Investor Solutions – DSCR, continued

Underwriting Requirements				
Credit Score	• Use representative credit score of the borrower/ guarantor with the highest representative score o Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores	**Tradelines**	• 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	
Assets	• Min of 30-days asset verification required	**Reserves**	• 2-months of PITIA • Loan Amount > $1.5M: 6-months of PITIA • Loan Amount > $2.5M: 12-months of PITIA • Cash-out may be used to satisfy requirement	
Gift Funds	• Allowed after min 10% borrower contribution	**Document Age**	• 120-days	
Prepayment Penalty	• Acceptable structures include the following: o Fixed percentage of no less than 3% o 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%) o Six (6) months of interest on prepayments that exceed the original 20% of time period. principal balance in a given 12-month • 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.	
Escrows	• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements			