



Debt Service Coverage Ratio (DSCR) Program Guide

Version 17

September 28, 2026

(Effective for locks taken out on or after October 5, 2026)

The DSCR program is designed for real estate investors purchasing or refinancing investment properties held for business purposes. The borrower is qualified solely on the cash flow of the subject property regardless of the number of properties owned by the borrower. There are six rate sheets for this program: DSCR1, DSCR2, DSCR3, DSCR4, DSCR13 and DSCR15. The eligibility matrices for each rate sheet are in [Appendix D](#) of this guide.

All information contained herein is proprietary and shall be kept confidential

Version 17 Update Summary

Section	Update Summary
2.0/5.0	<ul style="list-style-type: none"> Added first-time investors as an eligible borrower type subject to restrictions. Moved the requirements for the third-party report from Section 5.0 to Section 2.0.
5.1	<ul style="list-style-type: none"> Clarified the requirements for a Non-Permanent Resident Alien. Amended to require one or more members representing at least 25% ownership of the entity to provide a Personal Guarantee. Added the Spousal Consent to Pledge form and community property states.
7.2	<ul style="list-style-type: none"> Amended the cash to the borrower on a rate and term refinance to the greater of 1% of the amount or \$2,000.
7.3	<ul style="list-style-type: none"> Amended to allow properties listed for sale more than three months prior to closing on a cash-out refinance with a three-year prepayment penalty.
8.1	<ul style="list-style-type: none"> Amended to require credit documents to be no more than 120 days old at closing.
8.2	<ul style="list-style-type: none"> Clarified the classic FICO is the required credit score model.
8.4	<ul style="list-style-type: none"> Amended to require the housing payment histories for the subject property and primary residence to reflect no more than 1X30 in the last 12 months measured from the closing date and the loans must be current at closing. Amended to require the housing payment histories for additional financed properties to reflect no more than 1X30 in the last 12 months as reported on the credit report. No additional verification is required provided no delinquencies are reflected in the last 12 months as reported. If delinquencies are present, evidence that the loan is current at closing is required.
8.5	<ul style="list-style-type: none"> Clarified IRS payment plans are permitted if current and they do not carry a lien on the property.
8.6	<ul style="list-style-type: none"> Amended the credit event seasoning requirement to two years. Clarified borrowers currently enrolled in credit counseling or debt management plans are not permitted.
9.2	<ul style="list-style-type: none"> Amended to allow income up to 125% of market rent when the lease agreement is higher than the market rent with the two most recent months proof of receipt. Added vacant refinance transactions are permitted if the vacancy is due to recent renovations subject to restrictions. Added vacant commercial space is not allowed and income from the commercial space must not exceed 49% of the total property income on mixed use properties.
9.3	<ul style="list-style-type: none"> Amended the minimum initial lease term to six months.

9.4	<ul style="list-style-type: none"> Added short-term rental income is not allowed on 5-10 unit or mixed use properties. Removed the zip code requirement for comparison properties on the AirDNA report.
10.0	<ul style="list-style-type: none"> Added FNMA approved third-party vendors as an acceptable asset verification method. Amended to require asset documents to be no more than 120 days old at closing. Added proof of liquidation of market based, non-depository assets are required if the total value of non-depository assets is less than 120% of the funds needed for closing from those accounts. Removed the requirement to source large deposits. Amended to allow 100% of the value of stocks and bonds to be used as reserves. Amended to allow vested stock options for closing but not reserves. Amended to allow 100% of vested retirement accounts to be used as reserves if the borrower is 59.5 years old. Amended to allow the entire balance to be used when business assets are held by the entity holding title to the subject property. Amended to require 25% ownership when business assets are not held by the entity holding title to the subject property. Clarified 1031 Exchange Funds are allowed for closing but not reserves and Reverse 1031 Exchange Funds are not allowed. Amended to allow cryptocurrency for reserves without liquidation subject to restrictions. Amended to allow gift funds for closing but not reserves with a minimum borrower contribution of 10%. Clarified down payment assistance programs are not allowed.
11.1	<ul style="list-style-type: none"> Amended to allow rental income for a permitted accessory dwelling unit. Clarified the documentation required for an agency warrantable condominium. Clarified the documentation required for a non-warrantable condominium. Clarified that the requirement for at least 30% of the units to be sold or under bona fide contract applies to new projects only for a non-warrantable condominium. Added no more than 25% of the total units in a project are 60 days or more past due on HOA fees including special assessments is allowed for a non-warrantable condominium. Added projects involved in litigation are allowed subject to restrictions for a non-warrantable condominium.

	<ul style="list-style-type: none"> Added condo hotels (condotels), 5-10 unit residential, 2-8 unit mixed use and leasehold properties as eligible property types.
11.2	<ul style="list-style-type: none"> Removed condotels, mixed use and leaseholds properties as ineligible property types.
11.4	<ul style="list-style-type: none"> Added the appraisal requirements for 5-10 unit residential and 2-8 unit mixed use properties. Amended to allow transferred appraisals unless ordered by the borrower.
11.5	<ul style="list-style-type: none"> Amended to use the field review or second appraisal value to determine the LTV/CLTV when the desk review and field review/second appraisal reflect a negative variance in excess of 10% from the original appraised value. Added the third-party appraisal review requirements for 5-10 unit residential and 2-8 unit mixed use properties.
12.1	<ul style="list-style-type: none"> Amended to allow solar financing as subordinate financing.
12.5	<ul style="list-style-type: none"> Amended to allow a maximum prepayment penalty term of 3 years in MI. Amended to allow a maximum prepayment penalty term of 5 years in OH.
12.6	<ul style="list-style-type: none"> Amended the interested party contributions to 6%.
12.7	<ul style="list-style-type: none"> Added 2-8 unit mixed use property insurance requirements.
12.9	<ul style="list-style-type: none"> Amended to allow solar panels subject to FNMA requirements.
Appendix A	<ul style="list-style-type: none"> Removed the initials section from and added mixed use properties to the Business Purpose & Occupancy Affidavit.
Appendix B	<ul style="list-style-type: none"> Amended the Guaranty to align with the form in the MAXEX plan codes in Doc Magic and Encompass.
Appendix C	<ul style="list-style-type: none"> Added the Spousal Consent to Pledge form.
Appendix D	<ul style="list-style-type: none"> Amended the DSCR 1, 2, 3, 4, 13 and 15 program matrices and removed the DSCR 11 program matrix.

Table of Contents

1.0	FAIR LENDING STATEMENT	7
2.0	OVERVIEW	7
3.0	PRODUCTS.....	8
3.1	PRODUCTS OFFERED	8
4.0	REGULATORY COMPLIANCE	8
5.0	BORROWER ELIGIBILITY	9
5.1	ELIGIBLE BORROWERS.....	9
5.2	INELIGIBLE BORROWERS.....	12
5.3	MULTIPLE FINANCED PROPERTIES	12
5.4	OWNERSHIP	12
6.0	BORROWER BUSINESS PURPOSE & OCCUPANCY AFFIDAVIT	12
7.0	ELIGIBLE TRANSACTION TYPES	12
7.1	PURCHASES.....	12
7.2	RATE AND TERM REFINANCE	13
7.3	CASH-OUT REFINANCE.....	13
7.4	DELAYED FINANCING REFINANCE	14
7.5	CONTRACT FOR DEED/LAND CONTRACT	15
7.6	NON-ARM'S LENGTH TRANSACTIONS	15
7.7	FORECLOSURE BAILOUT	15
7.8	LOAN SEASONING	15
8.0	CREDIT DOCUMENTATION REQUIREMENTS	15
8.1	CREDIT DOCUMENTS AGE	15
8.2	CREDIT SCORE.....	15
8.3	MINIMUM CREDIT REQUIREMENTS.....	16
8.4	MORTGAGE/RENTAL HISTORY	16
8.5	COLLECTIONS, CHARGE-OFFS, JUDGMENTS, AND LIENS.....	17
8.6	BANKRUPTCY, FORECLOSURE, NOTICE OF DEFAULT (NOD), DEED-IN-LIEU OF FORECLOSURE, SHORT SALES AND MODIFICATIONS ..	17
9.0	INCOME - DEBT SERVICE COVERAGE	17
9.1	BORROWER EMPLOYMENT	17
9.2	LONG TERM RENTAL - GROSS INCOME.....	18
9.3	LONG TERM RENTAL - LEASE REQUIREMENTS	18
9.4	SHORT-TERM RENTAL - GROSS INCOME	18
9.5	DEBT SERVICE COVERAGE RATIO (DSCR)	19
10.0	ASSETS AND SOURCE OF FUNDS	19
11.0	PROPERTY	21
11.1	ELIGIBLE PROPERTY TYPES.....	21
11.2	INELIGIBLE PROPERTY TYPES.....	23
11.3	DECLINING MARKET	24
11.4	APPRAISAL REQUIREMENTS	24
11.5	THIRD PARTY APPRAISAL REVIEW	25
11.6	PROPERTIES LOCATED IN A DISASTER AREA	25
12.0	ADDITIONAL LOAN ATTRIBUTES AND POLICIES	25
12.1	SUBORDINATE FINANCING	25
12.2	CHAIN OF TITLE	25

12.3	BALLOON MORTGAGE	26
12.4	TEMPORARY BUYDOWN	26
12.5	PREPAYMENT PENALTY.....	26
12.6	INTERESTED PARTY CONTRIBUTIONS.....	27
12.7	HAZARD INSURANCE	28
12.8	RENT LOSS INSURANCE.....	28
12.9	SOLAR PANELS.....	28
12.10	ESCROWS.....	28
12.11	CROSS COLLATERALIZED LOANS	28
13.0	TITLE AND CLOSING DOCUMENTATION.....	29
13.1	FORMS	29
13.2	TITLE	29
	APPENDIX A - BUSINESS PURPOSE & OCCUPANCY AFFIDAVIT (THE “AFFIDAVIT”)	30
	APPENDIX B - FORM OF PERSONAL GUARANTEE	32
	APPENDIX C - CONSENT OF SPOUSE	37
	APPENDIX D - DSCR PROGRAM MATRICES	39

1.0 Fair Lending Statement

Federal law prohibits discrimination in connection with the origination of mortgage loans. The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act. Also, the Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability. It is the responsibility of all MAXEX buyers and sellers to ensure that they adhere to these laws and their underlying principles in connection with mortgage loans purchased and sold via MAXEX.

2.0 Overview

The DSCR program is designed for real estate investors purchasing or refinancing investment properties held for business purposes. Both experienced and first-time investors are allowed. See [Section 5.0](#) (Borrower Eligibility) for the applicable requirements.

The borrower is qualified solely on the cash flow of the subject property regardless of the number of properties owned by the borrower. The loan file must include documentation detailing the DSCR calculation, such as the 1008, Loan Approval or a DSCR Calculation Worksheet. A Statement of Business Purpose and Occupancy Affidavit signed by the borrower declaring that the property is or will be used for a business or investment purpose only is required.

All loans submitted to MAXEX for purchase and sale must be manually underwritten to the Underwriting Guidelines. MAXEX may approve exceptions on a case-by-case basis with strong compensating factors. Where the guidelines are silent, default to Fannie Mae (FNMA).

The lender is required to order a third-party report (First American FraudGuard or similar) to identify and resolve any information discrepancies and indications of possible fraudulent activity. The report should include a comparison of all transaction participants against industry watch/ exclusionary lists and OFAC. For loans not vested in an entity, a report is required for each borrower. For loans vested in an entity, a report is required for each Guarantor. The entity and each non-Guarantor must be included in the report as transaction participants and screened against industry watch/exclusionary lists and OFAC.

The lender should also review the loan against the MAXEX Watchlist, which is available in the Loan Exchange Resource Center. Loans impacted by the watchlist may be subject to additional due diligence. Lenders should proactively address loans impacted by the watchlist during the loan origination process to avoid potential issues. See [Appendix D](#) (Program Matrices) for additional state restrictions for each rate sheet.

3.0 Products

3.1 Products Offered

Fixed Rate Products

A fixed rate mortgage is a mortgage transaction in which the interest rate remains fixed throughout the amortized term.

- Terms: 15 and 30-year amortization. Qualified using the fully amortizing payment.
- Interest-Only Option: available with a 30-year term including a 10-year initial interest-only period followed by a 20-year fully amortizing period. Qualified using the interest-only payment.

Adjustable-Rate Products

An Adjustable-Rate Mortgage (ARM) is a mortgage transaction in which the interest rate changes at specified intervals.

- Terms: 5yr/6m, 7yr/6m and 10yr/6m initial adjustable-rate period options with 30-year amortization. Qualified using the fully amortizing payment based on the original Note Rate.
- Interest-Only Option: available with a 30-year term including a 10-year initial interest-only period followed by a 20-year fully amortizing period. Qualified using the interest-only payment based on the original Note Rate.
- Caps
 - 5yr/6m: 2%/1%/5% (Initial, Periodic, Lifetime)
 - 7yr/6m and 10yr/6m: 5%/1%/5%
- Index: 30 Day Average SOFR Index as published by the New York Federal Reserve.
- Margin: 4.00%
- Floor: never less than the Margin.
- Rounding: to the nearest one-eighth of one percentage point (0.125%).
- Look-Back: 45 Days

See [Appendix D](#) (Program Matrices) for the eligible products for each rate sheet.

4.0 Regulatory Compliance

Seller must ensure that each loan delivered to MAXEX has been originated, closed, serviced and transferred in compliance with all applicable federal, state and local laws and regulations as applicable. All applicable closing documentation and disclosures pertaining to the regulations should be included in the closed file submission.

For business purpose loans originated under the DSCR program consumer protection laws applicable to consumer loans do not apply, including the Truth in Lending Act (15 U.S.C. § 1601 et seq.), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.), Gramm-Leach Bliley

Act (15 U.S.C. §§ 6802-6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 et seq.), and Homeowners Protection Act (12 U.S.C. § 4901 et seq.)

Refer to the Loan Delivery Guide, which can be found in AllRegs or the Loan Exchange Resource Center, for more information on the following.

- Documents that are required to be wet signed
- Number of days of per diem interest credit allowed at closing
- HMDA Reporting Code

5.0 Borrower Eligibility

This program is designed for real estate investors purchasing or refinancing investment properties held for business purposes. Both experienced and first-time investors are allowed. A letter of explanation to detail relevant real estate experience is recommended but not required.

Experience Definition

An experienced real estate investor has owned or managed income-producing residential or commercial real estate for a minimum of 12 months within the past 24 months. At least one borrower must meet the experience requirement for the loan to be exempt from the first-time investor restrictions.

First-Time Investor Restrictions

Loans where none of the borrowers meet the experienced investor definition are allowed subject to the following restrictions:

- Minimum DSCR: 1.00
- Minimum credit score: 700
- Maximum LTV/CLTV: 80%
- Maximum loan amount: \$1,000,000
- Minimum reserves: 3 months
- First Time Home Buyers are not allowed
- 5-10 unit residential and 2-8 unit mixed use properties are not allowed

Borrowers must have reached the age at which the mortgage note can be enforced in the jurisdiction where the property is located. There is no maximum age limit for a borrower. All borrowers must have a valid social security number. The maximum exposure to MAXEX for a borrower/guarantor is 10 loans or \$5,000,000.

5.1 Eligible Borrowers

- U.S. Citizens
- Permanent resident aliens
 - Copy of valid resident alien card must be included in loan file.

- Non-permanent resident aliens
 - Copies of passport and unexpired visa must be included in loan file.
 - A borrower with an expired, but otherwise acceptable visa type, is permitted with (A) an unexpired Employment Authorization Document (EAD), I-94 or I-797 and (B) a letter from the employer or verification of employment reflecting continuance is likely. A self-employed borrower with an expired visa is not eligible.
 - A borrower without a visa (expired or unexpired) is permitted with one of the following.
 - Grant of Asylum (Asylee) is permitted with letter from United States Citizenship and Immigration Services indicating eligibility and completed I-94 indicating borrower has been granted asylum in the United States. Borrowers pending Asylum are not eligible.
 - Deferred Action for Childhood Arrivals (DACA) approval
 - Must meet the minimum credit requirements as set forth in [Section 8.0](#).
 - No funds from outside the U.S are allowed.
- Inter-Vivos Revocable Trusts
 - Trust must be established by one or more natural persons, individually or jointly.
 - The individual(s) establishing the trust must be the primary beneficiary/beneficiaries.
 - If the trust is established jointly, there may be more than one primary beneficiary as long as the assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage.
 - At least one of the trustees must be either the individual establishing the trust, or an institutional trustee that customarily performs the duties of a trustee and is duly authorized to act as a trustee under applicable state law.
 - The mortgage and trust documents must meet agency eligibility criteria including title and title insurance requirements, as well as applicable state laws that regulate the making of loans to inter-vivos revocable trusts.
 - Title to the mortgaged property may be vested: (1) solely in the trustee(s) of the inter-vivos revocable trust, or, (2) jointly in the trustee(s) of the inter-vivos revocable trust and in the name(s) of the individual borrower(s), or, (3) in the trustee(s) of more than one inter-vivos revocable trust.
 - The title insurance policy (or ownership report, where applicable) must ensure full title protection to the Seller and must state that title to the mortgaged property is vested in the trustee(s) of the inter-vivos revocable trust. It must not list any exceptions with respect to the trustee(s) holding title to the mortgaged property or to the trust.
 - The trustee(s) must have the power to mortgage the security property for the purpose of securing a loan to the party (or parties) who are the borrower(s) under the mortgage or deed of trust note.

- Title held in the trust must not diminish the mortgagee's rights as a creditor, including the right to have full title to the security property vested in the mortgagee should foreclosure proceedings have to be initiated to cure a default under the terms of the related mortgage; and
 - The mortgage must be underwritten as if the individual establishing the trust (or at least one of the individuals, if there are two or more) were the borrower (or a co-borrower).
- U.S. based Limited Liability Companies (LLC), Partnerships and Corporations: while ownership of the subject property may vest in an entity, individual members of the entity must act as guarantors. Layered entities are permitted provided all guideline requirements are met for each entity and the ownership chain is traced until all individual members are identified.
 - Copies of the entities Articles of Organization, Operating Agreements (if required by the state), Tax Identification Number and Certificate of Good Standing must be provided.
 - Copies of other corporate documents needed to determine ownership percentage and authority to execute documents on behalf of the entity must be provided if Operating Agreements with this information are not provided.
 - One or more members representing at least 25% ownership of the entity must provide a Personal Guarantee (see [Appendix B](#) for the MAXEX Form). Other forms may be used provided they are substantially similar in content and effect as the MAXEX form. The Guaranty must be executed as an individual at loan closing and dated the same date as the Note or the loan will be ineligible for purchase. Personal guarantees from community property states (guarantor resides in AZ, CA ID, LA, NV, NM, TX, WA or WI) must be accompanied with a Spousal Consent to Pledge (see [Appendix C](#) for the MAXEX Form). Other forms may be used provided they are substantially similar in content and effect as the MAXEX form.
 - Each Guarantor must complete and sign a Loan Application as an individual. The section labelled "Title will be held in what Name(s)" should be completed with the entity name. Each Guarantor is subject to the same underwriting requirements as an individual borrower. A loan is limited to a maximum of four Guarantors.
 - Each Guarantor must sign the applicable federal and state disclosures as an individual.
 - Each Guarantor must have the authority to execute documents on behalf of the entity and sign the following documents as an authorized signer of the entity.
 - Business Purpose and Occupancy Affidavit
 - Note, Deed of Trust/Mortgage and all Riders
 - Any state and/or federally required settlement statements
 - Final loan documents may not be signed with a Power of Attorney for loans vested in an entity.

See [Appendix D](#) (Program Matrices) for the eligible borrowers for each rate sheet.

5.2 Ineligible Borrowers

- Borrowers with only an ITIN (individual taxpayer identification number)
- First Time Home Buyers
- Irrevocable trusts
- Land Trusts
- Foreign Nationals
- Borrowers who are a party to a lawsuit
- Borrowers with Diplomatic Immunity
- Guardianship
- Life Estates

5.3 Multiple Financed Properties

- There is no limit on the number of financed properties a borrower/guarantor may own; however, the maximum exposure to MAXEX is 10 loans or \$5,000,000.

5.4 Ownership

- Ownership must be fee simple. Borrower(s) may hold title as follows:
 - Individual
 - Joint Tenants
 - Limited Liability Companies (LLC), Partnerships and Corporations: see [Section 5.1](#) for the requirements to vest in an entity.
 - Inter-Vivos Revocable Trusts

6.0 Borrower Business Purpose & Occupancy Affidavit

A signed Business Purpose and Occupancy Affidavit indicating the loan purpose is for the acquisition, improvement or maintenance of a rental property is required. See [Appendix A](#) for the MAXEX form. Other forms may be used provided they are substantially similar in content and effect as the MAXEX form.

7.0 Eligible Transaction Types

7.1 Purchases

- Proceeds from the transaction are used to finance the acquisition of the subject property.
- LTV/CLTV is calculated using the lesser of the purchase price or the appraised value of the subject property. In the case of an assignment of contract, the lower of the purchase price on the original contract or the appraised value must be used. The assignment fee cannot be incorporated into the purchase price.
- If Seller has taken title to the subject property ninety days or less prior to the date of sales contract the following requirements apply.

- Property seller on the purchase contract is the owner of record.
- LTV/CLTV will be based on the lower of the prior sales price, current purchase price or the current appraisal value.

Loans that are bank-owned or relocation sales are exempt from the above requirements.

- Personal property may not be included in the purchase agreement/sales contract. Personal property items should be deleted from the sales contract or reasonable value must be documented and the sales price adjusted. Items that are customary to residential real estate transactions such as lighting fixtures, kitchen appliances, window treatments and ceiling fans are not considered personal property for purposes of this section.

7.2 Rate and Term Refinance

- At least one borrower on the new loan must be on title of the subject property at the time of application. Exceptions are allowed if the borrower acquired the property through an inheritance or was legally awarded the property.
- The mortgage amount may include the:
 - Principal balance of the existing first lien.
 - Payoff of a purchase second lien.
 - Payoff of a non-purchase second lien seasoned a minimum of 12 months from date of application. The second lien must not evidence draws exceeding \$2,000 within the past 12 months from date of application. Withdrawal activity must be documented with a transaction history of the line of credit.
 - Financing of the payment of prepaid items and closing costs.
 - Maximum cash to the borrower is the greater of 1% of the loan amount or \$2,000.
- Properties listed for sale are ineligible for refinance unless the listing was withdrawn (or expired) prior to the date of closing.
- Principal reduction is permitted up to the lesser of \$2,500 or 2% of the new loan.

7.3 Cash-Out Refinance

- At least one borrower on the new loan must be on title of the subject property for a minimum of six months from the closing date. Exceptions are allowed if the borrower acquired the property through inheritance or was legally awarded the property. Also, if the property was owned by a Limited Liability Company (LLC) that is majority owned by the borrower(s), the time it was held by the LLC may be counted towards the six months requirement.
- Properties listed for sale are ineligible for refinance unless the listing was withdrawn (or expired) more than three months prior to the date of closing. Properties listed for sale where the listing was withdrawn (or expired) more than three months but no

more than six months prior to closing are eligible, provided a prepayment penalty of at least three years is applied. In these cases, the LTV/CLTV will be based on the lower of the appraised value or the minimum listing price. Properties where the listing was withdrawn (or expired) more than six months prior to closing are eligible with no restrictions.

- Texas 50(a)(6) loans are ineligible.
- Cash-out includes the payoff of a non-purchase second lien that does not meet the requirements in the Rate and Term Refinance section above.
- Cash-out may be used for reserves.
- Cash out loan proceeds used for any personal use are not eligible.

7.4 Delayed Financing Refinance

Borrowers who purchased the subject property within the past six months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a cash-out refinance if all of the following requirements are met:

- The original purchase transaction was an arms-length transaction.
- The borrower(s) initially purchased the property as one of the following:
 - A natural person, an eligible inter vivos revocable trust, when the borrower is both the individual establishing the trust and the beneficiary of the trust.
 - An eligible land trust when the borrower is the beneficiary of the land trust or an LLC or partnership in which the borrower(s) have an individual or joint ownership of 100%.
- The original purchase transaction is documented by a settlement statement, which confirms that no mortgage financing was used to obtain the subject property. (A recorded trustee's deed (or similar alternative) confirming the amount paid by the grantee to trustee may be substituted for a settlement statement if a settlement statement was not provided to the purchaser at time of sale.)
- The preliminary title search or report must confirm that there are no existing liens on the subject property.
- The sources of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property).
- If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject property (such as a HELOC secured by another property), the settlement statement for the refinance transaction must reflect that all cash-out proceeds be used to pay off or pay down, as applicable, the loan used to purchase the property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction. Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.
- The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan (subject to the maximum LTV and CLTV ratios for the cash-out transaction based on the current appraised value).
- All other cash-out refinance eligibility requirements are met. Cash-out pricing is

applicable.

7.5 Contract for Deed/Land Contract

Contract for Deed/Land Contracts are ineligible.

7.6 Non-Arm's Length Transactions

All of the parties to a transaction should be independent of one another. Except as indicated below if a direct relationship exists between or among the parties, the transaction is non-arm's length, and the related loan is not eligible for purchase. The following transactions are eligible provided that such transactions and the related circumstances are properly documented:

- Sales or transfers between members of the same family. Transaction may not be due to any adverse circumstances.
- Property seller acting as his or her own real estate agent.
- Borrower/relative acting as borrower real estate agent.
- Borrower/relative is an employee of the originating lender.

For non-arm's length circumstances not specifically addressed above, please contact Underwriting for assistance as other transactions may be eligible on a case-by-case basis.

7.7 Foreclosure Bailout

A foreclosure bailout is a refinance or purchase transaction where the true purpose of the loan is to refinance an existing loan to the borrower which is secured by the mortgaged property that is in foreclosure. Such transactions are ineligible for purchase.

7.8 Loan Seasoning

To be eligible for purchase, the period between the closing date and the lock date cannot exceed 90 days.

8.0 Credit Documentation Requirements

8.1 Credit Documents Age

- For all transaction types, credit documents may not be older than 120 days from the Note date.

8.2 Credit Score

- The representative credit score (Classic FICO required) for qualification purposes for an individual borrower is the middle score of the three scores reported. If two scores are reported the representative credit score is the lower of the two scores. Credit scores from all three repositories must be requested (Equifax, Experian and TransUnion).
- For multiple borrowers the credit score is the lowest of all representative credit scores.

- If only one credit score or no credit score is reported, borrower is not eligible. A minimum of two credit scores is required.
- No borrower in a transaction may have frozen credit. If a borrower has frozen credit and unfreezes their credit after the original report was ordered, a new credit report must be obtained to reflect current updated information for evaluation.
- Credit rescoring is not permitted unless the rescore is correcting erroneous line items or disputed accounts.

8.3 Minimum Credit Requirements

- For each borrower, a minimum of 2 trade lines must be evident and must meet the following criteria:
 - One trade line must be open for 24 months and active within the most recent 6 months, and
 - One trade line must be rated for 12 months and may be open or closed.
- Authorized user accounts and non-traditional credit do not count towards meeting the requirements for tradelines.

8.4 Mortgage/Rental History

MAXEX requires a 12-month housing history on the subject property (refinance transactions), primary residence and all additional financed properties. Only the subject property and primary residence must be listed on the application. The payment histories for the subject property and primary residence must reflect no more than 1X30 in the last 12 months measured from the closing date and the loans must be current at closing.

The housing history requirements for additional financed properties (properties other than the subject property and primary residence) are limited to properties with mortgages reflected on the credit report. The payment histories for additional financed properties must reflect no more than 1X30 in the last 12 months as reported. No additional verification is required provided no delinquencies are reflected in the last 12 months as reported. If delinquencies are present, evidence that the loan is current at closing is required.

Mortgage/Rental history must be documented as follows.

- A mortgage payment history from an institutional lender as verified through (i) credit bureau report reference for 12 months, (ii) a verification of mortgage completed by a financial institution or (iii) 12 months canceled checks.
- For rental verification a standard VOR completed by a professional management company or 12 months bank statements or canceled checks and a lease agreement to document the term and payment are required.
- If a borrower is refinancing a privately held mortgage the following payment verification requirements apply:
 - The privately held mortgage payments must be verified with either cancelled checks or bank statements (if the payment is automatically withdrawn from the borrower's account).

- Evidence must be included in the loan file that the lien being paid off is a current recorded lien against the subject property.
- If the housing history reflects a forbearance agreement, the payment history must reflect 0X30 in the most recent 12 months since exiting forbearance. The payment history must be provided by the lender/servicer.

Borrowers who have lived in a rent-free situation are eligible if the borrower is an experienced real estate investor that has owned or managed income-producing residential or commercial real estate for a minimum of 12 months within the past 24 months.

See [Appendix D](#) (Program Matrices) for the housing history requirements for each rate sheet.

8.5 Collections, Charge-Offs, Judgments, and Liens

All delinquent credit that impacts title must be paid off prior to or at closing.

Non-title collections, charge-offs, judgments and liens are required to be paid if greater than \$5,000 (individually or aggregate). Medical collections are not required to be paid. All past due accounts must be brought current prior to closing.

IRS payment plans are permitted if current and they do not carry a lien on the property.

8.6 Bankruptcy, Foreclosure, Notice of Default (NOD), Deed-In-Lieu of Foreclosure, Short Sales and Modifications

- At least two years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale, deed-in-lieu or modification measured from the date of completion to the date of application.
- Borrower must show reestablished credit and meet the minimum credit requirement.
- If there are multiple events, at least seven years must have elapsed since the last event.
- Borrowers currently enrolled in credit counseling or debt management plans are not permitted.

See [Appendix D](#) (Program Matrices) for the credit event seasoning requirement for each rate sheet.

9.0 Income - Debt Service Coverage

9.1 Borrower Employment

The employment and income section of the loan application, other than the minimum income amount required to complete the application if applicable (for example, \$1), must not be completed. In addition, loans containing income documentation other than the documentation expressly permitted below are not eligible for the DSCR Program.

9.2 Long Term Rental - Gross Income

- For purchase transactions without an existing lease, gross income is the monthly market rent from the subject property appraisal.
- For purchase and refinance transactions with an existing lease (see [Section 9.3](#) for the lease requirements), gross income is the lower of the actual monthly rent on the lease agreement and the monthly market rent from the subject property appraisal. If the lease agreement reflects higher monthly rent than the appraisal, the lease amount up to 125% of market rent may be used for monthly gross income with two most recent months proof of receipt showing consecutive rental payments. The security deposit does not count as one month proof of receipt.
- Refinance transactions without an existing lease are permitted only if the vacancy is due to recent renovations with the following restrictions:
 - Evidence of an active rental listing
 - Gross income is the lower of the monthly market rent from the subject property appraisal and the monthly rent on the active rental listing
 - Minimum DSCR 1.00
 - Maximum LTV/CLTV 75% for rate and term refinance and 70% for cash-out refinance transactions
- On multi-unit properties, the income calculation method is determined independently for each unit. In addition, multi-unit properties are subject to the restrictions for refinance transactions without an existing lease if at least one of the units does not have an existing lease. There is a maximum of one vacancy on 2-4 unit properties and two vacancies on 5-10 unit properties. On mixed use properties, vacant commercial space is not allowed and income from the commercial space must not exceed 49% of the total property income.

9.3 Long Term Rental - Lease Requirements

- The lease must have an initial term of 6 to 36 months. Individual room, boarder and model home leases are not allowed.
- An expired lease agreement that has verbiage that states the lease agreement becomes a month-to-month lease once the initial lease/rental term expires is allowed.

9.4 Short-Term Rental - Gross Income

- Short-term rental income is not allowed on 5-10 unit or mixed use properties.
- Short-term rental income can be used for qualifying on purchase transactions on 1-4 unit properties. The monthly gross income is the lower of the projected monthly revenue from AirDNA's Property Earning Potential Report and the short-term rental analysis from the appraiser. If the appraiser does not provide a short-term rental analysis, use the projected monthly revenue from AirDNA. The AirDNA Property Earning Potential Report must meet the following requirements.

- Forecast period must cover 12 months and be dated within 90 days of the Note date.
- Occupancy rate must be 50%.
- Must have 4 comparison properties that are similar in size, room count, availability and occupancy.
- Market score must be 60 or greater.
- For 2-4 unit properties, a report must be pulled for each individual unit.
- Short-term rental income can be used for qualifying on refinance transactions on 1-4 unit properties when utilizing an on-line service such as Airbnb or VRBO. A minimum 12-month rental history is required, and the monthly gross income is the average monthly rental income for the most recent 12 months based on statements from the on-line service.

See [Appendix D](#) (Program Matrices) for the short-term rental requirements for each rate sheet.

9.5 Debt Service Coverage Ratio (DSCR)

- Debt Service Coverage Ratio is the Monthly Gross Income divided by the PITIA (principal, interest, taxes, insurance, and homeowners' association dues) of the subject property for fully amortizing loans or the ITIA for interest only loans.
- The loan file must include documentation detailing the DSCR calculation, such as the 1008, Loan Approval or a DSCR Calculation Worksheet.

10.0 Assets and Source of Funds

- The borrower must have sufficient assets to meet the requirements for closing (down payment and closing costs) and reserves.
- Reserves are calculated based on the PITIA (fully amortizing loans) or ITIA (interest only loans) of the subject property. Cash-out may be used for reserves. For concurrent loans, the same assets may not be used to satisfy the reserve requirement for more than one loan.
- Assets may be verified with one monthly or quarterly statement including all pages, a Verification of Deposit (such as FNMA Form 1006) executed by the financial institution or a FNMA approved third-party vendor. Unless otherwise noted, the verification of assets may not be greater than 120 days old at the time of closing.
- Proof of liquidation of market based, non-depository assets such as stocks, bonds, mutual funds, vested retirement accounts and these types of assets held in a trust is required if the total value of the non-depository assets is less than 120% of the funds needed for closing from those accounts.
- Large deposits do not require sourcing.
- Unless otherwise noted, acceptable sources of verified funds for closing and reserves include:
 - Depository Accounts
 - Stocks, bonds and mutual funds
 - Can be used at 100% of value for reserves

- Vested stock options can be used for closing but not reserves. The stock options must have been exercised and converted into cash or actual stock.
- Proceeds from a Home Equity Line of Credit (HELOC)
 - An undrawn HELOC is not an acceptable source to meet the reserve requirement.
- Life Insurance surrender value if used for closing must be liquidated. If used for reserves no liquidation is required.
- Sale of real property with supporting documentation
- Sale of personal property with supporting documentation
- Assets held in a Trust are acceptable provided the borrower has immediate access to the funds. To document trust account funds, obtain written documentation of the value of the trust account from either the trust manager or the trustee and document the conditions under which the borrower has access to the funds.
- Disaster relief grants. Borrowers can use lump sum grant for down payment. No minimum contribution is required. Grant cannot be used for closing costs or reserve requirements. Document that payment received is an actual grant and not a loan. Subordinate lien against the property is ineligible.
- Vested Retirement Accounts (IRA, 401K, etc.)
 - Can be used at 70% value for reserves (100% value if the borrower is 59.5 years old).
- Business funds can be used for closing and reserves.
 - When the business assets are from the entity holding title to the subject property, the entire balance of the assets may be used.
 - When the business assets are not from the entity holding title to the subject property, the borrower(s)/guarantor(s) must own at least 25% of the business. The ownership percentage must be verified via CPA/Tax Preparer, Operating Agreement or equivalent and all non-borrowing owners must provide a signed and dated letter acknowledging the transaction and confirming the borrower's access to the funds. The balance of the business assets must be multiplied by the ownership percentage to determine the borrower's portion of business assets allowed for the transaction.
- 1031 Exchange Funds can be used for closing but not reserves with a 1031 Exchange Agreement, final settlement statement verifying net proceeds from the relinquished property and a letter from the Qualifying Intermediary verifying current funds available to the borrower.
 - Reverse 1031 Exchange not allowed
- Cryptocurrency can be used for closing if liquidated.
 - Can be used for reserves without liquidation with the following restrictions: (1) Only Bitcoin (BTC) and Ethereum (ETH) held on the Coinbase Exchange are allowed and (2) 60% of the Coinbase valuation dated within 30 days of closing may be used for reserves.
- Gift funds can be used for closing but not reserves. The minimum contribution from the borrower is 10% of the purchase price from their own funds.
 - Eligible Donors must be a relative (blood, marriage, adoption or

legal guardianship) or share a familial relationship (domestic partner, relative of domestic partner, engaged, former relative or godparent) with the borrower. The donor may not be or have an affiliation with the builder, developer, real estate agent or any other interested party to the transaction.

- A signed gift letter is required with the donor's name, address, phone number, relationship to the borrower, dollar amount of gift and donor's statement that no repayment is expected.
- Gifts of equity and down payment assistance programs are not allowed.

11.0 Property

11.1 Eligible Property Types

- 1-4 unit attached and detached
- Planned Unit Development (PUD)
- 1 unit with an accessory dwelling unit (ADU) subject to the following:
 - The property conforms to all zoning requirements
 - There is only one ADU on the property, the ADU is substantially smaller than the main dwelling and the ADU is not a manufactured home.
 - The appraisal demonstrates that the property is typical for the market with at least two comparable properties with similar ADUs.
 - Rental income may be used to qualify for a permitted ADU.
 - Unpermitted ADUs are not allowed.
- Low/mid/high-rise new and established agency warrantable condominiums. Provide one of the following:
 - Condo Project Manager (CPM) with "Approved by Fannie Mae" status effective through the closing date, insurance documentation and lender certification that the project meets the current insurance requirements.
 - CPM with "Certified by Lender" status effective through the closing date, Condo Questionnaire and supporting documentation.
 - CPM that does not reflect "Unavailable", insurance documentation and lender certification that the project meets the current insurance requirements for projects that qualify for the Project Review Waiver
- Non-Warrantable Condominiums: condominiums that are non-warrantable due to only one of the following are eligible for delivery. Condominiums located in Florida must meet all Agency requirements and are not eligible as non-warrantable condominiums. Provide CPM, Condo Questionnaire and lender certification stating the reason the project is non-warrantable.
 - Investor concentration up to 60% (applies to new projects only).

- Commercial space up to 50% provided it is common and customary to the area and does not have an adverse impact on marketability.
- Single owner/entity concentration up to 50%.
- At least 30% of the units must be sold or under bona fide contract (applies to new projects only).
- No more than 25% of the total units in a project are 60 days or more past due on HOA fees including special assessments.
- Projects involved in litigation are acceptable provided the lawsuit(s) are not structural in nature, do not affect the marketability of the units and potential damages either (A) do not exceed 25% of the HOA reserves or (B) documentation is provided to evidence that the insurance carrier has agreed to provide the defense and the HOA insurance policy is sufficient to cover the litigation expense.
- Annual budget allocation to HOA reserves <Agency Minimum permitted if the appraisal report notes no significant repairs are needed and the following reserves balance thresholds are met.
 - $\geq 7\%$ to <Agency Minimum annual budget is allocated to reserves, then the Reserve Fund balance must equal 50% of the annual budgeting income.
 - $\geq 5\%$ to <7% annual budget is allocated to reserves, then the Reserve Fund balance must equal 75% of the annual budgeting income.
 - <5% annual budget is allocated to reserves, then the Reserve Fund Balance must equal 100% of the annual budgeting income.
- Condo Hotels (Condotels): projects that are managed and operated as a hotel or motel even though the units are individually owned. Indicators that a project may be a Condotel include:
 - Project name includes “hotel”, “motel”, “resort” or “lodge”
 - Hotel and motel conversions
 - Registration services that offer rentals on a daily, weekly or monthly basis

To be eligible, the unit must have a fully functioning kitchen and at least one separate bedroom. All other agency warrantable condominium requirements must be met. Provide CPM, Condo Questionnaire and lender certification that the project meets all agency warrantable requirements except for the condotel designation.

- 5-10 unit residential*
- 2-8 unit Mixed Use properties* with residential and commercial units subject to the following:
 - The number of commercial units allowed is based on the total number of units in the building. The maximum number of commercial units is one for buildings

with three or fewer units, two for buildings with four or five units and three for buildings with six or more units.

- Commercial space must not exceed 49% of the total building area.
 - Commercial units may be occupied by the borrower's business.
 - Commercial usage is limited to retail, office and restaurant. Businesses that handle hazardous material such as dry cleaners, laundromats and auto repair shops are not allowed.
- Properties held as leaseholds are eligible subject to FNMA requirements.
 - Zoning and Land Use Regulations

The appraiser must compare the existing and potential use of the subject property to zoning regulations. In addition, the appraiser must reflect any adverse effect that a non-conforming use has on the value and marketability of the property.

Property improvements must constitute a legally permissible use of the land based on the zoning ordinance. If the improvements represent a legal, non-conforming use of land, a letter from the local building authority or appraiser must be obtained to certify the property can be rebuilt "as is".

See [Appendix D](#) (Program Matrices) for the eligible property types for each rate sheet.

*5-10 unit residential and 2-8 unit mixed use properties are not allowed through the non-delegated channel.

11.2 Ineligible Property Types

- Manufactured or mobile homes
- Co-ops
- Log homes
- Non-Warrantable Condominiums that do not meet the eligibility requirements in [Section 11.1](#).
- Timeshare units
- Unique properties
- Properties that do not conform to zoning ordinances.
- Working farms
- Hobby farms
- Commercial properties: residential and mixed use properties in areas that are zoned commercial are acceptable as long as their location does not impact marketability
- Rural zoned properties (rural/residential eligible)
- Agriculturally zoned properties (agricultural/residential eligible)
- Any property located in lava zones 1 or 2 on the island of Hawaii.
- Properties with more than 20 acres. Properties with greater than 10 acres must have two comparable sales with similar acreage.
- Properties, other than condominiums and 2-10 unit properties including mixed use properties, with less than seven-hundred fifty square feet per unit
- Condominiums and 2-10 unit properties including mixed use properties with less than four hundred square feet per unit

- Properties located in Puerto Rico, Guam, America Samoa, Northern Mariana Islands and US Virgin Islands.
- Lot Loans
- Properties with deed/resale restrictions

11.3 Declining Market

- Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as reported by appraiser.

11.4 Appraisal Requirements

- All 1-4 unit appraisals must be completed on the most current Agency appraisal forms as stipulated in the Seller's Guide and conform to Agency appraisal practices and eligibility requirements.
- All 5-10 unit residential appraisals must be completed on a form used to appraise 5-10 unit residential properties or a narrative report. The sales comparison approach must be used as the appraised value. The following are required with each report:
 - Full interior inspection of each unit
 - Rent roll
 - Income and expense statement
 - Interior, exterior and street photos
 - Map
 - Appraiser's qualifications
- All 2-8 unit mixed used properties must be completed on General Purpose Commercial Forms or a narrative report. The sales comparison approach must be used as the appraised value. The following are required with each report.
 - Full interior inspection of each unit
 - Rent roll
 - Income and expense statement
 - Interior, exterior and street photos
 - Map
 - Appraiser qualifications
- Monthly market rent is required on all appraisals.
- Appraised value must be "as-is" and not subject to future improvements. Property must be in average or better condition.
- Appraisals must not be over 120 days old from the date of the Note. If appraisal is over 120 days old a new appraisal needs to be performed. For new construction an appraisal update is required.
- Two full appraisals are required for loan amounts >\$2,000,000. LTV/CLTV will be based on the lower of the two values. All inconsistencies between the two appraisals must be addressed and reconciled.
- Appraisals transferred or assigned from another lender are acceptable unless ordered by the borrower. All other appraisal requirements apply.

11.5 Third Party Appraisal Review

- The seller must order a Collateral Desktop Analysis (CDA) from Clear Capital or an Appraisal Risk Review (AAR) from Stewart Valuation Intelligence for each 1-4 unit residential property with no collateral underwriter (CU) score or a score greater than 2.5 that does not include two appraisals. A copy of the appraisal desk review report should be submitted in the loan file. The review must not be over 120 days old from the date of the Note. If the desk review produces a value in excess of a 10% negative variance to the appraised value, the loan is not eligible for purchase; provided, the seller has the option to order a Field Review or second appraisal to support the appraised value. If the field review or second appraisal also produces a value in excess of a 10% negative variance to the appraised value, then the field review or second appraisal value is used to determine the LTV/CLTV.
- The seller must order a Commercial Sales and Income Broker Price Opinion (BPO) from Clear Capital for each 5-10 unit residential and 2-8 unit mixed use property that does not include two appraisals. In NC and PA, a commercial evaluation product is used instead of a BPO. If the BPO produces a value in excess of a 10% negative variance to the appraised value, then the BPO value is used to determine the LTV/CLTV.
- All appraisals are reviewed for eligibility as well as value support. However, the use of an appraisal review product does not relieve the seller of its representations and warranties relating to the property and the appraisal including the underwriting thereof.

11.6 Properties Located in a Disaster Area

The following is required for properties located in a FEMA declared disaster zone to be eligible for purchase:

- If the property is in a zone where a Disaster End Date has been declared by FEMA, MAXEX will order a post disaster inspection prior to loan purchase to confirm the property value has not been impacted by the disaster.
- If the property is in a zone where a Disaster End Date has not been declared by FEMA, in addition to the above inspection requirement, a date and time stamped area map from a state or county agency or similar, showing the subject property in relation to the disaster area is required to evidence that the property is outside of current known fire boundaries.

For scenarios not addressed in this section please contact Underwriting for assistance.

12.0 Additional Loan Attributes and Policies

12.1 Subordinate Financing

- Solar financing must be subordinated to the first mortgage ([Section 12.9](#)). Subordinate financing (new or existing) other than solar financing is not permitted.

12.2 Chain of Title

- All transactions require a minimum twelve month chain of title.

12.3 Balloon Mortgage

- Balloon mortgages are not eligible for purchase.

12.4 Temporary Buydown

- Temporary buydown mortgage loans are not eligible for purchase.

12.5 Prepayment Penalty

The following structures may be used:

- **Six Months Interest:** the prepayment penalty (PPP) term may vary from one to five years. The PPP charge will be equal to six months of interest on the amount of the prepayment that exceeds 20% of the original principal balance (penalties applicable to curtailments less than 20% of the original principal balance are also allowed). The PPP is applicable regardless of the reason for the prepayment of principal including prepayments resulting from the sale or refinance of the subject property or curtailments that exceed 20% of the original balance in any 12 month period (penalties applicable to curtailments less than 20% of the original balance in any 12 month period are also allowed).
- **Fixed Percentage or Declining Structure:** the PPP charge will be equal to the percentage in effect at the time of the prepayment on the amount of the prepayment that exceeds 20% of the original principal balance (penalties applicable to curtailments less than 20% of the original principal balance are also allowed). The PPP is applicable regardless of the reason for the prepayment of principal including prepayments resulting from the sale or refinance of the subject property or curtailments that exceed 20% of the original balance in any 12 month period (penalties applicable to curtailments less than 20% of the original balance in any 12 month period are also allowed). The following fixed or declining structures may be used.

5 Year Term

- 5%/5%/5%/5%/5%
- 5%/4%/3%/2%/1%
- 1%/1%/1%/1%/1% (Ohio Only)

4 Year Term

- 5%/5%/5%/5%

3 Year Term

- 5%/5%/5%
- 5%/4%/3%
- 3%/2%/1%
- 1%/1%/1% (Michigan Only)

2 Year Term

- 5%/5%
- 5%/4%
- 2%/1%

1 Year Term

- 5%
- 1%

Prepayment penalties are not required but there are price adjustments for loans without a PPP, including loans where MAXEX does not allow a PPP and loans with a PPP that does not meet the structures above.

MAXEX does not allow prepayment penalties in the following states.

- AK
- IL
- NM

MAXEX accepts prepayment penalties with restrictions in the following states.

- LA: restricted to declining structures only if the term is greater than 1 year.
- MI: restricted to a maximum term of 3 years with a maximum penalty of 1% of the balance at the time of prepayment.
- MN: not allowed on purchase transactions involving a seller leaseback or rent-back arrangement where the seller continues to occupy the subject property after the sale.
- MS: restricted to declining structures only if the term is greater than 1 year.
- NJ: restricted to limited liability companies (LLCs) and corporations only.
- OH: not allowed on loan amounts $\leq$ \$116,356 or applicable state limit. Restricted to a maximum term of 5 years with a maximum penalty of 1% of the original principal amount.
- PA: not allowed on 1- and 2-unit properties with loan amounts $\leq$ \$329,411 or applicable state limit.

These requirements do not constitute legal advice and the Seller is responsible for compliance with all applicable federal and state laws, regulations and restrictions.

See [Appendix D](#) (Program Matrices) for additional prepayment penalty restrictions for each rate sheet.

12.6 Interested Party Contributions

- Interested party contributions include funds contributed by the property seller, builder, developer, real estate agent or any other party with an interest in the real estate transaction. Interested party contributions may only be used for closing costs

and prepaid expenses. Interested party contributions exceeding 6% will be deducted from the sales price to determine the LTV/CLTV used for eligibility.

12.7 Hazard Insurance

- Properties where the insurance coverage on the declaration page does not cover the loan amount must have explicit evidence of guaranteed replacement cost coverage or a cost estimate from the insurance company or agent evidencing the property is insured for its replacement cost.
- In addition to hazard insurance, each 2-8 unit mixed use property requires a Commercial General Liability Insurance Blanket Policy against claims for personal injury, bodily injury, death or property damage occurring upon, in or about any property with the following requirements:
 - Per Occurrence Minimum Coverage: \$1,000,000
 - Aggregate Coverage: \$2,000,000
- Hazard insurance must have the same inception date as the date of disbursement on purchase money mortgages. This may be documented with a post-closing Closing Disclosure/Settlement Statement or the correction of the inception date on the hazard policy.

12.8 Rent Loss Insurance

- Rent loss insurance covering a minimum of 6 months is required for the subject property.

12.9 Solar Panels

- Properties with solar panels are eligible subject to FNMA requirements including but not limited to solar financing and UCC fixture filings must be subordinate to the first mortgage and Property Assessed Clean Energy (PACE) loans are not allowed.

12.10 Escrows

- Escrow accounts may be created for funds collected by the originator to pay taxes, hazard insurance, flood insurance, special assessments, water, sewer, and other items as applicable.
- All applicable loans must adhere to HFIAA regarding mandatory flood insurance escrow requirements for properties located in a Special Hazard Flood Area.
- Escrow holdbacks are not allowed. Any inadequacies determined by the appraisal must be remedied prior to closing.

12.11 Cross Collateralized Loans

- Cross Collateralized Loans (a single mortgage that covers more than one property) are not eligible for purchase.

13.0 Title and Closing Documentation

13.1 Forms

- MAXEX plan codes are available in Doc Magic and Encompass. In addition, FNMA documents can be utilized for closing. If FNMA does not offer current documentation (i.e. interest only products), a document vendor such as Doc Magic or Encompass should be utilized.

13.2 Title

Title insurance must meet Agency requirements and be written on the 2006 American Land Title ALTA form providing gap coverage or the ALTA short form. Other state forms may be used in states in which standard ALTA forms of coverage are not used or in which the 2006 ALTA forms have not been adopted. If alternative forms are used, the lender must ensure that those amendments provide the same coverage. The title insurance policy/commitment must be dated within 90 days and insure the exact loan amount.

- The title policy should include all applicable endorsements issued by a title insurer qualified to do business in the jurisdiction in which the mortgage insured property is located, including the endorsements for Condominiums, PUDs, share loans and ARM loan types.
- The title insurance coverage must include an environmental protection lien endorsement (ALTA 8.1-06 or equivalent state form).
- The policy for any mortgages that is an adjustable rate mortgage loan, must include ALTA Endorsement 6-06.
- The title insurance policy must insure the mortgagee and its successors and assigns as to the first priority lien of the loan amount at least equal to the outstanding principal balance of the loan.
- A statement by the title insurance company or closing attorney on such binder or commitment that the priority of the lien of the related Mortgage during the period between the date of the funding of the related Mortgage Loan and the date of the related title policy (which title policy shall be dated the date of recording of the related Mortgage) is insured.
- Any existing tax or mechanic's liens must be paid in full through escrow.
- No open permits for renovations or code violations are allowed at closing.

Appendix A - Business Purpose & Occupancy Affidavit (the “Affidavit”)

LOAN NO: _____ (the “Loan”)

BORROWER(S) NAME: _____

BORROWER(S) ADDRESS: _____

PROPERTY ADDRESS: _____ (the “Property”)

I, the undersigned borrower(s), hereby declare that the following is true and correct:

1. **I have applied for this Loan and am seeking financing for the Property, subject to the terms and conditions of certain documentation related to the Loan (the “Loan Documents”), for business purposes only. The loan proceeds are intended to be used and shall be used for commercial purposes only, not for personal, family or household purposes.**
2. **If I have not executed a lease with a tenant (or tenants) at or before closing of the Loan, I intend to, and will use commercially reasonable methods and effort to obtain a tenant (or tenants) for the Property following closing of the Loan.**
3. **Neither I nor any family member intend or expect to occupy any residential unit in the Property at any time. I will not, under any circumstances, occupy any residential unit in the Property at any time while the Loan remains outstanding.** In addition, I will not claim the Property as my primary or secondary residence for any purposes for the duration of my Loan. I now reside, and for the duration of my Loan will continue to reside, elsewhere. This occupancy restriction does not apply to any commercial unit in a mixed-use property, which I may occupy for a bona fide business purpose.
4. **I understand that Lender originating the Loan in reliance upon this Affidavit.** If this Affidavit is not true and correct, and in consideration of Lender making the Loan, I agree to indemnify Lender and its agents, affiliates, subsidiaries, parent companies, successors and assigns and hold them harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys’ fees, which they may incur as a result of or in connection with my misrepresentation. I further understand that any misrepresentation in this Affidavit will constitute an event of default under the terms of this Loan and the related Loan Documents, and may result in the immediate acceleration of my debt and the institution of foreclosure proceedings, eviction, and any other remedies allowable by law.
5. **I understand that the agreements and covenants contained herein shall survive the closing of the Loan.**
6. **I understand that, based on the contents of this Affidavit, the Loan is a business-purpose loan secured by non- owner-occupied real property.** I understand that this means that the Loan may not be subject to the requirements of certain federal and state consumer protection, mortgage lending, or other laws, including but not limited to the provisions of the Truth in Lending Act (15 U.S.C. § 1601 et seq.), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.), Gramm-Leach Bliley Act (15 U.S.C. §§ 6802-6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 et seq.), and Homeowners Protection Act (12 U.S.C. § 4901 et seq.), and that my ability to avail myself of protections offered under federal and state laws for consumer-purpose residential mortgage loans may be limited.
7. **I understand that any false statements, misrepresentations, or material omissions I make in this Affidavit may result in civil and criminal penalties.**

Borrower(s) / Borrowing Entity Members:

[_____]

By: _____
 Name: _____
 Title: _____
 Date: _____

[_____]

By: _____
 Name: _____
 Title: _____
 Date: _____

ACKNOWLEDGMENT

State of _____)
 County of _____)

On _____ before me, _____ (insert name and title of the officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Appendix B - Form of Personal Guarantee

GUARANTY

This **GUARANTY** (the “Guaranty”) is made and dated as of _____, by _____ ([each, a] “Guarantor”)¹ for the benefit of _____ [Lender/Originator Name] (“Lender”).

RECITALS

WHEREAS, Lender has agreed to make a secured loan (the “Loan”) available to Borrower for the acquisition of an investment or business purpose property.

WHEREAS, in connection with the Loan, Borrower has executed and delivered to Lender a Note in favor of Lender (as the same may be hereafter amended, restated, renewed, extended, supplemented or otherwise modified pursuant to the terms thereof, the “Note”) in the principal amount of the Loan, payment of which is secured by a mortgage (the “Mortgage”) and certain other loan documents (the “Loan Documents”).

WHEREAS, [each] Guarantor is a [member/stockholder/partner]² of Borrower.

WHEREAS, the execution and delivery of this Guaranty by [each] Guarantor is a condition precedent to the making of the Loan by Lender.

NOW, THEREFORE, intending to be legally bound, [each] Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, hereby covenants and agrees for the benefit of Lender and its respective successors, transferees, and assigns as follows:

1. Each Guarantor, for itself, and its respective successors and assigns, jointly and severally, irrevocably, absolutely and unconditionally hereby guarantees the payment of all debts, liabilities, obligations, or undertakings owed by Borrower to Lender and its successors, transferees, and assigns, arising under or relating to the Loan Documents, whether direct or indirect, absolute or contingent, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, including (a) the full and prompt payment of the principal of and interest on the Note when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter; and (b) the full and prompt payment of all sums which may now be or may hereafter become due and owing under the Note, the Mortgage or the Loan Documents (collectively and severally, the “Obligations”), whether or not such Obligations are from time to time reduced, or extinguished and thereafter increased or incurred and whether or not such Obligations may be or hereafter become otherwise unenforceable. This is a guaranty of performance and payment and not of collection and shall be enforceable directly against Guarantor without resorting to any action against Borrower. This Guaranty shall continue in full force and effect until all of the Obligations have been fully and irrevocably paid and discharged pursuant to the terms of the Note and Loan Documents.

1 Note to Draft: The Guarantor(s) shall be: (a) for Limited Liability Companies, the members, (b) for partnerships, the partners and (c) for Corporations, the stockholders. Each member/partner/stockholder must provide such guarantee.

2 Note to Draft: To be updated to reflect the number and names of each Guarantor, as well as the type of owner each Guarantor is (dependent upon Borrower entity type).

2. This is an absolute, present and continuing guaranty of payment and not of collection. Guarantor agrees that this Guaranty may be enforced by Lender without the necessity at any time of resorting to or exhausting any other security or collateral given in connection herewith or with the Note, Mortgage or any other Loan Documents through foreclosure or sale proceedings, as the case may be, under any Mortgage or otherwise, or resorting to any other guaranties, and Guarantor hereby waives any right to require Lender to join any Borrower in any action brought hereunder or to commence any action against or obtain any judgment against any Borrower or to pursue any other remedy or enforce any other right. Guarantor further agrees that nothing contained herein or otherwise shall prevent Lender from pursuing concurrently or successively all rights and remedies available to it at law and/or in equity or under the Note, any Mortgage or any other Loan Documents, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of Guarantor's obligations hereunder, it being the purpose and intent of Guarantor that the obligations of Guarantor hereunder shall be absolute, independent and unconditional under any and all circumstances whatsoever. None of Guarantor's obligations under this Guaranty or any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of the Borrower under the Note, any Mortgage or other Loan Documents or by reason of the bankruptcy of the Borrower or by reason of any creditor or bankruptcy proceeding instituted by or against the Borrower. This Guaranty shall continue to be effective or be reinstated (as the case may be) if at any time payment of all or any part of any sum payable pursuant to the Note, any Mortgage or any other Loan Document is rescinded or otherwise required to be returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation, or reorganization of the Borrower, or upon or as a result of the appointment of a receiver, intervenor, custodian or conservator of or trustee or similar officer for, the Borrower or any substantial part of its property, or otherwise, all as though such payment to Lender had not been made, regardless of whether Lender contested the order requiring the return of such payment. In the event of the foreclosure of any Mortgage and of a deficiency, Guarantor hereby promises and agrees forthwith to pay the amount of such deficiency notwithstanding the fact that recovery of said deficiency against Borrower would not be allowed by applicable law; however, the foregoing shall not be deemed to require that Lender institute foreclosure proceedings or otherwise resort to or exhaust any other collateral or security prior to or concurrently with enforcing this Guaranty.

3. Lender may, without notice to or the further consent of Borrower or Guarantor, transfer or assign this Guaranty in whole or in part to any person acquiring an interest in the Obligations. In the event Lender or any holder of the Note shall assign the Note to any lender or other entity for an amount not in excess of the amount which will be due, from time to time, from Borrower to Lender under the Note with interest not in excess of the rate of interest which is payable by Borrower to Lender under the Note, Guarantor will accord full recognition thereto and agree that all rights and remedies of Lender or such holder hereunder shall be enforceable against Guarantor by such lender or other entity with the same force and effect and to the same extent as would have been enforceable by Lender or such holder but for such assignment. This Guaranty and the liability and obligations of Guarantor hereunder are binding upon Guarantor and its successors and assigns, and this Guaranty inures to the benefit of and is enforceable by Lender and its successors, transferees, and assigns. This Guaranty may not be assigned by the Guarantor without the express written consent of Lender.

4. Guarantor does hereby (a) waive notice of acceptance of this Guaranty by Lender and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (b) agree to refrain from asserting, until after repayment in full of the Loan, any defense, right of set-off or other claim which Guarantor may have against Borrower (c) waive any defense, right of set-off or other claim which Guarantor or the Borrower may have against Lender, or the holder of the Note, (d) waive any and all rights Guarantor may have under any anti-deficiency statute or other similar protections, (e) waive presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge Guarantor with liability, and (f) waive any failure by Lender to inform Guarantor of any facts Lender may now or hereafter know about the Borrower, the Loan, or the transactions contemplated by the Loan Documents, it being

understood and agreed that Lender has no duty so to inform and that Guarantor is fully responsible for being and remaining informed by Borrower of all circumstances bearing on the risk of nonperformance of Borrower's obligations. Credit may be granted or continued from time to time by Lender to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of such Borrower at the time of any such grant or continuation. Lender shall have no obligation to disclose or discuss with Guarantor its assessment of the financial condition of such Borrower. Guarantor acknowledges that no representations of any kind whatsoever have been made by Lender. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing duly signed and delivered by Lender.

Guarantor further agrees that Guarantor's liability as guarantor shall not be impaired or affected by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Guarantor of the time for payment of interest or principal under the Note or by any forbearance or delay in collecting interest or principal under the Note, or by any waiver by Lender under any Mortgage or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower or Guarantor, or by any change or modification in the Note, any Mortgage or any other Loan Document, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Obligations even though Lender might lawfully have elected to apply such payments to any part or all of the Obligations, it being the intent hereof that, subject to Lender's compliance with the terms of this Guaranty, Guarantor shall remain liable for the payment of the Obligations, until the Obligations have been paid in full, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Note, any Mortgage or other Loan Documents, and may waive or release any provision or provisions of the Note, Mortgages and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder or Guarantor's obligations hereunder.

5. This Guaranty shall be deemed to be made under and shall be governed by the laws of the State of New York, without reference to conflicts of laws principles. The terms and provisions hereof may not be waived, altered, modified or amended except in writing duly signed by Lender and by Guarantor.

6. Guarantor further agrees that its liability hereunder shall be primary, and that in any right of action which shall accrue to the Lender under the Loan Documents, the Lender may, at its option, proceed against any Guarantor and the Borrower, jointly or severally, without first having commenced any action or obtained any judgment against Borrower.

7. Notwithstanding any payment or payments made by the Guarantor hereunder or any set-off or application of funds of the Guarantor by the Lender, the Guarantor shall not be entitled to be subrogated to any of the rights of the Lender against the Borrower or any other guarantor or any collateral security or guarantee or right of offset held by the Lender for the payment of the Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other guarantor in respect of payments made by the Guarantor hereunder, until all amounts owing to the Lender by the Borrower on account of the Obligations are paid in full. The Guarantor hereby subordinates all of its subrogation rights against Borrower to the full payment of Obligations due Lender. Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the payment of the Obligations. Guarantor agrees that, until the Obligations have been paid in full, Guarantor will not seek, accept, or retain for its own account, any payment from Borrower on account of such subordinated debt. Any payments to Guarantor on account of such subordinated debt shall be collected and received by Guarantor in trust for Lender and shall be paid over to

Lender on account of the Obligations without impairing or releasing the obligations of Guarantor hereunder.

Any amounts received by Lender from any source on account of the Loan may be utilized by Lender for the payment of the Obligations and any other obligations of Borrower to Lender in such order as Lender may from time to time elect. Additionally, if the indebtedness guaranteed hereby is less than the full indebtedness evidenced by the Note, all rents, proceeds and avails of the underlying property, including proceeds of realization of Lender's collateral, shall be deemed applied on the indebtedness of Borrower to Lender that is not guaranteed by Guarantor until such unguaranteed indebtedness of Borrower to Lender has been fully repaid before being applied upon the indebtedness guaranteed by Guarantor.

8. Guarantor's obligations hereunder are independent of the obligations of Borrower, and a separate action or actions may be brought and prosecuted against Guarantor whether or not action is brought against Borrower or any such assignee or whether or not Borrower or any such assignee be joined in any such action or actions.

9. Guarantor shall not be released by any act or event (other than performance) which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a surety, or by reason of any waiver, extension, modification, forbearance or delay or costs or by Lender's failure to proceed promptly or otherwise as against Borrower or Guarantor, or by reason of any action taken or omitted or circumstance which may or might vary the risk or affect the rights or remedies of Guarantor as against Borrower, or by reason of any further dealings between Borrower and Lender, whether relating to the Loan Documents or otherwise, and Guarantor hereby expressly waives and surrenders any defense to its liability hereunder based upon any of the foregoing acts, omissions, things, agreements, waivers or any of them; it being the purpose and intent of this Guaranty that the obligations of Guarantor hereunder are absolute and unconditional under any and all circumstances.

10. Guarantor waives (a) any right to require Lender to (i) proceed against Borrower or any other person or entity; (ii) proceed against or exhaust any security held from Borrower or Guarantor; (iii) pursue any other remedy in Lender's power which Guarantor cannot itself pursue, and which would lighten its burden; (b) any defense based upon any legal disability of Borrower, or any assignee of the Loan Documents, or any discharge or limitation of the liability of Borrower, or any assignee of the Loan Documents, to Lender, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other cause; and (c) presentment, demand, protest and notice of any kind. Guarantor waives all demands upon and notices to Borrower, or any assignee of the Loan Documents, and to Guarantor, including demands for performance, notices of non-performance, notices of nonpayment and notice of acceptance of this Guaranty.

11. In the event that any action, suit, or other proceeding is instituted concerning or arising out of this Guaranty, the prevailing party shall recover all of such party's costs and attorneys' fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions therefrom, from the non-prevailing party. As used herein, "attorneys' fees" shall mean the full and actual costs of any legal services actually rendered in connection with the matters involved, calculated on the basis of the usual fee charged by the attorneys performing such services.

12. GUARANTOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT UNDER THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS GUARANTY AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

13. The parties hereto intend and believe that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Lender or the holder of the Note under the remainder of this Guaranty shall continue in full force and effect.

14. Guarantor will take such further actions as may be reasonably requested by Lender from time to time to effect the purposes of this Guaranty, including without limitation the execution and delivery of all reasonably necessary documents.

15. This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument, and in making proof of this Guaranty it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the undersigned have executed this Guaranty as of the date first above written.

_____]³

By: _____

Name: _____

Title: _____

³ Note: Form to be updated with additional signature blocks if there are multiple Guarantors.

Appendix C - Consent of Spouse

I, ("Spouse"), spouse of ("Guarantor"), acknowledge that I have read, or have had the opportunity to read, that certain Guaranty dated as of (the "Guaranty"), executed by Guarantor in favor of ("Lender") in connection with the obligations of ("Borrower") under that certain promissory note, and the other documents evidencing or securing the indebtedness described therein (collectively, the "Loan Documents"), including, without limitation, the mortgage, deed of trust, security agreement, pledge agreement, or other collateral document affecting the following described property and/or collateral: (the "Collateral").

Spouse acknowledges and consents to Guarantor's execution, delivery, and performance of the Guaranty and the Loan Documents. To the extent Spouse now has, or hereafter may have, any right, title, claim, or interest in or to the Collateral, whether arising by reason of community property, marital property, homestead, dower, curtesy, inchoate, elective share, or similar rights under applicable law, Spouse hereby expressly joins in, approves, and consents to the pledge, assignment, grant, security interest, lien, mortgage, deed of trust, encumbrance, and enforcement against such interest in the Collateral to the extent necessary to create, perfect, preserve, and enforce Lender's rights in and to the Collateral and the obligations secured thereby, in each case to the fullest extent permitted by applicable law.

To the extent permitted by applicable law, Spouse further acknowledges and agrees that this Consent of Spouse is intended to evidence and effect the consent and joinder of Spouse necessary for the Guaranty and the Loan Documents to bind any marital community, community property estate, or other marital property interest of Spouse and Guarantor in the Collateral, and to make such interest available to Lender as security for the obligations guaranteed by Guarantor.

Spouse understands and agrees that this Consent of Spouse is being executed solely for the purpose of evidencing Spouse's consent to the encumbrance of, and enforcement against, any such interest in the Collateral as may be required under applicable law, and not for the purpose of making Spouse personally liable for payment or performance of the indebtedness or other obligations evidenced by the Loan Documents. Spouse shall not be deemed a borrower, guarantor, surety, or other obligor under the Loan Documents by reason of execution of this Consent of Spouse, unless Spouse separately executes a Loan Document expressly in such capacity.

Spouse further acknowledges that the legal effect of this Consent of Spouse and the Loan Documents may be significant, that Spouse has had the opportunity to seek the advice of independent legal counsel of Spouse's choosing, and that Spouse is executing this Consent of Spouse knowingly and voluntarily.

If any provision of this Consent of Spouse is determined to be invalid or unenforceable under applicable law, this Consent of Spouse shall nevertheless be effective to the maximum extent necessary and permitted under applicable law to evidence Spouse's consent and joinder and to make Spouse's interest, if any, in the Collateral available as security for the obligations described in the Loan Documents.

IN WITNESS WHEREOF, Spouse has executed this Consent of Spouse as of the ____ day of _____, 20__.

Signature of Spouse: _____

Printed Name of Spouse: _____

Spouse Address: _____

State of _____

County of _____

On this day of , 20____, before me, the undersigned officer, personally appeared, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, and acknowledged that such person executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

[Add state-specific acknowledgment, witness, homestead, community property, or recording language where required by applicable law, including any jurisdiction-specific joinder language necessary to bind the marital community or community property estate.]

Appendix D - DSCR Program Matrices

MAXEX DSCR 1 PROGRAM MATRIX

Purchase and Rate/Term Refinance					Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-9	\$1,000,000	80%	660	1.20	1-9	\$2,500,000	75%	700	1.00
	\$3,000,000	80%	700	1.00			70%	680	1.00
		75%	680	1.00			65%	660	1.00
		70%	660	1.00					
Minimum Loan Amount		\$100,000							
Products		-30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only -5/6 and 7/6 ARM 30 Year Fully Amortizing -5/6 and 7/6 ARM 30 (10/20) Year Interest Only							
Rate/Term Refinance		No Overlays							
Interest Only		No Overlays							
Non-Permanent Resident Aliens		No Overlays							
Housing History		1X30X12							
Credit Event Seasoning		>=4 Years							
Maximum Cash-Out		-LTV/CLTV <65%: No Limit -LTV/CLTV >=65%: \$500,000							
Minimum Reserves		-Loan Amount <=\$1,000,000: 3 Months -Loan Amount >\$1,000,000 and <=\$2,000,000: 6 months -Loan Amount >\$2,000,000 and <=\$3,000,000: 9 months							
Warrantable Condominiums		No Overlays							
Non-Warrantable Condominiums		Not Allowed							
Condotel		Not Allowed							
2-4 Unit		No Overlays							
5-10 Unit		-10 Units: Not Allowed -Minimum Credit Score 680 -Maximum LTV/CLTV 75%							
Mixed Use		Not Allowed							
Leasehold Properties		Not Allowed							
Additional Prepayment Penalty Restrictions		-MI: restricted to a maximum term of 1 year -NJ: Not Allowed -OH: restricted to a maximum term of 1 year							
Short Term Rental Income		-Purchase: Not Allowed -Refinance: Allowed							

MAXEX DSCR 2 PROGRAM MATRIX

Purchase and Rate/Term Refinance					Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-4	\$1,000,000	80%	700	1.00	1-4	\$1,000,000	75%	700	1.00
		75%	700	0.75			70%	720	0.75
		75%	680	1.00			70%	680	1.00
		70%	660	1.00			65%	700	0.75
		65%	680	0.75			65%	660	1.00
							60%	680	0.75
	\$1,500,000	80%	700	1.00		\$1,500,000	75%	700	1.00
		75%	680	1.00			70%	680	1.00
		70%	700	0.75			65%	700	0.75
		70%	660	1.20			60%	660	1.00
		65%	660	1.00					
	\$2,000,000	80%	700	1.00		\$2,000,000	75%	700	1.00
		75%	680	1.00			70%	680	1.00
		70%	660	1.20					
		65%	700	0.75					
		60%	660	1.00					
	\$2,500,000	80%	700	1.00		\$2,500,000	75%	700	1.00
		75%	680	1.00			70%	680	1.00
		70%	660	1.20					
	\$3,000,000	80%	700	1.00					
		75%	680	1.00					
		70%	660	1.20					
Minimum Loan Amount		\$100,000							
Products		-30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only -5/6 and 7/6 ARM 30 Year Fully Amortizing -5/6 and 7/6 ARM 30 (10/20) Year Interest Only							
Rate/Term Refinance		No Overlays							
Interest Only		-Minimum Credit Score 700 -Reduce Maximum LTV/CLTV 5%							
Non-Permanent Resident Aliens		No Overlays							
Housing History		1X30X12							
Credit Event Seasoning		>=2 Years							
Maximum Cash-Out		-LTV/CLTV <=60%: \$1,000,000 -LTV/CLTV >60%: \$500,000							
Minimum Reserves		-Loan Amount <=\$1,000,000: 3 Months -Loan Amount >\$1,000,000 and <=\$2,000,000: 6 months -Loan Amount >\$2,000,000 and <=\$3,000,000: 9 months							
Warrantable Condominiums		No Overlays							
Non-Warrantable Condominiums		-Maximum Loan Amount: \$1,500,000 -Maximum LTV/CLTV - Purchase and Rate/Term Refinance: 75% -Maximum LTV/CLTV - Cash-Out Refinance: 70%							
Condotel		Not Allowed							
2-4 Unit		No Overlays							
5-10 Unit		Not Allowed							
Mixed Use		Not Allowed							
Leasehold Properties		Allowed							
Additional Prepayment Penalty Restrictions		-DC: Not Allowed -MD: Not Allowed							
Short Term Rental Income		-Purchase: Allowed -Refinance: Allowed							

MAXEX DSCR 3 PROGRAM MATRIX

Purchase and Rate/Term Refinance					Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-4	\$1,500,000	85%	740	1.00	1-4	\$1,500,000	70%	640	1.00
	\$1,500,000	75%	640	1.00		\$1,500,000	65%	620	1.00
	\$1,500,000	75%	680	0.75		\$1,500,000	65%	680	0.75
	\$1,500,000	70%	660	0.75		\$1,500,000	60%	640	0.75
	\$1,500,000	65%	640	0.75		\$2,000,000	75%	680	1.00
	\$2,000,000	80%	680	1.00		\$2,000,000	70%	660	1.00
	\$2,000,000	75%	660	1.00		\$2,000,000	65%	640	1.00
	\$2,000,000	70%	640	1.00		\$2,000,000	60%	620	1.00
	\$2,000,000	65%	620	1.00		\$2,500,000	70%	700	0.75
	\$2,000,000	60%	620	0.75		\$2,500,000	65%	660	1.00
	\$2,500,000	75%	700	1.00		\$2,500,000	60%	640	1.00
	\$2,500,000	70%	680	1.00		\$2,500,000	60%	660	0.75
	\$2,500,000	70%	700	0.75		\$2,500,000	55%	620	1.00
	\$2,500,000	65%	640	1.00		\$2,500,000	55%	640	0.75
	\$2,500,000	65%	680	0.75		\$2,500,000	50%	620	0.75
	\$2,500,000	60%	620	1.00		\$3,000,000	65%	700	1.00
	\$2,500,000	60%	640	0.75		\$3,000,000	60%	680	1.00
	\$2,500,000	55%	620	0.75		\$3,000,000	60%	700	0.75
	\$3,000,000	70%	700	1.00		\$3,000,000	55%	680	0.75
	\$3,000,000	65%	680	1.00		\$4,500,000	60%	720	1.00
	\$3,000,000	65%	700	0.75		\$4,500,000	55%	720	0.75
	\$3,000,000	60%	680	0.75					
	\$4,500,000	70%	720	1.00					
	\$4,500,000	65%	720	0.75					
5-10 and Mixed Use	\$1,500,000	60%	620	1.15	5-10 and Mixed Use	\$1,500,000	55%	620	1.15
	\$2,000,000	75%	680	1.15		\$2,000,000	60%	640	1.15
	\$2,000,000	65%	640	1.15		\$2,500,000	70%	680	1.15
	\$2,500,000	70%	680	1.15		\$3,000,000	65%	700	1.15
	\$3,000,000	75%	700	1.15		\$3,000,000	60%	680	1.15
	\$3,000,000	65%	680	1.15		\$4,500,000	60%	720	1.15
	\$4,500,000	65%	720	1.15					
Minimum Loan Amount		\$100,000							
Products		-15 and 30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only -5/6, 7/6 and 10/6 ARM 30 Year Fully Amortizing -5/6, 7/6 and 10/6 ARM 30 (10/20) Year Interest Only							
Rate/Term Refinance		No Overlays							
Interest Only		No Overlays							
Non-Permanent Resident Aliens		No Overlays							
Housing History		1X30X12							
Credit Event Seasoning		->=2 and <4 Years: maximum LTV/CLTV 70% ->=4 Years: no overlays							
Maximum Cash-Out		-LTV/CLTV <=65%: No Limit -LTV/CLTV >65%: \$1,000,000							
Minimum Reserves: 1-4 Unit		-LTV/CLTV >80%: 6 months -Loan Amount <=\$2,500,000 and LTV/CLTV<=80%: None -Loan Amount >\$2,500,000 and <=\$3,000,000: 12 months -Loan Amount >\$3,000,000: 18 months							
Minimum Reserves: 5-10 Unit and Mixed Use		-Loan Amount <=\$2,000,000: 6 months -Loan Amount >\$2,000,000 and <=\$2,500,000: 9 months -Loan Amount >\$2,500,000 and <=\$3,000,000: 12 months -Loan Amount >\$3,000,000: 18 months							
Warrantable Condominiums		No Overlays							
Non-Warrantable Condominiums		No Overlays							
Condotel		No Overlays							
2-4 Unit		No Overlays							
Leasehold Properties		Not Allowed							
Additional Prepayment Penalty Restrictions		-MI: restricted to a maximum term of 1 year -NJ: Not Allowed -OH: restricted to a maximum term of 1 year							
Short Term Rental Income		-Purchase: Allowed -Refinance: Allowed							
State Restrictions		-FL: properties located in Lee county are not allowed -MD: properties located in Baltimore City are not allowed -NY: properties located in Orange county are not allowed -PA: properties located in Philadelphia county are not allowed							

MAXEX DSCR 4 PROGRAM MATRIX

Purchase and Rate/Term Refinance					Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-4	\$1,000,000	80%	680	1.00	1-4	\$500,000	75%	660	1.00
	\$1,000,000	75%	660	1.00		\$1,000,000	65%	660	1.00
	\$1,500,000	75%	700	1.00					
	\$2,000,000	75%	720	1.00					
	\$2,500,000	70%	720	1.00					
	\$3,000,000	70%	740	1.00					
Minimum Loan Amount		\$200,000							
Products		-15 and 30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only							
Rate/Term Refinance		No Overlays							
Interest Only		No Overlays							
Non-Permanent Resident Aliens		Not allowed, whether sole, co or part Borrower, Guarantor, Inter-Vivos Revocable Trust Trustee or Trust Beneficiary, or LLC, Partnership or Corporation member, partner or owner.							
Housing History		1X30X12							
Credit Event Seasoning		>=3 Years							
Maximum Cash-Out		\$500,000							
Minimum Reserves		-Loan Amount <=\$500,000: 6 Months -Loan Amount >\$500,000: 12 Months							
Warrantable Condominiums		No Overlays							
Non-Warrantable Condominiums		Not Allowed							
Condotel		Not Allowed							
2-4 Unit		No Overlays							
5-10 Unit		Not Allowed							
Mixed Use		Not Allowed							
Leasehold Properties		Not Allowed							
Additional Prepayment Penalty Restrictions		-MI: restricted to a maximum term of 1 year -NJ: Not Allowed -OH: restricted to a maximum term of 1 year							
Short Term Rental Income		Not Allowed							

MAXEX DSCR 13 PROGRAM MATRIX

Purchase and Rate/Term Refinance					Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-4	\$1,000,000	80%	700	1.00	1-4	\$1,000,000	75%	700	1.00
		75%	720	0.75			70%	680	1.00
		75%	680	1.00			65%	660	1.00
		70%	660	1.00					
	\$1,500,000	80%	700	1.00		\$1,500,000	75%	700	1.00
		75%	680	1.00			70%	680	1.00
		70%	720	0.75			60%	660	1.00
		70%	660	1.20					
		65%	660	1.00					
	\$2,000,000	80%	700	1.00		\$2,000,000	75%	700	1.00
		75%	680	1.00			70%	680	1.00
		70%	660	1.20					
		65%	720	0.75					
		60%	660	1.00					
	\$2,500,000	70%	720	1.00		\$2,500,000	65%	720	1.00
	\$3,000,000	65%	720	1.00		\$3,000,000	60%	720	1.00
Minimum Loan Amount		\$100,000							
Products		-30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only -5/6 and 7/6 ARM 30 Year Fully Amortizing -5/6 and 7/6 ARM 30 (10/20) Year Interest Only							
Rate/Term Refinance		-Maximum LTV/CLTV 75% -Minimum DSCR 1.00							
Interest Only		-Minimum Credit Score 700 -Reduce Maximum LTV/CLTV 5%							
Non-Permanent Resident Aliens		-Purchase and Rate & Term Refinance: maximum LTV/CLTV 75% -Cash-Out Refinance: Not Allowed							
Housing History		1X30X12							
Credit Event Seasoning		>=2 Years							
Maximum Cash-Out		-LTV/CLTV <65: \$1,750,000 -LTV/CLTV >=65% and <=70%: \$1,250,000 -LTV/CLTV >70%: \$750,000							
Minimum Reserves		-Loan Amount <=\$1,000,000: 3 Months -Loan Amount >\$1,000,000 and <=\$2,000,000: 6 months -Loan Amount >\$2,000,000 and <=\$3,000,000: 9 months							
Warrantable Condominiums		FL: Not Allowed							
Non-Warrantable Condominiums		No Overlays							
Condotel		-Purchase and Rate & Term Refinance: maximum LTV/CLTV 75% -Cash-Out Refinance: maximum LTV/CLTV 70%							
2-4 Unit		No Overlays							
5-10 Unit		Not Allowed							
Mixed Use		Not Allowed							
Leasehold Properties		Allowed							
Additional Prepayment Penalty Restrictions		-MD: restricted to a maximum term of 2 years with either a Declining - 2%/1% or Fixed - 1% structure -MS: restricted to a maximum term of 3 years							
Short Term Rental Income		-Purchase: Allowed with DSCR >=1.25 -Refinance: Not Allowed							
State Restrictions		-MD: properties located in Baltimore City are not allowed -PA: properties located in Philadelphia county are not allowed							

MAXEX DSCR 15 PROGRAM MATRIX

Purchase					Rate/Term Refinance and Cash-Out Refinance				
Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum DSCR
1-4	\$1,000,000	80%	720	1.00	1-4	\$1,000,000	75%	720	1.00
		80%	700	1.20			75%	700	1.20
		75%	680	1.20			70%	680	1.20
	\$1,500,000	75%	720	1.00		\$1,500,000	70%	720	1.00
		75%	700	1.20			70%	700	1.20
		70%	680	1.20			65%	680	1.20
	\$2,000,000	70%	720	1.00		\$2,000,000	65%	720	1.00
		70%	700	1.20					
	Minimum Loan Amount		\$125,000						
Products		-30 Year Fixed Fully Amortizing -30 (10/20) Year Fixed Interest Only -5/6 and 7/6 ARM 30 Year Fully Amortizing -5/6 and 7/6 ARM 30 (10/20) Year Interest Only							
Rate/Term Refinance		No Overlays							
Interest Only		No Overlays							
Non-Permanent Resident Aliens		No Overlays							
Housing History		0X30X12							
Credit Event Seasoning		>=3 Years							
Maximum Cash-Out		-LTV/CLTV <=70%: No Limit -LTV/CLTV >70%: \$500,000							
Minimum Reserves		6 Months							
Warrantable Condominiums		-Low Rise Only (<=4 Floors) -FL: maximum LTV/CLTV 50%							
Non-Warrantable Condominiums		Not Allowed							
Condotel		Not Allowed							
2-4 Unit		No Overlays							
5-10 Unit		Not Allowed							
Mixed Use		Not Allowed							
Leasehold Properties		Allowed							
Additional Prepayment Penalty Restrictions		-MI: restricted to a maximum term of 1 year -NJ: Not Allowed -OH: restricted to a maximum term of 1 year							
Short Term Rental Income		Not Allowed							
State Restrictions		-AK: Not Allowed -DE: properties located in New Castle county are not allowed -HI: Not allowed -MD: properties located in Baltimore City and Cecil county are not allowed -NJ: properties located in the following counties are not allowed: Burlington, Camden, Gloucester and Salem -PA: properties located in the following counties are not allowed: Bucks, Chester, Delaware, Montgomery and Philadelphia							