



Single Investment Property 5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs		≥ 1.00		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
700+	≤ 1,500,000	75	70	70
	1,500,001 – 2,000,000	70	65	65
660 - 699	≤ 1,500,000	70	65	65
	1,500,001 – 2,000,000	65	60	60
Housing History	Housing Event Seasoning	Investor Experience		
<ul style="list-style-type: none"> 0x30x24 	BK/FC/SS/DIL: <ul style="list-style-type: none"> ≥ 24 Mo – Any event Forbearance, Mod or Deferral: See Verus Announcement 2022- 17	Experienced Investor: Borrower must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in the last 3 years First-Time Investor: Not eligible		
Unleased Units				
Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.				
State/CBSA Restrictions				
Overlays: Max loan amount \$2MM and 5% LTV reduction applies to all transactions secured by property in a state or CBSA in the table at the end of this document.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30-years; 5/6 ARM, 7/6 ARM, 10/6 ARM. Maximum loan term cannot exceed 30-years.			
Interest Only	Eligible			
Loan Amounts	• Min: 400,000		• Max: 2,000,000	
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Cash-In-Hand	• Max cash-in-hand \$1,000,000			
Occupancy	Investment			
Eligibility Restrictions	Citizens of Russia and Belarus are not eligible			
Property Type	<ul style="list-style-type: none"> Residential 5 – 8 Units Mixed use 2 – 8 Units <ul style="list-style-type: none"> Commercial usage limited to Retail/Office <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial Unit 4-5 Units: Max 2 commercial Units 6-8 Units: Max 3 commercial Units Commercial space must not exceed 49% of the total building area 			
Acreage	Property up to 2-acres, not meeting the rural definition, eligible			
Unleased Units	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units.			
Appraisals	<ul style="list-style-type: none"> A full interior inspection with photos is required for all units. 5-8 Residential <ul style="list-style-type: none"> FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ residential properties, or Narrative report can be utilized but not required. 2-8 Mixed Use <ul style="list-style-type: none"> General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode) The following attachments are required for 5-8 Residential and 2-8 Mixed Use appraisal reports: <ul style="list-style-type: none"> Rent Roll Income and Expense Statement Photos of the subject including exterior/interior and street scene Aerial photo Sketch or floor plan of typical units Map Plot plan or survey Appraiser qualifications Review Product – A commercial BPO is required for all loans. <ul style="list-style-type: none"> In Pennsylvania, a commercial evaluation product is used instead of a commercial BPO. 			
Property Condition	<ul style="list-style-type: none"> No fair or poor ratings No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat) No health or safety issues (As noted by appraiser, i.e., broken windows, stairs) No excessive deferred maintenance that could become a health or safety issue for tenants No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing) 			

Spectrum VIII



Mixed Use	Commercial use limited to retail or office space. Residential/Commercial zoning acceptable.
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Income Requirements			
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. 2-8 Mixed Use – Income from commercial space must not exceed 49% of the total property income 		
DSCR	<ul style="list-style-type: none"> Minimum DSCR \geq 1.00 DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment). Loan amounts \geq \$2,000,000 require DSCR \geq 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) Reduce qualifying rents by any management fee reflected on the appraisal report 		
Underwriting Requirements			
Credit Score	Middle of 3 scores or lower of 2	Tradelines	Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity For each borrower who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually).
Assets	Min of 30-days asset verification required;	Reserves	<ul style="list-style-type: none"> 6 months of PITIA Loan Amount > \$1.5M: 9-months of PITIA Loan Amount > \$2.5M: 12-months of PITIA Cash out may not be used to satisfy requirement
Gift Funds	Allowed after min 10% borrower contribution	Document Age	90-days
Prepayment Penalty	<ul style="list-style-type: none"> Acceptable structures include the following: <ul style="list-style-type: none"> Fixed percentage of no less than 3% Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years. For example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) 	<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in AK, KS, MI, MN, NM, and RI Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$278,204 in PA Only declining prepayment penalty structures allowed in MS 	

Foreign National

Foreign National - Single Investment Property 5 – 8 Residential Units and 2 – 8 Mixed Use				
Maximum LTV/CLTVs		\geq 1.00		
Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi
680+	\leq 1,000,000	75	65	65
	1,000,001 – 1,500,000	70	60	60
Foreign Credit	\leq 1,000,000	75	65	65
	1,000,001 – 1,500,000	70	60	60
Housing History	Credit Event Seasoning	Unleased Properties		
0x30x12, if documented	BK/FC/SS/DIL/Mod: \geq 36 Mo	Refinance: 5% LTV reduction if vacant		
State/CBSA Restrictions				
Overlays: Max loan amount \$2MM and 5% LTV reduction apply to all transactions secured by property in a state or CBSA in the table at the end of this document.				
Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands				
General Requirements				
Product Type	Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)			
Interest Only	Eligible			
Loan Amounts	• Min: 400,000		• Max: 2,000,000	
Loan Purpose	Purchase, Rate/Term, and Cash Out			
Occupancy	Investment			
Eligibility Restrictions	Citizens of Russia and Belarus are not eligible			
Property Type	<ul style="list-style-type: none"> Residential 5 – 8 Units Mixed use 2 – 8 Units <ul style="list-style-type: none"> Commercial usage limited to Retail/Office <ul style="list-style-type: none"> 2-3 Units: Max 1 commercial Unit 4-5 Units: Max 2 commercial Units 6-8 Units: Max 3 commercial Units 			

Spectrum VIII



	<ul style="list-style-type: none"> Commercial space must not exceed 49% of the total building area 		
Acreage	Property up to 2-acres, not meeting the rural definition, eligible		
Cash-In-Hand	<ul style="list-style-type: none"> \$300,000 if LTV > 50% \$500,000 for LTV <= 50% Total equity withdrawn cannot exceed above limits		
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained.		
Income Requirements			
DSCR	<ul style="list-style-type: none"> Use lower of Estimated market rent from 1007 or lease if provided. All refinance transactions require a 5% LTV reduction if appraisal reflects any unit is vacant 		
Underwriting Requirements			
Credit Score	Middle of 3 scores or lower of 2, if available	DTI Requirements	Standard Max 50% (does not apply to DSCR)
Assets	Min of 30-days asset verification is required; any large deposit must be sourced	Reserves	<ul style="list-style-type: none"> 12-months of PITIA 6-months with 5% LTV reduction and price adjustment Cash-out may be used to satisfy requirement
Gift Funds	Not allowed	Document Age	90-days
Tradelines	<ul style="list-style-type: none"> US credit: Min 2 reporting 24-months or 3 reporting 12-months, for borrowers Without U.S. credit: two credit reference letters must be provided, see Guide for requirements 	Prepayment Penalty	<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in AK, KS, MI, MN, NM, and RI Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$278,204 in PA Only declining prepayment penalty structures allowed in MS

State/CBSA Overlay Table

Statewide		CBSA-Specific	
State Name	State	CBSA Name	CBSA Code
Alaska	AK	San Francisco-Oakland-Hayward, CA	41860
Arizona	AZ	San Jose-Sunnyvale-Santa Clara, CA	41940
Connecticut	CT	Santa Cruz-Watsonville, CA	42100
Idaho	ID	Boulder, CO	14500
Illinois	IL	Breckenridge, CO	14720
Montana	MT	Cape Coral-Fort Myers, FL	15980
New Jersey	NJ	Naples-Immokalee-Marco Island, FL	34940
New York	NY	North Port-Sarasota-Bradenton, FL	35840
Oregon	OR	Punta Gorda, FL	39460
Tennessee	TN	Reno, NV	39900
Utah	UT	Boone, NC	14380
		Austin-Round Rock, TX	12420
		Aberdeen, WA	10140