



NonQM Foreign National – 2nd Home and Investment Only

Maximum LTV/CLTVs		2 nd Home 2 Year Standard Doc/Asset Utilization (Investment properties reduce LTV by 5%)			
Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi	
700+	<=1,500,000	75	70	65	
	1,500,001 – 2,500,000	70	70	65	
	2,500,001 – 3,000,000	65	65	60	
Foreign Credit	<=1,000,000	70	70	65	
	1,000,001 – 1,500,000	70	70	65	
	1,500,001 – 2,500,000	65	65	60	
	2,500,001 – 3,000,000	60	60	55	
Housing History	Housing Event Seasoning	First Time Investor		Unleased Properties	
0x30x12	BK/FC/SS/DIL/Mod: > 48 Mo	Allowed		Not Allowed on Refinances	
Property Type Restrictions					
Condo & 2-4 Units: Max LTV/CLTV: 70%					
Maximum LTV/CLTVs			DSCR (Investment Only)		
DSCR	Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi
>=1.00	700+	<=2,000,000	70	70	65
		2,000,001 – 2,500,000	65	65	60
		2,500,001 – 3,000,000	60	60	55
	Foreign Credit	<=2,000,000	70	70	65
		2,000,001 – 2,500,000	65	65	60
		2,500,001 – 3,000,000	55	55	50
Housing History	Housing Event Seasoning	First Time Investor		Unleased Properties	
0x30x12	BK/FC/SS/DIL/Mod: >= 36 Mo	Allowed		Not Allowed on Refinances	
State Restrictions					
<ul style="list-style-type: none"> • FL: Foreign Nationals originating from China are ineligible • HI: Non-licensed State. • IL: counties: Cook, Kane, Peoria, and Will: 2nd Homes not permitted - Does not apply to Correspondents. • NY: <ul style="list-style-type: none"> ○ STRs in the 5 NYC Boroughs are ineligible. ○ No 5/6 ARMs on OO loans below the FNMA loan limits. ○ Subprime permitted on Fixed Rate only. See guidelines for full details. • MS: LTVs must be reduced by 5%. 					
General Requirements					
Product Type	<ul style="list-style-type: none"> • 30-Yr Fixed, 15-Yr Fixed, 30-Yr Interest Only • When ARMs are reinstated, ARMs are not available in MS 				
Interest Only	30-Yr Interest Only Available				
Loan Amounts	•Min: 150,000 (no exceptions) •Max: 3,000,000				
Occupancy	<ul style="list-style-type: none"> • Full Doc – 2nd Home and Investment Property (Business Purpose) • DSCR – Investment Property (Business Purpose) 				
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Cash-Out	<ul style="list-style-type: none"> • \$750,000 if LTV > 50% • Unlimited for LTV <= 50% 				
Property Type	<ul style="list-style-type: none"> • Single Family, Attached, 2-4 Units, Warrantable and Non-Warrantable Condo, Condotel. • C4 condition rating or better. • Condo & 2-4 Units - Max LTV/CLTV: Purchase and R/T = 70%; Cash-out = 65% 				

Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection, • 2nd Appraisal required for loan amounts > \$2M. 		
Declining Markets	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.		
Rural Property (Vacation Areas Only)	<ul style="list-style-type: none"> • Not allowed as defined in the Guidelines. • Property up to 2-acres, not meeting the rural definition, eligible with the following restrictions: • If property is accessible by a gravel road and comparables distance are > 1 mile away, the property could be considered rural even if it is marked suburban, and then Max LTV is the lesser of 65% LTV or the applicable Matrix LTV. 		
Condotel	<ul style="list-style-type: none"> • Full Doc NOO Purchase or Rate/Term • Max 70% LTV • DSCR Purchase or Rate/Term • Max 65% LTV • Full Doc NOO or DSCR Cash Out • Max 60% LTV 	<ul style="list-style-type: none"> • Max Loan Amount \$1,500,000 • Minimum 6 months reserves • Minimum 400 square feet • Must have full kitchen & 1 separate bedroom. 	<ul style="list-style-type: none"> • Must be in a resort area or affiliated with a national hotel chain.
ACH Form	Automatic Payment Authorization (ACH) Form is required for set-up along with a copy of a cancelled check.		
Income Requirements – Foreign National			
Income – Standard Doc	<p><u>Salary/Wage</u></p> <ul style="list-style-type: none"> • Paystubs covering a minimum of 30-days (which include YTD income) and ONE of the following: <ul style="list-style-type: none"> ○ W-2 equivalent; OR ○ Two (2) years tax returns from borrower country of origin; OR ○ A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2-years. Letter from employer must be on company letterhead, including address and company web address, Employer to be independently verified (LexisNexis, D&B, Google, other). All docs must be translated by an independent certified translator. <p><u>Self-Employed</u></p> <ul style="list-style-type: none"> • Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower’s CPA or local equivalent (the “Accountant”) on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided; and • A copy of the Accountant’s current license is required. The Business & Accountant must be independently verified; and • All documents must be translated by an independent certified translator. 		
Asset Utilization	<ul style="list-style-type: none"> • Eligible assets must be sourced and seasoned for a minimum of four (4) months. • Qualified assets and reserves may be deposited in a financial institution outside the U.S. subject to State/LTV restrictions. • Eligible assets must be divided by 60 to determine a monthly income stream. 		

Income – DSCR	<p>General Requirements:</p> <ul style="list-style-type: none"> • All refinance transactions require the property to be leased. Vacant property not eligible with the exceptions of properties leased through short term rental agencies or on certain Delayed Financing loans (see guides for details). • Property must not be occupied by any member of the borrower’s LLC or any family member. <p>Short Term Rentals:</p> <ul style="list-style-type: none"> • Defined as properties leased on a nightly, weekly, monthly, or seasonal basis. • ALL STRs require evidence from third party vendor (such as Property Guard, Vrolio or equivalent) validating that the governing municipality where the subject STR is located allows properties to be rented as STRs; with the exception of the five (5) New York City Boroughs (Manhattan, Brooklyn, The Bronx, Queens and Staten Island), which are ineligible for purchase by NQM Funding. <p>DSCR Calculation Methods and Minimum DSCR:</p> <ul style="list-style-type: none"> • Option 1: Lesser of 1007/1025 completed using either long-term or short-term market rents – DSCR min 1.00. <ul style="list-style-type: none"> ○ When the 1007/1025 is prepared with the use of short-term rentals, the appraiser is required to address the seasonality of the subject property short term rental market in computing the market rent. If the appraiser fails to appropriately address for seasonality, gross rents should be computed using the vacancy factor as determined by the AirDNA Property Earning Report. For example, if the occupancy rate is 60%, a 40% vacancy factor must be applied to the short term rental income from the comparable rent schedule. ○ For Long Term Rentals, when the actual rent as documented from the lease exceeds market rents, the higher figure may be used with two months proof of receipt of the higher rental income. • Option 2: 12-month lookback period to determine avg rents or annual or monthly statements from AirBNB or similar service - DSCR min 1.00. • Option 3: AirDNA / Min DSCR 1.15. Available only on purchases or recently renovated refinances • AirDNA’s “Revenue Calculator/Property Earning Potential Report” (fka Rentalizer) must meet the following requirements): <ul style="list-style-type: none"> • Forecast period must cover 12 months from Note date. • Occupancy rate must be >= 50%. • Income calculation (AirDNA annual gross revenue ÷ 12) • Must have five (5) comparison properties. • Must be similar in size, room count, amenities, availability, and occupancy. • For 2-4 Units, a report must be pulled on each individual unit in AirDNA, and the sum of all combined units’ rental income will be used to determine the DSCR ratio.
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Underwriting Requirements – Foreign National			
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Documentation Requirements	Provide borrower’s valid and unexpired passport and documentation the borrower is legally present: <ul style="list-style-type: none"> • Copy of borrower’s unexpired visa OR an I-797 with valid extension dates and I-94 • Borrowers from countries participating in the visa waiver program are not required to provide a visa. • Citizens of Canada traveling to the US do not require nonimmigrant visa. 		
Credit Score	Middle of 3 scores or lower of 2, if available	DTI Requirements	Standard Max 50% (does not apply to DSCR)
Tradelines	Minimum: 2 open and reporting 24-months or 3 open and reporting 12-months even if 3 credit scores are available. See Guide for requirements	Reserves	<ul style="list-style-type: none"> • 12-months of PITIA • 6-months with 5% LTV reduction. • Cash out may be used to satisfy requirement
Assets	<ul style="list-style-type: none"> • 30-days asset verification required for US Based Accounts; 60-days for Foreign Assets • Deposits > 50% of gross income must be documented on purchases 	FN – Residual Income 2 nd Homes only	<ul style="list-style-type: none"> • Defined as Gross Monthly Income – Total Monthly Obligations. • Requirement based on # in household. • FN: applies to HPML loans or when the DTI > 43% on 2nd homes only: • 1 person = \$1,500 • 2 persons = \$2,500 • Add \$150 per additional household member.
Gift Funds	See NQMF Guidelines for Restrictions		
Age of Documentation	<ul style="list-style-type: none"> • Credit reports must be dated within 120 days of the note date. • Income and Asset Documentation must be dated within 90 days of the Note date. 		
Escrow Impounds	• Escrow of taxes and insurance are required with ACH payments for all Foreign National Loans.		
Prepayment Penalty	<ul style="list-style-type: none"> • Required on NOO when permitted. • See PPP Requirements Matrix 		

Product Description	Product Code
Foreign National 30 Year Fixed Rate Alternative Documentation	FN30
Foreign National 15 Year Fixed Rate Alternative Documentation	FN15
Foreign National 30 Year Fixed Rate Alternative Documentation	FNIO30