



theLender Wholesale
 25531 Commercentre Dr. Ste 250
 Lake Forest, CA, 92630
 833-381-8733 | www.thelender.com

NMLS # 133519

HUD Lender ID# 1976400007

Effective Date: 6/1/2022
NONI58

LOCK DESK

CONTACT:
E-mail: lockdesk@thelender.com
Direct: 833-381-8733
Lock Desk Closes at 3:00 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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Business Purpose Fee's

Underwriting Fee: \$1,995
 Doc Prep Fee: \$599
 Funding Fee: \$575

***EXTENSION FEES**

5 day	-0.250
7 day	-0.325
10 day	-0.550
15 day	-0.650

*2 total lock dextensions allowed

Eligible States

AK*, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS*, KY, LA, MA, MD, ME, MI*, MN*, MO, MS, MT, NC, ND, NE, NH, NJ, NM*, NV, NY, OH*, OK, OR, PA, RI*, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY

*See Matrix for restrictions and additional details regarding Prepayment Penalty

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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NONI58		
FICO	Loan Amount	Reserves
700	\$1,500,000	6 Months
	\$2,000,000	9 Months
	\$3,500,000	12 Months
660	\$1,500,000	6 Months
	\$2,000,000	9 Months
	\$3,000,000	12 Months

DSCR ≥ 1.00	
Purchase & R/T	Cash Out
75%	70%
70%	65%
60%	55%
70%	65%
65%	60%
55%	50%

Appraisals - 5-8 Units	
A Full interior inspection with photos is required for all units	
FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ unit properties or Narrative report can be utilized but not required	
Property Condition	
<ul style="list-style-type: none"> * No Fair or poor ratings * No environmental issues (Storage or use of hazardous material) * No health or safety issues (As noted by appraiser, i.e. broken windows, stairs) * No excessive deferred maintenance that could become a health or safety issue * No structural deferred maintenance (i.e Foundation, roof, electrical, plumbing etc) 	
Required Attachments	
<ul style="list-style-type: none"> * Rent Roll * Income and Expense statement * Photos of subject including exterior/interior and street scene * Aerial Photo 	<ul style="list-style-type: none"> * Sketch or floor plan of typical units * Map * Plot plan or survey * Appraiser qualifications
Note: *Commercial BPO Required for all Loans	

Program Parameters	
Minimum Loan Amount	\$250,000
Maximum Loan Amount	\$3,500,000
Maximum Cash Out	\$1,000,000
General Guidelines	
1st Time Investor	Not Eligible
First Time Home Buyers	Not Eligible
Experienced Investor	Must have a history of owning & managing commercial or non-owner residential real estate for at least 1 yrs in the last 3 yrs
Property Type	Residential 5-8 Units
Rural Properties	Not Eligible
Max Acreage	Up to 2 acres, not meeting rural definition
Unleased Units	Maximum 2 vacant units
Max # of Financed Properties	Committee review over 4
LLCs	All members must be individuals
Assets	Min of 30 days asset verification required.
Gift Funds- Allowed	After min 10% borrower contribution
Cashout	Business Purpose Only

Prepayment Penalty		Reserves			
Standard prepay is 5% of the amount prepaid		C/O proceeds can NOT be used for reserves			
Prepay Options: *0, 1, 2, 3, 4 & 5 year prepay options available		Reserves based PITIA payment			
Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP		Gift Funds cannot be used for reserves			
State Specific:					
*PA- Loan amounts < \$278,204 cannot have a prepayment penalty					
*IL - Loan with a rate ≥ 8% must close in the name of an entity					
*Prepayment penalties not allowed on loans vested to individuals in IL and NJ					
Products	Margin	Caps	IO (Y/N)	IO Period	Maturity
7/6 ARM 10/6 ARM	6.5	5/1/5	N	NA	30 Years
7/6 ARM-IO 10/6 ARM- IO	6.5	5/1/5	Y	10 Years	30 Years
30 Year Fixed	NA	NA	N	NA	30 Years
30 Year Fixed- IO	NA	NA	Y	10 Years	30 Years
Guideline Quick Reference					
ARM Index & Floor	Index: 30 day SOFR Floor = Note Rate				
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate				
Qualifying Rate	Note Rate				
Compliance	Points & Fees may not exceed 5%				
Citizenship	US Citizen, Perm/NonPerm Res. Alien w/ E,G,H,L,O,P or TN				
Seller Concessions	Max 2%				

Income Requirements	
Leased- Use Lower of Estimated market rent or lease agreement	
Vacant Unit(s)- Use 75% of market rents	
Reduce qualifying rents by any management fee reflected on appraisal report	
DSCR	
* DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment).	
* Loan amounts ≥ \$2,000,000 require DSCR ≥ 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater)	
* Reduce qualifying rents by any management fee reflected on the appraisal report	
Credit	
Mortgage History	0x30x24
FC, DIL, SS, 120+ Days late	24 Months
Chapter 7/11/13 BK Seasoning	24 Months
Credit Score	Middle of 3 or lower of 2
Tradelines	Two (2) reporting 24 months with activity in last 12 months or 3 reporting 12 months with recent activity.
For each borrower who has 3 credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually)	
Eligible States	
AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY	

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". $\frac{\text{Gross Rents} = \$1500}{\text{ITIA} = \$1500} = 1.00 \text{ DSCR}$
		