

SEQUOIA INVESTOR PRO LOAN PROGRAM					
LTV MATRIX					
Non Owner Occupied Only					
Subject Property Debt Service Coverage Ratio Only					
		DSCR ≥ 1.15		DSCR < 1.15 / No Ratio	
Loan Amount	Credit Score	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out
\$100,000 - < \$1,000,000	720	80%	75%	75%	70%
	680	80%	75%	75%	70%
	620	75%	65%	75%	65%
\$1,000,001 - \$2,000,000	720	75%	65%	75%	60%
	680	70%	65%	70%	60%
	620	65%	60%	65%	60%
Minimum DSCR		1.15		N/A	

<b>Available Products</b>	3/1 ARM, 5/1 ARM 3/1 I.O. ARM, 5/1 I.O. ARM
<b>Qualifying Rates</b>	3/1 I.O. ARM - 5 year I.O. period. Qualify at the fully indexed rate amortized over 25 years 5/1 I.O. ARM - 10 year I.O. period. Qualify at the fully indexed rate amortized over 20 years
<b>ARM Margins, Caps &amp; Floor</b>	3/1 ARM: Margin - 6.00% 2/2/6 Caps  5/1 ARM: Margin - 6.00% 2/2/5 Caps  Index - 1 Year LIBOR, Floor - Margin
<b>Prepayment Penalty</b>	6 months interest on 80% of the original principal balance (standard term = 3 years)  Not allowed in MD, NJ*, or PA *prepay penalty allowed for loans closing in the name of corporations or LLC's
<b>Escrows</b>	Escrows are required for taxes and insurance

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SEQUOIA INVESTOR PRO LOAN PROGRAM	
Loan Parameters	
<b>Occupancy</b>	Investment Property Only - Max 4 units (75% LTV max for 2-4 units)
<b>Loan Purpose</b>	Purchase Rate & Term Cash Out
<b>Documentation</b>	Qualifies on subject property rental income only
<b>Secondary Financing</b>	Not Allowed
<b>Property Type</b>	Single Family Residence PUD Condominium - Non-warrantable Condo 75% LTV Max 2-4 units - Max 75% LTV
<b>LTV Determination</b>	<ul style="list-style-type: none"> <li>For properties acquired greater than 12 months from application date the current appraised value can be used</li> <li>For properties acquired from 6 months to 12 months, inclusive, from the application date, the current appraised value can be used however, the max LTV is 65%</li> <li>For props acquired less than 6 months from application date use the lesser of current appraised or acquisition plus improvements.</li> </ul>
<b>Max Cash Out</b>	Equity withdrawal is the amount of proceeds net to the borrower after closing costs and payoff of the to be retired mortgage have been deducted from the loan amount. The dollar amount of equity withdrawn in a cash-out refinance is limited to the following: <ul style="list-style-type: none"> <li>Max Equity Withdrawal - \$500,000</li> </ul>
<b>Rate &amp; Term</b>	The following secondary financing can be retired with our new loan and considered R&T: <ul style="list-style-type: none"> <li>All purchase money seconds</li> <li>Closed end seconds seasoned at least 12 months from application date</li> <li>HELOCs seasoned 12 months with no more than \$2000 in total draws over the most recent 12 months</li> <li>Max cash back on R&amp;T is the lesser of 2% or \$2000</li> </ul>
<b>Cash Out Transactions</b>	<ul style="list-style-type: none"> <li>Paying off a loan used for cash out in most recent 6 months is considered cash out. The 6 months is measured as note date to note date.</li> <li>Paying off helocs with cash advances in the most recent 6 months that exceeds \$2,000 is considered cash out.</li> <li>Borrower must have been on tile for a minimum of 6 months. The 6 months is measured as note date to note date.</li> <li>A signed letter from the borrower disclosing the purpose of the cash-out must be obtained on all cash-out transactions.</li> <li>Proceeds of the loan are limited to the purchase, improvement, or maintenance the subject property. Utilizing proceeds of the loan for personal, family, or household purposes is prohibited – except when paying off equity partners of a legally awarded property.</li> </ul>
<b>Flip Transactions</b>	Properties where the seller acquired title in the 180 days before the sales contract date are not allowed.
<b>Delayed Financing</b>	Allowed - Follow Fannie Mae

Borrowers	
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>● US Citizens</li> <li>● Permanent Resident Aliens</li> <li>● Non-Permanent Resident Aliens</li> </ul>
<b>Primary Residence Requirement</b>	<ul style="list-style-type: none"> <li>● Each borrower must own or rent a primary residence</li> <li>● Proof of primary residence must be provided with a active lease or proof of ownership</li> <li>● Primary residence must be geographically relevant to the borrower and be generally superior than the subject property</li> </ul>
<b>Non-Permanent Resident</b>	Acceptable Visa types: <ul style="list-style-type: none"> <li>● A Series (A-1, A-2, A-3)</li> <li>● E Series (E-1, E-2, E-3)</li> <li>● G Series (G-1, G-2, G-3, G-4, G-5)</li> <li>● H Series (H-1B, H-1C) Note: H-4 co-borrower OK with H-1 borrower.</li> <li>● L Series (L-1A, L-1B) Note: L-2 co-borrower OK with L-1 borrower.</li> <li>● NATO Series (NATO 1 – 6)</li> <li>● O Series (O-1)</li> <li>● R Series (R-1)</li> <li>● TN-1, Canadian NAFTA visa</li> <li>● TN-2, Mexican NAFTA visa</li> </ul>
<b>First Time Home Investor</b>	<ul style="list-style-type: none"> <li>● Defined as borrowers without a 12 month history of investment property ownership in the most recent 12 months.</li> <li>● Max 70% LTV</li> </ul>
<b>Multiple Properties Financed</b>	No Limit. Maximum Investor Pro product to 1 borrower is 5 properties or \$5MM, both apply.
<b>Vesting In Name Of An Entity</b>	<ul style="list-style-type: none"> <li>● Max of 4 owners (shareholders) per entity</li> <li>● All entity owners must also be borrowers</li> <li>● All entity owners must execute a personal guarantee</li> <li>● US registered entities only</li> <li>● Entity business purpose must be for management and ownership of real estate</li> <li>● Required entity docs are (As applicable to the entity):               <ul style="list-style-type: none"> <li>- Articles of Incorporation</li> <li>- Partnership Agreement</li> <li>- Operating Agreement</li> </ul> </li> <li>● Certificate of Good Standing</li> <li>● Tax ID Number</li> <li>● Certificate of Authorization (to indicate the person authorized to execute docs for the entity)</li> </ul>

Credit	
<b>Age of Credit Docs</b>	120 days from note date
<b>Major Credit Events</b>	2 years from credit event date to note date includes: <ul style="list-style-type: none"> <li>• Bankruptcy</li> <li>• Foreclosure</li> <li>• Deed in Lieu</li> <li>• Short Sale and Short Refi</li> <li>• Modification</li> <li>• 120 day mortgage late (event date is date brought current)</li> </ul>
<b>Collections &amp; Charge Offs</b>	Charged-off accounts and collection accounts that do not impact title do not need to be paid off under the following guidelines: <ul style="list-style-type: none"> <li>• Collections/Charge Offs less than 24 months old with a cumulative total of \$2,000 or less</li> <li>• Collections/Charge Offs at least 24 months old with a individual total of \$2,500 or less</li> <li>• Medical collections</li> <li>• Collections/Charge Offs that have passed the individual state statute of limitations</li> </ul> Collections/Charge Offs not excluded under the guidance above must be paid.
<b>Required Credit History</b>	Must meet one of the following: <ul style="list-style-type: none"> <li>• 3 trade lines with a 12 month history OR</li> <li>• 2 trade lines open 24 months</li> </ul> <ul style="list-style-type: none"> <li>• Trade lines may be open or closed but must show activity in the most recent 12 months from application date</li> <li>• Acceptable trade lines must show 0 X 60 in most recent 12 months from application date</li> <li>• Rental verification can be included as a trade line (does not need to be on credit report)</li> <li>• Student loans can be counted in credit depth as long as they are in repayment and not being deferred</li> </ul>
<b>Housing Payment History</b>	Maximum of 1 x 30 in last 12 months from application date
<b>Credit Inquiries</b>	Inquiries from the 90 days preceding the application date must be addressed
<b>Credit Report Security Freeze</b>	<ul style="list-style-type: none"> <li>• Credit freeze is not allowed</li> <li>• If credit report reflects a credit freeze, freeze must be removed and a new report obtained before an underwriting decision can be made.</li> </ul>

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Income, Assets & Liabilities	
<b>Maximum DTI</b>	DTI Not Calculated
<b>Tax Transcripts</b>	Not Required
<b>Gift Funds</b>	Not Allowed
<b>Reserves</b>	Not Required
<b>Lease Requirements</b>	<ul style="list-style-type: none"> <li>• Refinance transactions require 3 months remaining on lease term at note date</li> <li>• If lease has expired and month to month tenancy is in place, a signed extension agreement or 3 months proof receipt of rents from tenant is required</li> <li>• Original lease term cannot exceed one year</li> <li>• If no lease on a refinance then use market rents; max 70% LTV</li> <li>• If no lease on a purchase then use market rents</li> </ul>
<b>DSCR (Debt Service Coverage Ratio)</b>	<ul style="list-style-type: none"> <li>• DSCR = Gross rents / PITI</li> <li>• Gross Rents = lesser of actual rents or fair market rents as derived from a 1007</li> <li>• Actual rents higher than market rents may be used, receipt of the most recent 3 months of rents must be provided.</li> </ul>
<b>Funds to Close</b>	<ul style="list-style-type: none"> <li>• Most recent 2 months bank statements must be provided</li> <li>• All funds used must be sourced and seasoned for the most recent 60 days</li> <li>• For large deposits; OK on refi, must (make sense) on purchase</li> <li>• Only bank statement pages with relevant information are required, boilerplate pages are not required</li> </ul>
<b>Interested Party Contributions</b>	Allowed to a max of 2%
<b>Business Funds</b>	<ul style="list-style-type: none"> <li>• Allowed with CPA letter OR 3 months bank statement cash-flow analysis by underwriter</li> <li>• Borrower(s) must be 100% owner of the business</li> </ul>
<b>Employment and Income</b>	<ul style="list-style-type: none"> <li>• Employment and income are not disclosed, documented, or analyzed.</li> </ul>

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Property/Appraisal Information	
<b>Acreage</b>	No more than 2 acres
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• Property cannot be listed at time of application</li> <li>• On a cash-out transaction for properties listed in the 6 months prior to the application date, a 10% reduction to max LTV is applied</li> <li>• For properties listed for sale in the most recent 6 months, the lesser of listed price or appraised value will be used</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Loan amounts up to and including \$1,500,000 require one appraisal, loan amounts greater than \$1,500,000 require two appraisals</li> <li>• All files require a CDA</li> <li>• Up to a 10% tolerance is allowed, if the CDA value is more than 10% below the appraisal value, the lower of the two values must be used.</li> </ul>
<b>Appraisal Age</b>	Appraisals must be dated within 120 days of the note date Re-certifications are not allowed
<b>Transferred Appraisals</b>	May be considered
<b>Flip Transactions</b>	Properties where the seller acquired title in the 180 days preceding the contract date are not allowed
<b>Rent Loss Insurance</b>	<ul style="list-style-type: none"> <li>• Rent loss insurance is required</li> <li>• Must cover a minimum of 6 months loss of rents</li> </ul>
<b>Unique Properties</b>	<p>Unique properties are not allowed</p> <p>The following are examples of, but do not include all, ineligible properties:</p> <ul style="list-style-type: none"> <li>• Log, Dome or Earth Homes</li> <li>• Mixed Use (business and residential usage)</li> <li>• Farms or hobby farms</li> <li>• Manufactured or Modular homes</li> <li>• Condotels</li> <li>• Rural Properties</li> </ul>

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