

MULTI DSCR

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

Requirements (continued)	
Appraisals (continued)	<ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants <p>No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)</p>
Mixed Use	<ul style="list-style-type: none"> Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable. <p>Vacant commercial space not allowed.</p>
Income	<p>Leased – Use lower of Estimated market rent or lease agreement.</p> <ul style="list-style-type: none"> Short-Term Rental Income not eligible Vacant Unit(s) – Use 75% of market rents. <ul style="list-style-type: none"> o Max: 1 vacant unit on 2-3 Unit property; 2 vacancies on 4+ Units. <p>Vacant residential units must be actively marketed for rent. Provide screenshot of listing or other documentation</p> o Vacant commercial space not allowed. <ul style="list-style-type: none"> Reduce qualifying rents by any management fee reflected on appraisal report. <p>2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income</p> <ul style="list-style-type: none"> Minimum DSCR ≥ 1.00 DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). Loan amounts $\geq \\$2,000,000$ require DSCR ≥ 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) <p>Reduce qualifying rents by any management fee reflected on the appraisal report</p>

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Prepays 5% (Investment only)	<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$312,159 in PA 		
Credit scores	Use representative credit score of the borrower/guarantor with the highest representative score.		
Borrower Experience	<p>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</p> <p>First Time Investor: Not eligible</p> <p>First Time Homebuyer: Not eligible</p>		
Reserves	<ul style="list-style-type: none"> 6-months of PITIA Loan Amount > \$1.5M: 9-months of PITIA <p>Cash out may not be used to satisfy Reserve Requirements</p>		
Gift Funds	Not Eligible		
Tradelines	<ul style="list-style-type: none"> Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually). 		
Credit History	<p>Housing History : 0x30x12 >= 36 Mo No Restrictions</p> <p>Credit event BK/FC/SS/DIL</p>		
Escrows	Escrows may be waived, see seller guides Escrow/Impounds for requirements		
Geographical Restrictions	<p>CT, FL, IL, NJ, and NY Purchase Max LTV/CLTV 70%, min credit score 720</p> <p> Refinance Max LTV/CLTV 65%, min credit score 720</p> <p>We do not lend in Puerto Rico, Guam and US Virgin Islands</p> <p>We will not lend on loans meeting the New York Sub Prime definitions</p>		