

Sequoia DSCR				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	≥ 1.15 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,000,000	700	80%	75%	75%
	660	75%	75%	65%
≤ \$1,500,000	700	75%	75%	70%
	660	65%	65%	65%
≤ \$2,000,000	700	70%	70%	65%
	660	65%	65%	60%
≤ \$2,500,000	700	65%	65%	55%
	660	60%	60%	N/A
Loan Amount	Credit Score	≥ 1.00 < 1.15 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,000,000	700	80%	75%	75%
	660	75%	75%	65%
≤ \$1,500,000	700	75%	75%	70%
	660	65%	65%	65%
≤ \$2,000,000	700	70%	70%	65%
	660	65%	65%	60%
≤ \$2,500,000	700	65%	65%	55%
	660	60%	60%	N/A
Loan Amount	Credit Score	< 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,000,000	700	75%	70%	70%
	660	75%	70%	65%
≤ \$1,500,000	700	70%	70%	65%
	660	65%	65%	65%
≤ \$2,000,000	700	70%	70%	65%
	660	65%	65%	60%
≤ \$2,500,000	700	65%	65%	55%
	660	60%	60%	N/A

Sequoia DSCR				
	Product	Qualifying Rate	Term	I.O. Term
Available Products	15 Year Fixed	Note Rate	180	N/A
	30 Year Fixed	Note Rate	360	N/A
	30 Year Fixed I.O.	Note Rate	360	120
Prepayment Penalty	Prepayment penalties allowed on Non-Owner occupied properties only			
Interest Only	Allowed up to 70% LTV - Min Credit Score 680			
Secondary Financing	<p>Allowed - See LTV/CLTV grid</p> <p>Junior financing must meet the requirements as defined by Fannie Mae</p> <p>Any energy efficiency-based liens, like PACE or HERO are treated like secondary financing. When paid off through loan proceeds and seasoned more than one (1) year, transaction is treated like rate & term</p> <p>If paid with loan proceeds, the loan is considered cash-out</p>			
Property Type	<p>Single Family (attached and detached)</p> <p>PUD</p> <p>Warrantable Condo - Max 75% LTV/CLTV, Follow FNMA Requirements</p> <p>Non-Warrantable Condo - Considered on a case by case basis, 70% LTV Max</p> <p>2 - 4 Units - Max 75% LTV/CLTV</p>			
Cash-Out	\$500,000 Maximum Cash Out			
LTV Determination	<p>Rate & Term - use current appraised value</p> <p>Cash-Out owned >= 12 months - use current appraised value</p> <p>Cash-Out owned < 12 months - use lesser of acquisition cost or appraised value</p>			
Delayed Financing	<p>Properties purchased with cash within the past six (6) months (measured from the purchase date of the property to the disbursement date of the new loan) are eligible for a cash-out refinance.</p> <p>Follow Fannie Mae requirements</p>			

Borrower Requirements	
Eligible Borrowers	US Citizens Permanent Resident Alien
First Time Investor	Defined as borrower who has NOT owned 2 or more properties for at least 12 months during the most recent 36 month period with one of those properties being income producing (residential or commercial) First Time Investors must have owned a property for twelve (12) months any time during the past thirty-six (36) months Min FICO 680/MAX LTV 75%/NO CASH OUT/NO MORTGAGE LATES IN THE LAST 36 MONTHS
Multiple Properties Owned	The maximum number of residential 1-4 unit properties owned (financed or free and clear) is ten (10) Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB
Non-Arm's Length	The following NAL's are eligible with proper documentation: Sale or transfers between members of the same family (transaction may not be due to any adverse circumstances) Property seller acting as his or her own real estate agent Borrower purchasing from his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history) Investment property loans must be arms length
Investor Experience	Experienced Investor: A borrower who has owned two (2) or more properties for at least twelve (12) months during the most recent thirty-six (36) month period. One (1) property must be an income producing property (residential or commercial). First Time Investor: A borrower that does not meet the Experienced Investor criteria. First time investors must have owned a property for twelve (12) months anytime during the past thirty-six (36) months. - Minimum FICO = 680 - Max LTV/CLTV = 75% - No mortgage late payments, >= 36 months from any credit event, no cash-out

Credit	
Credit Score	Refer to Matrices for eligibility When multiple borrowers apply, the lowest middle score is the qualifying credit score
Age of Credit Docs	Credit, title, and appraisal docs valid for 120 days from note date Asset docs valid for 60 days from note date
Housing Payment History	0x30x12
Credit History	Foreclosure, Short Sale, Deed in Lieu, Any BK, Modification: >= 36 Months
Credit Report Security Freeze	If the credit report shows a security freeze and the borrower unfreezes credit after the date of the original credit report, a new report is required to reflect current and updated information
Collections & Charge Offs	Collection and charged-off accounts that do not impact title do not need to be paid off if: Individual accounts less than \$500 and cumulative balance \$2,500 or less AND/OR Medical collections up to \$10,000 cumulative AND/OR Collections and charge-offs that have passed the individual state statute of limitations
Required Credit History	Option #1 - Three (3) for 12 - Three (3) open and active tradelines with a 12-month history OR Option #2 - Two (2) for 24 - Two (2) tradelines open 24 months both showing activity in the most recent 12 months Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline Student loans can be counted in credit depth as long as they are in repayment and not being deferred

Income	
Income	<p>Use the lower of Estimated market rent from 1007 or lease agreement</p> <p>Two (2) months proof of receipt of existing lease amount required</p> <p>All refinance transactions require the property to be leased. Vacant property not eligible.</p> <p>Short term rental income permitted with use of a 12-month look back period to determine average monthly rents. Annual or monthly statements from Airbnb or similar service required. 5% LTV reduction required when using short term rental income to qualify.</p>
Assets	
Gift Funds	NOT ALLOWED
Reserves	<p>All reserve requirements are based on subject property PITI</p> <p>Loan amounts <= \$1,000,000 require six (6) months PITI</p> <p>Loan amounts > \$1,000,000 <= \$1,500,000 require nine (9) months PITI</p> <p>Loan amounts > \$1,500,000 <= \$2,000,000 require twelve (12) months PITI</p> <p>Loan amounts > \$2,000,000 require fifteen (15) months PITI</p> <p>Each additional financed 1-4 family residential property requires two (2) months PITI</p> <p>Twenty-four (24) months PITI max reserve requirement</p>
Funds to Close / Assets	<p>Account Statements should cover most recent 60-day period</p> <p>VOD should be dated within 30 days of loan application date</p> <p>Stocks/Bond/Mutual Funds - 100% of stock accounts can be considered</p> <p>Vested Retirement Account funds - 60% may be considered</p> <p>Non-vested or restricted stock accounts are not eligible</p>

Property / Appraisal Information	
Acreage	No more than ten (10) acres
Rural Properties	NOT ALLOWED Considered Rural when: Non paved service road, all comps are > 5 miles away from subject property, subject property designated rural by appraiser
Recently Listed Properties	Properties listed at the time of application are not eligible Properties listed in the past six (6) months prior to the application date are not eligible for cash-out transactions Properties listed in the period between three (3) and six (6) months from app date may be eligible for rate & term refinances
Warrantable Condos	Established projects ONLY Detached units and small projects (2-4 condos) follow FNMA guidance (No HOA review required)
Ineligible Properties	Condotels & resort style condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches
Appraisal Requirements	Loan amounts up to and including \$1,500,000 require one (1) appraisal and CDA Up to 10% tolerance on the CDA is allowed If the CDA value is more than 10% below the appraisal value, the lower of the two (2) values must be used If the tolerance exceeds 10% then a field review may be provided to support the appraised value If the field review is within 10% of the original appraised value, then the original appraised value may be used If the variance between the original appraised value and the field review is greater than 10%, a second full appraisal is required and the lesser of the two (2) will be used Loan amounts > \$1,500,000 require two (2) appraisals (No CDA required)
Appraisal Age	Appraisal must be dated within 120 days of the note date
Transferred Appraisals	Allowed When two (2) appraisals are required, only one (1) appraisal can be transferred
Declining Property Value	Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as noted on the appraisal