



## Ruby Series – Foreign National DSCR

### Investment Property Only

### DSCR 1-4 | Investment Only

Maximum LTV					
DSCR	Credit Score	Loan Amount	Purchase	R/T	C/O
≥ 1.00	680+	≤ \$1,000,000	75	65	65
		\$1,000,001 - \$1,500,000	70	60	60
	Foreign Credit	≤ \$1,000,000	75	65	65
		\$1,000,001 - \$1,500,000	70	60	60
<1.00	680+	≤ \$1,000,000	65	60	60
		\$1,000,001 - \$1,500,000	65	N/A	N/A
	Foreign Credit	≤ \$1,000,000	65	60	60
		\$1,000,001 - \$1,500,000	65	N/A	N/A
Housing History			0x30x12, if documented		
Credit Event Seasoning: BK/FC/SS/DIL			> 36 Months		
First Time Investor			Allowed		
Unleased Properties			Refinance: 5% LTV reduction if vacant		
Program Requirements					
Limits and Restrictions					
Minimum Loan Amount		\$150,000			
Maximum Loan Amount		\$1,500,000			
Eligibility Restrictions		Citizens and individuals from OFAC sanctioned countries are not eligible Foreign Nationals: Use 660-699 credit score Loan/LTV eligibility criteria			
State / CBSA Restrictions		Maximum eligible LTVs do not require a market adjustment for the Foreign National program. Ineligible Locations: Puerto Rico, Guam & the US Virgin Islands			
General Requirements					
Products		Fixed Terms: 15, 30, 30 I/O, 40 & 40 I/O ARMs: 5/6 ARM, 7/6 ARM, 10/6 ARM (40 year term ARMs available when combined with interest only feature)			
Occupancy		Second Home or Investment			
Loan Purpose		Purchase, R/T, and C/O			
Property Type		Single Family: Attached/Detached 2-4 Units, Condominium (Max LTV 65%) Condo Hotel (Purchase Max LTV 65% & Refinance Max LTV 65%) <b>Not Eligible:</b> Rural		<b>Florida Condominiums</b> A structural inspection is required if the project is over 30 years old or 25 years old if within 3 miles of the coast. Projects with an acceptable inspection, max LTV reduced by 5%. Projects with an unacceptable or no inspection are not eligible.	
Acreage		Maximum of 2 acres			

Income	
<b>Long-Term Rental Documentation and DSCR Calculation</b>	
Purchase Transactions	<ul style="list-style-type: none"> <li>Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents.</li> <li>If subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent.</li> <li>A vacant or unleased property is allowed without LTV restriction.</li> </ul>
Refinance Transactions	<ul style="list-style-type: none"> <li>Required documentation: FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement. If the lease has converted to month-to-month, then provide the most recent two (2) months proof of receipt to evidence continuance of lease.</li> <li>Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025. If using a higher monthly actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025.</li> <li>A vacant or unleased property is allowed, and the maximum LTV allowed is restricted by 5%</li> </ul>
DSCR Calculation	<ul style="list-style-type: none"> <li>DSCR is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required DSCR score.</li> <li>Gross rents divided by PITIA = DSCR</li> </ul>
<b>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation</b>	
Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.	
Purchase and Refinance Transactions	<ul style="list-style-type: none"> <li>A 5% LTV reduction applies to all transactions using short-term rental income when the DSCR is &lt; 1.00.</li> <li>When the DSCR is &lt; 1.00, the sub- 1.00 DSCR eligibility matrix must be used.</li> </ul> <p><b>Any of the following methods may be used to determine gross monthly rental income:</b></p> <ul style="list-style-type: none"> <li>A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.</li> <li>A most recent 12-month rental history statement from the 3<sup>rd</sup> party rental/management service. The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The rental income will exclude all vendor or management fees.</li> <li>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.</li> <li>AIRDNA Rentalizer and Overview reports must meet the following: <ul style="list-style-type: none"> <li>Rentalizer <ul style="list-style-type: none"> <li>Only allowed for purchase transaction</li> <li>Forecast period must cover 12 months from Note date</li> <li>The occupancy rate must be &gt; 60%</li> <li>Must have five (5) comparable properties, all within the same ZIP code</li> <li>Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> <li>Overview Report <ul style="list-style-type: none"> <li>Market grade by zip code</li> <li>Must be B or greater</li> <li>Income Calculation: Annual revenue / 12</li> </ul> </li> </ul> </li> </ul>
DSCR Calculation	<ul style="list-style-type: none"> <li>Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short-term property.</li> <li>Gross Rents divided by PITIA = DSCR</li> </ul>

## Underwriting Requirements

Max Cash In Hand	\$300,000 if LTV >50% \$500,000 if LTV ≤ 50% Total equity withdrawn to not exceed above limits.
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspections. CDA required unless 2 <sup>nd</sup> appraisal obtained.
Credit Score	If score available, use the lowest decision score amongst all borrowers If available, middle of 3 scores or lower of 2
Tradelines	US Credit Min: 2 reporting 24-months or 3 reporting 12-months Without US Credit: 2 credit reference letters must be provided, see Guidelines for requirements
Assets	Min of 60-days asset verification required Any large deposit must be sourced
Reserves	12 months of PITIA 6 months with 5% LTV reduction & price adjustment Cash out may not be used to satisfy requirement
DTI Requirements	DSCR – No DTI component
Gift Funds	Not allowed
Document Age	90-days
Prepayment Penalty <b>(Investment Property Only)</b>	Periods up to 5 years eligible (see rate sheet) Not allowed in AK, KS, MI, MN, NM, OH, IL & NJ Not allowed on loans less than \$301,022 in PA Only declining structures allowed in MS