



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%	75%	65%
	Foreign Credit	75%	75%	60%
≤ \$1,500,000	680	70%	70%	60%
	Foreign Credit	70%	70%	60%

Sequoia Foreign National - 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
	40 Year Fixed	Note Rate	480	N/A
	30 Year Fixed I.O.	Note Rate	360	120
	40 Year Fixed I.O.	Note Rate	480	120

Prepayment Penalty	<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"> - Alaska, DC, Illinois, Louisiana, Michigan, Minnesota, New Mexico, Ohio, Vermont <p>PPP Allowed in the following states w/ restrictions:</p> <ul style="list-style-type: none"> - 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 - Indiana: Allowed only if fixed rate
Automatic Payment Authorization (ACH)	Automatic Payment Authorization is an option borrowers may select. An executed Automatic Payment Authorization (ACH) Form is required and must be provided with signed closing docs. Funds must be from a U.S. Bank. The (ACH) enrollment form must include the bank routing number, account number, and account type. The borrower is eligible to receive a reduction in lender fee from \$1595 to \$750 for enrolling in ACH.
Minimum Loan Amount	<p>\$100,000</p> <p>\$159,500 for loans in Missouri</p>



Interest Only	Allowed at all LTV's. Minimum FICO 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. Exception pricing will apply. 2 - 4 Units
Cash-Out	> 50% LTV - \$300,000 <= 50% LTV - \$500,000
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, debt not secured to the subject property, or short term mortgage with a term of 24 months or less, 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.



Borrower Requirements	
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).
Eligible Borrowers	Only foreign nationals residing in the following countries are allowed: <ul style="list-style-type: none">- United Kingdom- Canada- Mexico- South Korea- Germany- Greenland- Japan- Australia- India- Finland- Guam- Puerto Rico
Ineligible Borrowers	<ul style="list-style-type: none">- First Time Investor- Any investor not meeting the Experienced Investor definition- Foreign nationals residing in the United States



<p>Entity Vesting Requirements</p>	<p>Entity vesting is allowed on non-owner occupied only, the following are required</p> <ul style="list-style-type: none"> - Entity type is LLC or Corporation - Borrower(s) must represent a minimum of 50% of the entity ownership - 4 borrower MAX - U.S. domiciled entities only - Purpose of entity must be for real estate acquisition - ACH required <p>Documentation verifying the following must be provided.</p> <p>For LLC:</p> <ul style="list-style-type: none"> - Verify entity membership with formation docs or other entity documentation - Provide federal licensing entity ID number (EIN) - Show the entity is in good standing <p>For Corporations:</p> <ul style="list-style-type: none"> - Filed Certificate/Articles of Incorporation and all amendments (or equivalent) - By-Laws and all amendments - Evidence of good standing <ul style="list-style-type: none"> - Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website) - EIN/Tax Identification Number - Borrowing Resolution/Corporate Resolution granting authority of signer to enter loan obligation - Receipt of current year franchise tax payment, clear search, or evidence the state does not require a franchise tax payment
<p>Multiple Loans - Same Borrower</p>	<p>Max exposure to Newfi Lending for a single borrower is five loans or \$5,000,000 UPB</p> <p>The max exposure rule is not automatic. The loans must not be secured to properties in the same micro-geographic area, for example, same block, subdivision, PUD project, or condo project. The files will also be screened for other risk attributes like cash out transaction, high LTV, STR income, negative credit profiles, and borrower liquidity.</p>
<p>Multiple Properties Owned</p>	<p>No Limit</p>
<p>Non-Arm's Length</p>	<p>Non ARM's Length or Interested Party Transactions - Not Allowed</p>



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



<p>Required Credit History U.S. Credit</p>	<p>Tradelines with recent serious adverse history are not acceptable Rental verification can be included as a tradeline</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>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



Rental Income	
Rental Income - Purchase	<p>Long Term Rents (LTR)</p> <ul style="list-style-type: none"> - Vacant property: use 1007 or 1025 - Existing tenant lease use: <ul style="list-style-type: none"> - Actual rent which is <= to 110% of the rent survey - Actual rent which is <= to 120% of the rent survey provided 2 months proof of receipt is documented - New lease to new or existing tenant use: <ul style="list-style-type: none"> - Actual rent which is <= to 110% of the rent survey - Actual rent which is <= to 120% of the rent survey provided 2 months proof of receipt is documented <p>Short Term Rents (STR) - NOT ELIGIBLE</p> <ul style="list-style-type: none"> - Properties used for STR are allowed provided they qualify using LTR from the 1007 <p>Transaction is ineligible if any tenant is a family member or other related individual to borrower A 1007 is required on all transactions DSCR is calculated on all transactions</p>
Rental Income - Refi	<p>Long Term Rents (LTR)</p> <ul style="list-style-type: none"> - Use the lower of estimated market rent from the 1007 or the lease agreement - If the lease is higher than the 1007 rents, it may be used with two (2) months proof of rent received - If the current lease has expired, it may be used provided the appraisal shows the property it clearly tenant occupied an the 1007 exceeds the current rent - A new lease within 120% of the 1007 can be used provided the first month rent and security deposit are paper trailed to the borrower's bank account or placed into escrow. New lease amount over 120% of 1007 rents may be used, via exception, provided support is provided <p>Short Term Rents (STR) - NOT ELIGIBLE</p> <ul style="list-style-type: none"> - Properties used for STR are allowed provided they qualify using LTR from the 1007 <p>Property acquired, or placed in service, in the two months prior to application date, which are vacant due to borrowers updating the property.</p> <ul style="list-style-type: none"> - Use the 1007 rents, property must be documented to be in ready to rent condition and listed for rent. <p>Transaction is ineligible if any tenant is a family member or other related individual to borrower A 1007 is required on all transactions DSCR is calculated on all transactions</p>



Accessory Dwelling Unit (ADU) Rents	<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"> - Appraisal shows the ADU to be legal - Appraiser to provide comparables with ADUs - Multi-family or multi-ADU acceptable provided total unit count is less than or equal to four <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 <p>Purchase</p> <ul style="list-style-type: none"> - Follow guidance above Rental Income Calculation section
Assets	
Gift Funds	Not Allowed
Reserves	<p>All reserve requirements are based on subject property PITI. 12 months PITI required Cash-Out proceeds may be used to meet reserve requirement.</p>
Source of Reserves	<p>Funds in non-cash holdings, like stocks, bonds & mutual funds must be discounted to 70%</p> <p>Life insurance surrender value</p> <p>529 accounts</p> <p>Business funds</p> <p>Company sponsored retirement accounts i.e.: 401k</p> <p>Cash-Out proceeds may be used to satisfy reserve requirement</p> <p>Funds in Foreign Accounts acceptable</p>
Retirement Accounts Used for Reserves	Not allowed
Business Funds	<p>May be used for down payment and reserves, with the following restrictions:</p> <ul style="list-style-type: none"> - Business funds may be used up to the borrower's percentage of ownership - If account co-owner is also an owner or purchaser of the subject property, then assets can be used to the combined percentage of ownership - 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 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"> - 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
Property Insurance	<p>We follow standard industry insurance requirements, with the following overlays allowed</p> <p>1-4 Unit Coverage Overlays</p> <ul style="list-style-type: none"> - Allow for greater than 5% deductible. Maximum of 10% - Allow for less than full replacement cost on roof coverage. One example is policies that provide for full replacement cost thru year 15, but thereafter revert to actual cash value <p>HOI Overlay Requirements:</p> <ul style="list-style-type: none"> - The transaction reserve floor is the lesser of \$30k or 12 months PITI - Files with credit exceptions are not eligible <p>Condo Master Coverage Overlays</p> <ul style="list-style-type: none"> - Allow for greater than 5% deductible. Maximum of 10% - Allow for less than full replacement cost on roof coverage. One example is policies that provide for full replacement cost thru year 15, but thereafter revert to actual cash value <p>Condo Master Overlay Requirements:</p> <ul style="list-style-type: none"> - Regardless of transaction requirements, an HOA budget must be provided for review. Budget must contain required reserve holdback* - Files with credit exceptions are not eligible
Zoning	<p>Zoning designations are determined by the City or County based on the property location, each governing entity has their own unique zoning titles or descriptions. The property's specific zoning will describe, in general, what type of activity is allowed, and the density that is allowed. Regardless of what the zoning designation is for the subject property, the property must meet the 3 requirements listed below.</p> <ul style="list-style-type: none"> - The current usage of the subject property is residential - Residential must be an allowed usage of the subject property zoning - Residential must be the highest and best use of the subject property, as defined by the appraiser <p>As long as the property passes the 3 question test listed above, the zoning designation is acceptable.</p>



Recently Listed Properties	Rate & Term transaction: property must be off the market prior to the application date Cash Out transaction: not eligible if listed for sale in the 6 months prior to the application date
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
Non Warrantable Condos	The following may be considered via exception on DSCR >= 1.0 only. Exception pricing will be applied: <ul style="list-style-type: none"> - Investor concentration greater than 50% - Commercial space greater than 25% - Single owner/entity ownership greater than 20% - 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
Ineligible Properties	Condotels & resort style condos Unique style homes: earth, dome, etc. Property condition of C5 or C6 Working farms or ranches Leaseholds
Appraisal Requirements	Requires one (1) appraisal and CDA
Appraisal Review	An appraisal review product is required on every loan unless a second appraisal is obtained, one of the three options below is acceptable: <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>
Appraisal Age	Appraisal must be dated within 120 days of the note date Re-certs of value are allowed
Transferred Appraisals	Allowed
Declining Property Value	If the trend of property values is downward, a declining market exists and a 5% LTV reduction from the LTV product matrices for LTVs greater than 70%