



| Sequoia Foreign National - DSCR | | | | |
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| LTV/CLTV MATRIX – Investment Property | | | | |
| Loan Amount | Credit Score | >= 1.00 DSCR | | |
| | | Purchase | Rate & Term | Cash-Out |
| ≤ \$1,000,000 | 680 | 75% | 75% | 65% |
| | Foreign Credit | 75% | 75% | 60% |
| ≤ \$1,500,000 | 680 | 70% | 70% | 60% |
| | Foreign Credit | 70% | 70% | 60% |
| Sequoia Foreign National - DSCR | | | | |
| Available Products | Product | Qualifying Rate | Term | I.O. Term |
| | 15 Year Fixed | Note Rate | 180 | N/A |
| | 30 Year Fixed | Note Rate | 360 | N/A |
| | 40 Year Fixed | Note Rate | 480 | N/A |
| | 30 Year Fixed I.O. | Note Rate | 360 | 120 |
| | 40 Year Fixed I.O. | Note Rate | 480 | 120 |
| Prepayment Penalty | 5% PPP Program - Prepayment penalty charge is 5.000% of the amount prepaid. PPP Not Allowed in the following states: - Alaska, DC, Illinois, Louisiana, Michigan, Minnesota, New Mexico, Ohio, Vermont PPP Allowed in the following states w/ restrictions: - Iowa: Allowed on 3-4 units only - New Jersey: Allowed only if closing in LLC or Corp. - North Carolina: Prepay terms > 3 years Not Allowed - Indiana: Allowed only if fixed rate | | | |
| Automatic Payment Authorization (ACH) | Automatic Payment Authorization is an option borrowers may select. An executed Automatic Payment Authorization (ACH) Form is required and must be provided with signed closing docs. Funds must be from a U.S. Bank. The (ACH) enrollment form must include the bank routing number, account number, and account type. The borrower is eligible to receive a reduction in lender fee from \$1595 to \$750 for enrolling in ACH. | | | |
| Minimum Loan Amount | \$100,000 \$159,500 for loans in Missouri | | | |
| Interest Only | Allowed at all LTV's. Minimum FICO 660. | | | |



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| Secondary Financing | <p>Allowed - See LTV/CLTV grid</p> <p>Junior financing must meet the requirements as defined by Fannie Mae</p> <p>Junior financing used for purchase or fixed 2nd's seasoned for 12 months can be paid off for transaction to be considered rate & term. If junior financing is a HELOC total draws within previous 12-months cannot exceed the lesser of 2% or \$5,000 to be considered rate & term.</p> |
| PACE / HERO Loans | <p>Follow FNMA</p> <p>Any energy efficiency-based liens, like PACE or HERO, when paid off through loan proceeds, the transaction is treated like a rate & term.</p> <p>Cannot be subordinated.</p> |
| Property Type | <p>Single Family (attached and detached)</p> <p>PUD</p> <p>Warrantable Condo - Max 65% LTV/CLTV, Follow FNMA Requirements</p> <p>Non-Warrantable Condo - Considered on a case by case base via exception. Exception pricing will apply.</p> <p>2 - 4 Units</p> |
| Cash-Out | <p>> 50% LTV - \$300,000</p> <p><= 50% LTV - \$500,000</p> |
| LTV Determination | <p>Rate & Term - use current appraised value</p> <p>Cash-Out owned >= 6 months - use current appraised value</p> <p>Cash-Out owned (delayed financing) < 6 months - use lesser of acquisition cost or appraised value (see delayed financing)</p> |
| Delayed Financing | <p>Properties purchased with cash, debt not secured to the subject property, or short term mortgage with a term of 24 months or less, within the past six (6) months (measured from the purchase date of the property to the disbursement date of the new loan) are eligible for a cash-out refinance. Cash-out equity withdrawal not restricted to guideline maximums.</p> <p>Follow Fannie Mae requirements</p> |

| Borrower Requirements | |
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| Investor Experience | Experienced Investor: A borrower who has owned two (2) or more properties for at least twelve (12) months during the most recent thirty-six (36) month period. One (1) property must be an income producing property (residential or commercial). |
| Eligible Borrowers | Only foreign nationals residing in the following countries are allowed: <ul style="list-style-type: none"> - United Kingdom - Canada - Mexico - South Korea - Germany - Greenland - Japan - Australia - India - Finland - Guam - Puerto Rico |
| Ineligible Borrowers | <ul style="list-style-type: none"> - First Time Investor - Any investor not meeting the Experienced Investor definition - Foreign nationals residing in the United States |
| Entity Vesting Requirements | Entity vesting is allowed, the following are required: <ul style="list-style-type: none"> - All entity members must also be borrowers - 4 borrower MAX - U.S. domiciled entities only - Purpose of entity must be for real estate acquisition Documentation verifying the following must be provided: <ul style="list-style-type: none"> - Verify entity membership - Provide federal entity ID number (EIN) - Show the entity is in good standing |
| Multiple Loans - Same Borrower | Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB |
| Multiple Properties Owned | No Limit |
| Non-Arm's Length | Non ARM's Length or Interested Party Transactions - Not Allowed |

| Credit | |
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| Credit Score | 680 Minimum - Minimum score requirements only apply to borrower's with U.S. Credit |
| Age of Credit Docs | Credit, title, and appraisal docs valid for 120 days from note date Asset docs valid for 90 days from note date |
| Housing Payment History | For borrower providing U.S. credit report, document the pay history covering the most recent 12 months for the subject property, if applicable, and the borrower's primary residence. The payment history for any other REO is not required or evaluated if provided. - Max 0x30x12 - Review of inquiries is not required For borrower's without a U.S. credit report. No housing payment history required. |
| Credit History | Foreclosure, Short Sale, Deed in Lieu, Any BK, Modification: >= 36 Months |
| Forbearance | A recent forbearance, due to COVID-19, may be eligible based upon the following: 1) Borrower who entered into a forbearance but continued to make timely payments and remained employed without income disruption, are eligible without any restrictions. 2) Borrowers who participated in forbearance and missed payments need to have made 3 payments since exiting the plan. |
| Credit Report Security Freeze | If the credit report shows a security freeze and the borrower unfreezes credit after the date of the original credit report, a new report is required to reflect current and updated information |
| Collections & Charge Offs | Collection and charged-off accounts that do not impact title do not need to be paid off if: Individual accounts less than \$500 and cumulative balance \$2,500 or less AND/OR Medical collections up to \$10,000 cumulative AND/OR Collections and charge-offs that have passed the individual state statute of limitations |

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| <p>Required Credit History U.S. Credit</p> | <p>Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline</p> <p>Option #1 - 3 of 12: At least three (3) tradelines reporting for a minimum of 12 months, with all three (3) having activity in the last 12 months, accounts can be open or closed Option #2 - 2 for 24: At least two (2) tradelines reporting for a minimum of 24 months, with both having activity in the last 12 months, accounts can be open or closed</p> |
| <p>Required Credit History Non U.S. Credit</p> | <p>Borrowers without acceptable U.S. credit need 2 trades with a 24 month history and active in the last 12 months Any of the options below can be combined to meet the 2 for 24</p> <ul style="list-style-type: none"> - 24 month housing history (mortgage or lease) - 2 X 12 months financial statements, like a credit card bill (2 X 12 satisfies one trade) - Credit Letter of Reference demonstrating a 12 month payment history (satisfies one trade) - US credit or foreign credit report (trades from the credit report can be combined with the other options above) |
| <p>Credit Letter of Reference (LOR)</p> | <p>Letter must be from an internationally known financial institution containing the below information:</p> <ul style="list-style-type: none"> - Borrower's name - Name, title, and contact info for person preparing the LOR - Document must be in English or translated - Clearly define the financial debt relationship - Provide a minimum of 12 months payment history - Multiple credit accounts count separately |

| Rental Income | |
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| Rental Income - Purchase | <p>Long Term Rents (LTR)</p> <ul style="list-style-type: none"> - Use the lower of estimated market rent from the 1007 or the lease agreement (if applicable) - On the purchase of a vacant or seller occupied property, the rents from a 1007 can be used - A new lease within 120% of the 1007 can be used provided the first month rent and security deposit are paper trailed to the borrower's bank account or placed into escrow <p>Short Term Rents (STR)</p> <ul style="list-style-type: none"> - STR may be used to a max LTV of 75% and on DSCR > 1.0 only - STR on purchase is available to experienced investors only - STR income can be determined using one of the three methods described below. 80% of the actual or estimated gross receipts will be used to determine the qualifying rental income. The three different income options are as follows: <ol style="list-style-type: none"> 1. Use of STR listed on the 1007 2. Use of an STR estimate "Rentalizer" from online service provider AirDNA <ul style="list-style-type: none"> o 60 or better Market Score is required. o Rentalizer must have 5+ relevant comparables. o Minimum 60% occupancy required, however, down to 57% is acceptable with 12 months reserves 3. Rental data provided by the seller of the property or seller's property manager <p>Transaction is ineligible if any tenant is a family member of the borrower A 1007 is required on all transactions DSCR is calculated on all transactions</p> |

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| <p>Rental Income - Refi</p> | <p>Long Term Rents (LTR)</p> <ul style="list-style-type: none"> - Use the lower of estimated market rent from the 1007 or the lease agreement - If the lease is higher than the 1007 rents, it may be used with two (2) months proof of rent received - If the current lease has expired, it may be used provided the appraisal shows the property it clearly tenant occupied on the 1007 exceeds the current rent - A new lease within 120% of the 1007 can be used provided the first month rent and security deposit are paper trailed to the borrower's bank account or placed into escrow. New lease amount over 120% of 1007 rents may be used, via exception, provided support is provided <p>Short Term Rents (STR)</p> <ul style="list-style-type: none"> - STR may be used to a max LTV of 75% and on DSCR > 1.0 only - Short term rental income permitted with use of a 12-month look back to determine average monthly rents. Annual or monthly statements from Airbnb or similar service required - If the subject has less than twelve-month history the rent may be used for DSCR purposes provided an AirDNA Rentalizer supports the run rate of the actual rents received - 80% of the gross rents will be used for qualifying income <p>For DSCR >= 1.0 only</p> <p>Property acquired, or placed in service, in the two months prior to application date, which are vacant due to borrowers updating the property.</p> <ul style="list-style-type: none"> - For long term rents use the 1007 rents. Property must be documented to be in ready to rent condition and listed for rent. - For short term rents 80% of the estimated gross receipts will be used to determine the qualifying rental income. <ul style="list-style-type: none"> o STR listed on the 1007 o Use of an STR estimate from online service provider AirDNA: a 60 score or better on the Market Report is required. The Rentalizer must have 5+ relevant comparables. 60% occupancy is allowed with no restrictions. Down to 57% occupancy is allowed with 12 months reserves. o Property must be staged for STR and be listed on a STR facilitator site like VRBO or AirBNB <p>Transaction is ineligible if any tenant is a family member of the borrower</p> <p>A 1007 is required on all transactions</p> <p>DSCR is calculated on all transactions</p> |
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| Accessory Dwelling Unit (ADU) Rents | <p>ADUs are becoming increasingly popular in many locations across the US as housing gets more scarce and more expensive. Using rents from an ADU are acceptable with the following requirements:</p> <ul style="list-style-type: none"> - Appraisal shows the ADU to be legal - Appraiser to provide comparables with ADUs - Multi-family or multi-ADU acceptable provided total unit count is less than or equal to four <p>Refinance</p> <ul style="list-style-type: none"> - Appraiser to address ADU rents on a 1007 - Document a 12-month history of the ADU being rented on a refinance <p>Purchase</p> |
| Assets | |
| Gift Funds | Not Allowed |
| Reserves | <p>All reserve requirements are based on subject property PITI. 12 months PITI required Cash-Out proceeds may be used to meet reserve requirement.</p> |
| Source of Reserves | <p>Funds in non-cash holdings, like stocks, bonds & mutual funds must be discounted to 70%</p> <p>Life insurance surrender value</p> <p>529 accounts</p> <p>Business funds</p> <p>Company sponsored retirement accounts i.e.: 401k</p> <p>Cash-Out proceeds may be used to satisfy reserve requirement</p> <p>Funds in Foreign Accounts acceptable</p> |
| Retirement Accounts Used for Reserves | Not allowed |
| Business Funds | <p>Document borrower's ownership position in the business</p> <p>If ownership position is < 100%, provide letter of approval to use the funds from the other owner(s)</p> |
| IPC (Interested Party Contributions) | 3% for all LTV's |

| Property / Appraisal Information | |
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| Acreage | No more than three (3) acres |
| Rural Properties | <p>Not allowed</p> <p>Considered Rural when 2 of the 3 listed below are present or the appraiser has designated the property as rural:</p> <ul style="list-style-type: none"> - Non paved service road - 2 or more comps are > 5 miles away from the subject property - Subject surrounding area is less than 25% built up |
| Recently Listed Properties | <p>Properties listed at the time of application are not eligible</p> <p>Properties listed in the past six (6) months prior to the application date are not eligible for cash-out transactions</p> <p>Properties listed in the period between three (3) and six (6) months from app date may be eligible for rate & term refinances</p> |
| Condos | <p>Established projects ONLY</p> <p>Detached units and small projects (2-4 condos) follow FNMA guidance (No HOA review required)</p> <p>HOA Review Type; follow FNMA requirements</p> |
| Non Warrantable Condos | <p>The following may be considered via exception. Exception pricing will be applied:</p> <ul style="list-style-type: none"> - Investor concentration up to 70% - Commercial space up to 50% - Single owner/entity concentration up to 25% (for projects of 10 units or less, max 2-units) - Annual budget allocation to reserves < 10% allowed with the following: <ul style="list-style-type: none"> - Appraisal shows no major repairs required AND - A lower annual allocation permitted if the following reserve balance thresholds are met: <ul style="list-style-type: none"> - 7% to 9.99% requires reserve fund balance of 50% of annual budget - 5% to 6.99% requires reserve fund balance of 75% of annual budget - 3% to 4.99% requires reserve fund balance of 100% of annual budget |

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| Ineligible Properties | <p>Condotels & resort style condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches Leaseholds</p> |
| Appraisal Requirements | Requires one (1) appraisal and CDA |
| Appraisal Review | <p>An appraisal review product is required on every loan unless a second appraisal is obtained, one of the three options below is acceptable:</p> <ul style="list-style-type: none"> - CDA from Clear Capital OR - Collateral Underwriter (CU Score) less than 2.5 OR - A field review or a second appraisal is also acceptable – These must be from a different company and appraiser than the first appraisal <p>If the CDA reflects a value of 10% or less below the appraised value, the appraised value is accepted If the CDA reflects a value of more than 10% below the appraised value, a field review or a second appraisal is required</p> |
| Appraisal Age | <p>Appraisal must be dated within 120 days of the note date Re-certs of value are allowed</p> |
| Transferred Appraisals | Allowed |
| Declining Property Value | If the trend of property values is downward, a declining market exists and a 5% LTV reduction from the LTV product matrices for LTVs greater than 70% |