



Sequoia DSCR				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	>= 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,000,000	700	80%	80%	75%
	660	80%	80%	70%
	620	75%	75%	65%
≤ \$1,500,000	700	80%	80%	75%
	660	75%	75%	70%
	620	65%	65%	N/A
≤ \$2,000,000	700	75%	75%	65%
	660	70%	70%	65%
	620	65%	65%	N/A
≤ \$3,000,000	700	70%	70%	60%
	660	65%	65%	N/A
	620	60%	60%	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
	40 Year Fixed I.O.	Note Rate	480	120



Prepayment Penalty	<p>Standard DSCR with a PPP - Prepayment penalty is equal to 6 months interest on 80% of unpaid principal balance.</p> <p>5% PPP Program - Prepayment penalty charge is 5.000% of the amount prepaid.</p> <p>PPP Not Allowed in the following states:</p> <ul style="list-style-type: none"> <li>- DC, Illinois, Michigan, Minnesota, Ohio</li> </ul> <p>PPP Allowed in the following states w/ restrictions:</p> <ul style="list-style-type: none"> <li>- Iowa: Allowed on 3-4 units only</li> <li>- New Jersey: Allowed only if closing in LLC or Corp.</li> <li>- North Carolina: Prepay terms &gt; 3 years Not Allowed</li> </ul>
Minimum Loan Amount	\$100,000
Interest Only	Allowed at all LTV's - Min Credit Score 660
Secondary Financing	<p>Allowed - See LTV/CLTV grid</p> <p>Junior financing must meet the requirements as defined by Fannie Mae</p> <p>Junior financing used for purchase or fixed 2nd's seasoned for 12 months can be paid off for transaction to be considered rate &amp; 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 &amp; term.</p>
PACE / HERO Loans	<p>Follow FNMA</p> <p>Any energy efficiency-based liens, like PACE or HERO, when paid off through loan proceeds, the transaction is treated like a rate &amp; term.</p> <p>Cannot be subordinated.</p>
Property Type	<p>Single Family (attached and detached)</p> <p>PUD</p> <p>Warrantable Condo - Follow FNMA Requirements</p> <p>Non-Warrantable Condo - Considered on a case by case base via exception (exception pricing will apply)</p> <p>2 - 4 Units</p>
Cash-Out	<p>&gt;= 65% LTV up to \$500,000 allowed</p> <p>&lt; 65% LTV up to \$1,000,000 allowed</p> <p>&lt;= 50% LTV unlimited cash-out allowed</p> <p>Cash out limitations do not apply on delayed financing transactions</p>
LTV Determination	<p>Rate &amp; Term - use current appraised value</p> <p>Cash-Out owned &gt;= 6 months - use current appraised value</p> <p>Cash-Out owned (delayed financing) &lt; 6 months - use lesser of acquisition cost or appraised value (see delayed financing)</p>
Delayed Financing	<p>Properties purchased with cash, or debt not secured to the subject property, 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.</p> <p>Follow Fannie Mae requirements</p>



Borrower Requirements	
Eligible Borrowers	<p>US Citizens            Permanent Resident Alien            Non-Permanent Resident Alien</p>
Non-Permanent Resident	<p>Borrower with the following visa types are eligible with no restrictions: 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>Any residency status that meets FNMA guidelines is allowed provided the requirements listed below are met:</p> <ul style="list-style-type: none"> <li>- Must have a minimum of two (2) years residency history in the U.S.</li> <li>- <b>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.</b></li> </ul>
Entity Vesting Requirements	<p>Entity vesting is allowed, the following are required:</p> <ul style="list-style-type: none"> <li>- All entity members must also be borrowers</li> <li>- 4 borrower MAX - U.S. domiciled entities only</li> <li>- Purpose of entity must be for real estate acquisition</li> </ul> <p>Documentation verifying the following must be provided:</p> <ul style="list-style-type: none"> <li>- Verify entity membership</li> <li>- Provide federal entity ID number (EIN)</li> <li>- Show the entity is in good standing</li> </ul>
Investor Experience	<p><b>Experienced Investor:</b> 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> <ul style="list-style-type: none"> <li>- no restrictions</li> </ul> <p><b>Novice Investor:</b> 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"> <li>- reduce max allowed LTV by 5%</li> </ul> <p><b>First time Property Owner:</b> A borrower who has not owned real estate property of any kind in the past 36-months. The following requirements must be met:</p> <ul style="list-style-type: none"> <li>- Purchase not allowed</li> <li>- Rate &amp; Term and Cash Out refinance allowed</li> <li>- Borrower must demonstrate long term lease or confirm lives in home owned by spouse</li> </ul> <p>The timelines for all 3 Experience Level categories listed above is counted backwards from our note date.</p>
Multiple Loans - Same Borrower	<p>Max exposure to Newfi for any one (1) borrower is 5 loans or \$5,000,000 UPB</p>



Multiple Properties Owned	No Limit
Non-Arm's Length	Non ARM's Length - Allowed case-by-case, max LTV 70%.
<b>Credit</b>	
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 Appraisal recerts allowed, valid for 120-days 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 available via exception only. Exception pricing will be apply - 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: no restrictions >= 24 Months allowed via exception only. Reduce max allowed LTV by 10%. Exception pricing will apply  Review of inquiries is not required
Forbearance	Forbearance allows for borrower experiencing financial hardship to pause making mortgage payments. A modification related to COVID-19 forbearance plan not considered a housing event. 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 have two options: 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.
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
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 - <b>3 of 12</b>: 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 - <b>2 for 24</b>: 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 - <b>8 for 8</b>: 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>
<b>Rental Income</b>	
Rental Income - Purchase	<ul style="list-style-type: none"> <li>- Use the lower of estimated market rent from the 1007 or the lease agreement (if applicable)</li> <li>- On the purchase of a vacant or seller occupied property, the rents from a 1007 can be used</li> </ul> <p>Use of short terms rents (STR) may be used in situations where the borrower can demonstrate a successful history of STR activity with other REO, or the subject is in an area where STR is predominate. Max LTV is 75%.</p> <p>A 1007 is required on all transactions          DSCR is calculated on all transactions</p>
Rental Income - Refi	<ul style="list-style-type: none"> <li>- Use the lower of Estimated market rent from 1007 or lease agreement</li> <li>- If lease amount is higher then market rents it may be used with two (2) months proof of rent received.</li> <li>- If current lease is expired, it may be used provided the appraisal clearly shows the subject to be occupied and 1007 exceeds current rent</li> <li>- Property acquired or placed in service, in the two months prior to application date, which are vacant due to borrowers updating the property, can use the 1007 rents.</li> <li>- Short term rental income permitted with use of a 12-month look back to determine average monthly rents. Annual or monthly statements from Airbnb or similar service required. If the subject has less than twelve month history the rent may be used for DSCR purposes but must be divided the full twelve months.</li> </ul> <p>1007 required on all transactions          DSCR calculated on all transactions</p>

<p>Accessory Dwelling Unit (ADU) Rents</p>	<p>ADUs are becoming increasingly 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"> <li>- Appraisal shows the ADU to be legal</li> <li>- Appraiser to provide comparables with ADUs</li> </ul> <p><b>Refinance</b></p> <ul style="list-style-type: none"> <li>- Appraiser to address ADU rents on a 1007</li> <li>- Document a 12-month history of the ADU being rented on a refinance</li> </ul> <p><b>Purchase</b></p> <ul style="list-style-type: none"> <li>- Follow guidance above Rental Income Calculation section, however, STR not allowed</li> </ul>
<p><b>Assets</b></p>	
<p>Gift Funds</p>	<p>Allowed with a minimum of a 10% borrower contribution</p>
<p>Crypto Currency</p>	<p>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.</p>
<p>Assets</p>	<ul style="list-style-type: none"> <li>- Must be dated within 90 days of the note</li> <li>- Only large deposits from a borrower's business need be addressed. See section on business assets for further guidance.</li> <li>- Foreign assets may be used for down payment and closing costs with the following:             <ul style="list-style-type: none"> <li>- Assets must be verified in USD at current exchange rate <a href="http://www.xe.com">http://www.xe.com</a> AND</li> <li>- Two (2) months recent statements</li> </ul> </li> </ul> <p>Non vested or restricted stock accounts are not allowed</p> <p>Joint Accounts: Access letters from co-owners are not required provided our borrower is clearly an account owner</p>
<p>Reserves</p>	<p>All reserve requirements are based on subject property PITI.          If transaction fits 2 categories listed below, only the larger requirement applies.</p> <p>4 months PITI required</p> <p>6 months PITI required for loan amount &gt; \$1.5mm</p> <p>12 months PITI required for loan amount &gt; \$2.5mm</p> <p>Cash-Out proceeds may be used to meet reserve requirement.</p>



Source of Reserves	<p>IRA and other non-employer related savings plans</p> <p>Funds in non-cash holdings, stocks, bonds, mutual funds are not required to be discounted</p> <p>Life insurance surrender value</p> <p>529 accounts</p> <p>Business funds</p> <p>Cash-Out proceeds may be used to satisfy reserve requirement</p>
Ineligible Source of Reserves	<p>Reserves may not come from a 1031 exchange account</p> <p>Reserves may not come from gift funds</p> <p>Employer sponsored savings plans, like 401k</p>
Business Funds	<p>Document borrower's ownership position in the business</p> <p>Funds up to the percentage of the borrower's ownership position may be used with no restriction</p> <p>If funds required exceed the borrower's ownership position, the balance of funds may be used with the permission of the other owner(s)</p> <p>Large deposits into a business account do not need to be addressed</p>
IPC (Interested Party Contributions)	3% for all LTV's
<b>Property / Appraisal Information</b>	
Acreage	No more than three (3) acres
Rural Properties	<p>Not allowed</p> <p>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"> <li>- Non paved service road</li> <li>- 2 or more comps are &gt; 5 miles away from the subject property</li> <li>- Subject surrounding area is less than 25% built up</li> </ul>
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>
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>

<p>Non Warrantable Condos</p>	<p>The following may be considered via exception. Exception pricing will be applied:</p> <ul style="list-style-type: none"> <li>- Investor concentration up to 70%</li> <li>- Commercial space up to 50%</li> <li>- Single owner/entity concentration up to 25% (for projects of 10 units or less, max 2-units)</li> <li>- Annual budget allocation to reserves &lt; 10% allowed with the following:             <ul style="list-style-type: none"> <li>- Appraisal shows no major repairs required AND</li> <li>- A lower annual allocation permitted if the following reserve balance thresholds are met:                 <ul style="list-style-type: none"> <li>- 7% to 9.99% requires reserve fund balance of 50% of annual budget</li> <li>- 5% to 6.99% requires reserve fund balance of 75% of annual budget</li> <li>- 3% to 4.99% requires reserve fund balance of 100% of annual budget</li> </ul> </li> </ul> </li> </ul>
<p>Ineligible Properties</p>	<p>Condotels &amp; resort style condos            Unique style homes: earth, dome, etc.            Property condition of C5 or C6            Agricultural use such as working farms or ranches or orchards</p>
<p>Property Flips</p>	<p>A property is considered a flip if either of the following are true:</p> <ul style="list-style-type: none"> <li>- The purchase price exceeds the seller's acquisition cost by more than 10% if the property was acquired 90 or fewer days prior to the borrower's purchase contract date</li> <li>- The purchase price exceeds the seller's acquisition cost by more than 20% if the property was acquired 91 – 180 days prior to the borrower's purchase contract date</li> </ul> <p>If the property is a flip based on the guidance above, a second appraisal is required</p>
<p>Appraisal Requirements</p>	<p>A second appraisal is required when any of the following exist:</p> <ul style="list-style-type: none"> <li>- The loan amount is greater than \$2,000,000</li> <li>- The transaction is a flip (see Property Flipping section)</li> </ul> <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"> <li>- CDA from Clear Capital OR</li> <li>- Collateral Underwriter (CU Score) less than 2.5 OR</li> <li>- A field review or a second appraisal is also acceptable – These must be from a different company and appraiser than the first appraisal</li> </ul> <p>If the CDA reflects a value of 10% or less below the appraised value, the appraised value is accepted          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 allowed</p>
<p>Transferred Appraisals</p>	<p>Allowed          When two (2) appraisals are required, only one (1) appraisal can be transferred</p>
<p>Declining Property Value</p>	<p>Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as noted on the appraisal</p>