

NMLS # 133519

HUD Lender ID# 1976400007

Effective Date: March 24, 2021

## Business Purpose Non-QM Rate Sheet

### LOCK DESK

**CONTACT:**

**E-mail:** [lockdesk@thelender.com](mailto:lockdesk@thelender.com)

**Direct:** 833-381-8733

**Lock Desk Closes at 3:30 PM PST**

### APPRAISAL ORDER PROCEDURES

[AMC selection can be made at:  
 https://www.thelender.com/appraisals/](https://www.thelender.com/appraisals/)

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### Underwriting Fee

\$1,995

### \*EXTENSION FEES

15 day	-0.250
30 day	-0.375

\*2 lock extensions allowed with a maximum of 30 days



# theNONI™

## NON OWNER NO INCOME

- **As little as 2 months reserves** (Use property cashflow to qualify)
- **FICOS As Low As 620**
- **No Seasoning** on cash out or rate and term
- **No LTV Restrictions** on 2-4 units
- **LTV's up to 80%** (min 680 fico)
- **No Rate Or Pricing Adjustments** on Cash Out, Interest Only, Condo, Units

### LOSS PAYEE

Hometown Equity Mortgage, LLC dba theLender its successors and/or assigns  
 25531 Commercentre Dr #250, Lake Forest, CA 92630

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theLender

theNONI (DSCR ≥ 1.0)

Effective  
3/24/2021

			7/6 ARM PAR Pricing	
			DSCR ≥ 1.00 30 Day Lock	
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$3,000,000**	See Matrix	680+	4.99%	
		660-679	5.99%	
		640-659	6.49%	
		620-639	6.99%	



**Harness the power of NONI™**  
with  
**NONI Plus**

For borrowers with FICO ≥ 700 and LTV ≤ 65%

\*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
1 Year Hard/2 Year Soft PPP	100
*No PPP (RI Only)	99

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBD30AL07	Beacon DSCR 7/6 ARM
TBD30AL07IO	Beacon DSCR 7/6 ARM IO
TBD30AL010	Beacon DSCR 10/6 ARM
TBD30AL010IO	Beacon DSCR 10/6 ARM IO

*BUY UP/BUY DOWN	
2:1 BUY UP	
3:1 BUY DOWN	
Minimum Rate	
7/6 ARM	4.500%
10/6 ARM	4.750%
30 Yr Fix	4.875%
ARM Index	
SOFR	
Margin	
4.50%	
CAPS	
2/1/5	
Floor Rate = Note Rate Borrower Paid Compensation Only	

Adjustments	LLRA
<b>NONI Plus</b>	<b>-0.250%</b>
30 Year Fixed	+0.375%
10/6 ARM	+0.125%
7/6 ARM IO	0.00%
10/6 ARM IO	0.00%
1 Yr Hard/2 Yr Soft PPP	+0.50%
No PrePay (RI Only)	+1.25%
FL Condo > 60% LTV	+0.25%
>=680 FICO & LTV 75.01 - 80%	+0.50%
Units	0.00%
Cash-out	0.00%
Condo	0.00%

\*Note rates rounded to nearest .125 for any buyup/buydown

\*\*See matrix

\*\*\*Underwriting exceptions are subject to a .250 price adjustment

			7/6 ARM PAR Pricing	
			DSCR < 1.00 30 Day Lock	
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$2,500,000**	See Matrix	680+	5.49%	

\*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
1 Year Hard/2 Year Soft PPP	100
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*BUY UP/BUY DOWN	
2:1 BUY UP	
3:1 BUY DOWN	
Minimum Rate	
7/6 ARM	5.000%
10/6 ARM	5.250%
30 Yr Fix	5.375%
ARM Index	
SOFR	
Margin	
4.50%	
CAPS	
2/1/5	
Floor Rate = Note Rate	
Borrower Paid Compensation Only	

Adjustments	LLRA
30 Year Fixed	+0.375%
10/6 ARM	+0.125%
7/6 ARM IO	0.00%
10/6 ARM IO	0.00%
1 Yr Hard/2 Yr Soft PPP	+0.50%
No PrePay (RI Only)	+1.25%
FL Condo > 60% LTV	+0.25%
Units	0.00%
Cash-out	0.00%
Condo	0.00%

\*Note rates rounded to nearest .125 for any buyup/buydown

\*\*See matrix

\*\*\*Underwriting exceptions are subject to a .250 price adjustment

		the <b>NONI</b>			the <b>DSCR &lt; 1.00</b>					
		Investor Option 1			Investor Option 2					
		DSCR ≥ 1.00			DSCR < 1.00					
FICO	Min Loan Amount 100K Loan Amount	Reserves	Purchase or R/T	Cash-Out	FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out	
720	\$2,000,000	2 Months- Purchase & R/T 6 Months- C/O	80%	75%	680+	\$1,500,000	6 months	70%	70%	
	\$3,000,000		75%	60%						
680+	\$2,000,000	2 Months- Purchase & R/T 6 Months- C/O	80%	70%		\$2,500,000	12 months	70%	65%	
	\$3,000,000		70%	60%						
660-679	\$1,500,000	2 Months- Purchase & R/T 6 Months- C/O	75%	70%						
	\$2,500,000		70%	65%						
640-659	\$1,500,000	2 Months- Purchase & R/T 6 Months- C/O	70%	65%						
	\$2,500,000		60%	60%						
620-639	\$1,000,000	6 Months	65%	65%						
	\$2,000,000		60%	60%						

Investor - Doc Options	
Investor Cash Flow	<ul style="list-style-type: none"> <li>Option 1: DSCR ≥ 1.0</li> <li>Option 2: Limited DSCR &lt; 1.0</li> </ul>

Property Restrictions	Max LTV
Non-Warrantable Condo	Not allowed
Warrantable Condo	75%
2-4 Unit	No Restriction
Modular	65%
Florida Condo	No Restriction
Rural Properties	70%

Additional Restrictions	
Maximum Cash-Out	≥ 65% LTV = \$500,000 < 65% LTV = Unlimited
1st Time Investor Min FICO	680
Max Acreage	20
Unleased Property ( <b>Refinance only</b> ) Does not apply to short term rentals	5% LTV reduction
Max # of Financed Properties By HEM	Committee review over 4
Gift Funds allowed with 5% borrower funds	NO LTV reductions
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible

Foreign Nationals	Not Allowed
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Note: IL - Must vest in a business entity if the rate exceeds 8%


FTHB with "No Housing History" are not eligible - See Guidelines

Credit	
Maximum Housing Lates	0x30x12
Minimum FC Seasoning months	48
Minimum SS/DIL Seasoning months	48
Minimum BK 7 Seasoning months	48
Minimum BK 13 Seasoning	48

Reserves	
C/O proceeds can be used to meet reserves	
Reserves for IO based on Interest Only Payment	
Gift funds cannot be used to meet reserves requirements	

Products	Margin & Caps	I/O (Y/N)	IO Period	Final Maturity	Interested Party Contributions/Seller Concessions	Residency
7/6 & 10/6 Adjustable Rate (ARM)	4.50	2/1/5	N	NA	30 years	All LTVs
30 Year Fixed	NA	NA	N	NA	30 years	Max 2%
Interest Only: 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	10 Years	30 Years	US Citizen, Perm/NonPerm Res. Alien
						Eligible States
						AL, AZ, CA, CO, CT, DE, FL, GA, HI, IA, IL, KY, LA, MA, MO, MD, NC, NJ, OK, OR, PA*, RI**, SC, TN, TX***, UT, VA, WA

Guidelines Quick Reference	
<b>ARM Index &amp; Floor</b>	Index: 30 day SOFR   Floor = Note Rate
<b>Qualifying Rate</b>	Note Rate
<b>Qualifying Payment</b>	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate
<b>Assets</b>	Sourced or seasoned 60 days (2 mos most recent bank statements req.)
<b>Credit</b>	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.
<b>Cash Out</b>	Business purpose use ONLY
<b>Prepayment Penalty</b>	6 months interest on 80% of the original principal balance (Standard Term = 3 years)
*PA- Loan amounts ≥ \$256,024 can be vested as an Entity or as an Individual *PA- Loan amounts < \$256,024 must be vested in a Corp, LLC, Partnership or Trust **RI- PPP not allowed. Must buyout PPP. ***TX C/O refinance must vest as Individual (no entities: LLC, inter vivos trust, etc)	



### What is a DSCR Loan? How do you qualify?

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property. How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI".  $\frac{\text{Gross Rents} = \$1500}{\text{ITIA} = \$1500} = 1.00 \text{ DSCR}$	Full Amortization Example: If your DSCR < 1.00 you still have a loan just at a different price.  $\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$
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