

## **MULTI DSCR**

Lead Multi DSCR is designed for commercial properties up to 8 Units

Credit	Reserve	Loan Amount
700	6	\$1,500,000
	9	\$2,000,000

Purchase	Rate/Term	Cash out
75	70	65
70	65	65

Requirements		
Products	Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM, 10/6 ARM. Maximum loan term cannot exceed 30-years.	
Interest Only	Credit score 700 Max ltv 75% Purchase, 75% Rate/Term, 70% Cash-Out	
Loan Amounts	Minimum: 400,000 Maximum: 2,000,000	
Property Types	<ul> <li>Residential 5 – 8 Units</li> <li>Mixed use 2 – 8 Units</li> <li>o Commercial usage limited to Retail/Office/Restaurant</li> <li>= 2-3 Units: Max 1 commercial Unit</li> <li>= 2-3 Units: Max 1 commercial Unit</li> <li>= 6-8 Units: Max 3 commercial Units</li> <li>= Commercial space must not exceed 49.99% of the total building area</li> </ul>	
Unleased Properties	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units Vacant unit(s) qualify at 75% of market rent	
Acreage	Maximum 2 Acres, Rural is ineligible	
Cash In Hand	Maximum: 1,000,000	
Appraisals	<ul> <li>A full interior inspection with photos is required for all units.</li> <li>5-8 Residential         <ul> <li>FHLMC 71A, FHLMC 71B, FNMA 1050 or similar short form used to appraise 5+ residential properties, or</li> <li>Narrative report can be utilized but not required.</li> </ul> </li> <li>2-8 Mixed Use         <ul> <li>General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)</li> </ul> </li> <li>The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports:         <ul> <li>Rent Roll</li> </ul> </li> </ul>	



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Requirements (continued)		
Appraisals (continued)	o Income and Expense Statement o Photos of subject including exterior/interior and street scene o Aerial photo o Sketch or floor plan of typical units o Map o Appraiser qualifications · Review Product – A commercial BPO or second appraisal. In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO.	
Property Condition	<ul> <li>No fair or poor ratings</li> <li>No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat)</li> <li>No health or safety issues (As noted by appraiser, i.e., broken windows, stairs)</li> <li>No excessive deferred maintenance that could become a health or safety issue for tenants</li> <li>No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)</li> </ul>	
Mixed Use	· Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable. Vacant commercial space not allowed.	
Income	Leased – Use lower of Estimated market rent or lease agreement.  Short-Term Rental Income not eligible  Vacant Unit(s) – Use 75% of market rents.  o Max: 1 vacant unit on 2-3 Unit property: 2 vacancies on 4+ Units. Vacant residential units must be actively marketed for rent. Provide screenshot of listing or other documentation o Vacant commercial space not allowed.  Reduce qualifying rents by any management fee reflected on appraisal report.  2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income  Minimum DSCR >= 1.00  DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment).  Loan amounts >= \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater)  Reduce qualifying rents by any management fee reflected on the appraisal report	



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Requirements (continued)				
Prepays 5% (Investment only)	<ul> <li>Prepayment periods up to 5-Years eligible, see rate sheet</li> <li>Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>Penalties not allowed on loan amounts less than \$312,159 in PA</li> </ul>			
Credit scores	Use representative credit score of the borrower/guarantor with the highest representative score.			
Borrower Experience	Experienced Investor: : Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years  First Time Homebuyer: Not eligible  Not eligible			
Reserves	Min of 30-days asset verification required; any large deposit     Loan Amount > \$1.5M: 9-months of PITIA     must be sourced  Cash out may <b>not</b> be used to satisfy Reserve Requirements			
Gift Funds	Not Eligible			
Tradelines	<ul> <li>Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity</li> <li>For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).</li> </ul>			
Credit History	Housing History: 0x30x12 Credit event BK/FC/SS/DIL >= 36 Mo No Restrictions			
Escrows	Escrows may be waived, see seller guides Escrow/Impounds for requirements			
Geographical Restrictions	CT, FL, IL, NJ, and NY Purchase Max LTV/CLTV 70%, min credit score 720 Refinance Max LTV/CLTV 65%, min credit score 720 We do not lend in Puerto Rico, Guam and US Virgin Islands We will not lend on loans meeting the New York Sub Prime definitions			