Investor Solutions – DSCR Plus, continued

<table>
<tr><th colspan="4">Income Requirements, Continued</th></tr>
<tr><td>Income</td><td colspan="3">

Refinance Transactions:

Required documentation:

Original appraisal report reflecting tenant-occupied, and
FNMA Form 1007 or 1025 reflecting long-term market rents, and
Executed lease agreement

Leases that have converted to month-to-month are allowed
If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or per DSCR/FICO/Loan balance matrix

A vacant property as indicated on the appraisal is allowed subject to the following:

LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.

Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.

If using the lower of the actual lease amount or estimated market rent, nothing further is required.
If using a higher 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. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.

Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

DSCR Calculation:

Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property.
PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR

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<tr><th colspan="4">Underwriting Requirements</th></tr>
<tr><td>Credit Score</td><td>

Use representative credit score of the borrower/ guarantor with the highest representative score
Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores
</td><td>Tradelines</td><td>

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
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<tr><td>Assets</td><td>
Min of 30-days asset verification required</td><td>Reserves</td><td>

6-months of PITIA
Loan Amount > $1.5M: 9-months of PITIA
Cash-out may be used to satisfy requirement
</td></tr>
<tr><td>Gift Funds</td><td>
Allowed after min 10% borrower contribution</td><td>Document Age</td><td>
120-days</td></tr>
<tr><td>Prepayment Penalty</td><td colspan="3">

Acceptable structures include the following:

Fixed percentage of no less than 3%
Declining structures that do not exceed 5% and do not below 3% in the first 3 years. Example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)
Six (6) months of interest on prepayments that exceed of the original 20% principal balance in a given 12-month time period.

Prepayment periods up to 5-Years eligible, see rate sheet

AK, KS, MI, MN, NM, OH, RI: Penalties not allowed
IL, NJ: Penalties not allowed on loans vested to individuals
MS: Only declining prepayment penalty structures are allowed
PA: Penalties not allowed on 1-2 unit loans with a loan amount less than or equal to the base figure ($329,411 for 2026; adjusted annually). This restriction applies to business purpose loans whether vested to an individual or an entity. 3+ unit loans, or with a loan amount greater than $329,411 are not subject to prepayment restrictions.
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<tr><td>Escrows</td><td colspan="3">
Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements</td></tr>
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