



Sequoia DSCR				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	>= 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,000,000	700	85%	80%	80%
	660	80%	80%	70%
	600	75%	75%	65%
≤ \$1,500,000	700	85%	80%	75%
	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%	75%	70%
	660	75%	75%	65%
	640	70%	70%	60%
≤ \$1,500,000	700	75%	75%	65%
	660	70%	70%	65%
≤ \$2,000,000	700	70%	70%	65%
	660	70%	70%	60%
≤ \$3,000,000	700	70%	70%	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	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. - North Carolina: Prepay terms > 3 years Not Allowed			
Minimum Loan Amount	\$100,000			
Interest Only	Allowed at all LTV's - 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 >= 6 months - use current appraised value Cash-Out owned < 6 months - use lesser of acquisition cost or appraised value 6 months based on acquisition date to new loan note date
Delayed Financing	Properties purchased with cash within the past six (6) months (measured from the purchase date of the property to the note 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	Visa types allowed E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, L-2, NATO, O-1, R-1, TN NAFTA Any residency status that meets FNMA guidelines is allowed provided the requirements listed below are met: - Must have a minimum of two (2) years residency history in the U.S. - Must have a two (2) year U.S. credit history and must meet program credit profile, the two (2) year history is measured from 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	<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>Novice Investor: Novice 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 Cash-out - No mortgage late payments, >= 36 months from any credit event <p>First Time Property Owner: A borrower who has not owned real estate property of any kind in the past 36 months.</p> <ul style="list-style-type: none"> - Available via exception only - 70% LTV Max - DSCR > 1.0 only - Borrower must demonstrate long term lease or confirm lives in home owned by spouse <p>The timelines for all 3 Experience Level categories listed above are counted backwards from our note date</p>
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. <ul style="list-style-type: none"> - Max 1X30X12 on mortgage/rental debt for primary residence and subject property allowed. - Max 0X60X12 for mortgage/rental history available via exception only. <ul style="list-style-type: none"> - Max 70% LTV for purchase / Rate & Term - Max 65% LTV for Cash-Out



Credit History	<p>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.</p>
Forbearance	<p>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:</p> <ol style="list-style-type: none"> 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 have two options: <ol style="list-style-type: none"> a) Pay loan current by making all missed payments from borrower verified funds. b) Make three monthly payments in lender modification plan after exiting forbearance. Third payment must be made prior to note date. Evidence the borrower has exited forbearance or entered the modification plan is required.
Collections & Charge Offs	<p>Need not be paid or addressed unless the collection / charge-off impacts title. May not be paid with loan proceeds.</p>
Required Credit History	<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>

Rental Income	
Rental Income - Refi	<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. 1007 is required and DSCR is calculated, but not used for pricing purposes. Only DSCR < 1.00 program is eligible. Expired leases, or leases >1 year on m.t.m. need evidence of receipt of rents for 2-months 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.</p> <ul style="list-style-type: none"> - 1007 required on all transactions - DSCR calculated on all transactions
Rental Income - Purchase	<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.</p> <ul style="list-style-type: none"> - 1007 required on all transactions - DSCR calculated on all transactions <p>Short term rental income not permitted on purchase transactions to establish DSCR ratio (1007 must reflect long term market rents for DSCR ratio)</p>
Accessory Dwelling Unit (ADU) Rents	<p>ADUs are becoming increasing popular in many locations across the US as housing gets more scarce and more expensive. Using rents from an ADU are acceptable with the following requirements:</p> <ul style="list-style-type: none"> - Appraisal shows the ADU to be legal - Appraiser to provide comparables with ADUs <p>Refinance</p> <ul style="list-style-type: none"> - Appraiser to address ADU rents on a 1007 - Document a 12-month history of the ADU being rented on a refinance



Assets	
Gift Funds	Allowed with a minimum of a 10% borrower contribution (includes gifts of equity)
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 Funds up to the percentage of the borrower's ownership position may be used with no restriction If funds required exceed the borrower's ownership position, the balance of funds may be used with the permission of the other owner(s) Large deposits into a business account do not need to be addressed
IPC (Interested Party Contributions)	3% for all LTV's



Property / Appraisal Information	
Acreage	No more than two (2) acres
Rural Properties	<p>ALLOWED on SFR, purchase, rate & term only, 70% LTV max All others NOT ALLOWED Considered Rural when 2 of the 3 listed below are present or the appraiser has designated the property as rural:</p> <ul style="list-style-type: none"> - Located on a gravel 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 Properties listed in the past six (6) months prior to the application date are not eligible for cash-out transactions</p>
Condos	<p>Established projects ONLY HOA Review Type; follow FNMA requirements Detached and 2-4 units no review required</p>
Ineligible Properties	<p>Condotels & resort style condos, mixed use, co-ops Unique style homes: earth, dome, etc. Property condition of C5 or C6 Agricultural use such as working farms or ranches or orchards</p>



<p>Appraisal Requirements</p>	<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>
<p>Appraisal Review</p>	<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>
<p>Appraisal Age</p>	<p>Appraisal must be dated within 120 days of the note date Re-certs of value are not allowed</p>
<p>Transferred Appraisals</p>	<p>Allowed When two (2) appraisals are required, only one (1) appraisal can be transferred. Two transferred appraisals via exception only</p>
<p>Declining Property Value</p>	<p>Reduce maximum LTV/CLTV by 5% for any property located in an area of declining property values as noted on the appraisal</p>