

## MAX LTV'S

			DSCR ≥ 1.15		DSCR < 1.15 / No Ratio	
Loan Amount	Reserves	FICO	Purchase and Rate / Term	Cash Out	Purchase and Rate / Term	Cash Out
≤ \$1,000,000	Not Required	720	80%	75%	75%	70%
		680	80%	75%	75%	70%
		620	75%	65%	75%	65%
> \$1,000,001	Not Required	720	75%	65%	75%	60%
		680	70%	65%	70%	60%
		620	65%	60%	65%	60%

## ADDITIONAL PROGRAM REQUIREMENTS

Program	LTV	Min FICO	Term
Unleased Properties (Refinance only)	70% Max	-	-
First Time Investor	70% Max		
Interest Only	75% Max	620	

Property Type Requirements	
Property Type	Max LTV
Single Family Residence / PUD	Program Limits
Townhouse	Program Limits
Condominium	Program Limits
2-4 Unit	75%
Non-Warrantable Condo	75%
Modular Homes	Program Limits

Arm Features Index: 1 Year LIBOR	Product	Margin	Caps	Floor
	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.



## LHFS PROGRAM CODES

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PROGRAM	CODES
Flex Investor DSCR 3/1 ARM	EFIDSCR31L-092
Flex Investor DSCR 5/1 ARM	EFIDSCR51L-092
Flex Investor DSCR 10/1 ARM	EFIDSCR101L-092
Flex Investor DSCR 3/1 ARM I/O	EFIDSCR31LIO-092
Flex Investor DSCR 5/1 ARM I/O	EFIDSCR51LIO-092
Flex Investor DSCR 10/1 ARM I/O	EFIDSCR101LIO-092
Flex Investor No DSCR 3/1 ARM	EFIND31L-092
Flex Investor No DSCR 5/1 ARM	EFIND51L-092
Flex Investor No DSCR 10/1 ARM	EFIND101L-092
Flex Investor No DSCR 3/1 ARM I/O	EFIND31LIO-092
Flex Investor No DSCR 5/1 ARM I/O	EFIND51LIO-092
Flex Investor No DSCR 10/1 ARM I/O	EFIND101LIO-092

## **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
- Credit scores down to 620
- DTI up to 50%
- No reserves required
- Loans up to \$2 million (minimum loan amount \$100,000)
- 3/1 ARM, 5/1 ARM, or 10/1 ARM
- Non-warrantable condos considered
- Seller concessions up to 2%
- Up to 80% LTV

### ADDITIONAL FLEX PROGRAMS:

- [Flex "A+"](#)
- [Flex "A"](#)
- [Flex "A-"](#)
- [Flex "B"](#)
- [Flex "C - Credit Event"](#)
- [Flex Investment "A"](#)
- [Flex Investment "A-"](#)

### HELPFUL LINKS:

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



GENERAL REQUIREMENTS	
<b>APPRAISAL REVIEW</b>	<p>Properties with a condition rating of C5 or C6 are not acceptable</p> <ul style="list-style-type: none"> <li>CDA required for all properties (see Appraisal Review Policy)</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>Verification of assets is required for purchase or refinance transactions to evidence sufficient funds to close. Assets must be verified with most recent 2 months' account statements, quarterly account statement, or Written VOD. Sourcing of deposits is not required; however, verification of large or unusual deposits may be required at the discretion of LHFS.</li> </ul>
<b>CASH OUT</b>	<ul style="list-style-type: none"> <li>Up to \$500,000: Program LTV's</li> </ul>
<b>CITIZENSHIP</b>	<ul style="list-style-type: none"> <li>US Citizen, Permanent Resident Alien &amp; Non-Permanent Resident Alien</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> </ul>
<b>CREDIT</b>	<p><u>Standard:</u></p> <ul style="list-style-type: none"> <li>1x30x12 Primary</li> <li>3 tradelines reporting for 12+ months, or</li> <li>2 tradelines reporting for 24+ months all with activity in the last 12 months,</li> <li>Tradelines used to qualify may not exceed 0x60 in the most recent 12 months</li> </ul> <p><u>Qualifying FICO:</u></p> <ul style="list-style-type: none"> <li>Lower mid-score of all borrowers/guarantors</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>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>FIRST TIME INVESTOR</b>	Any borrower who has not owned at least one investment property for a minimum of 12 months anytime during the most recent 12-month period; Max LTV 70%
<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 / \$2,000,000
<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 original principal balance (Standard Term = 3 years); Not allowed in IA*, IL*, KS, MD, MI, MN, MS, ND, NJ*, NM, OH, PA and RI</li> <li>*Prepay Penalty allowed for loans closed in the name of corporations or LLCs in IA, IL, and NJ</li> </ul>
<b>PROPERTY TYPES</b>	Single-Family Residences, Townhouses, Condominiums (non-warrantable condos considered – see guidelines), and 2-4 Units



GENERAL REQUIREMENTS	
<b>REFINANCE</b>	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.
<b>RESERVES</b>	Not Required
<b>SELLER CONCESSIONS</b>	Up to 2% towards closing
<b>SUBORDINATE FINANCING</b>	Not allowed
<b>ADDITIONAL REQUIREMENTS</b>	Rent loss insurance for the subject property is required and must equal at least 6 months of local average monthly rents. Blanket policies covering the subject property are permitted. <u>Forms required:</u> <ul style="list-style-type: none"> <li>• Business Purpose &amp; Occupancy Affidavit</li> <li>• Guaranty (If applicable)</li> <li>• 1-4 Family Rider/Assignment of Rents (FNMA Form 3170)</li> </ul>

