



Sequoia DSCR 5-8 Units				
LTV/CLTV MATRIX – Investment Property				
Loan Amount	Credit Score	≥ 1.00 DSCR		
		Purchase	Rate & Term	Cash-Out
≤ \$1,500,000	700	75%	70%	70%
	660	70%	65%	65%
≤ \$2,000,000	700	70%	65%	65%
	660	65%	60%	60%

Sequoia DSCR 5-8 Units				
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	5% PPP Program - Prepayment penalty charge is 5.000% of the amount prepaid PPP Not Allowed in the following States: - DC, Kansas, Michigan, Minnesota, New Mexico, North Carolina PPP Allowed in the following States w/ restrictions: - Illinois, New Jersey: Allowed only if closing in LLC - Pennsylvania: Allowed on loan amounts ≥ \$301,022
Exceptions	Not allowed. Exceptions to these guidelines will not be considered. This includes Credit Score, LTV, loan amounts, etc.
Minimum Loan Amount	\$400,000
Interest Only	Allowed at all LTV's
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
Escrows - Impound Accounts	Escrow accounts cannot be waived



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	Residential 5-8 units
Cash-Out	Max cash-out \$1,000,000
LTV Determination	Rate & Term: <ul style="list-style-type: none"> - owned >= 6 months - use current appraised value - owned < 6 months - use lesser of acquisition cost or appraised value Cash Out: <ul style="list-style-type: none"> - owned >= 12 months - use current appraised value - owned > 6 < 12 months - use lesser of acquisition cost or appraised value - owned <= 6 months - see delayed financing
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 and Permanent Resident Alien <ul style="list-style-type: none"> - No restrictions Non-Permanent Resident Alien <ul style="list-style-type: none"> - 70% Max LTV - Gift funds not allowed



Non-Permanent Resident	<p>Non-Permanent Resident Alien: Standard</p> <ul style="list-style-type: none">- 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- Visas must be current and have at least six (6) months remaining from the close date, if less than six (6) months provide evidence that extension has been requested- If the visa will expire within six (6) months of the loan application a letter from the employer stating the borrower's continued employment and continued visa renewal sponsorship. Employer on the loan application must be same on the unexpired visa <p>Non-Permanent Resident Alien: Non-standard</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">- Visas must be current and have at least six (6) months remaining from the close date, if less than six (6) months provide evidence that extension has been requested- If the visa will expire within six (6) months of the loan application a letter from the employer stating the borrower's continued employment and continued visa renewal sponsorship. Employer on the loan application must be same on the unexpired visa- Must have a min of two (2) years residency and employment history in the US and qualifying income is based on the two (2) years income, the two (2) year history is measured by note date- Must have a two (2) year US credit history and must meet program credit profile, the two (2) year history is measured from note date- The requirement for residency, Credit, employment may be reduced to one (1) year with AUS Approve/Ineligible (Ineligible for loan amount, DTI and/or reserves)
Entity Vesting Requirements	<p>Entity vesting is allowed for LLC only. Corporations and Partnerships not allowed.</p> <p>The following are required:</p> <ul style="list-style-type: none">- All entity members must also be borrowers- 4 borrower MAX - U.S. domiciled entities only- Purpose of entity must be for real estate acquisition <p>Documentation verifying the following must be provided:</p> <ul style="list-style-type: none">- Verify entity membership- Provide federal entity ID number (EIN)- Show the entity is in good standing



Investor Experience	<p>Experienced Investor: A borrower who has owned one (1) or more commercial or residential properties for at least twelve (12) months during the most recent thirty-six (36) month period</p> <p>First Time Investor: Not Allowed</p> <p>The timelines for Experience Level categories listed above is counted backwards from our note date</p>
Multiple Loans - Same Borrower	Max exposure to Newfi for any one (1) borrower is 10 loans or \$5,000,000 UPB
Multiple Properties Owned	No Limit
Credit	
Credit Score	<p>Refer to Matrices for eligibility</p> <p>When multiple borrowers apply, the lowest middle score is the qualifying credit score</p>
Age of Credit Docs	<p>Appraisal and title valid for 120-days from note date</p> <p>Credit and Assets valid for 90-days from note date</p> <p>Appraisal Re-Certs Allowed</p>
Housing Payment History	<p>Document the pay history covering the most recent 24 months for the subject property and the borrower's primary residence</p> <p>The payment history for any other REO is not required or evaluated if provided</p> <p>- Max 0X30X24 on mortgage/rental debt for primary residence and subject property allowed</p>
Credit History	<p>Foreclosure, Short Sale, Deed in Lieu, Any BK, Modification (COVID-19 related forbearance modification not considered housing event):</p> <p>>= 24 Months</p> <p>Review of inquiries is not required</p>
Forbearance	<p>Greater than 12 Months from Note Date:</p> <p>Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated greater than 12 months from the Note date of the subject transaction and having a 0x30x12 Housing History are allowed.</p> <p>Within 12 Months of Note Date:</p> <p>Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated within 12 months of the Note date of the subject transaction are not eligible</p>
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>For each borrower who has three credit scores, the minimum tradeline requirement is met. Borrowers without three credit scores must meet one of the two following options:</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</p> <p>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> <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	
DSCR	<p>Minimum DSCR ≥ 1.00 required Loans with I.O. feature may use the ITI payment to qualify 3rd Party Management Fees must be subtracted from gross income</p>
Rental Income	<ul style="list-style-type: none"> - Leased – Use lower of Estimated market rent or lease agreement - Short-Term Rental Income not eligible - Vacant Unit(s) – Use 75% of market rents. Max: 1 vacancy on 2-3 Unit properties: 2 vacancies on 4+ Units - Reduce qualifying rents by any management fee reflected on appraisal report
Vacant Units	<p>2 vacant units allowed, use 75% of 1007 rents > 2 vacancies not allowed</p>
Accessory Dwelling Unit (ADU) Rents	<p>Not allowed for value or income, however, may be acceptable if no health and safety issues and appraiser confirms market acceptance</p>
Assets	
Asset Documentation & Review of Large Deposits	<p>Minimum 1-month asset docs required Large deposits need only be addressed if they are clearly from borrowers business (see guidance on business funds below)</p>
Gift Funds	<p>Allowed with a minimum of a 10% borrower contribution Gift funds not allowed for non perm resident alien borrowers</p>
Crypto Currency	<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>



Reserves	<p>All reserve requirements are based on subject property PITI or ITI, whichever applies</p> <p>If transaction fits 2 categories listed below, only the larger requirement applies</p> <p>6 months PITI required</p> <p>9 months PITI required for loan amounts > \$1.5mm</p> <p>12 months PITI required for loan amounts > \$2.5mm</p> <p>Cash-Out proceeds CANNOT be used to meet reserve requirement</p>
Source of Reserves	<p>Funds in non-cash holdings, like stocks, bonds & mutual funds</p> <p>Life insurance surrender value</p> <p>529 accounts</p> <p>Business funds</p> <p>IRA</p> <p>Cash-Out proceeds CANNOT 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
Property / Appraisal Information	
Acreage	No more than two (2) 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"> - 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 unless minimum three year prepayment penalty is applied
Ineligible Property Characteristics	Property condition of C5 or C6 Properties with environmental concerns Health and Safety Issues - i.e. broken windows, broken stairs, missing railings, etc. Excessive deferred maintenance that could become a health and safety issue Structural deferred maintenance
Appraisal Requirements	One (1) appraisal required for all transactions
Appraisal Review	BPO (Broker Price Opinion) is required - If BPO value variance is < 10% the appraised value is accepted - If BPO variance is >= 10% then the BPO value is used
Appraisal Age	Appraisal must be dated within 120 days of the note date Re-certs of value are allowed
Transferred Appraisals	Allowed