



**FOREIGNWYSE – DSCR**

LoanWise offers loans to foreign national borrowers utilizing property cash flow (DSCR on investment properties only) for qualification. This program is designed for borrowers who are sound credit risks based on a common-sense approach to underwriting.

**HIGHLIGHTS**

- Loan amounts up to \$2.0MM
- Interest Only available
- No U.S. credit score or history required
- Investment Only
- 5/6 and 7/6 ARM, 15 and 30 FRM
- Multiple financed properties allowed

**Eligible Occupancy**

- Investment Property

**Property Types**

- Single Family Residence (SFR)
- Planned Unit Development (PUD)
- 2 - 4 Units (Max LTV 65%)
- Warrantable & Non-Warrantable Condos (Max LTV 65%)
- Condo Hotel/Condotel (Max 65% LTV Purchase, R/T and Cash-out Refi; \$1.5M max loan amount)
- Townhome
- Max 2 acres (rural not allowed).

**Eligible Transactions**

**PURCHASE**, including non-arm's length transactions [see Underwriting Guidelines](#)

**RATE AND TERM REFINANCE**

- No seasoning required to use current appraised value
- 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 6 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

**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>Borrower Verification</b>	<ul style="list-style-type: none"> <li>• Copy of the borrower's valid and unexpired passport (including photograph)</li> <li>• Copy of the borrower's valid and unexpired visa (including photograph) OR an I-797 form with valid extension dates and I-94. Borrowers from countries participating in the State Department's Visa Waiver Program (VWP) are not required to provide a valid visa. Must have eligible non-immigrant visa type.</li> <li>• Must be able to legally enter the US, no define length of stay required</li> </ul>								
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• Borrowers with U.S. credit are required to follow standard tradeline requirements: 2 open tradelines reporting 24 months or 3 open tradelines reporting 12 months</li> <li>• Borrowers with no credit score must establish an acceptable credit history subject to the following requirements: <ul style="list-style-type: none"> <li>○ A minimum of one (1) traditional or non-traditional credit line or reference is required (i.e., bank reference, attorney reference, housing reference, etc.). Reference must be converted to English. <ul style="list-style-type: none"> <li>▪ State the type and length of the relationship, how the accounts are held, and status of the account.</li> <li>▪ Contact information must be provided for the person signing the letter</li> </ul> </li> <li>○ A minimum of twelve (12) most recent credit card statements reflecting a timely payment history may also be used.</li> </ul> </li> </ul>								
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Credit scores allowed down to 680, subject to loan amount and LTV restrictions</li> <li>• Use middle score of all Primary Income-Earner for pricing and underwriting purposes</li> <li>• No credit score is acceptable with LTV restrictions. A credit score of 680 will be used for pricing and underwriting purposes</li> </ul>								
<b>Housing Payment History</b>	<ul style="list-style-type: none"> <li>• Housing payment history no greater than 0x30x12 for all US mortgages/rental verifications. Foreign mortgage and rental references do not need to be verified.</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 application date:</p> <table border="1" data-bbox="657 1171 1230 1318"> <thead> <tr> <th colspan="2">Housing/Credit Event History</th> </tr> </thead> <tbody> <tr> <td>FC / SS / DIL Seasoning</td> <td>36 Months</td> </tr> <tr> <td>Chapter 13 BK Seasoning</td> <td>36 Months</td> </tr> <tr> <td>Chapter 7/11 BK Seasoning</td> <td>36 Months</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 of subject property</li> <li>• Collections/Charge-Offs - can be ignored unless title is impacted</li> </ul>	Housing/Credit Event History		FC / SS / DIL Seasoning	36 Months	Chapter 13 BK Seasoning	36 Months	Chapter 7/11 BK Seasoning	36 Months
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<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>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Gift funds are not allowed</li> </ul>								

<p><b>Reserves</b></p>	<ul style="list-style-type: none"> <li>• 12 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>
<p><b>Assets</b></p>	<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 for investment properties</li> <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 3rd 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 borrowers access to funds in the account.</li> </ul> </li> <li>• Cash out proceeds may be used for the reserve requirement</li> <li>• Funds in foreign accounts must be transferred to a U.S. account in the borrower's name within 10 days of closing, must be verified in U.S. Dollar equivalency</li> </ul>
<p><b>Calculation Method</b></p>	<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> 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.</p> <p><u>Short-Term Rental Income:</u> AIRDNA Rentalizer and Overview reports can be used 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%</li> <li>○ Must have at least three (3) 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 Score by zip code</li> <li>○ Market Score or Sub-Market Score must be 60 or greater</li> <li>○ Income calculation</li> <li>○ Annual revenue / 12</li> </ul> </li> </ul>

<p><b>Calculation Method</b> <b>(Cont)</b></p>	<p><b>REFINANCE:</b> 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 vacant, 100% market rents may be utilized and a 5% LTV reduction to max LTV will apply. 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%.</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 receipt to continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to no LTV limit.</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 6-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.</li> </ul>
<p><b>OTHER HIGHLIGHTS</b></p>	
<p><b>Appraisal / Valuation</b></p>	<p>One (1) appraisal required. Appraisal must have a CU or LCA score less than or equal to 2.5. If the CU or LCA 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><b>PURCHASE:</b> lesser of purchase price or appraised value <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, unless Rate and Term refinance transaction, which may use current appraised value. For properties owned between 6 and less than 12-months as of the proposed closing date, current value may be used provided the value is supported both by appraisal and a CDA with a variance not greater than 10%. If value not supported, use lesser of purchase price plus documented improvements or current appraised value. 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>
<p><b>Title Vesting</b></p>	<p>Individual names as joint tenants, community property, or tenants in common</p>
<p><b>ARM Terms</b></p>	<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>
<p><b>Qualifying Payment</b></p>	<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 the fully indexed rate over the full term of the loan</li> </ul>

<p><b>Prepayment Penalty</b></p>	<p>Prepayment penalties may be placed on investment properties for a period of at least one year up to a maximum of 5 years to the extent permitted by state and federal law. Business purpose loans (DSCR) require 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 years, including no prepayment penalty. LTV &gt;70% and DSCR &lt;1.0 requires minimum 1 year Prepay Payment Penalty. See Underwriting Guidelines for requirements.</p>
<p><b>Loan Amount</b></p>	<ul style="list-style-type: none"> <li>• Minimum: \$150,000</li> <li>• Maximum: \$2.0MM</li> </ul>



Effective Date: 04/23/2024

NOO - DSCR >1.15					
Credit Score	Loan Amount	Purchase	Rate&Term	Cash Out	Reserves
680+	<=1,000,000	70%	70%	65%	12
	1,000,000 - 1,500,000	70%	70%	65%	12
	1,500,001 - 2,000,000	70%	70%	65%	12
Foreign Credit	<=1,000,000	65%	65%	65%	12
	1,000,000 - 1,500,000	65%	65%	65%	12
	1,500,001 - 2,000,000	65%	65%	65%	12
NOO - DSCR >= 1.00					
Credit Score	Loan Amount	Purchase	Rate & Term	Cash Out	Reserves
680+	<= 1,000,000	70%	70%	65%	12
	1,000,001 - 1,500,000	70%	70%	60%	12
Foreign Credit	<= 1,000,000	65%	65%	65%	12
	1,000,001 - 1,500,000	65%	65%	65%	12
NOO - DSCR < 1.00					
Credit Score	Loan Amount	Purchase	Rate & Term	Cash Out	Reserves
680+	<= 1,000,000	65%	60%	60%	12
	1,000,001 - 1,500,000	65%	NA	NA	12
Foreign Credit	<= 1,000,000	65%	60%	60%	12
	1,000,001 - 1,500,000	65%	NA	NA	12

LOAN PARAMETERS	
Loan Limits	
Min. Loan Amount	\$150,000
Max. Loan Amount	\$2,000,000
Max. Cash Out	\$300,000
Min. DSCR	0.750
Product Type	
ARMS (SOFR 30 A)	5/6 ARM
	7/6 ARM
Fixed Rate	15 YEAR
	30 YEAR
Interest Only	30 or 40-yr Fixed/ ARM
Housing/Credit History	
Mortgage History	0x30x12
FC / SS / DIL Seasoning	48 Months
Chapter 13 BK Seasoning	48 Months
Chapter 7/11 BK Seasoning	48 Months
Property Type	
SFR	No Restriction
Condo / Non-Warrantable Condo	65% Max LTV
Condo Hotel/Condotel	Purchase: 65%
	Refinance: 65%
2 - 4 Unit	65% Max LTV
Property Status Restrictions	
Home Listed for Sale	Not Allowed
Unleased Properties	Refinance: 5% LTV Reduction if vacant
Escrow Waiver	Allowed up to 70% LTV
Short-Term Rental	5% reduction to max LTV applies
Rural	Not Allowed
State Restriction	
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 to the following states - CT, ID, IL, LA, NJ, NY See State CBSA List 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 acceptable inspection, max LTV is reduced 5%. • Projects with an unacceptable or no inspection are not eligible.