

Sequoia Foreign National - DSCR				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	>= 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out*
≤ \$1,000,000	680	75%	70%	65%
	Foreign Credit	75%	70%	60%
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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: - Iowa: Allowed on 3-4 units only - New Jersey: Allowed only if closing in LLC or Corp. - North Carolina: Prepay terms > 3 years Not Allowed			
Interest Only	Allowed - Max LTV 70%			
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 - Max 65% LTV/CLTV, Follow FNMA Requirements Non-Warrantable Condo - Considered on a case by case base via exception. Exception pricing will apply. 2 - 4 Units			

Cash-Out	> 50% LTV - \$300,000 <= 50% LTV - \$500,000 Cash-Out limited to 50% LTV for properties in Florida
LTV Determination	Rate & Term - use current appraised value Cash-Out owned >= 6 months - use current appraised value Cash-Out owned (delayed financing) < 6 months - use lesser of acquisition cost or appraised value (see delayed financing)
Delayed Financing	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. Follow Fannie Mae requirements
Borrower Requirements	
Eligible Borrowers	Foreign National residing outside U.S. Foreign National residing inside U.S. without otherwise acceptable permanent resident alien status
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 federal entity ID number (EIN) - Show the entity is in good standing
First Time Investor	NOT ALLOWED
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).
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 or Interested Party Transactions - Not Allowed

Credit	
Credit Score	680 Minimum - Minimum score requirements only apply to borrower's with U.S. Credit
Age of Credit Docs	Credit, title, and appraisal docs valid for 120 days from note date Asset docs valid for 90 days from note date
Housing Payment History	For borrower providing U.S. credit report, document the pay history covering the most recent 12 months for the subject property, if applicable, and the borrower's primary residence. The payment history for any other REO is not required or evaluated if provided. - Max 0x30x12 - Review of inquiries is not required For borrower's without a U.S. credit report. No housing payment history required.
Credit History	Foreclosure, Short Sale, Deed in Lieu, Any BK, Modification: >= 36 Months
Forbearance	A recent forbearance, due to COVID-19, may be eligible based upon the following: 1) Borrower who entered into a forbearance but continued to make timely payments and remained employed without income disruption, are eligible without any restrictions. 2) Borrowers who participated in forbearance and missed payments need to have made 3 payments since exiting the plan.
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 U.S. Credit	Borrowers with 3 credit scores meet the minimum tradeline requirement. Borrowers with 2 or fewer credit scores, must meet one of the tradeline requirements below. Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline 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

<p>Required Credit History Non U.S. Credit</p>	<p>Borrowers without acceptable U.S. credit need 2 trades with a 24 month history and active in the last 12 months Any of the options below can be combined to meet the 2 for 24</p> <ul style="list-style-type: none"> - 24 month housing history (mortgage or lease) - 2 X 12 months financial statements, like a credit card bill (2 X 12 satisfies one trade) - Credit Letter of Reference demonstrating a 12 month payment history (satisfies one trade) - US credit or foreign credit report (trades from the credit report can be combined with the other options above)
<p>Credit Letter of Reference (LOR)</p>	<p>Letter must be from an internationally known financial institution containing the below information:</p> <ul style="list-style-type: none"> - Borrower's name - Name, title, and contact info for person preparing the LOR - Document must be in English or translated - Clearly define the financial debt relationship - Provide a minimum of 12 months payment history - Multiple credit accounts count separately
<p>Rental Income</p>	
<p>Rental Income - Refi</p>	<ul style="list-style-type: none"> - 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. - If current lease is expired, it may be used provided the appraisal clearly shows the subject to be occupied and 1007 exceeds current rent - 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. - 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. <p>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.</p> <ul style="list-style-type: none"> - 1007 is required on all transactions - DSCR is calculated on all transactions <p>Short term rental income not permitted on purchase transactions</p>

Assets	
Gift Funds	Not Allowed
Reserves	All reserve requirements are based on subject property PITI. 6 months PITI required for DSCR >= 1.00 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 Funds in Foreign Accounts acceptable
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)
IPC (Interested Party Contributions)	3% for all LTV's
Property / Appraisal Information	
Acreage	No more than three (3) 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	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
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

<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"> - Investor concentration up to 70% - Commercial space up to 50% - Single owner/entity concentration up to 25% (for projects of 10 units or less, max 2-units) - Annual budget allocation to reserves < 10% allowed with the following: <ul style="list-style-type: none"> - Appraisal shows no major repairs required AND - A lower annual allocation permitted if the following reserve balance thresholds are met: <ul style="list-style-type: none"> - 7% to 9.99% requires reserve fund balance of 50% of annual budget - 5% to 6.99% requires reserve fund balance of 75% of annual budget - 3% to 4.99% requires reserve fund balance of 100% of annual budget
<p>Ineligible Properties</p>	<p>Condotels & resort style condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches</p>
<p>Appraisal Requirements</p>	<p>Loan amounts up to and including \$1,500,000 require one (1) appraisal and CDA Leaseholds are acceptable in areas where commonly accepted and documented via the appraisal with sufficient comps</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 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 not 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>