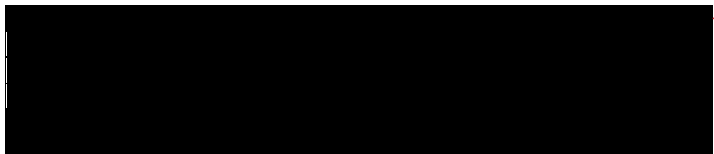


12 & 24 Month I/O			Stabilized-1.10 DSCR Min		
FICO	Loan Amount	Debt Yield	Purchase	R/T	Cash-Out
680	\$3,000,000	See chart below	75%	70%	65%
650	\$3,000,000		70%	65%	60%
620	\$3,000,000		65%	60%	55%



Property Restrictions		Program Parameters	
Per unit value of \$50k-\$40k	-5% LTV	Non-Perm Res Alien	-5% LTV
Per unit value < \$40k	Not Allowed	Minimum Loan Amount	\$250,000
Mixed Use Properties	-5% LTV	Maximum Loan Amount	\$3,000,000
Rural Properties	Not Allowed		
Vacant Properties (> 10% vacant of gross potential rent)	10% LTV Reduction	Originations Charge	2 Points Origination Fee
Property Type	5-25 units		

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	<ul style="list-style-type: none"> <li>Note Rate</li> </ul>
Qualifying Payment	<ul style="list-style-type: none"> <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	<ul style="list-style-type: none"> <li>Business purpose use ONLY</li> </ul>
Impounds	<ul style="list-style-type: none"> <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>CBRE</li> <li>Colliers</li> <li>Cushman &amp; Wakefield</li> </ul>

	<ul style="list-style-type: none"> <li>• Integra (IRR)</li> <li>• Newmark/JLL,</li> <li>• Bowery Valuation</li> <li>• Leitner Berman</li> <li>• Fred Beck &amp; Assoc</li> <li>• Cornerstone</li> <li>• WH Heyden &amp; Assoc</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>
Environmental Screen Assessment Vendors	<ul style="list-style-type: none"> <li>• EDR</li> <li>• Partners ESI</li> <li>• Salem Environmental</li> </ul>
Phase 1 Assessment Vendors	<ul style="list-style-type: none"> <li>• Partners ESI, Salem (Tri-State)</li> <li>• AEI Consultants</li> <li>• CBRE (IVI)</li> <li>• GRS Group</li> <li>• Hillman Consulting</li> <li>• Velocity Consulting</li> <li>• KOW Building Consultants</li> <li>• EMJ Construction (Tri-State, DC)</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 # of 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             <ul style="list-style-type: none"> <li>• PA- Loan amounts &lt; \$301,022 cannot have a prepayment penalty</li> </ul> </li> <li>• PA- Loan amounts &lt; \$301,022 must be vested in a Corp, LLC, Partnership or Trust             <ul style="list-style-type: none"> <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> </li> </ul>	
<b>Eligible States</b>	
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	
<b>Net Cash Flow &amp; Debt Yield</b>	
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	
<ul style="list-style-type: none"> <li>• Net Cash Flow =             <ul style="list-style-type: none"> <li>○ Gross Potential Revenues (GPR)</li> <li>○ Less Operating Expenses and Vacancy (% of GPR)</li> <li>○ Less Property Taxes Greater of current annual property taxes or appraiser confirmed</li> <li>○ Less Insurance Property insurance premiums based on the in-place policy at loan</li> <li>○ Less Replacement Reserves</li> </ul> </li> <li>• The Debt Yield =             <ul style="list-style-type: none"> <li>○ Net Cashflow divided by the Maximum Loan Amount</li> </ul> </li> </ul>	

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%	10%
\$100,000	\$250,000	25%	9.50%
\$250,000		15%	9%