

## MAX LTV'S

Loan Amount	Full Doc		DSCR / No Ratio	
	Purchase and Rate / Term	Cash Out	Purchase and Rate / Term	Cash Out
≤ \$1,000,000	75%	70%	75%	70%
> \$1,000,001	70%	65%	70%	65%
Minimum DSCR	N/A		1.15 / N/A	
Maximum DTI	50%		N/A	
Reserves	12 Months		N/A	

## ARM MARGINS, CAPS, AND INTEREST ONLY

Arm Features	Product	Margin	Caps	Floor
Index: 1 Year LIBOR	3/1	6.00%	2/2/6	6.00%
	5/1	6.00%	2/2/5	6.00%
	10/1	6.00%	5/2/5	6.00%
Qualifying Rate	ARM = Greater of Note Rate or Fully Indexed			
Interest Only Features	Product	IO Period	Amort Term	Final Maturity
	3/1 ARM	5 Years	25 Years	30 Years
	5/1 & 10/1 ARM	10 Years	20 Years	30 Years

All Non-QM loans require impound accounts.

## **FLEX – EXPANDED NICHE PROGRAM MORTGAGE BENEFITS**

- LLC ownership, Foreign nationals OK
- 24 months seasoning on Bankruptcies
- 24 months seasoning Foreclosure, Short Sale, or DIL
- Cash-out up to \$500,000
- DTI up to 50%
- Loans up to \$1.5 million (minimum loan amount \$100,000)
- 3/1 ARM, 5/1 ARM, or 10/1 ARM
- Non-warrantable condos considered
- Seller concessions up to 9%
- Up to 75% LTV



## LHFS PROGRAM CODES

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Flex Foreign National 3/1 ARM	WEFFN31L-092
Flex Foreign National 5/1 ARM	WEFFN51L-092
Flex Foreign National 10/1 ARM	WEFFN101L-092
Flex Foreign National 3/1 ARM – Interest Only	WEFFN31LIO-092
Flex Foreign National 5/1 ARM – Interest Only	WEFFN51LIO-092
Flex Foreign National 10/1 ARM – Interest Only	WEFFN101LIO-092
Flex Foreign National 3/1 ARM (DSCR)	WEFFND31L-092
Flex Foreign National 5/1 ARM (DSCR)	WEFFND51L-092
Flex Foreign National 10/1 ARM (DSCR)	WEFFND101L-092
Flex Foreign National 3/1 ARM (DSCR) – Interest Only	WEFFND31LIO-092
Flex Foreign National 5/1 ARM (DSCR) – Interest Only	WEFFND51LIO-092
Flex Foreign National 10/1 ARM (DSCR) – Interest Only	WEFFND101LIO-092

## ADDITIONAL FLEX PROGRAMS:

- [Flex “A+”](#)
- [Flex “A”](#)
- [Flex “A-”](#)
- [Flex “B”](#)
- [Flex “C - Credit Event”](#)
- [Flex Investor Advantage](#)

## HELPFUL LINKS:

- [Flex Guidelines](#)
- [Flex Income Calculator](#)



GENERAL REQUIREMENTS	
<b>APPRAISAL REVIEW</b>	<p><u>Appraisal Review Product required:</u></p> <ul style="list-style-type: none"> <li>• CDA required for all properties (see Appraisal Review Policy)</li> <li>• Properties with a condition rating of C5 or C6 are not acceptable</li> </ul> <p><u>2nd Full Appraisal required:</u></p> <ul style="list-style-type: none"> <li>• Loan amounts ≥ \$1,500,000</li> <li>• Approved loan amount exceptions</li> </ul> <p>10% tolerance is permitted for secondary review products.          If the review product value is more than 10% below the appraisal value, the lower of the two values must be used. In the event that two appraisals are obtained and a variance &gt;10% exists, the value closest to the CDA value must be used.</p>
<b>ASSETS</b>	<ul style="list-style-type: none"> <li>• Sourced or seasoned for 60 days</li> <li>• Must be seasoned 30 days in US institution for funds to close</li> </ul>
<b>CASH OUT</b>	<ul style="list-style-type: none"> <li>• Up to \$500,000: Program LTV's Cash Out can be used for reserve requirements and/or to pay off debt for qualifying</li> <li>• Cash Out can be used for reserve requirements and/or to pay off debt for qualifying</li> </ul>
<b>CITIZENSHIP</b>	<ul style="list-style-type: none"> <li>• Foreign National; Citizens of Venezuela ineligible</li> <li>• Individual person(s) or duly formed and existing US domiciled legal entity</li> </ul>
<b>COMPLIANCE</b>	<ul style="list-style-type: none"> <li>• Escrows required for taxes and insurance</li> <li>• No section 32 or state high cost</li> <li>• Compliance with all applicable Federal and State regulations</li> <li>• All Non-QM loans require impound accounts.</li> <li>• Total borrower paid points and fees must be less than 5%</li> </ul>
<b>CREDIT</b>	<p><u>Standard:</u></p> <ul style="list-style-type: none"> <li>• 1x30x12 Mortgage History.</li> <li>• 3 tradelines reporting for 24+ months all with activity in the last 12 months (Foreign Credit References allowed, see guidelines for details)</li> </ul>
<b>DSCR</b>	<ul style="list-style-type: none"> <li>• DSCR = Gross Income / PITIA; Gross Income = lesser of market rent or lease in place</li> </ul>
<b>DEBT RATIOS</b>	<ul style="list-style-type: none"> <li>• Up to 50% DTI - See guidelines for details</li> </ul>
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>• US Citizen, Permanent Resident Alien &amp; Non-Permanent Resident Alien</li> <li>• Individual person(s) or duly formed and existing US domiciled legal entity</li> </ul>
<b>INELIGIBLE STATES</b>	Alaska, New York, and West Virginia
<b>LEASE / GROSS INCOME</b>	Lesser of Estimated Market Rent from Form 1007 or monthly rent from an existing lease Unleased Properties (Refinance only): Max LTV - 70%
<b>MINIMUM / MAX LOAN SIZE</b>	\$100,000 / \$1,500,000
<b>OCCUPANCY</b>	Investment Property and Second Homes (Full Doc only)
<b>PERSONAL GUARANTEE</b>	Personal Guarantee required for loans titled in the name of an LLC or Corporation
<b>POINTS</b>	Total borrower paid points & fees must be <5%
<b>PREPAYMENT PENALTY</b>	<ul style="list-style-type: none"> <li>• 6 months interest on 80% of the amount prepaid</li> <li>• Standard Prepayment Penalty Term - 3 years</li> <li>• Prepayment Penalty not allowed for individual borrowers but allowed for corporations and LLC's in IA, IL and NJ</li> <li>• Prepayment Penalty not allowed in the states of KS, MD, MI, MN, MS, ND, NM, OH, PA and RI</li> <li>• No penalty allowed on Foreign National Second Homes</li> </ul>
<b>PROPERTY TYPES</b>	Single-Family Residences, Townhouses, Condominiums (non-warrantable condos considered – see guidelines), and 2-4 Units
<b>REFINANCE</b>	<p>Executed lease with no less than 3 months remaining at time of close is required for all units in the subject property. Month-to-month tenancy is not subject to this requirement with sufficient evidence (such as a signed extension letter). Purchase transactions may be vacant.</p> <p>The following requirements apply to refinance transactions:</p> <ul style="list-style-type: none"> <li>• Lease term not to exceed 1 year</li> <li>• Monthly lease payments must be consistent with market rents</li> </ul>
<b>SELLER CONCESSIONS</b>	Up to 9% towards closing for Primary and Second Homes; Up to 2% toward closing for Investment Properties
<b>SUBORDINATE FINANCING</b>	Not allowed

