DSCR 5-8 Unit Residential Matrix

Effective Date: 8.18.25 | Revised Date: 8.18.25

Single Investment Property 5 – 8 Unit Residential

Loan Amount	FICO	Purchase	Rate/Term	Cash-Out
	DSCR – FICO to Max LTV/CLTV			
$1,500,000	720	75%	75%	65%
	700	75%	75%	65%
	680	70%	65%	60%
$2,000,000	720	70%	70%	65%
	700	70%	65%	65%
	680	65%	65%	60%

DSCR

- Minimum DSCR ≥ 1.00
- DSCR = Eligible monthly rents/PITIA (loans with an interest only feature may use the ITIA payment)
- Reduce qualifying rents by any management fee reflected on the appraisal report

Loan Programs	• 15-Year Fixed (180 Months) • 30-Year Fixed (360 Months) • 30-Year Fixed IO (120 mos IO + 240 mos Amort) Maximum loan term cannot exceed 30 years
Interest Only	Qualify with IO payment based on 10yr IO term
Product Type	Residential 5-8 Units
Loan Purpose	Purchase, Rate/Term and Cash-Out
Occupancy	Investment
Loan Amounts	• Min: $250,000 • Max: $2,000,000
Geographic Restrictions	• See State Licensing Map on website • All properties located in Essex County, NJ and Baltimore City, MD (and it's neighborhoods) are ineligible
Cash In Hand	$1.0MM max, 65% max LTV

General Requirements

Investor Experience	Experienced Investor: Borrower(s) with history of owning & managing non-owner occupied income-producing investment real estate for at least 1 year within the last 3 years First Time Investor/Inexperience Investor Ineligible
Borrowers	• U.S Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens • Foreign Nationals, ITIN, DACA are not allowed
Housing History	0 x 30 x 24
Credit Event	BK/FC/SS/DIL/Mod: ≥ 36 Mos seasoning
Interested Party Contributions (IPC)	May not exceed 3%
Prepayment Penalty	Refer to PPP Matrix for state specific details

Income Requirements

Income	• Leased - Use lower of estimated market rent or lease agreement • Reduce qualifying rents by any management fee reflected on the appraisal report. Purchases only - 8% fixed expense factor applied if management fee is not listed. • Use 75% of market rents for vacant unit, no more than 2 vacant units allowed • STR income ineligible, considered a vacant unit and no income used
Leased Units	• Existing leases with ≥ 6 mos initial term to be provided • Month-to-month leases allowed w/prior lease of ≥ 6 months & most recent 2 mos receipt • Individual room leases, Single Room Occupancy (SRO) or boarder leases ineligible • Commercial use of the unit is not allowed • STR income not permitted, considered a vacant unit and no income used
Unleased Units	Maximum 2 vacancies

Property Requirements

Appraisals	• Appraisals to be dated no more than 120 days prior to Note date • New appraisal required if dated more than 120 days prior to Note date • Full interior inspection of all units with photos required • Acceptable appraisal forms: ◦ FHLMC 71A • Transferred appraisals not allowed • Attachments required for appraisal reports: ◦ Rent Roll ◦ Income and Expense Statement ◦ Photos of subject including exterior/interior and street scene ◦ Aerial photo ◦ Sketch or floor plan of typical units ◦ Area map ◦ Plot plan or survey ◦ Appraiser qualifications
Review Product	Commercial Sales and Income BPO (exterior) is required on all properties • Appraised value used when BPO is greater than or no more than 10% below appraised value • BPO value used when BPO is more than 10% below appraised value
Property Restrictions	• Properties > 2 acres not allowed • Rural properties and Leaseholds ineligible (Contact AE for complete list of ineligible property types and transactions)
Property Condition	• No fair or poor ratings • No environmental issues (storage or use of hazardous material e.g., Dry Cleaners, Laundromat) • No health or safety issues (e.g., broken windows, stairs) • No excessive deferred maintenance that could become a health or safety issue for tenants • No structural deferred maintenance, (e.g., foundation, roof, electrical, plumbing)

Seasoning Requirements

Rate/Term Refinance	Cash-Out Refinance
• Acquired ≤ 6 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 6 months - Appraised value is used	• Acquired > 6 months & < 12 months - Lesser of the current appraisal value or purchase price plus documented improvements (if any) is used • Acquired > 12 months - Appraised value used

Underwriting Requirements

Reserves	Standard Tradeline Requirements
• 6 months • > $1.5MM loan amount: 9 months • Cash out may not be used to satisfy requirement	• 3 tradelines reporting 12 months with activity in last 12 months , or • 2 tradelines reporting for 24 months with activity in last 12 months, or • 1 revolving tradeline reporting for 60 months with activity in the last 12 months and a verified 12-month housing history 0x30, or • 1 installment tradeline reporting for 36 months with activity in the last 12 months and a verified 12-month housing history 0x30 • If each borrower has 3 credit scores, the minimum tradeline requirement is met. Any borrower with less than 3 credit scores must independently meet the minimum tradeline requirement. When closing in an entity, if the member with highest percentage of ownership has 3 credit scores, the minimum tradeline requirement is met. If all members have equal ownership shares each borrower evaluated individually. • Limited tradeline option is not allowed **NOTE:** Borrower's credit scores primarily based on thin credit—such as authorized user accounts, self-reported accounts, or recently opened accounts with limited activity—must still meet one of the standard tradeline requirements

Credit Score	Document Age	Assets	Escrows
• Lowest decision score • When vesting in an entity, decision score of the member with the highest percentage of ownership used	90 days	• Min of 30 days asset verification required • Gift funds ineligible	Escrows for insurance and taxes required