

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

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Available Products	Product	Qualifying Rate	Term	I.O. Term
	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	Allowed on Non-Owner occupied properties only. Prepayment penalty is equal to 6 months interest on 80% of unpaid principal balance.			
Interest Only	Allowed up to 70% LTV - Min Credit Score 680			
Secondary Financing	Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae Junior financing used for purchase or seasoned for 12 months can be paid off and transaction considered rate & term			
PACE / HERO Loans	Follow FNMA Any energy efficiency-based liens, like PACE or HERO are treated like secondary financing, when paid off through loan proceeds transaction is treated like a rate & term.			
Property Type	Single Family (attached and detached) PUD Warrantable Condo - Max 75% LTV/CLTV, Follow FNMA Requirements Non-Warrantable Condo - Considered on a case by case basis, 70% LTV Max 2 - 4 Units - Max 75% LTV/CLTV			
Cash-Out	<p>>= 70% CLTV up to \$250,000</p> <p>> 60% CLTV < 70% CLTV up to \$500,000</p> <p><= 60% CLTV up to \$1,000,000</p>			
LTV Determination	Rate & Term - use current appraised value Cash-Out owned >= 12 months - use current appraised value Cash-Out owned < 12 months - use lesser of acquisition cost or appraised value			
Delayed Financing	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. Cash-out equity withdrawal not restricted to guideline maximums. Follow Fannie Mae requirements			

Borrower Requirements	
Eligible Borrowers	<p>US Citizens</p> <p>Permanent Resident Alien</p> <p>Non-Permanent Resident Alien - Max LTV / CLTV 70%</p>
Non-Permanent Resident	<p>Acceptable visa types are as follows: E Series (E-1, E-2, E-3), G Series (G-1, G-2, G-3, G-4, G-5), H Series (H-1B, H-1C, H-2, H-4), L Series (L-1B, L-2), NATO Series (NATO 1=6), O Series (O-1), TN-1 Canadian NAFTA Visa, TN-2 Mexican NAFTA Visa</p> <p>Additional Requirements: Must have a valid Social Security Number, Max LTV/CLTV 70%.</p> <p>Must have a two (2) year credit history in US and must meet minimum credit requirements (two (2) year history will be based on note date)</p>
First Time Investor	<p>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)</p> <p>First Time Investors must have owned a property for twelve (12) months any time during the past thirty-six (36) months</p> <p>Min FICO 680/MAX LTV 75%/NO CASH OUT/NO MORTGAGE LATES IN THE LAST 36 MONTHS</p>
Multiple Properties Owned	<p>The maximum number of residential 1-4 unit properties owned (financed or free and clear) is ten (10)</p> <p>Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB</p>
Non-Arm's Length	<p>The following NAL's are eligible with proper documentation:</p> <p>Sale or transfers between members of the same family (transaction may not be due to any adverse circumstances)</p> <p>Property seller acting as his or her own real estate agent</p> <p>Borrower purchasing from his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history)</p> <p>Investment property loans must be arms length</p>
Investor Experience	<p>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).</p> <p>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.</p> <ul style="list-style-type: none"> - 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	1x30x12 Only the subject property and the borrower's primary residence are reviewed for payment history, all other REO financing is not reviewed and documenting the payment history is not a requirement.
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	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 Option #1 - Three (3) for 12 - At least three (3) tradelines reporting for a minimum of 12 months, with all three (3) having activity in the last 12 months, accounts can be open or closed OR Option #2 - Two (2) for 24 - At least two (2) tradelines reporting for a minimum of 24 months, with both having activity in the last 12 months, accounts can be open or closed OR Option #3 - Eight (8) for 8 - Minimum eight (8) tradelines reporting, one must be a mortgage (rental history also acceptable) - Minimum one open tradeline reporting for 12-months - Minimum 8 year established history

Rental Income	
Income	<p>Use the lower of Estimated market rent from 1007 or lease agreement If lease amount is higher then market rents it may be used with two (2) months proof of rent received. On all refinance transactions, vacant property is eligible with a 5% LTV reduction. 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 6 months PITI required 2-4 Units & Loan Amounts > \$1,000,000 require twelve (12) months PITI Each additional financed 1-4 family residential property requires six (6) months PITI Maximum reserve requirement not to exceed twelve (12) months PITI</p>
Funds to Close / Assets	<p>Account Statements should cover most recent 60-day period VOD should be dated within 30 days of loan application date Stocks/Bond/Mutual Funds - 100% of stock accounts can be considered Vested Retirement Account funds - 60% may be considered Non-vested or restricted stock accounts are not eligible</p>

Property / Appraisal Information	
Acreage	No more than two (2) 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) HOA Review Type; follow FNMA requirements
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 Loan amounts > \$1,500,000 require two (2) appraisals (No CDA required) Leaseholds are acceptable in areas where commonly accepted and documented via the appraisal with sufficient comps
Appraisal Review	An appraisal review product is required on every loan unless a second appraisal is obtained, one of the three options below is acceptable: - CDA from Clear Capital OR - Collateral Underwriter (CU Score) less than 2.5 OR - A field review or a second appraisal is also acceptable – These must be from a different company and appraiser than the first appraisal If the CDA reflects a value of more than 10% below the appraised value, a field review or a second appraisal is required
Appraisal Age	Appraisal must be dated within 120 days of the note date Re-certs of value are not allowed
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