: Max 3 commercial units Commercial space must not exceed 49% of the total building area
Property Requirements	<ul style="list-style-type: none"> Minimum 400 square feet per unit Be accessible for year-round residential use. Contain a full kitchen and bath. Represent highest and best use of the property. Not contain any health or safety issues Multiple building on one parcel are not permitted
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material, ex. Dry Cleaners, Laundromat) No health or safety issues as noted by the appraiser (ex. Broker windows, stairs, etc.) No excessive deferred maintenance that could become a health or safety issue for tenants. No structural deferred maintenance (ex. Foundation, roof, electrical, plumbing)
Rural Properties	<ul style="list-style-type: none"> Rural properties are ineligible
Subordinate Financing	<ul style="list-style-type: none"> Not permitted
Unleased Units	<ul style="list-style-type: none"> Maximum 1 vacant unit on a 2-3 Unit property; 2 vacancies on 4+ units. Note that properties are permitted to be delivered vacant on purchase transactions. Unleased units must be in lease ready condition; units cannot be undergoing rehab, etc
Acreage	<ul style="list-style-type: none"> Property up to 2-acres, not meeting the rural definition, eligible
Appraisals	<p>Residential 5-10 units:</p> <ul style="list-style-type: none"> FHLMC 71A FHLMC 71B for loan amounts < \$750K Narrative report may be used but is not required. <p>Mixed Use 2-8 Units:</p> <ul style="list-style-type: none"> FHLMC 71A FHLMC 71B for loan amounts < \$750 General Purpose Commercial Forms (ex. GP Commercial Summary Form) or Narrative report <p>For loan amounts > \$2M, a second appraisal is not required if the 71A or Commercial Narrative report is provided.</p> <ul style="list-style-type: none"> The following are required with each report: <ul style="list-style-type: none"> Full Interior Inspection of each unit Rent roll. Income and Expense Statement Photos of subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units. Map Appraiser qualifications BPO to be ordered on all transactions with the exception of those including two full appraisals. Review Product – A commercial BPO or second appraisal. <ul style="list-style-type: none"> In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO.
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)
Declining Markets	<ul style="list-style-type: none"> Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV, when >65% LTV.
Mixed Use	<ul style="list-style-type: none"> Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable. Vacant commercial space not allowed.
Income Requirements	
Income	<ul style="list-style-type: none"> Use lower of Estimated market rent or lease agreement on a refinance. Purchases use the estimated market rent. For leases that have converted to month-to-month, provide 2 months bank statements to support rental income. Vacant unit(s) – use 75% of market rents. Max 1 vacancy on 2-3-unit properties or 2 vacancies on 4+ units. <ul style="list-style-type: none"> Max 1 vacancy on a refinance of a 2-3 Unit property. Max 2 vacancies on a refinance of a 4+ Unit property. On a purchase, and/or a refinance situation where a property was recently rehabbed, with evidence the property is currently listed for

	rent, it is not considered unleased, and it is permissible for all units to be vacant at the time of purchase or refinance, provided all units are in lease-ready condition. <ul style="list-style-type: none"> • Reduce qualifying rents by any management fee reflected on the appraisal report. • 2-8 Mixed Use: Income from commercial space must not exceed 49% of the total property income. • Minimum DSCR ≥ 1.00 		
Underwriting Requirements			
Credit Score	• Middle of 3 scores or lower of 2 of all Borrowers	Tradelines	<ul style="list-style-type: none"> • All borrowers have 3 scores: or • Min: 2 open and reporting 24- months; or • 3 open and reporting 12-months.borrowers/guarantors must be evaluated individually).
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required 		
Gift Funds	<ul style="list-style-type: none"> • Allowed after min 10% borrower contribution. • Cannot be used to meet reserve requirements 		
Reserves	<ul style="list-style-type: none"> • Loan Amt $\leq \\$1.5M$: 6 Months PITIA • Loan Amt $> \\$1.5M - \\$2.0M$: 9 months PITIA • Loan Amt $> \\$2.0M - \\$2.5M$: 12 Months PITIA • Loan Amt $> \\$2.5M - \\$3.0M$: 12 Months PITIA • Cash out may be used to meet reserve requirements 		
Document Age	<ul style="list-style-type: none"> • Credit - 120-days • Income & Assets – 90 days 		
Prepayment Penalty	<ul style="list-style-type: none"> • Acceptable structures include the following: <ul style="list-style-type: none"> ◦ Fixed percentage of no less than 3% ◦ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. • For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) • Required on all loans where permitted 		
Interest Party Contribution	<ul style="list-style-type: none"> • 6% maximum 		
Rent Loss Insurance	<ul style="list-style-type: none"> • Rent Loss Insurance for the subject property is required and must equal at least 6 months of PITIA. • Blanket policies covering the subject property are permitted. 		