



**loanwyse**  
NMLS #1724453

**INVESTORWYSE**  
DSCR - NO RATIO

### INVESTOR DEBT SERVICE COVERAGE RATIO (DSCR)

LoanWyse offers loans to Borrower(s) utilizing solely the rental income on subject property to determine cash flow. Loans in this program are classified as business purpose loans and exempt from the ATR rule as defined in section 1026.43.

#### HIGHLIGHTS

- Loan amounts up to \$3.5MM
- Qualify on Interest only
- No DTI or Employment verified
- 5/6 & 7/6 ARM; 15 and 30 FRM
- 1x30x12 housing history allowed
- Credit score down to 640

#### Eligible Occupancy

Investment Property Only

#### Property Types

- Single Family Residence (SFR)
- Planned Unit Development (PUD)
- Warrantable Condo (Max LTV 75%)
- Non-Warrantable Condo (Max LTV 75%)
- Condo Hotel/Condotel (Max 75% LTV)
- Modular Homes
- Townhome
- 2 - 4 Units (Max LTV 75%)
- Max 2 acres, rural not allowed

#### Eligible Borrowers

- U.S. Citizen
- Permanent Resident Alien
- Non-Permanent Resident Alien
- Foreign National Borrowers – see ForeignWyse matrix
- ITIN Borrowers not allowed

#### Eligible Transactions

- PURCHASE**, (non-arms length transactions is not allowed)
- RATE AND TERM REFINANCE**
- Payoff of first and second, where the second is seasoned for 12-months and not drawn on in 12-months preceding proposed closing date unless the second was used in full to purchase the property
  - Refinance of a previous loan that provided cash-out, as measured from the previous loan closing date to the proposed closing date, and is seasoned less than 12 months, will be considered a cash-out refinance.
  - Recoup of funds expended to improve the subject property. Improvements must have been completed within the last 6-months preceding the proposed closing date, funds must have been borrower's own. Cash out amount not to exceed documented improvement costs.
  - Buyout accompanied by an executed buyout agreement
  - Cashback in an amount not to exceed the lesser of 2% of the new loan amount or \$2,000.
- CASH-OUT REFINANCE**
- Refinances which do not fit into the rate and term guidelines are deemed to be cash out
  - 6-months seasoning required measured from property acquisition date to the proposed closing date
  - Value to be utilized must be supported

<b>Tradelines</b>	<p>Standard tradeline requirements apply unless the co-borrower is the spouse of the borrower. In that case, only one spouse is required to meet the minimum tradelines. Standard tradelines requirement:</p> <ul style="list-style-type: none"> <li>• 2 open tradelines reporting for 24-months with activity in the last 12 months; or</li> <li>• 3 open tradelines reporting 12-months with activity in the last 12 months</li> </ul>										
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Credit scores allowed down to 640, subject to loan amount and LTV restrictions</li> <li>• Use lowest middle score of all Borrower(s) for pricing and underwriting purposes</li> </ul>										
<b>Housing Payment History</b>	<p>Housing payment history no greater than 1x30x12 for all mortgages/rental verifications on current primary residence and subject property. See LTV grid for LTV restrictions.</p> <ul style="list-style-type: none"> <li>• Any mortgage reported on the credit report for any property owned by the borrower needs to be included in the housing history eligibility.</li> <li>• For mortgages not reporting on credit report will require VOM, most recent 6 months cancelled checks and copy of the note with terms of the loan</li> <li>• For any non-subject property, non-primary mortgages not reporting to the credit bureau, additional housing history is not required.</li> </ul>										
<b>Credit Event</b>	<p>Borrower(s) with any of the following major credit events (bankruptcy, foreclosure, modification, short sale, short pay, deed in lieu) are subject to the below requirements, measured from event completion date or discharge/dismissal to proposed closing date:</p> <table border="1" data-bbox="534 783 1218 1003"> <thead> <tr> <th colspan="2">Housing Event Seasoning Restriction</th></tr> </thead> <tbody> <tr> <td>BK/FC/SS/DIL/Mod</td><td>&gt;= 36 Months</td></tr> <tr> <td>Max LTV:</td><td>80</td></tr> <tr> <td>Max Cash-Out LTV</td><td>75</td></tr> <tr> <td>Max Loan Amount</td><td>\$3,500,000</td></tr> </tbody> </table> <p>Additional credit requirements:</p> <ul style="list-style-type: none"> <li>• Judgment/Tax Liens - must be paid off prior to or at closing if on title to subject property</li> <li>• Collections/Charge-Offs - can be ignored unless title is impacted</li> </ul>	Housing Event Seasoning Restriction		BK/FC/SS/DIL/Mod	>= 36 Months	Max LTV:	80	Max Cash-Out LTV	75	Max Loan Amount	\$3,500,000
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BK/FC/SS/DIL/Mod	>= 36 Months										
Max LTV:	80										
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Max Loan Amount	\$3,500,000										
<b>Income and Assets</b>											
<b>DSCR</b>	No DTI is calculated for this product. Qualification is based solely on the Debt Service Coverage Ratio (DSCR) of the subject property only. Minimum DSCR is 0.750.										
<b>Experience Investor</b>	At least one Borrower must be able to document a 12-month history of ownership and management of at least one investment property (commercial or residential) in the last 36-month period.										
<b>First-Time Investor</b>	<ul style="list-style-type: none"> <li>• DSCR &gt;1.00, max 75% LTV</li> <li>• 0x30x36 housing history, minimum credit score 680</li> <li>• Housing/Credit Event &gt; 36 months</li> <li>• First-time homebuyers are not eligible</li> <li>• Own a primary residence for at least 1-year</li> <li>• Cash-out not eligible</li> </ul>										
<b>Gift Funds/ Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>• Gift funds are allowed for funds to close. A minimum of 10% contribution from Borrower's own funds is required.</li> <li>• Gifts of equity are not allowed.</li> <li>• Gifts must be documented in compliance with FNMA/FHLMC requirements and be from immediate family members.</li> <li>• Seller concessions: Max 3% towards closing</li> </ul>										

<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Loan amounts up to \$1.0MM: 3-months PITIA</li> <li>• Loan amounts above \$1.0MM and up to \$2.5MM: 6-months PITIA</li> <li>• Loan amounts above \$2.5 MM: 12-months PITIA</li> <li>• DSCR &lt; 1.0: Minimum 6-months PITIA</li> <li>• Cash out may be used to satisfy requirement</li> <li>• Additional reserves required for multiple financed properties. Two (2) months subject PITIA for each additional property up to 12 months maximum.</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Use 100% of cash and cash equivalents</li> <li>• Use 70% of retirement assets</li> <li>• 1031 exchanges eligible</li> </ul>
<b>Assets (cont.)</b>	<ul style="list-style-type: none"> <li>• Business funds may be used provided the Borrower(s) owns a minimum of 25% ownership of the business. The amount of funds that may be utilized is based on the Borrower's percentage of ownership. Borrower(s) must provide: <ul style="list-style-type: none"> <li>○ A signed letter from a 3<sup>rd</sup> party Tax Professional (defined as a CPA, Tax Attorney, Enrolled Agent (EA), California Tax Education Council (CTEC) or Paid Tax Professional (PTIN)) or borrower must be obtained verifying that the withdrawal of funds for the transaction will not have a negative impact on the business; AND</li> <li>○ All non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and confirming the borrower's access to funds in the account.</li> </ul> </li> <li>• Cash out proceeds MAY be used for the reserve requirement</li> <li>• Assets must be seasoned for 60 days</li> </ul>
<b>Calculation Method</b>	<p>The DSCR is defined as the gross rents divided by the qualifying PITIA on the subject property.</p> <p><b>DETERMINATION OF RENTS</b></p> <p><b>PURCHASE:</b></p> <p>Use 100% of the lesser of current or market rents as determined by the appraiser. For rented properties, provide the lease agreements in place. If vacant, 100% of market rents may be utilized. If short term rental income is used a 5% LTV reduction to max LTV will apply. In order to utilize short term rental income, it must be allowed in the subject property's city/county jurisdiction and if required to have a short-term rental license, then license must be provided. If the existing license/permit is under the current owner's (seller's) name, license must be transferrable.</p> <p><u>Short-Term Rental Income:</u></p> <p>AIRDNA Rentalizer and Overview reports can be used on a case-by-case basis subject to exception review and approval to document short term rental income and must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Rentalizer <ul style="list-style-type: none"> <li>○ Only allowed for purchase transaction</li> <li>○ Forecast Period must cover 12 months from the Note date</li> <li>○ The occupancy rate must be &gt; 60% (max occupancy limited to 2 individuals per bedroom)</li> <li>○ Must have at least five (5) comparable properties, all within the same ZIP code</li> <li>○ Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> <li>• Overview report <ul style="list-style-type: none"> <li>○ Market Score or Sub-Market grade by zip code</li> <li>○ Market Score or Sub-Market must be 60 or greater</li> <li>○ Income calculation</li> <li>○ Annual Revenue / 12</li> </ul> </li> </ul>

<p><b>Calculation Method (Cont)</b></p>	<p><b>REFINANCE:</b></p> <p>Use 100% of the lesser of current or market rents as determined by the appraiser. For rented properties, Borrower must provide lease agreements in place. If the property is leased for more than the appraiser's opinion of market rents, the lease amount may be used provided the lease will continue for at least six months after the note date and proof of two months proof of receipt of rents is provided. If the actual rent exceeds the market more than 120%, the rents are capped at 120%. If vacant, 100% market rents may be utilized and eligibility must use the DSCR &lt; 1.00 matrix for all properties with any unleased (vacant) units.</p> <ul style="list-style-type: none"> <li>• If the property is subject to a long-term lease adjusting within 12-months and will continue for at least 12-months, may use the step-up in the lease amount. The amount of the increase that may be utilized is limited to the lesser of the increased lease amount or market rents.</li> <li>• If the property is subject to a month-to-month, then provide two (2) months proof of receipts to continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following: LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan Balance Matrix</li> <li>• If the property is leased on a short-term basis utilizing an online service such as AirBNB, gross monthly rents can be determined by using a 12-month lookback period documented with statements provided by the online service to document receipt of rental income. A screenshot of the online listing must show the property is actively marketed as a short-term rental. A 5% LTV reduction to max LTV will apply.</li> </ul> <p><b>Short Term Rental Income Calculation:</b></p> $\text{DSCR} = \text{Average Monthly Gross Income} * .80 / \text{Proposed PITIA}$ <ul style="list-style-type: none"> <li>• 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. In order to utilize short term rental income, it must be allowed in the subject property's city/county jurisdiction and if required to have a short term rental license, then license must be provided.</li> </ul> <p><b>I/O PAYMENT QUALIFICATION</b></p> <p>On a loan with interest only feature, the interest only payment (ITIA) on a loan may be used in lieu of an amortizing payment to calculate the Qualifying Payment and the DSCR.</p>
<p><b>Other Highlights</b></p>	
<p><b>Appraisal / Valuation</b></p>	<ul style="list-style-type: none"> <li>• Loan amounts up to \$2MM, one (1) appraisal required</li> <li>• Loan amount over \$2MM, two (2) appraisals required</li> </ul> <p>In instances where one appraisal is required, said appraisal must have a CU score less than or equal to 2.5. If the CU score exceeds 2.5 or is unavailable, a CDA with a variance less than 10% is required. Loan amounts &gt;\$1.5MM and up to \$2MM may not utilize a CU score in lieu of a CDA. Additional appraisal due diligence may be required at the discretion of LoanWyse.</p> <p>The following transaction require a 2<sup>nd</sup> full appraisal.</p> <ul style="list-style-type: none"> <li>• Approved loan amount exceptions (when exceeding max loan amount available per matrix)</li> <li>• CDA variance is &gt; 10%</li> </ul>

<b>Appraisal / Valuation (Cont.)</b>	<p><b>PURCHASE:</b> lesser of purchase price or appraised value.</p> <p><b>REFINANCE</b> (all types): For properties owned less than 6-months as of the proposed closing date, the lesser of the current appraised value or the previous purchase price plus documented improvements (if any) must be used. For properties owned between 6 and less than 12-months as of the proposed closing date, the lesser of the current appraised value or the previous purchase price plus documented improvements (if any) must be used. If more than 12-months, use current appraised value.</p> <p>CBSA/Declining markets – properties located in certain geographic area (see State CBSA List) or declining market are subject to a 5% LTV reduction to max LTV.</p>
<b>Title Vesting</b>	<ul style="list-style-type: none"> <li>• Individual names as joint tenants, community property, or tenants in common</li> <li>• Limited Liability Corporations</li> <li>• Partnerships/Corporations</li> </ul>
<b>ARM Terms</b>	<ul style="list-style-type: none"> <li>• Margin = 6.500%</li> <li>• Index = 30 Day Average of SOFR</li> <li>• Caps 5yr ARM = 2/1/5</li> <li>• Caps 7yr ARM = 5/1/5</li> <li>• Floor rate = Note Rate</li> <li>• Adjustment Period = 6-months</li> </ul>
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>• Interest Only (I/O) features are allowed on ARMs and FRMs. The IO period is 10 years. Minimum credit score 680; Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out</li> </ul>
<b>Qualifying Payment</b>	<p>To determine the P&amp;I component of the Qualifying Payment, utilize the below (except as otherwise specified):</p> <ul style="list-style-type: none"> <li>• Fixed Rate: Utilize the start rate over the full term of the loan</li> <li>• Amortizing ARM: Utilize the greater of the start rate or fully indexed rate over the full term of the loan</li> <li>• FRM/ARM with IO Feature: Utilize the note rate and the interest only payment (ITIA) to determine qualifying payment</li> </ul>
<b>Prepayment Penalty</b>	<p>Prepayment penalties may be placed on investment properties for a period of at least 3 years in an amount equal to five (5%) percent of the original principal balance, to the extent permitted by state and federal law. Price implications apply for prepayment penalty terms less than three. Minimum 1 year prepayment penalty required.</p>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• Minimum: \$150,000</li> <li>• Maximum: \$3,500,000</li> </ul>



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Effective Date: 02/28/2024

>= 1.00 DSCR					
Credit Score	Loan Amount	Purchase	R/T	Cash Out	Reserves
720+	<= 1,000,000	80%	75%	75%	3
	1,000,001 - 1,500,000	80%	75%	75%	6
	1,500,001 - 2,000,000	75%	70%	70%	6
	2,000,001 - 2,500,000	70%	65%	65%	6
	2,500,001 - 3,000,000	70%	65%	65%	12
	3,000,001 - 3,500,000	70%	65%	NA	12
700-719	<= 1,000,000	80%	75%	75%	3
	1,000,001 - 1,500,000	80%	75%	75%	6
	1,500,001 - 2,000,000	75%	70%	70%	6
	2,000,001 - 2,500,000	70%	65%	65%	6
	2,500,001 - 3,000,000	70%	65%	65%	12
	3,000,001 - 3,500,000	70%	65%	NA	12
680-699	<= 1,000,000	75%	75%	75%	3
	1,000,001 - 1,500,000	75%	70%	70%	6
	1,500,001 - 2,000,000	70%	65%	65%	6
	2,000,001 - 2,500,000	70%	65%	65%	6
	2,500,001 - 3,000,000	65%	NA	NA	12
	<= 1,000,000	75%	75%	70%	3
660 - 679	1,000,001 - 1,500,000	75%	70%	70%	6
	1,500,001 - 2,000,000	70%	65%	65%	6
	2,000,001 - 2,500,000	70%	65%	65%	6
	2,500,001 - 3,000,000	65%	NA	NA	12
	<= 1,000,000	75%	70%	NA	3
	1,000,001 - 1,500,000	65%	65%	NA	6
640 - 659	1,500,001 - 2,000,000	65%	NA	NA	6
	2,000,001 - 2,500,000	60%	NA	NA	6
	2,500,001 - 3,000,000	60%	NA	NA	12
DSCR 0.750 - 0.999					
Credit Score	Loan Amount	Purchase	R/T	Cash Out	Reserves
700+	<= 1,000,000	75%	70%	70%	3
	1,000,001 - 1,500,000	75%	70%	70%	6
	1,500,001 - 2,000,000	70%	65%	65%	6
	2,000,001 - 2,500,000	65%	NA	NA	6
	2,500,001 - 3,000,000	60%	NA	NA	12
	<= 1,000,000	70%	65%	NA	3
680 - 699	1,000,001 - 1,500,000	70%	65%	NA	6
	1,500,001 - 2,000,000	65%	60%	NA	6
	2,000,001 - 2,500,000	60%	NA	NA	6
	2,500,001 - 3,000,000	60%	NA	NA	12
	<= 1,000,000	65%	NA	NA	3

\* Subject to LTV restriction \*\* Underwriting: Most restrictive of matrix or guideline applies

LOAN PARAMETERS	
Loan Limits	
Min. Loan Amount	\$150,000
Max. Loan Amount	\$3,500,000
Max. Cash Out*	≥ 65% LTV \$500,000; < 65% \$1,000,000
Min. DSCR	0.750
Product Type	
ARMs (SOFR 30 A)	5/6 & 7/6 ARM
Fixed Rate	15 & 30-YEAR
Interest Only	Max LTV: Purchase & R/T 75%
	Max LTV: Cash Out 70%
	30-YEAR AVAILABLE
	680 Min Credit Score
Investor Experience	
Experience Investor	
Min FICO	640
Max LTV	80
Property Owner	Rental Prop Min. 12 months in last 36
First-Time Investor	
Min FICO	680
Max LTV	75
Housing History	0x30x12
Housing/Credit Event Seasoning	> 36 Months
Other Restriction	FTHB & Cash-Out Refi not eligible
Housing/Credit Event Seasoning Restriction	
BK/FC/SS/DIL/Mod	≥ 36 Months
Max Purchase LTV	80
Max Refinance LTV	75
Max Loan Amount	\$3,500,000
Property Type	
SFR	No Restriction
Condo / 2 - 4 Units	Max LTV: Purchase 75%, Refinance 70%
Condo Hotel/Condotel	Max LTV: Purchase 75%
	Max LTV: R/T & C/O Refi 65%
	Max Loan Amt \$1.5M
Rural	Not Allowed
Property Status Restrictions	
Home Listed for Sale	Permitted with prepayment penalty and value is based on the lesser of the lowest list price or appraised value
Unleased/Vacant Property	Max LTV: 70%
Short-Term Rental	5% reduction to max LTV applies
Rural	Not Allowed
Lot Size	Max 2 Acres
Impounds	
Escrow Waiver	Allowed with 720+ credit score and 12 months reserves; LLPA Applies
State Restrictions	
No Prepayment States	AK, IL, KS, MI, MN, MS, NJ, NM, OH, PA, RI (allowed; see rate sheet for pricing adjustments)
CBSA/Declining Markets	5% reduction to max LTV applies
	Applies to the following states - CT, ID, IL, LA, NJ, NY
	See CBSA Overlay Table for additional area restrictions.
FL Condos	A structural inspection is required if the project is greater than 5 stories; and over 30 years old or 25 years old if within 3 miles of the coast. • Projects with an unacceptable or no inspection are ineligible.