

## TLS Express

Maximum LTV/CLTVs				
Minimum Credit Score		Maximum Loan Amount		
		>= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	75	70	70
660	1,000,000	75	75	70
	1,500,000	75	70	70
	2,000,000	70	65	65
640	1,000,000	75	70	NA
	1,500,000	65	65	NA
	2,000,000	65	NA	NA
		< 1.00		
700	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	65	65
680	1,000,000	70	65	N/A
	1,500,000	70	65	N/A
	2,000,000	65	60	N/A
660	1,000,000	65	N/A	N/A
Housing History	Credit Event Seasoning	Investor Experience		
1x30x12 – No reduction 0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out	BK/FC/SS/DIL: • >=36 Mo – No reduction • >=24 Mo – Max 75% LTV Purchase & Max 70% LTV Rate/Term & Cash-out Housing Event Seasoning: Forbearance, Mod or Deferral: Must be completed or reinstated > 12 mos to the Note date and have 0x30x12.	<u>Experienced Investor</u> Borrower must have a history of owning & managing commercial/NOO residential real estate for at least 1 year in last 3 years. First Time Investor: A borrower not meeting the experienced investor criteria. <u>First Time Investors</u> eligible subject to the following restrictions: <ul style="list-style-type: none"> <li>▪ Min credit score: 680</li> <li>▪ If reported, no mortgage late payments during the past 36 Mo</li> <li>▪ &gt;= 36 Mo from any credit event</li> <li>▪ Owned a primary residence for at least 1-year</li> <li>▪ Cash-out not eligible</li> </ul> First Time Home Buyer not eligible		
<b>Unleased Properties</b>	All Long Term Rental Refinances: vacant or unleased is allowed up to 75% Purchase and 70% Refinance. Not applicable for short-term rentals, see short-term rental income			
Eligible States				
<b>Eligible States</b>	AL, AR, CA, CO, CT, DE, DC, FL, GA, HI, IN, KY, LA, MA, MI, MO, MT, NE, NH, OK, RI, SC, TN, TX, VA, WA, WV, WI, WY		Vesting in an Entity required in FL & VA - All documents required	
Declining Markets and State/CBSA Restrictions			<a href="#">State or CSBA Table</a>	
If either or both of the following apply: 1) the appraisal report identifies the property as a declining market; 2) the subject property is in a <u>state or CBSA</u> the maximum LTV/CLTV is limited to 75% for purchases and 70% for all refinances and the maximum loan amount is limited to \$2MM.				

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### General Requirements

<b>Product Type</b>	Fixed Rate Terms: 15, 30, 40-yrs; 5/6, 7/6, & 10/6 ARM (40-yr term ARMs available when combined with interest only feature)		
<b>Loan Purpose</b>	• Purchase, Rate/Term, and Cash Out	<b>Occupancy</b>	• Investment
<b>Loan Amounts</b>	Min: \$100,000 <b>Loan Amount &lt;\$150,000</b> Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)		
<b>Interest Only</b>	Min Credit Score: 680    • Max LTV: 75% Pur & R&T, 70% Cash		
<b>Eligible Residency</b>	• US Citizen    • Permanent Resident - No restrictions • Non-Permanent Resident (Max 75% LTV/CLTV)	<b>Ineligible Borrower</b>	• Irrevocable Trust • Land Trust • Blind Trust • Diplomatic Immunity • Non-Profit Entity
<b>Property Type</b>	• Single Family: Attached, Detached • 2-4 Units and Condominiums: Max LTV/CLTV Purchase 70%, Refinance 65% • Condo Hotel: Max LTV/CLTV: Purchase – 70% Refinance – 65% • Rural: Not Eligible	<b>Florida Condominiums:</b> • A structural inspection is required for projects: • greater than 5 stories; and • over 30 yrs old (or 25 yrs if within 3 miles of the coast) • Projects with an unacceptable or no inspection are ineligible	
<b>Listed Property Seasoning</b>	A listing expiration of less than six (6) months is permitted with a prepayment penalty. If a property is listed for sale, the listing must be cancelled prior to the note date. The value will be based on the lesser of the lowest list price or appraised value		
<b>Min Square Feet</b>	SFR - 700 sq ft	Condo - 500 Sq ft	
<b>Acreage</b>	Property up to 2-acres, not meeting the rural definition, eligible		
<b>Max Cash-In- Hand</b>	• LTV > 65% - \$500,000	Total equity withdrawn cannot exceed these limits (Not applicable to Delayed Financing transactions)	
	• LTV < 65% - \$1,000,000		
<b>Cashout Seasoning</b>	A minimum borrower seasoning requirement of six (6) months is required for a transaction to be eligible for cash-out. If the cash-out seasoning is less than 12 months, but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements.		
<b>Ineligible for Cashout</b>	• Investment properties listed for sale in the past six (6) months, unless a three (3) year prepay penalty. • There has been a prior cash-out transaction within the past six (6) months • Payoff of a Land Contract/Contract for Deed		
<b>Appraisals</b>	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 <sup>nd</sup> appraisal obtained.		
<b>Escrow Waiver</b>	Must meet all of the requirements and LLPA adjustments apply	<ul style="list-style-type: none"> <li>Both taxes and insurance are not escrowed</li> <li>LTV less than or equal to 80%</li> <li>Minimum decision credit score of 720</li> <li>Minimum 12-months of reserves</li> </ul>	<b>ACH</b> We reserve the right to require ACH payments on a case by case
<b>Underwriting Requirements</b>			
<b>Credit Score</b>	• Use highest decision score amongst all borrower(s)/guarantor(s). • Middle of 3 scores or lower of 2	<b>Tradelines</b>	• If borrower/guarantor has three (3) credit scores, the minimum tradeline requirement is waived • Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity
<b>Assets</b>	• Min of 30-days asset verification required	<b>Reserves</b>	• 2 months of PITIA • Loan Amount > \$1.5M: 6-months of PITIA • Cash out may be used to satisfy requirement
<b>Gift Funds</b>	Allowed w/min 10% borrower contribution	<b>Document Age</b>	90-days
<b>Prepayment Penalty - Investment Property Only</b>	Prepayment periods up to 5- yrs eligible <u>Acceptable Structures include the following:</u> • Fixed percentage of no less than 5% • Six(6) mo of interest on prepays that exceed 20% of the original principal balance in a given 12-month time period.		

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## Income Requirements

### DSCR Calculation:

- DSCR is the Monthly Gross Rents divided by the PITIA of the subject property.
- Short Term Rental based on 12 month average to account for seasonality. Gross rents reduced by 20% to reflect costs associated with operating short term rentals. If actual rent expenses exceed 20%, the actual expense factor will be used.

### Long-Term Rental

#### Purchase Transactions:

- Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.
- If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.
- A vacant or unleased property is allowed without LTV restriction.

#### Refinance Transactions:

- FNMA Form 1007 or 1025 reflecting long-term market rents, & lease agreement.
- If the lease has converted to month-to-month, provide most recent two (2) months proof of receipt to evidence continuance of lease.
- If unable to provide evidence of receipt, the unit will be treated as vacant & subject to: Max LTV : 75% Purchase and 70% Refinance.
- Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025:
- If using the lower of the actual lease amount or estimated rent, nothing further is required.
- If using a higher actual lease amount, evidence of 2-months of receipt is required, & the lease amount is capped at 120%.
- If using a higher estimated market rent from 1007/1025, it is capped at 120% of the lease amount.
- If the estimated market rent exceeds the lease amount it is capped at 120%.
- A vacant or unleased property is allowed: Max 75% Purchase and 70% Refinance

### Short-Term Rental (e.g., Airbnb, VRBO, FlipKey)

Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.

When using multiple sources, the lowest source will be utilized to calculate DSCR.

Any of the following methods may be used to determine gross monthly rental income:

- A 1007 or 1025 Comparable Rent Schedule reflecting long-term or short-term market rents.
- The most recent 12-month rental history statement from the 3rd party rental/management service. The statement must identify the subject property/unit, rents collected for the previous 12-months, & all vendor mgmt fees. The rental income will exclude all vendor or mgmt fees.
- The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits.

**AIRDNA Rentalizer & Overview reports**, accessed using the Explore Short-Term Rental data, must meet the following:

Gross rents equal the revenue projection from the Rentalizer Report less the 20% extraordinary expense factor

- Forecast period must cover 12 months from the Note date
- The occupancy rate must be > 60%
- Maximum occupancy limited to 2 individuals per bedroom
- Must have five (5) comparable properties, all within the same ZIP code

#### Overview Report (Evaluate a Market)

- Market score or Sub-market by zip code. The score must be 60 or greater.