

Multifamily Term Program

MAXIMUM LTVs		
FICO	PURCH/RT REFI	CASHOUT
≥ 740	≤ \$3MM: 70% > \$3MM: 70%	≤ \$3MM: 70% > \$3MM: 70%
720 - 739	≤ \$3MM: 70% > \$3MM: 70%	≤ \$3MM: 70% > \$3MM: 70%
700 - 719	≤ \$3MM: 70% > \$3MM: 70%	≤ \$3MM: 70% > \$3MM: 70%
680 - 699	≤ \$3MM: 65% > \$3MM: 65%	≤ \$3MM: 65% > \$3MM: 65%
U.S. non-permanent residents/foreign nationals: 65%		

PREPAYMENT PENALTIES
<p>For all loans:</p> <ul style="list-style-type: none"> 5-year loan term: <ul style="list-style-type: none"> Yield maintenance with 6 month open prepay window at end of loan term 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure 10-year loan term: <ul style="list-style-type: none"> Yield maintenance with 6 month open prepay window at end of loan term 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure 30-year loan term: <ul style="list-style-type: none"> 5 years penalty with 5%, 4%, 3%, 2%, 1% stepdown structure <p>Additional options for loans ≤ \$3MM only:</p> <ul style="list-style-type: none"> 3 years penalty with 3%, 2%, 1% stepdown structure

BORROWER/GUARANTOR REQUIREMENTS	
CREDIT & BACKGROUND	LIQUIDITY
<ul style="list-style-type: none"> New borrower: Tri-Merge Credit Report no older than 90 days Existing borrower with 0x30x12 payment history: Tri-Merge Credit Report no older than 120 days <p>680 minimum qualifying FICO determined as:</p> <ul style="list-style-type: none"> Mid score if 3 scores are available. Low score if 2 scores are available. For multiple guarantors, lowest score calculated as above is used. Bankruptcy discharge date must be no less than 3 years prior to closing date. Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date 	<ul style="list-style-type: none"> Lower of 10% of loan balance and 9 months of PITIA (12 months for foreign nationals) Two most recent consecutive months of bank statements or investment account statements required. Up to 50% of the cashout amounts from subject loan may be used to satisfy reserve requirements. Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions. The cumulative amount including all guarantors is considered for loans with multiple guarantors. IRAs/401Ks and other restricted assets are considered with a 50% haircut to market value
<ul style="list-style-type: none"> No first-time borrowers, need prior multifamily property ownership experience Self-managed properties may be allowed for loans ≤ \$5MM, at lender discretion. Third party property manager required for loans > \$5MM. Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non-Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts LLCs and US corporations only 	

LOAN GENERAL
<ul style="list-style-type: none"> Min/Max loan amount: \$250,000 - \$3,000,000 Up to 5 properties per loan 5-8 unit residential No vacation or seasonal rentals Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans

LOAN PRODUCTS/AMORTIZATION
<ul style="list-style-type: none"> 5/6, 7/6 and 10/6 ARMs (Adjustable-Rate Mortgages): 30-year term loans, with or without partial IOs 30-year FRM (Fixed Rate Mortgage): 30-year term loans & loan amount ≤ 2MM 30-year FRM: 30-year amortization 5/6 ARM IO: 5-year interest only period + 25-year amortization 7/6 ARM IO: 7-year interest only period + 23-year amortization 10/6 ARM IO: 10-year interest only period + 20-year amortization

MAXIMUM LTC FOR C/O REFI LOANS
<ul style="list-style-type: none"> Subject to LTV limits: <ul style="list-style-type: none"> 70% if property purchased < 6 months. Additional 5% haircut on Max LTV if property purchased between 3 and 6 months (for borrowers with < 5 rental properties owned in the last 24 months)

DEBT SERVICE COVERAGE RATIO (DSCR)
<ul style="list-style-type: none"> Calculation: In-place Net Cash Flow (NCF) divided by mortgage payment, after accounting for all property operating revenues, expenses, and capital expenditure reserves, as reasonably determined by lender. Gross Rental Income: the lower of <ul style="list-style-type: none"> Actual monthly rent in the lease agreement Market monthly rent in the appraisal 10% haircut of market monthly rent for unleased properties Mortgage payment: initial payment amount at close Minimum NCF DSCR of: <ul style="list-style-type: none"> Top or standard market: 1.20x Small market 1.30x Very small market: 1.40x

RESERVES/ESCROWS
<p>At closing:</p> <ul style="list-style-type: none"> First 3 months of PITI, not including stub interest for closing month. Pro-rata property taxes for next tax due date, such that tax due is fully funded 30 days in advance of due date. <p>Ongoing monthly:</p> <ul style="list-style-type: none"> Real estate taxes: 1/12th annual taxes due Insurance: 1/12th annual insurance costs Capital expenditures: 1/12th annual capital expenditures budget, as reasonably determined by lender

STATE RESTRICTIONS
<ul style="list-style-type: none"> All US, except MN, ND, SD, UT & VT

THIRD PARTY REPORTS
<ul style="list-style-type: none"> One full independent narrative commercial appraisal required. USPAP/FIRREA compliant interior/exterior appraisals with as-is value. Appraisals dated within 120 days of closing date are required. Appraisals dated between 120 and 180 days are acceptable with a recertification of value. Environmental Database Survey if loan amount < \$3MM Phase I Environmental Report if loan amount ≥ \$3MM All third-party reports need to be addressed and assigned to lender per guidelines