

N2 FUNDING INVESTOR CONNECT PRODUCT MATRIX

DSCR					
TRANSACTION TYPE	MAX LOAN AMOUNT	FICO	LTV/CLTV*		RESERVES
			DSCR 1.0+	DSCR .75 - .99	
PURCHASE RATE AND TERM	\$1,000,000	720	85% (Purchase Only)	N/A	No reserves ≤70% LTV/CLTV 6 months >70% LTV/CLTV
		700	80%	75%	
		660	75%		
	\$1,500,000	700	75%	75%	
\$2,000,000					
CASH OUT	\$1,500,000	700	75%	75%	6 months
		680	70%	70%	
		660	65%	65%	
NO RATIO					
TRANSACTION TYPE	MAX LOAN AMOUNT	FICO	LTV/CLTV	RESERVES	
PURCHASE RATE AND TERM	\$1,500,000	700	70%	6 months	
	\$2,000,000			9 months	
CASH OUT	\$1,500,000	720	60%	6 months	
* 3-4 Unit Max 75% LTV/CLTV Warrantable Condos – Max 80% LTV/CLTV Non-Warrantable Condo – Max 70% LTV/CLTV			LTV/CLTV >80% <ul style="list-style-type: none"> Interest Only Ineligible Non-Permanent Resident Aliens not permitted 1-2 Unit properties only Gift funds not permitted Borrower must have a recent one-year history of rental property ownership (min. of 2 rental properties owned in 12-month period)		
TRANSACTION ELIGIBILITY	Financing of the investment property must be solely for commercial / business purposes and is required to sign a Certification of Business Purpose/Non-Owner Occupancy				
PRODUCTS	7/6 ARM, 7/6 ARM I/O, 30-Year Fixed and I/O, 40-Year Fixed and ARM I/O				
MIN LOAN AMOUNT	<ul style="list-style-type: none"> \$100,000 Loan amounts <\$125,000 - 5% LTV reduction Minimum loan amount of \$250,000 when loan is Interest Only with DSCR <1.0 				
INTEREST ONLY	<ul style="list-style-type: none"> Max 80% LTV/CLTV Min 700 FICO Interest Only Period – 10-year Interest only period followed by a 20-year amortization period. Payment is based on Note Rate and a term that equals the amortization term 				
QUALIFICATION	Fully amortizing fixed and ARM loans are qualified at the Note rate				
DSCR CALCULATION	Lesser of market rent or current lease divided by (P)ITIA. (ARM and IO based on Note Rate and IO Payment)				
DSCR MAX LTV/CLTV	DSCR .75 – 0.99	DSCR 1.0+	No Ratio		
	Max 75% LTV/CLTV	Max 85% LTV/CLTV (>80% additional restrictions apply)	Purchase, Rate/Term – Max 70% LTV/CLTV Cash Out – Max 60% LTV/CLTV		

BORROWERS	<ul style="list-style-type: none"> • US Citizen • Non-Permanent Resident Aliens - Max 80% LTV/CLTV • Foreign Nationals (see below for details) • First Time Investors (see below for details) • >80% LTV/CLTV - Borrower must have a recent one-year history of rental property ownership (minimum of 2 properties owned in 12-month period) • Limited Partnerships, General Partnerships, Corporations, Limited Liability Company Inter-vivos Revocable Trust • Ineligible: First Time Homebuyer 		
FIRST TIME INVESTOR	<ul style="list-style-type: none"> • Eligible with DSCR ≥ 1.0 • DSCR < 1.0 and No Ratio not permitted for first time investors • >80% LTV/CLTV not permitted for first time investors 		
CREDIT EVENTS	<ul style="list-style-type: none"> • No housing event permitted on any real estate within 4 years* *Housing Event = Foreclosure, Short Sale, Deed in Lieu, Default Modification, Notice of Default or 120+ Delinquent • No Bankruptcy Ch 7 and 11, based on discharged or dismissal date and Ch. 13 paid as agreed based on filed date within 4 years. 		
HOUSING HISTORY	0 X 30 x 12 for any REO		
QUALIFYING FICO	<ul style="list-style-type: none"> • Highest Mid FICO score* *Use highest mid FICO of any guarantor if more than 1 guarantor • No borrower can have less than a 660 mid FICO 		
TRADELINES	<ul style="list-style-type: none"> • Each borrower must have 2 trade lines ≥ 12 months. • Tradeline may be opened or closed . • Tradeline activity is not required. Eligible tradelines cannot have any derogatory history in previous 24 months. • Current housing not reporting on credit can be considered an open trade if supported by bank records. • No authorized user accounts will be used to satisfy minimum tradelines. 		
RESERVES	<ul style="list-style-type: none"> • Refer to matrices above for reserve requirements. • No additional reserves needed for additional financed properties. • Cash out may be used as reserves. 		
ASSETS	Most Recent 2 months Asset Statements, Quarterly Statement or FNMA approved third party direct pull services 100% value of Bank Accounts, Stocks, Bonds, Mutual Funds, Retirement Accounts at vesting percentage		
PROPERTY	<ul style="list-style-type: none"> • Rural Properties not eligible • Warrantable and Non-Warrantable Condos • Max Financed Properties = 15 residential • Declining Markets requires a 5% LTV reduction Max 5 Acres 		
NON-WARRANTABLE CONDOS		Max LTV	70% LTV/CLTV
	Presale	At least 30% of the units must be sold or under bona fide contract	
	Investor Concentration	Up to 55% of units can be tenant occupied	
	Single Entity Ownership	A single entity can own up to 30% of units	
	Non-Material Litigation	Slip and fall/single unit complaints/3rd party claims with adequate reserves	
	Insurance Coverage	Exceptions to Fannie Mae minimum coverage requirements	
	Reserves	<10% replacement, maintenance, and/or deductible	
	Ineligible	Material Litigation - Structural/Functional litigation against developer	
	Delinquent HOA- in excess of Fannie Mae 15% limit		
	Newly Converted - Non-full gut rehabs		

APPRAISAL REQUIREMENTS/ APPRAISAL REVIEW	<ul style="list-style-type: none"> • One (1) Full appraisal required for all transactions. • All appraisals require a desk review with a +/-5% of original value from one of the following approved TPR valuation vendor: <ul style="list-style-type: none"> - Servicelink - Summit Valuations - Clear Capital - Pro Teck
CASH-OUT	<ul style="list-style-type: none"> • Max Cash Out \$500,000 • >\$300,000 – 5% LTV/CLTV Reduction • Borrower must have owned the property for a minimum of 12 months prior to the Note date.
GIFT FUNDS	<ul style="list-style-type: none"> • Eligible for purchase transactions • Max 80% LTV/CLTV
INSURANCE	Commercial, Landlord or rental dwelling policy required with a minimum of 6 months loss of use coverage
PREPAYMENT PENALTY	<ul style="list-style-type: none"> • Applies to any investment transaction • Hard Prepayment penalties are required on investment property transactions when permissible by state law • Standard Prepayment Penalty Term – 1, 2, 3, or 5-year (see rate sheet for details)