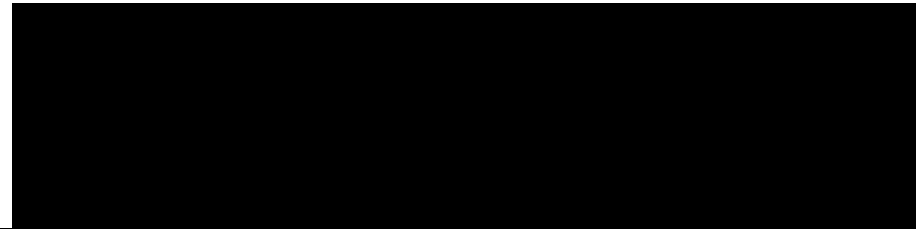


12 & 24 Month I/O			Stabilized-No DSCR Min		
FICO	Loan Amount	Debt Yield	Purchase	R/T	Cash-Out
680	\$3,000,000	See chart below	75%	70%	65%
650	\$3,000,000		70%	65%	60%
620	\$3,000,000		65%	60%	55%



Property Restrictions		Program Parameters	
Per unit value of \$50k-\$35k	-5% LTV	Non-Perm Res Alien	-5% LTV
Per unit value < \$35k	Not Allowed	Minimum Loan Amount	\$250,000
Mixed Use Properties	-5% LTV	Maximum Loan Amount	\$3,000,000
Rural Properties	Not Allowed		
Vacant Properties (Refinance only)	10% LTV Reduction	Originations Charge	2 Points Origination Fee
Property Type	5-25 units		

Geographic Restrictions	
<b>Cities:</b> San Francisco Peninsula, Manhattan NY, Greater Newark NJ, Patterson NJ, Baltimore MD	10% LTV Reduction
** Baltimore, Philadelphia, and Chicago require at least 1 borrower or guarantor (with min 10% interest) to have at least 3 documented real estate sales, completed rehab, on rental properties or equivalent experience in the past 3 years within that specific city to be eligible	

Quick Guidelines	
Mortgage History BK/FC/SS/DIL/MOD	<ul style="list-style-type: none"> <li>120+ lates must be &gt;24 months</li> <li>&gt;36 Months – No Restriction</li> </ul>
Terms	<ul style="list-style-type: none"> <li>12 Month I/O</li> <li>24 Month IO w/ 1 year extension possible</li> </ul>
Qualifying Rate Qualifying Payment	<ul style="list-style-type: none"> <li>Note Rate</li> <li>I/O: Initial ITIA based on note rate</li> </ul>
Assets	<ul style="list-style-type: none"> <li>Sourced or seasoned 30 days (1 mos most recent bank statements req.)</li> </ul>
Cash-Out Impounds	<ul style="list-style-type: none"> <li>Business purpose use ONLY</li> <li>Not Required</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>MAI/Narrative &gt; \$1M &amp; Mixed Use</li> <li>MAI/Narrative or 71A ≤ \$1M</li> <li>No C5 or C6</li> </ul>
Appraisal Vendors	<ul style="list-style-type: none"> <li>BBG, CBRE, Colliers, Cushman &amp; Wakefield, Integra (IRR), Newmark/JLL or Bowery Valuation</li> </ul>
Appraisal Review	<ul style="list-style-type: none"> <li>All loans require a broker provided appraisal review from Situs AMC - <a href="https://www.situsamc.com/">https://www.situsamc.com/</a></li> </ul>
Min Sq Footage	<ul style="list-style-type: none"> <li>500 Sq Ft per Unit</li> </ul>

Inspections	<ul style="list-style-type: none"> <li>An Environmental Screen Assessment or a Phase 1 assessment performed by EDR, Partners ESI or Salem Environmental is required on loans &gt; \$1M or if there are environmental concerns</li> <li>Copy of the COO is required</li> </ul>
Eligible Properties	<ul style="list-style-type: none"> <li>5-25 units</li> <li>5-25 units w/ mixed use (70% residential)</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>Median FICO below 620 (the lower score shall be used in the event only two credit scores are obtained)</li> <li>All borrowers must have a minimum of 2 FICO scores</li> <li>Minimum FICO is 620</li> </ul>
Tradelines	<ul style="list-style-type: none"> <li>No Minimum Tradelines required</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Points &amp; Fees man not exceed 5%</li> </ul>
Citizenship	<ul style="list-style-type: none"> <li>US Citizen, Perm/ Non-Perm Res. Alien</li> </ul>
Foreign Nationals	<ul style="list-style-type: none"> <li>Not allowed</li> </ul>
Properties Acquired within last 2 years	<ul style="list-style-type: none"> <li>Final HUD from purchase is required</li> </ul>
Seller Concessions	<ul style="list-style-type: none"> <li>Max 6%</li> </ul>
Max Acreage	<ul style="list-style-type: none"> <li>2 Acres</li> </ul>
Max # if Financed Properties	<ul style="list-style-type: none"> <li>Committee Review if over 4</li> </ul>
Loan Amounts over \$1,000,000	<ul style="list-style-type: none"> <li>A Certificate of Occupancy is required</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Non-Arm's Length Transactions	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
First Time Home Buyers	<ul style="list-style-type: none"> <li>Allowed</li> <li>Must be a local borrower with financial strength</li> <li>Property should have a strong operating history with high occupancy in a good market</li> </ul>
First Time Investor	<ul style="list-style-type: none"> <li>Allowed</li> <li>Must be a local borrower with financial strength</li> <li>Property should have a strong operating history with high occupancy in a good market</li> </ul>
ACH	<ul style="list-style-type: none"> <li>Required on All transactions</li> </ul>
LLC's	<ul style="list-style-type: none"> <li>All members must be individual</li> </ul>
Declining Markets	<ul style="list-style-type: none"> <li>Subject to LTV reduction and management review</li> </ul>
State Restrictions	<ul style="list-style-type: none"> <li>Properties in Alaska, North Dakota and South Dakota are not permitted</li> </ul>
Reserves	<ul style="list-style-type: none"> <li>6 months of debt service (I/O) payments based on the max loan amount</li> <li>3 months additional for any REO in forbearance</li> </ul>
<b>Prepayment Penalty</b>	
<ul style="list-style-type: none"> <li>A 6 month prepay will only apply if there is an approved exception on the loan</li> </ul>	

- PA- Loan amounts < \$301,022 cannot have a prepayment penalty
- PA- Loan amounts < \$301,022 must be vested in a Corp, LLC, Partnership or Trust
  - 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

**Eligible States**

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, , NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA\*, RI, SC, TN, TX, UT, VA, WA, WI, WV, WY

**Net Cash Flow & Debt Yield**

Determining a sustainable and reasonable Underwritten Net Cashflow (NCF) is a critical component in determining loan risk when evaluating multifamily and mixed-use properties. A property's NCF will be used in the Debt Yield calculation

- Net Cash Flow =
  - Gross Potential Revenues (GPR)
  - Less Operating Expenses and Vacancy (% of GPR)
  - Less Property Taxes Greater of current annual property taxes or appraiser confirmed
  - Less Insurance Property insurance premiums based on the in-place policy at loan
  - Less Replacement Reserves
- The Debt Yield =
  - Net Cashflow divided by the Maximum Loan Amount

Operating Expense/Vacancy and Debt Yield Table

ARV per unit (Rehab Loans) or As-Is Value Per Unit (Stabilized)		Operating Exp	Debt Yield
Min	Max	%	%
\$30,000	\$99,999	35%	8.50%
\$100,000	\$250,000	25%	7.50%
\$250,000		15%	7%