



Loan Submission Checklist

Sequoia

DSCR

Borrower Name _____ Loan Number _____

Is there anything we need to know about the loan?

[Sequoia DSCR Product Matrix](#)

Required for initial credit file

- Credit Report
- Initial signed 1003 by MLO, including HMDA Demographic addendum
 - No income on 1003
 - Employment section must be complete including a valid phone number
- Include liabilities on application
- Valid ID for all borrowers
- [Borrower Contact Consent Form](#)
- [Business Purpose & Occupancy Affidavit Form](#)
- [Occupancy Certification Form](#)
- Hazard Insurance Dec Page, Property Tax Bill, Mortgage Statement, and HOA statement if applicable for subject property
- Demand for subject property mortgage payoff
- Preliminary Title Report/Title Commitment on refinance (on purchase, ok to follow) – Not required at time of submission in FL, NJ, and PA
- Signed purchase contract with all addendums and counteroffer
- [Purchase Contact Sheet](#)
- Cash out transaction requires an acknowledgement that the loan is a business purpose loan. Cash out may not be for personal use.

ASSETS

- 2 months Personal or Business Bank statements to support reserve requirements/funds to close, as applicable. Any large deposits must be sourced

INCOME

- Purchase transaction - income form 1007 may be used without the lease agreement
- Refinance transaction requires property to be leased
 - Use lower of 1007 or form 1025 for multi-family or lease agreement
 - If lease amount is higher than market rents it may be used with two months proof of rents received
- Short term rental income permitted using 12- month look back period to determine average monthly rents received.
- Annual or monthly statements from Airbnb or similar required. 5% LTV reduction required when using short term income

REO

- VOM's for all disclosed financed properties not reporting on credit report

*****NOTES*****

Appraisal may be ordered upon registration, intent to proceed is not required prior to ordering

DSCR CALCULATION

Monthly Gross Income / PITI of the subject property = DSCR Ratio

EXAMPLE: DEBT SERVICE COVERAGE RATIO

Single Family Purchase

Monthly PITIA = \$650

Estimated Monthly Market Rent (Fannie Mae Form 1007) = \$850

Existing Lease Monthly Rent = Not Available

Use Market Rent of \$850. (Estimated Monthly Market Rent when a lease is not available for a purchase transaction).

Gross Rents (\$850.) / PITIA (\$650) = DSCR (1.30)

THE FOLLOWING BROKER UPFRONT DISCLOSURES ARE REQUIRED

- Anti-Steering Disclosure (required on LPC transactions only - available at [Resource Center](#))
- CALIFORNIA ONLY – Comparison of Sample Mortgage Features (required on interest only loans)
- COLORADO ONLY - Net Tangible Benefit Disclosure – also signed by broker
- FLORIDA ONLY - Conflict of Interest Disclosure (required if broker has a conflict of interest as defined in FL Stat. 494.0023)
- GEORGIA ONLY – Temporary Authority to Operate Disclosure (required if LO has applied for, but not yet received, license)
- ILLINOIS ONLY – Borrower Information Document
- ILLINOIS ONLY – Description of Required Documentation
- ILLINOIS ONLY – Loan Brokerage Agreement and Disclosure Statement
- MARYLAND ONLY – Broker Finder’s Fee Agreement Disclosure
- NEW JERSEY ONLY – Mortgage Broker Service Agreement Disclosure
- NEW JERSEY ONLY – Mortgage Fee Itemization Disclosure
- NEW JERSEY ONLY – Application Disclosure
- NORTH CAROLINA – Mortgage Broker Application Disclosure
- OHIO ONLY – Acknowledgment of Receipt of Home Mortgage Loan Information
- OHIO ONLY – Business Relationship Disclosure Notice (if applicable)
- SOUTH CAROLINA ONLY – Mortgage Broker Fee Agreement Disclosure
- TEXAS ONLY – Texas Mortgage Company Disclosure
- TEXAS ONLY – Disclosure of Multiple Roles in a Real Estate Transaction (required if Broker is acting as both the Real Estate Agent and Mortgage Broker)
- Electronic signatures require E-signature certification form