

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	80%	75%	70%
	600	75%	70%	65%
≤ \$1,500,000	700	80%	75%	70%
	660	75%	75%	70%
	600	65%	65%	N/A
≤ \$2,000,000	700	75%	75%	65%
	660	70%	70%	65%
	600	65%	65%	N/A
≤ \$3,000,000	700	70%	70%	60%
	660	65%	65%	N/A
	600	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%
	640	70%	65%	60%
≤ \$1,500,000	700	75%	70%	65%
	660	70%	70%	65%
≤ \$2,000,000	700	70%	70%	65%
	660	70%	70%	60%
≤ \$3,000,000	700	70%	65%	60%
	660	65%	65%	N/A

Sequoia DSCR					
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	Standard DSCR with a PPP - Prepayment penalty is equal to 6 months interest on 80% of unpaid principal balance. 5% PPP Program - Prepayment penalty charge is 5.000% of the amount prepaid. PPP Not Allowed in the following states: - DC, Illinois, Michigan, Minnesota, Ohio PPP Allowed in the following states w/ restrictions: - New Jersey: Allowed only if closing in LLC or Corp.				
Minimum Loan Amount	\$100,000				
Interest Only	Allowed up to 80% LTV - Min Credit Score 660				
Secondary Financing	Allowed - See LTV/CLTV grid Junior financing must meet the requirements as defined by Fannie Mae Junior financing used for purchase or fixed 2nd's seasoned for 12 months can be paid off for transaction to be considered rate & term. If junior financing is a HELOC, total draws within previous 12-months cannot exceed the lesser of 2% or \$5,000 to be considered rate & term.				
PACE / HERO Loans	Follow FNMA Any energy efficiency-based liens, like PACE or HERO, when paid off through loan proceeds, the transaction is treated like a rate & term. Cannot be subordinated.				
Property Type	Single Family (attached and detached) PUD Warrantable Condo - Follow FNMA Requirements Non-Warrantable Condo - Considered on a case by case base via exception 2 - 4 Units				
Cash-Out	>= 65% LTV up to \$500,000 allowed < 65% LTV up to \$1,000,000 allowed <= 50% LTV unlimited cash-out allowed				

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	US Citizens Permanent Resident Alien Non-Permanent Resident Alien
Non-Permanent Resident	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 Additional Requirements: Must have a valid Social Security Number, Max LTV/CLTV 70%. 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)
Entity Vesting Requirements	Entity vesting is allowed, the following are required: - All entity members must also be borrowers - 4 borrower MAX - U.S. domiciled entities only - Purpose of entity must be for real estate acquisition Documentation verifying the following must be provided: - Verify entity membership - Provide state or federal licensing entity ID number - Show the entity is in good standing
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
Multiple Loans - Same Borrower	Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB
Multiple Properties Owned	No Limit
Non-Arm's Length	Non ARM's Length - Not Allowed

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	Appraisal and title valid for 120-days from note date Credit and Assets valid for 90-days from note date
Housing Payment History	Document the pay history covering the most recent 12 months for the subject property and the borrower's primary residence. The payment history for any other REO is not required or evaluated if provided. - Max 1X30X12 on mortgage/rental debt for primary residence and subject property allowed. - Max 0X60X12 for mortgage/rental history. Max 70% LTV for purchase / Rate & Term, Max 65% LTV for Cash-Out
Credit History	Foreclosure, Short Sale, Deed in Lieu, Any BK, Modification: >= 36 Months >= 24 Months - Max 75% LTV for purchase / Rate & Term, Max 70% LTV for Cash-Out. - Max 1X60X12 on consumer debt allowed. - Review of inquiries is not required.
Forbearance	Forbearance allows for borrower experiencing financial hardship to pause making mortgage payments. A recent forbearance, due to COVID-19, may be eligible based upon the following: 1. Borrowers who entered into forbearance but continued to make timely payments and remained employed without income disruption, are eligible without any other requirements. 2. Borrowers who participated in forbearance and missed payments need to have made 3 monthly payments since exiting the plan either by making up all missed payments or by entering the lender's modification plan. Evidence the borrower has exited forbearance or entered the modification plan is required. If these conditions are met, there are no other restrictions.
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	Need not be paid or addressed unless the collection / charge-off impacts title

<p>Required Credit History</p>	<p>Borrowers with three (3) credit scores meet the minimum trade requirement. Borrowers with only two (2) credit scores must meet one of the following options below:</p> <p>Option #1 - 3 of 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 Option #2 - 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 Option #3 - 8 for 8: No fewer than eight (8) tradelines are reporting, one (1) of which must be a mortgage or a rental history. - At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months. - The borrower has an established credit history for at least eight (8) years.</p> <p>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</p>
<p>Rental Income</p>	
<p>Rental Income - Refi</p>	<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. - 1007 required on all transactions - DSCR calculated on all transactions</p>
<p>Rental Income - Purchase</p>	<p>Use the lower of Estimated market rent from 1007 or lease agreement, if renter is being transferred to new owner. 1007 rents can be used if property is vacant. - 1007 required on all transactions - DSCR calculated on all transactions Short term rental income not permitted on purchase transactions</p>

Assets	
Gift Funds	Allowed with a minimum of a 10% borrower contribution
Crypto Currency	Crypto currency that has been converted to USD is an acceptable source of funds provided the crypto can be acceptably documented. Recently this asset type has gained more widespread popularity and documentation has improved. The documentation must show the acquisition date of the asset and it must show a sufficient history to meet 60-day seasoning requirements. Not all crypto currencies or crypto brokerages will provide for adequate documentation. An abundance of care must be used in reviewing statements provided.
Reserves	All reserve requirements are based on subject property PITI. If transaction fits 2 categories listed below, only the larger requirement applies. 2 months PITI required for DSCR >= 1.00 4 months PITI required for DSCR < 1.00 6 months PITI required for loan amount > \$1.5mm 12 months PITI required for loan amount > \$2.5mm Cash-Out proceeds may be used to meet reserve requirement.
Source of Reserves	Funds in non-cash holdings, like stocks, bonds & mutual funds must be discounted to 70% Life insurance surrender value 529 accounts Business funds Company sponsored retirement accounts i.e.: 401k Cash-Out proceeds may be used to satisfy reserve requirement
Retirement Accounts Used for Reserves	Discount non-cash holdings to 70% Employer sponsored savings plans (like a 401k) require TOW from employer which allow for hardship withdrawal
Business Funds	Document borrower's ownership position in the business If ownership position is < 100%, provide letter of approval to use the funds from the other owner(s) Large deposits need not be evaluated
IPC (Interested Party Contributions)	3% for all LTV's
Property / Appraisal Information	
Acreage	No more than two (2) acres
Rural Properties	NOT ALLOWED Considered Rural when 2 of the 3 listed below are present or the appraiser has designated the property as rural: - Non paved service road - 2 or more comps are > 5 miles away from the subject property - Subject surrounding area is less than 25% built up

Recently Listed Properties	<p>Properties listed at the time of application are not eligible</p> <p>Properties listed in the past six (6) months prior to the application date are not eligible for cash-out transactions</p> <p>Properties listed in the period between three (3) and six (6) months from app date may be eligible for rate & term refinances</p>
Condos	<p>Established projects ONLY</p> <p>Detached units and small projects (2-4 condos) follow FNMA guidance (No HOA review required)</p> <p>HOA Review Type; follow FNMA requirements</p>
Ineligible Properties	<p>Condotels & resort style condos</p> <p>Unique style homes: earth, dome, etc.</p> <p>Property condition of C5 or C6</p> <p>Working farms or ranches</p>
Appraisal Requirements	<p>A second appraisal is required when any of the following exist:</p> <ul style="list-style-type: none"> - The loan amount is greater than \$1,500,000 and LTV is greater than 75% - The loan amount is greater than \$2,000,000 - The transaction is a flip (see Property Flipping section) <p>When a second appraisal is required, the value is based on the lower of the two (2) values. The second appraisal must be from a different company and appraiser than the first appraisal.</p>
Appraisal Review	<p>An appraisal review product is required on every loan unless a second appraisal is obtained, one of the three options below is acceptable:</p> <ul style="list-style-type: none"> - 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 <p>If the CDA reflects a value of more than 10% below the appraised value, a field review or a second appraisal is required</p>
Appraisal Age	<p>Appraisal must be dated within 120 days of the note date</p> <p>Re-certs of value are not allowed</p>
Transferred Appraisals	<p>Allowed</p> <p>When two (2) appraisals are required, only one (1) appraisal can be transferred</p>
Declining Property Value	<p>Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as noted on the appraisal</p>