



Delegated Plus DSCR >= 1.00				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	>= 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$500,000	700	80%	80%	75%
	640	75%	75%	70%
≤ \$1,000,000	700	80%	80%	75%
	660	75%	75%	70%
≤ \$1,500,000	700	75%	75%	70%
	660	70%	70%	70%
≤ \$2,000,000	700	70%	70%	65%
	660	70%	70%	65%
≤ \$2,500,000	700	70%	70%	N/A
Delegated Plus DSCR >=0.80 < 1.00				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	>=0.80 < 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$2,000,000	700	70%	70%	N/A
Delegated Plus 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
Ineligible States	Mississippi and South Dakota			



<p style="text-align: center;">Prepayment Penalty</p>	<ul style="list-style-type: none"> - Six (6) months of interest – The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period - Fixed 5% percent - The prepayment charge will be equal to 5% and applied to any curtailment or the entire outstanding principal balance during the prepay period. The charge applies to loans that pay off due to sale or refinance - Step Down Prepay Types that do not exceed 5% and do not drop below 3% at any point during term of prepay. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%) – The prepayment charge will be equal to the percentage in effect and applied to any curtailment or the entire outstanding principal balance during the prepay period. The charge applies to loans that pay off due to sale or refinance <p>Prepayment Penalties are not allowed in the following states:</p> <ul style="list-style-type: none"> - Alaska - DC - Illinois - Louisiana - Kansas - Michigan - Minnesota - New Mexico - Ohio - Rhode Island - Vermont <p>Prepayment Penalties are allowed in the following states with restrictions:</p> <ul style="list-style-type: none"> - North Carolina: Prepay terms > 3 years Not Allowed - New Jersey: Allowed only if closing in LLC or Corp - Iowa: Allowed on 3-4 units only - Indiana: Allowed only if fixed rate - Prepayment penalties not allowed on loan amounts less than \$312,159 in PA
<p style="text-align: center;">Automatic Payment Authorization (ACH)</p>	<p>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.</p>
<p style="text-align: center;">Minimum Loan Amount</p>	<p>\$100,000</p>
<p style="text-align: center;">Interest Only</p>	<p>Allowed at all LTV's. Minimum FICO 660.</p>

<p>Secondary Financing</p>	<p>Allowed - See LTV/CLTV grid Junior financing can be lender or seller provided and must meet the requirements as defined by Fannie Mae 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>
<p>PACE / HERO Loans</p>	<p>Follow FNMA Any energy efficiency-based liens, like PACE or HERO, when paid off through loan proceeds, the transaction is treated like a rate & term. Cannot be subordinated.</p>
<p>Property Type</p>	<p>Single Family (attached and detached) PUD Warrantable Condo Non-Warrantable Condo - Considered on a case by case base via exception on DSCR > 1.0 only (exception pricing will apply) 2 - 4 Units</p>
<p>Cash-Out</p>	<p>Cash out available only on DSCR >= 1 Max Equity Withdrawal > 65% LTV up to \$300,000 allowed <= 65% LTV up to \$500,000 allowed <= 50% LTV up to \$1,000,000 allowed Cash out limitations do not apply on delayed financing transactions</p>
<p>Purpose of Cash out</p>	<p>Cash out can only be used for the business purpose of owning rental properties: acquire, manage, and improve real estate. When a borrower is required to pay off a non-subject property related lien, judgment, IRS or state tax obligation, etc., funds from the subject refinance may be used as an accommodation, provided the following are met: - The borrower has documented sufficient liquid assets to cover the obligation in question AND - The purpose of the subject C/O refinance is clear and is an eligible purpose</p>
<p>LTV Determination</p>	<p>Rate & Term: Use current appraised value Cash-Out - Owned >= 6 months: use current appraised value Cash-Out - Owned (delayed financing) < 6 months: use lesser of acquisition cost or appraised value (see delayed financing)</p>
<p>Delayed Financing</p>	<p>Properties purchased with cash, or debt not secured to the subject property, 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>

Borrower Requirements	
Eligible Borrowers	US Citizens Permanent Resident Alien Non-Permanent Resident Alien
Ineligible Borrowers	<ul style="list-style-type: none"> - Foreign Nationals - Borrowers without a Social Security Number - Irrevocable trust, Land trust, or Blind trust - Borrower with diplomatic immunity - Not for profit entity - Any material parties to the transaction on HUD's Limited Denial of Participation (LDP) or General Services Administration (GSA) or any other exclusionary list - Borrower who is also the Developer/Builder of subject property development for projects of 5 or more units
Ineligible Tenant(s)	Family member or other related individual to borrower
Non-Permanent Resident	<p>Non-Permanent Resident Alien: Standard</p> <ul style="list-style-type: none"> - Visa types allowed E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, L-2, NATO, O-1, R-1, TN NAFTA - Visas must be current and have at least six (6) months remaining from the close date, if less than six (6) months provide evidence that extension has been requested - If the visa will expire within six (6) months of the loan application a letter from the employer stating the borrower's continued employment and continued visa renewal sponsorship. Employer on the loan application must be same on the unexpired visa <p>Non-Permanent Resident Alien: Non-standard</p> <p>Any residency status that meets FNMA guidelines is allowed provided the requirements listed below are met:</p> <ul style="list-style-type: none"> - Visa/EAD must be current and have at least six (6) months remaining from the close date, if less than six (6) months provide evidence that extension has been requested - If the visa/EAD will expire within six (6) months of the loan application a letter from the employer stating the borrower's continued employment and continued visa renewal sponsorship. Employer on the loan application must be same on the unexpired visa - Must have a min of two (2) years residency and employment history in the US and qualifying income is based on the two (2) years income, the two (2) year history is measured by note date - Must have a two (2) year US credit history and must meet program credit profile, the two (2) year history is measured from note date - The requirement for residency, Credit, employment may be reduced to one (1) year with AUS Approve/Ineligible (Ineligible for loan amount, DTI and/or reserves)

Entity Vesting Requirements	<p>Entity vesting is allowed on non-owner occupied only, the following are required</p> <ul style="list-style-type: none">- Entity type is LLC or Corporation- Borrower(s) must represent a minimum of 50% of the entity ownership- 4 borrower MAX- U.S. domiciled entities only- Purpose of entity must be for real estate acquisition <p>Documentation verifying the following must be provided.</p> <p>For LLC:</p> <ul style="list-style-type: none">- Verify entity membership with formation docs or other entity documentation- Provide federal licensing entity ID number (EIN)- Show the entity is in good standing <p>For Corporations:</p> <ul style="list-style-type: none">- Filed Certificate/Articles of Incorporation and all amendments (or equivalent)- By-Laws and all amendments- Evidence of good standing<ul style="list-style-type: none">- Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website)- EIN/Tax Identification Number- Borrowing Resolution/Corporate Resolution granting authority of signer to enter loan obligation- Receipt of current year franchise tax payment, clear search, or evidence the state does not require a franchise tax payment
-----------------------------	--

Investor Experience	<p>Experienced Investor A borrower who has owned one (1) or more non owner-occupied investment properties for at least 12 months (investment and commercial properties can be included) during the most recent 36-month period. Ownership may be documented with the following:</p> <ul style="list-style-type: none"> - Property profiles demonstrating ownership date property was acquired <p>Verification of the minimum number of properties for an experienced investor is required</p> <p>Novice Investor A Novice Investor does not meet the Experienced Investor requirements and are allowed with the following restrictions:</p> <ul style="list-style-type: none"> - Max LTV/CLTV Purchase, Rate/Term: reduce max allowed LTV by 5% - Max LTV/CLTV Cash-out: reduce max allowed LTV by 5% - Minimum 680 credit score - Minimum Reserve Requirement is 8 months - STR Income only allowed on a refinance transaction <ul style="list-style-type: none"> - must use actual STR income with a 12-month lookback OR - actual income less than 12-month history supported by an AirDNA report <p>100% estimated STR rent is not allowed</p> <p>First Time Property Owner Not allowed. Defined as a borrower who has not owned real estate in the most recent 36 months.</p>
Multiple Loans - Same Borrower	<p>Max exposure to Newfi Lending for a single borrower is</p> <ul style="list-style-type: none"> - DSCR \geq 1.0 : eight (8) loans or \$5,000,000 UPB - DSCR \geq 0.80 < 1.0 : two (2) loans or \$1,000,000 UPB <p>The max exposure rule is not automatic. The loans must not be secured to properties in the same micro-geographic area, for example, same block, subdivision, PUD project, or condo project. The files will also be screened for other risk attributes like cash out transaction, high LTV, STR income, negative credit profiles, and borrower liquidity.</p>
Multiple Properties Owned	No Limit
Non-Arm's Length	Non ARM's Length - Allowed case-by-case, max LTV 70%.

Credit	
Credit Score	Refer to Matrices for eligibility When multiple borrowers apply, the lowest middle score is the qualifying credit score
Age of Credit Docs	Appraisal and title valid for 120-days from note date Appraisal recerts allowed, valid for 120-days Credit and Assets valid for 90-days from note date
Housing Payment History	Document the pay history covering the most recent 12 months for the subject property and the borrower's primary residence - The payment history for any other REO is not required or evaluated if provided <ul style="list-style-type: none"> - Max 1X30X12 on mortgage/rental debt for primary residence and subject property allowed - Max 0X30X12 <ul style="list-style-type: none"> - DSCR $\geq 0.80 < 1.00$ AND/OR - for credit scores below 660 - Borrowers living "rent free" in a home they do not own or rent, must provide supporting documentation: property profile and LOE from the owner or lessee
Forbearance	Forbearance allows for borrower experiencing financial hardship to pause making mortgage payments. A recent forbearance, due to COVID-19, may be eligible based upon the following: <ol style="list-style-type: none"> 1. Borrowers who entered into forbearance but continued to make timely payments and remained employed without income disruption, are eligible without any other requirements. 2. Borrowers who participated in forbearance and missed payments have two options: <ol style="list-style-type: none"> a) Pay loan current by making all missed payments from borrower verified funds. b) Make three monthly payments in lender modification plan after exiting forbearance. Third payment must be made prior to note date. Evidence the borrower has exited forbearance or entered the modification plan is required. <p>This forbearance guidance applies to all open mortgage accounts</p>

Major Credit Events	<p>Three (3) year seasoning is required on all major credit events Seasoning is measured from date of credit event to note date and includes: Bankruptcy, Foreclosure, Deed-in-Lieu, Short-Sale / Short-Refinance, Modification with principal forgiveness Modifications that were a result of a COVID-19 forbearance plan are acceptable with no restrictions</p>
Credit Report Security Freeze	<p>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</p>
Collections & Charge Offs	<p>Need not be paid or addressed unless the collection / charge-off impacts title</p>
Required Credit History	<p>Borrowers with three (3) credit scores meet the minimum trade requirement. Note: if the credit scores are derived from thin credit, for example authorized user accounts or new accounts with minimal usage, the borrower will need to qualify with one of the four options below.</p> <p>Borrowers with only two (2) credit scores must meet one of the following options below:</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 Option #3 - 8 for 8: No fewer than eight (8) tradelines are reporting, one (1) of which must be a mortgage or a rental history. - At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months. - The borrower has an established credit history for at least eight (8) years.</p> <p>Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline Student loans can be counted in credit depth as long as they are in repayment and not being deferred</p>

Rental Income	
Rental Income - Purchase	<p>Long Term Rents (LTR)</p> <ul style="list-style-type: none"> - Vacant property: use 1007 or 1025 - Existing tenant lease use: <ul style="list-style-type: none"> - Actual rent <= to 110% of the rent survey - Actual rent <= to 120% of the rent survey provided 2 months proof of receipt is documented (security plus 1 month rent OK) - New lease to new or existing tenant use: <ul style="list-style-type: none"> - Actual rent <= to 110% of the rent survey - Actual rent <= to 120% of the rent survey provided 2 months proof of receipt is documented (security plus 1 month rent OK) <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 data provider AirDNA <ul style="list-style-type: none"> - Market Score or Sub-Market Score <ul style="list-style-type: none"> - Market or Sub-Market score of 60 or better, OR - Sub-Market Score of 50 or better with Rental Demand or Rental Growth at 60 or higher - Occupancy Rate <ul style="list-style-type: none"> - Minimum 60% occupancy required, however, minimum 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>

<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 an 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. A new lease is one where only one month of rent has been collected. <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 \geq 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. The rentalizer will show any seasonal aspects, the underwriter will exercise care in determining a suitable normalized qualifying rent amount. - 80% of the gross rents will be used for qualifying income <p>For DSCR \geq 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"> - STR listed on the 1007 - Use of an STR estimate "Rentalizer" from online data provider AirDNA <ul style="list-style-type: none"> - Market Score or Sub-Market Score <ul style="list-style-type: none"> - Market or Sub-Market score of 60 or better, OR - Sub-Market Score of 50 or better with Rental Demand or Rental Growth at 60 or higher - Occupancy Rate <ul style="list-style-type: none"> - Minimum 60% occupancy required, however, minimum 57% is acceptable with 12 months reserves - 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>
-----------------------------	---

<p>Accessory Dwelling Unit (ADU) Rents</p>	<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> <ul style="list-style-type: none"> - Follow guidance above Rental Income Calculation section
<p>Assets</p>	
<p>Gift Funds</p>	<p>Allowed with a minimum of a 10% borrower contribution. Experienced investors only.</p>
<p>Assets</p>	<ul style="list-style-type: none"> - Must be dated within 90 days of the note - Only large deposits from a borrower's business need be addressed. See section on business assets for further guidance. - Foreign assets may be used for down payment and closing costs with the following: <ul style="list-style-type: none"> - Assets must be verified in USD at current exchange rate http://www.xe.com AND - Two (2) months recent statements <p>Non vested or restricted stock accounts are not allowed</p> <p>Joint Accounts: Access letters from co-owners are not required provided our borrower is clearly an account owner</p>

Reserves	<p>All reserve requirements are based on subject property PITI or ITI if applicable If transaction fits 2 categories listed below, only the larger requirement applies Loan proceeds may be used to meet the reserve requirement</p> <p>4 months PITI required 6 months PITI required for loan amount > \$1.0mm 12 months PITI required for loan amount > \$2.0mm 8 months PITI required for Novice Investor</p>
Source of Reserves	<p>IRA and other non-employer related savings plans Funds in non-cash holdings, stocks, bonds, mutual funds are not required to be discounted Life insurance surrender value 529 accounts Business funds Cash-Out proceeds</p>
Ineligible Source of Reserves	<p>Reserves may not come from a 1031 exchange account Reserves may not come from gift funds Employer sponsored savings plans, like 401k</p>
Business Funds	<p>May be used for down payment and reserves, with the following restrictions:</p> <ul style="list-style-type: none"> - Business funds may be used up to the borrower's percentage of ownership - If account co-owner is also an owner or purchaser of the subject property, then assets can be used to the combined percentage of ownership - Large deposits into a business account do not need to be addressed
IPC (Interested Party Contributions)	<p>3% for all LTV's</p>

Property / Appraisal Information	
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
Property Insurance	<p>We follow standard industry insurance requirements, with the following overlays allowed</p> <p>1-4 Unit Coverage Overlays</p> <ul style="list-style-type: none"> - Allow for greater than 5% deductible. Maximum of 10% - Allow for less than full replacement cost on roof coverage. One example is policies that provide for full replacement cost thru year 15, but thereafter revert to actual cash value <p>HOI Overlay Requirements:</p> <ul style="list-style-type: none"> - The transaction reserve floor is the lesser of \$30k or 12 months PITI - Files with credit exceptions are not eligible <p>Condo Master Coverage Overlays</p> <ul style="list-style-type: none"> - Allow for greater than 5% deductible. Maximum of 10% - Allow for less than full replacement cost on roof coverage. One example is policies that provide for full replacement cost thru year 15, but thereafter revert to actual cash value <p>Condo Master Overlay Requirements:</p> <ul style="list-style-type: none"> - Regardless of transaction requirements, an HOA budget must be provided for review. Budget must contain required reserve holdback* - Files with credit exceptions are not eligible <p>*For condos treated like an SFR (small projects or detached), please see requirements for 1 - 4 Unit Coverage</p>

<p>Zoning</p>	<p>Zoning designations are determined by the City or County based on the property location, each governing entity has their own unique zoning titles or descriptions. The property's specific zoning will describe, in general, what type of activity is allowed, and the density that is allowed. Regardless of what the zoning designation is for the subject property, the property must meet the 3 requirements listed below.</p> <ul style="list-style-type: none"> - The current usage of the subject property is residential - Residential must be an allowed usage of the subject property zoning - Residential must be the highest and best use of the subject property, as defined by the appraiser <p>As long as the property passes the 3 question test listed above, the zoning designation is acceptable.</p>
<p>Recently Listed Properties</p>	<p>Rate & Term transaction: property must be off the market prior to the application date</p> <p>Cash Out transaction: not eligible if listed for sale in the 6 months prior to the application date</p>
<p>Condos</p>	<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>
<p>Non Warrantable Condos</p>	<p>The following may be considered via exception on DSCR \geq 1.0 only. Exception pricing will be applied:</p> <ul style="list-style-type: none"> - Investor concentration greater than 50% - Commercial space greater than 25% - Single owner/entity ownership greater than 20% - 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

Ineligible Properties	<p>Condotel Log homes and log-style homes Unique style homes: earth, dome, etc. Property condition of C5 or C6 Agricultural use such as working farms or ranches or orchards Leaseholds</p>
Property Flips	<p>A property is considered a flip if either of the following are true: - The purchase price exceeds the seller's acquisition cost by more than 10% if the property was acquired 90 or fewer days prior to the borrower's purchase contract date - The purchase price exceeds the seller's acquisition cost by more than 20% if the property was acquired 91 – 180 days prior to the borrower's purchase contract date If the property is a flip based on the guidance above, a second appraisal is required</p>
Appraisal Requirements	<p>A second appraisal is required when any of the following exist: - The loan amount is greater than \$2,000,000 - The transaction is a flip (see Property Flipping section) When a second appraisal is required, the value is based on the lower of the two (2) values. The second appraisal must be from a different company and appraiser than the first appraisal.</p>
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: - 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> <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	<p>Allowed When two (2) appraisals are required, only one (1) appraisal can be transferred</p>
Declining Property Value	<p>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%</p>