



NMLS ID 1231327

SEQUOIA INVESTOR PRO LOAN PROGRAM						
LTV MATRIX						
Non Owner Occupied Only						
		DSCR ≥ 1.15		No Ratio		
Loan Amount	Credit Score	Purchase Rate & Term	Cash Out	Purchase Rate & Term	Cash Out	Cash Out
\$100,000 - < \$1,000,000	720	80%	75%	75%	70%	70%
	680	80%	75%	75%	70%	70%
	620	75%	65%	75%	65%	65%
\$1,000,001 - \$2,000,000	720	75%	65%	75%	60%	60%
	680	70%	65%	70%	60%	60%
	620	65%	60%	65%	60%	60%
Minimum DSCR		1.15		N/A		
Available Products				5/1 ARM, 7/1 ARM, 10/1 ARM 5/1 I.O. ARM, 7/1 I/O ARM, 10/1 I.O. ARM		
ARM Margins, Caps & Floor				5/1: Margin - 6.00%; 2/2/5 Caps  7/1 and 10/1: Margin - 6.00%; 5/2/5  Index = 1 Year LIBOR Floor = Margin		
Interest Only				Interest Only ARMs are a 30 year amortization Interest Only period is 10 years  PITI for DSCR Calculation uses 20-year fully amortized period		
Prepayment Penalty				Six months interest on 80% of the original principal balance (standard term is three years)  Not allowed in MD, NJ*or PA *prepay penalty allowed for loans closing in the name of a corporation or LLC		
Escrows				Escrows are required for taxes and insurance		

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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 - SHORT TERM RENTAL INCOME NOT ALLOWED
<b>Secondary Financing</b>	Not allowed
<b>Property Type</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 six 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 properties acquired less than six months from application date use the lesser of current appraised or acquisition plus improvements</li> </ul>
<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 six 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 properties acquired less than six 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 (including prepaids) and subject property mortgage payoff have been deducted from the loan amount <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 paid off with the new loan and be considered rate & term: <ul style="list-style-type: none"> <li>• 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 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 the most recent six months is considered cash out (Measure six months from note date to note date)</li> <li>• Paying off HELOCs with cash advances in the most recent six months that exceed \$2000 is considered cash out</li> <li>• Borrower must have been on title for a minimum of six months (Measure six months from note date to note date)</li> <li>• A signed cash out letter from the borrower is required</li> <li>• Proceeds of the loan are limited to purchase, improvement, or maintenance of the subject property</li> <li>• Using proceeds from 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 - Fannie Mae

SEQUOIA INVESTOR PRO LOAN PROGRAM	
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>• Maximum LTV is 70%</li> </ul>
<b>Multiple Properties Financed</b>	<ul style="list-style-type: none"> <li>• No Limit</li> <li>• Maximum Investor Pro loans to one borrower is five properties or \$5MM, both apply</li> </ul>
<b>Vesting In Name Of An Entity</b>	<ul style="list-style-type: none"> <li>• Maximum of four 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> <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> </li> </ul>

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Credit	
<b>Age of Credit Docs</b>	120 days from note date
<b>Major Credit Events</b>	Two 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>
<b>Required Credit History</b>	Must meet one of the following: <ul style="list-style-type: none"> <li>Three trade lines with a 12 month history OR</li> <li>Two trade lines open 24 months, <b>all with activity in the last 12 months</b></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>	Credit freeze is not allowed, freeze must be removed and a new report is required

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SEQUOIA INVESTOR PRO LOAN PROGRAM	
Income, Assets & Liabilities	
<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 three 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 three months proof receipt of rents</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>If actual rents are higher than market rents, the actual rents may be used when evidencing receipt of the most recent three months of rent</li> </ul>
<b>Funds to Close</b>	<ul style="list-style-type: none"> <li>Most recent two months bank statements must be provided</li> <li>All funds used must be sourced and seasoned for the most recent 60 days</li> <li>Large deposits may be required to be sourced and verified</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 three months bank statement cash-flow analysis by underwriter</li> <li>Borrower(s) must be 100% owner of the business - Ownership documentation is required</li> </ul>
<b>Employment and Income</b>	Employment and income are not disclosed, documented, or analyzed

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SEQUOIA INVESTOR PRO LOAN PROGRAM	
Property/Appraisal Information	
<b>Acreage</b>	Two acre maximum
<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 six 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 six 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>	<ul style="list-style-type: none"> <li>Appraisals must be dated within 120 days of the note date</li> <li>If the appraisal is greater than 120 days a re-certification is required, maximum appraisal age is 180 days</li> </ul>
<b>Transferred Appraisals</b>	May be considered
<b>Flip Transactions</b>	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 six months loss of rents</li> </ul>
<b>Ineligible Properties</b>	<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> <li>Unique properties</li> </ul>

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