

## LEAD+ Wholesale Lending

### LEAD SUPER JUMBO DSCR

Credit	Loan Amount	Non Owner Occupied DSCR >=1.0			Non Owner Occupied DSCR .750-.99		
		Purchase	Rate/Term	Cash out	Purchase	Rate/Term	Cash out
740	\$4,000,000	60	NA	NA	55	NA	NA
	\$5,000,000	55	NA	NA	50	NA	NA
720	\$4,000,000	60	NA	NA	55	NA	NA
	\$5,000,000	55	NA	NA	50	NA	NA
700	\$4,000,000	55	NA	NA	50	NA	NA
	\$5,000,000	50	NA	NA	50	NA	NA

### Requirements

Products	Fixed rate terms of 40, 30 and 15 year terms.	
Interest Only	Available for 40 and 30-year total loan term, qualification based upon amortizing payment	
Loan amounts	Minimum :	\$3,000,000
	Maximum :	\$5,000,000
Secondary Financing	Allowed Seller second Financing Ineligible.	
Borrower Eligibility	U.S. Citizen Permanent Resident Alien Non Permanent Resident Alien	
Investor Experience	Experienced Investor:	Borrower/ Guarantor must have a history of owning and managing commercial or non owners for at 1 year in the last 3 years
	First Time Investor:	Not Eligible
	First Time Homebuyer:	Not Eligible

Requirements cont'd	
Property types	SFR- Attached and Detached Condominium Condotel 2-4 units Ineligible: Rural Co-ops, over 5 Acres
California Condominiums	Condominium Inspection Requirement (Including Condo Hotels) For loans secured by a condominium unit in the state of California, an inspection is required per SB326, for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire. Projects with an unacceptable or no inspection are ineligible.
Florida Condominiums	Condominium Inspection Requirement (Including Condo Hotels) For loans secured by a condominium unit in the state of Florida, if the project is over 30 years old (or 25 years if within 3 miles of the coast), a structural inspection is required for projects 3 stories or greater. The inspection needs to address items that substantially conform to the definition of a milestone inspection as defined in Florida statute 553.899. Inspection must confirm there are no conditions severe enough to affect the safety, soundness, structural integrity, or habitability of the improvements. Projects with an unacceptable or no inspection are ineligible.
Acreage	Maximum 5 Acres Rural is ineligible
Cash in Hand	Not applicable
Appraisals	FNMA 1004, 1073, 1025 with interior /exterior inspections 2nd appraisal required
Title	No LLC to LLC transfers within 12 months prior to purchase

Requirements cont'd	
Declining Market	If the appraisal report identifies the property in a declining market, maximum LTV/CLTV (Does not require a market adjustment)
Income	<p><b>Long-Term Rental Documentation and DSCR Calculation</b></p> <ul style="list-style-type: none"> <li>● <b>Purchase Transactions Only</b> <ul style="list-style-type: none"> <li>◦ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents. <ul style="list-style-type: none"> <li>◦ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually. <ul style="list-style-type: none"> <li>▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>▪ If using a higher <b>actual</b> lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.</li> <li>▪ If using a higher <b>estimated</b> market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.</li> </ul> </li> <li>◦ A vacant or unleased property is allowed without LTV restriction</li> <li>◦ Units subject to rent control or housing subsidy are ineligible.</li> <li>◦ <b>DSCR Calculation:</b> <ul style="list-style-type: none"> <li>▪ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property.</li> <li>▪ PITIA: Gross rents divided by PITIA = DSCR, ITIA: Gross rents divided by ITIA = DSCR</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><b>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and DSCR Calculation</b></p> <p>Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> <li>● <b>Short-Term Rental Income – Purchase Transactions Only:</b> <ul style="list-style-type: none"> <li>◦ <b>DSCR Calculation:</b> <ul style="list-style-type: none"> <li>▪ Monthly gross rents based upon a 12-month average to account for seasonality required.</li> </ul> </li> </ul> </li> </ul>

## Requirements cont'd

Income cont'd

- Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used.
  - PITIA:  $(\text{Gross Rents} * .80) \text{ divided by PITIA} = \text{DSCR}$ , ITIA:  $(\text{Gross Rents} * .80) \text{ divided by ITIA} = \text{DSCR}$
  - When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
  - Any of the following methods may be used to determine gross monthly rental income:
    - Short-term rental (STR) analysis form or 1007/1025 may be used, must include the following:
      - Provide the source of the data used to complete the STR analysis.
      - Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.
    - Include daily rental rate and occupancy percentage.
    - Factor seasonality and vacancy into the analysis
    - Must be completed by a licensed appraiser.
  - The most recent 12-month rental history statement from the 3rd party rental/management service
    - The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying income must be net of all vendor or management fees.
  - The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.
- Short-term rents must be documented with the following:
  - Alternative Short-Term Rent Analysis form developed by an AMC (Opteon report) \*required on both Purchase and Refinance transactions.
  - 12-month look back on rents received using bank statements or 3rd party rental statements (required on Refinance transactions only)
  - Property Guard Report
  - Refer to the Short-Term Rental Income section of the guidelines

Requirements cont'd	
Prepays 5% (Investment only)	States Penalties Not Allowed: AK, AZ, DC, IL, KS, MD, MI, MN, MS, NJ, NM, NC, OH, OK, PA, RI, UT and WA VA have state restrictions prohibiting PPP for loans less than \$75k. Even if a loan amount exception is granted, to or below \$75k, the PPP restriction will remain in place
Credit scores	Use the lowest representative credit score amongst all borrowers Middle of 3 scores or lower of 2 All borrowers must meet the 700 min credit score
Reserves	12 months of PITIA Cash out may not be used to satisfy requirements
Assets	Min of 60-days asset verification required; any large deposit must be sourced (follow FNMA guidelines)
Gift Funds	Not permitted.
Tradelines	Minimum 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity If the borrower has three (3) credit scores, the minimum tradeline requirement is waived
Housing History	0x 30x 12
Credit History	BK/FC/PreFC/MC/SS/DIL greater than 48 months Forbearance, Modification or Deferral > 12 months
Escrows	Required
Geographical Restrictions	IL: 2-4 units ineligible Ineligible: Baltimore City, MD and Philadelphia County, PA We do not lend in Puerto Rico, Guam, US Virgin Islands, New York, North Dakota and South Dakota All properties in Hawaii located inside of a coastal erosion hazard zone are ineligible
Interest Credit	Max Interest Credit allowed is 5 days
<p><b>*Note* Product guidelines/rates/terms are subject to change without notice, loans will be locked and affiliated to current product matrices at the time of the rate lock. Summit Funding, Inc. DBA Lead + Wholesale Lending NMLS ID# 3199</b></p> <p><b>  <a href="http://www.nmlsconsumeraccess.org">www.nmlsconsumeraccess.org</a>   Equal Housing Opportunity.</b></p>	