theLender

10.27.2026

Foreign National

DSCR Matrix

Maximum LTV/CLTV		DSCR ≥ 1.00		
Minimum Credit Score	**Maximum Loan Amount**	**Purchase**	**Rate/Term Refinance**	**Cash-Out Refinance**
680	1,000,000	75	65	65
	1,500,000	70	60	60
No Credit Score	1,000,000	75	65	65
	1,500,000	70	60	60

Housing History	Credit Event Seasoning
0x30x12, If documented	BK/FC/SS/DIL/Mod: ≥ 36 Mo, See Guide for details
First Time Investor	**Unleased Properties**
Allowed	Refinance: LTV reduction not required

State Restrictions

- IL & NY: 2-4 units are ineligible
- Ineligible locations:
  - MD: Baltimore City
  - PA: Philadelphia County
  - Puerto Rico, Guam, & the US Virgin Islands
- Enhanced Valuation Review Required: Follow Review Protocols by Seasoning & Value Increase for the following –
  - FL: ZIP 33837, 34746 & 34747 Communities:
    - Davenport (Polk County) -Veranda Palms, Reunion, Bellavida, Solara Resort Vacation Villas Replat
    - Kissimmee (Osceola County) -Watersong Community
  - MD: Baltimore
  - NJ: Bergen County, Essex County
  - NY: Brooklyn, Orange County, Rockland County

Declining Markets and State Overlays

Maximum eligible LTVs do not require a market adjustment for the Foreign National program.

General Requirements

Acreage	Property up to 2-acres, not meeting the rural definition, eligible
Appraisals	• Appraisal Form - Must be UAD compliant. Either UAD 2.6 legacy forms (1004, 1073, 1025) or UAD 3.6 (URAR) is acceptable. • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.
Cash-In-Hand	• $300,000 if LTV > 50% • $500,000 for LTV ≤ 50% Total equity withdrawn cannot exceed above limits
Eligibility Restrictions	• Citizens and individuals from OFAC sanctioned countries are not eligible • Florida Purchases: Loans secured by property located in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association: ○ Conveyances to Foreign Entities – By Individual Buyer • Conveyances to Foreign Entities – By Entity Buyer
Interest Only	• Eligible
Loan Amounts	• Min: 100,000 • Max: 1,500,000
Loan Purpose	• Purchase, Rate/Term, and Cash Out
Interest Only	• Eligible
Occupancy	• Investment for all eligible foreign citizens
Product Type	• Fixed Rate Terms: 30 Fixed, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)

Property Type	• Single Family: Attached, Detached
	• 2-4 Units and Condominiums: Max LTV/CLTV
	  ○ Purchase – 70%, Refinance – 65%
	• Condo Hotel: Max LTV/CLTV:
	  ○ Purchase – 70%, Refinance – 65%
	Rural: Eligible

Residency/Visa	• See HEM Non-Agency Guidelines requirements for details
State Condo Requirements	California: • An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground

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	as evidenced on the condo questionnaire. • Projects with an unacceptable or no inspection are ineligible. Florida: • An inspection is required for projects 3 stories or greater and over 30 years old (or 25 years if within 3 miles of the coast). • Projects with an unacceptable or no inspection are ineligible
Income Requirements	
Long-Term Rental Documentation and DSCR Calculation	**Purchase Transactions:** • Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. • If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually. o If using the lower of the actual lease amount or estimated market rent, nothing further is required. o If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. o If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%. • A vacant or unleased property is allowed without LTV restriction. • Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR. **Refinance Transactions** • Required documentation: o FNMA Form 1007 or 1025 reflecting long-term market rents, and lease agreement. o Original appraisal report reflecting tenant-occupied, and o FNMA Form 1007 or 1025 reflecting long-term market rents, and o Executed lease agreement ▪ Leases that have converted to month-to-month are allowed. o Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually. If using the lower of the actual lease amount or estimated market rent, nothing further is required. ▪ If using a higher actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. ▪ If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%. • A vacant or unleased property is allowed, LTV reduction not required. • Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR **DSCR Calculation:** • Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios. • Gross rents divided by PITIA = DSCR **NOTE:** • Leases obtained after application must have evidence of the security deposit • Lease agreements made to entities are acceptable o The borrower cannot be part of the entity
Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation	Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. • **Short-Term Rental Income – Purchase and Refinance Transactions:** o **DSCR Calculation:** ▪ Monthly gross rents based upon a 12-month average to account for seasonality required. ▪ Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used. o (Gross Rents * .80) divided by PITIA = DSCR. • When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR. • Any of the following methods may be used to determine gross monthly rental income: o Short-term rental (STR) analysis form or 1007/1025 may be used. The analysis must include the following: ▪ Provide the source of the data used to complete the STR analysis. ▪ Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.

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	▪ Include daily rental rate and occupancy percentage. ▪ Factor seasonality and vacancy into the analysis. ▪ Must be completed by a licensed appraiser. o The most recent 12-month rental history statement from the 3rd party rental/management service. ▪ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying income must be net of all vendor or management fees. o The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits. o AIRDNA Rentalizer and Overview reports, accessed using the Explore Short-Term Rental data, must meet the following requirements: ▪ **Rentalizer (Property Earning Potential)** o Only allowed for purchase transaction. o Gross Rents equal the revenue projection from the Rentalizer Report. o The gross rents are subject to the application of the 20% extraordinary expense factor. o Revenue projection equals the average daily rental rate times the occupancy rate. o Forecast Period must cover 12-months from the Note date. o Must have three (3) comparable properties o Must be similar in size, room count, amenities, availability, and occupancy. o Maximum occupancy limited to 2 individuals per bedroom. o Market score or Sub-Market score must be 60 or greater. o Gross rents: AirDNA default comparables only. No manual selection, substitution, or exclusion.
Underwriting Requirements	
ACH Enrollment	• Required – Account must be domestic
Assets	• Min of 30-days asset verification
Credit Score	• Credit Score Model - Classic FICO® only. VantageScore® 4.0 and FICO® Score 10T are ineligible. • If score available, use representative credit score of the borrower/guarantor with the highest representative score.
Documented Age	• 120-Days
Escrow	• Escrows may be waived, see HEM Non- Agency guide for more details
Forbearance, Modification, or Deferral	• See HEM Non-Agency guide for details
Gift Funds	• Not Allowed
Prepayment Penalty- Investment Property Only	• Prepayment periods up to 5-Years eligible, see rate sheet • NJ prepayment penalty eligible only when the borrower is a corporate entity (C-Corp, S-Corp, or LLC) with documented business purpose. LLC vesting – no credit exceptions allowed. • Penalties not allowed in AK, KS, MI, MN, NM, OH and RI • Penalties not allowed on loans vested to individuals in IL and NJ • Penalties not allowed on loan amounts ≤$329,411 in PA • Only declining prepayment penalty structures allowed in MS
Reserves	• 6-months of PITIA • Cash out may be used to satisfy requirement
Tradelines	• Tradelines not required
Settlement Agent Restriction	Ineligible: • Block Land Transfer LLC • Edge Abstract Independence LLC • Lichter Law Group – Erik Lichter • MidLantic Abstract • Sperry & Hatley, PC (atty Ryan Hatley)

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