iTrust DSCR

MATRIX

Investment Only

	DSCR ≥ 1.00				DSCR < 1.00			
Min FICO	Max Loan Amount	Pur.	R & T	Cash-Out	Max Loan Amount	Pur.	R & T	Cash-Out
700	$1,000,000	80*	75*	75*	$1,000,000	75	70	70
	$1,500,000	80*	75*	75*	$1,500,000	75	70	70
	$2,000,000	75	70	70	$2,000,000	70	65	65
	$3,000,000	70	65	65	$2,500,000	65	n/a	n/a
	$3,500,000	70	65	n/a	$3,000,000	60	n/a	n/a
680	$1,000,000	75	75	70	$1,000,000	70	65	n/a
	$1,500,000	75	70	70	$1,500,000	70	65	n/a
	$2,000,000	70	65	65	$2,000,000	65	60	n/a
	$2,500,000	70	65	65	$2,500,000	60	n/a	n/a
	$3,000,000	65	n/a	n/a	$3,000,000	60	n/a	n/a
660	$1,000,000	75	75	70	$1,000,000	65	n/a	n/a
	$1,500,000	75	70	70				
	$2,000,000	70	65	65	n/a			
	$2,500,000	70	65	65				
	$3,000,000	65	n/a	n/a				
640	$1,000,000	75	70	n/a				
	$1,500,000	65	65	n/a	n/a			
	$2,000,000	65	n/a	n/a				
	$3,000,000	60	n/a	n/a				

* 2 - 4 units and condo : Max LTV/CLTV - Purchase 75%, Refinance 70%

** Declining Market : Max LTV/CLTV 75% for purchase and 70% for rate & term and cash-out

General Requirements

Housing History	- 1x30x12 : No reduction - 0x60x12 : Max 70% LTV : Purchase & Max 65% LTV Rate/Term & Cash-out
Credit Event	BK/FC/SS/DIL: - >=36 Mo – No reduction - >=24 Mo – Max 75% LTV : Purchase & Max 70% LTV Rate/Term & Cash-out
Investor Experience	- Experienced Investor: Borrower/guarantor must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in last 3 years. First Time Investor: A borrower/guarantor not meeting the experienced investor criteria. - First time investors eligible subject to the following restrictions: - Min credit score: 680 - If reported, no mortgage late payments during the past 36 Mo - >= 36 Mo from any credit event - Own a primary residence for at least 1-year - Cash-out not eligible - First Time Homebuyer: Not eligible except as allowed in ITRUST UW Guide
Unleased Properties	All long-term rental refinances: A vacant or unleased property is allowed subject to max LTV of 70%. Not applicable for short-term rentals, see short-term rental income section for specific criteria.
State Eligibility	- State Overlays for IL: - Maximum LTV/CLTV limited to 75% for purchase and 70% for rate/term and cash-out transactions and the maximum loan amount is limited to $2.0MM. - Ineligible locations: Puerto Rico, Guam, & the US Virgin Islands

<table>
<tr><th colspan="5">General Requirements</th></tr>
<tr><td>Loan Amount</td><td>Min. Loan Amount</td><td>$100,000</td><td>Max. Loan Amount</td><td>$ 3,500,000</td></tr>
<tr><td>Loan Amt. <$150k</td><td colspan="4">Max LTV/CLTV: Purchase 70%, any Refinance 65% (Min DSCR 1.25)</td></tr>
<tr><td>Acreage</td><td colspan="4">Property up to 2-acres, not meeting the rural definition, eligible</td></tr>
<tr><td>Index</td><td colspan="4">30-day average SOFR</td></tr>
<tr><td>Margin</td><td colspan="4">6.50%</td></tr>
<tr><td>CAPS</td><td colspan="4">- 5/6 ARM & 5/6 ARM I/O: 2/1/5
- 7/6 ARM & 7/6 ARM I/O: 5/1/5</td></tr>
<tr><td>Eligible Borrowers</td><td colspan="4">- U.S. citizens
- Permanent resident aliens – Only a valid Green Card with a minimum of 120 days remaining at the time of funding is required to be documented.
- Non-Permanent resident aliens: An individual admitted to the United States as a lawful temporary resident. Lawful non-permanent residents are legally accorded the privilege of residing temporarily in the United States.
    - Visa types allowed: E-1, E-2, E-3 EB-5, G-1 through G-5, H-1B, L-1, NATO, O-1, R-1, TN NAFTA
    - Visa must be current. If the visa will expire within three (3) months following the close date, additional documentation is required: evidence that the proper extension steps have been followed per the US Citizenship and Immigration Services (USCIS) website, along with proof of payment receipt and proof that the extension was done in the timeframe required by USCIS
    - If borrower has EAD card, only a valid EAD card with minimum 90 days remaining at time of funding is required to be documented. EAD card with 30-89 days remaining requires evidence of application for extension. EAD card with less than 30 days remaining without renewed status is not eligible.
    - When the current VISA/EAD/GREEN CARD is valid and has remaining expiration dates indicated above, it does not require documentation for prior status even if the current VISA/EAD/GREEN CARD valid from date does not cover the employment start date.
    - Asylum – Individuals granted asylum are eligible, documentation includes one of the following:
        - Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C08, or
        - Form I-94 with a stamp or notation, such as “asylum granted indefinitely” or the appropriate provision of law (8 CFR 274a.12(a)(5) or INA 208) to show their employment authorization. The asylee does not need to present a foreign passport with this Form I-94. An asylee can also present an electronic Form I-94 with an admission class of “AY.”
    - Deferred Action for Childhood Arrivals (DACA)
        - Form I-766 Employment Authorization Document (EAD), (work permit/card) referencing code C33, or
        - Form I-797 conveying approval status for Case Type I765- Application for Employment Authorization referencing code C33, or
        - Form I-765 Application for Employment Authorization, the form:
            - Must reflect approval status in the Action Block (upper right- hand corner of the form)</td></tr>
</table>

General Requirements	
First Time Home Buyer	Living with a spouse are eligible with the following: - Spouse owns the primary residence - Evidence spouse is on title, and - Proof of 12 months payment history, or evidence the primary residence is owned free & clear
Non-Arm's Length Transactions	Not Allowed
Property Type	- SFR - PUD (attached and detached) - Site Condo – Will not require a project review - Two to Four Unit Condominium Projects: Will not require a project review provided that the project is not a condo hotel, houseboat, or timeshare or segmented-ownership project - Warrantable Condo - Lender's Condo Warranty Form is to be provided - 2-4 Units - All properties must have a minimum 500 sq ft - Properties of 2 acres or less and No truncating allowed
Ineligible Properties	- Vacant land or land development properties - Properties not readily accessible by roads that meet local standards - Properties not suitable for year-round occupancy, regardless of location - Properties with agricultural features (e.g., vineyards, farms, ranches, orchards, equestrian facilities) - Units subject to timeshare arrangements - Properties with fractional ownership - Manufactured or Mobile homes - Units in a Co-op development - Properties used as boarding houses, bed/breakfast, or single room occupancy - Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment) - Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop) - Properties with zoning violations or illegal use - Dome or geodesic properties - Properties on Native American Land (Reservations) - Log homes that are not common to the area - Houseboats - Properties used for the cultivation, distribution, manufacture, or sale of marijuana - Rural property: - A property is classified as rural if: - The appraiser indicates in the neighborhood section of the report a rural location; or - The following two (2) conditions exist: - The property is located on an unpaved road, and - Two of the three comparable properties are more than five (5) miles from the subject property

General Requirements	
Property Flips	- Applies to covered HPML transactions. - If the property is a "flip" as defined below, the following additional requirements apply: - A second appraisal must be obtained. - If the loan is subject to Regulation Z, a copy of the second appraisal must be provided to the borrower in compliance with the federal HPML requirements. - The second appraisal must be dated prior to the loan consummation/note date. - The property Seller on the purchase contract must be the owner of record. - Increases in value should be documented with commentary from the appraiser and recent comparable sales. - Sufficient documentation to validate the actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable. - A property is considered a "flip" if either of the following are true: - The price in the borrower's purchase agreement exceeds the property Seller's acquisition price by more than 10% if the property Seller acquired the property 90 or fewer days prior to the date of the borrower's purchase agreement. The price in the borrower's purchase agreement exceeds the property Seller's acquisition price by more than 20% if the property Seller acquired the property 91-180 days prior to the date of the borrower's purchase agreement. - The acquisition date is the day the seller became the legal owner. The purchase date is the day the borrower and the seller sign the home purchase agreement. - Start with the day after the acquisition date and count up to and including the purchase date.
Age of Credit Documentation	- Underwriting and borrower credit documents may not be more than 120 days seasoned at the Note date. - The Appraisal must be dated within 120 days of the Note date. An Appraisal exceeding 120 days is not eligible and a new appraisal is required.
Fraud Report	- All parties to the transaction must be included in the fraud report performed by an automated fraud and data check vendor solution. - OFAC SDN screening criteria to be added for Borrowers/Guarantors, Property seller, settlement agents only. - Criteria applies to all programs.
Min. Credit Score	- Min. 640 FICO - Middle of 3 scores or lower of 2 - For loan files with multiple borrowers, use highest decision credit score amongst all borrowers/guarantors to determine loan eligibility
Credit Refresh / Gap Credit Report	Not Required
Mortgage History	- 1x30x12 - Limited to verifying the borrower's primary residence and the subject property (only if a refinance transaction) - Borrower does not need to have a current mortgage reflected on credit reports, however if shown on credit reports, must meet above criteria for the past 12 months period - Borrower who owns his/her properties free and clear does not need previous mortgage history - Rent Free: A Letter of explanation (LOE) executed by such Relative confirming that there is/was no monthly obligation.

General Requirements	
Tradeline Requirement	- 3 Tradelines with 12 months rating (may be open or closed) or 2 Tradelines with 24 months rating (may be open or closed) - If the primary borrower has 3 credit scores, the minimum tradeline requirement is waived. - Non-traditional credit: Ineligible
Authorized User Account	- Credit report tradeline that lists a borrower as an authorized user cannot be considered in the minimum tradelines requirement. BUT if the primary borrower has 3 credit scores, the minimum tradeline requirement is waived. - Authorized user accounts can be excluded from the DTI ratio
Credit Inquiries	Not Required
Disputed Accounts	Disputed accounts are reviewed to determine current balance and derogatory information (a 30-day or more delinquency) within 1 year prior to the credit report date: - $0 balance and no derogatory information: no action required - $0 balance and derogatory information: no action required - A positive balance and no derogatory information: no action required - A positive balance and derogatory information: remove and provide a credit supplement
Qualifying Rate	Note Rate
Debt Service Coverage Ratio (DSCR)	- Gross Income/PITIA =>1.00 or No Ratio **Short Term Rental** - LTV/CLTV limits: - Purchase: Lesser of 75%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix. - Refinance: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix. - DSCR calculation: - Monthly gross rents based upon a 12-month average to account for seasonality required. - 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. - (Gross Rents * .80) divided by PITIA = DSCR. - Any of the following methods may be used to determine gross monthly rental income: - A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents. - If long-term rent is utilized, 20% expense factor is not to be applied. - An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following: - Analysis must be completed pursuant to the lender’s appraisal management process. - Must be completed by a licensed appraiser. - Must include daily rental rate and occupancy percentage. - The most recent 12-month rental history statement from the 3rd party rental/management service.

General Requirements	
Debt Service Coverage Ratio (DSCR)	- The statement must identify the subject property/unit, rents collected for the previous 12 months, and all vendor management fees. The rental income will exclude all vendor or management fees. - The most recent 12-month bank statements from the borrower evidencing short term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits. - AIRDNA (www.Airdna.co) Rentalizer and Overview reports, accessed using the Explore Short-Term Rental Data, must meet the following requirements: - Rentalizer (Property Earning Potential). - Only allowed for purchase transaction. - Gross Rents equal the revenue projection from the Rentalizer Report. - The gross rents are subject to the application of the 20% extraordinary expense factor. - Revenue projection equals the average daily rental rate times the occupancy rate. - Forecast Period must cover 12 months and dated 90- days within the Note date. - The occupancy rate must be > 60%. - Must have three (3) comparable properties, all within the same ZIP code. - Must be similar in size, room count, amenities, availability, and occupancy. - Maximum occupancy limited to 2 individuals per bedroom. - Overview report (Evaluate a Market): - Market score or Sub-Market score by zip code - Market score or Sub-Market score must be 60 or greater - When both a Market and Sub-Market score are present, use the lower of the two. - Both the Market and Sub-Market score must be at the zip code level. **Long Term Rental** - Purchase: Rent survey (Form 1007 or 1025) from appraiser - If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. - If using the lower of the actual lease amount or estimated market rent, nothing further is required. - If using a higher actual 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%. - If using a higher estimated 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%. - A vacant or unleased property is allowed without LTV restriction. - Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.

General Requirements	
Debt Service Coverage Ratio (DSCR)	**Refinance:** - If using the lower of the actual lease amount or estimated market rent, nothing further is required. - If using a higher actual 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 or 1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%. - If using a higher estimated 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%. - Unleased property must use No Ratio matrix for qualification and pricing. - Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR
Employment / Income	- No proof of income required. - The employment section of the 1003 loan application may be left blank. No further verification is required.
4506-C	Not Required
Asset	- Most recent one (1) month bank statement or VOD required, source of large deposit is not required to be documented. - VOD should be dated within 120 days of loan application date.
Business Assets	- Business funds: Funds in the borrower's business account(s) ≤ 100% of account balance may be counted toward down payment, closing costs, and reserves. The percentage of account balance used towards the down payment, closing costs, and reserves must be no more than the borrower's ownership of the business. - Business funds that are in a personal account prior to application may be used for down payment, closing costs, and reserves without restriction
Min. Borrower Contribution	None
Gift	- 100% gift funds allowed - Must meet FNMA guideline for acceptable donors - If donor provides gift funds from business account, must follow above Business Assets requirements

Eligible Other Assets	- Foreign Assets
	    - Foreign assets being used for down payment and closing costs must be held in a U.S. account prior to closing.
	    - The sale of the foreign asset and conversion of foreign currency must be fully documented and verified.
	    - The borrower's source of funds for the down payment and/or closing costs must comply with the Office of Foreign Assets Control (OFAC).
	- Life Insurance (Cash Value)
	    - Net proceeds from a cash value or from the surrender of a life insurance policy may be considered for downpayment, closing cost and reserves.
	    - The most recent statements must be provided.
	    - If the funds are needed for the down payment or closing cost, proof of liquidation and receipt of the funds by the borrower must be documented.
	    - When the cash-value of the life insurance is being used for reserves, the cash-value must be documented but liquidation is not required.

General Requirements	
Eligible Other Assets	- Stocks/Bond/Mutual Funds: - 100% funds may be considered for downpayment, closing cost and reserves. - If the value of the asset is at least 20% more than the amount of funds needed for the down payment and closing costs, no documentation of the borrower's actual receipt of funds realized from the sale or liquidation is required. Otherwise, Evidence of the borrower's actual receipt of funds realized from the sale or liquidation must be documented. - When Stocks/Bond/Mutual Funds are used for reserves, 100% of the value of the assets may be considered, and liquidation is not required. - Vested Retirement Account - 100% funds may be considered for downpayment, closing cost and reserves. - The most recent retirement account statement must be provided and must identify the borrower's vested amount and the terms. - Terms of withdrawal may be required. - When funds from retirement accounts are used for reserves, the funds to be withdrawn from the account(s)is not required.
Reserves	- Loan Amount <= $1.5M & LTV <= 75%: None - Loan Amount <= $1.5M & LTV > 75%: 2 months of PI - Loan Amount > $1.5M: 4 months of PI - Loan Amount > $2.0M: 6 months of PI - For R/T Refinances Only: Required reserves (above) may be waived when all borrowers have 0x30x12 on mortgage in credit report and payment on new loan is decreasing. - Gift Funds may be used toward the reserve requirement. - Cash out amounts may be used toward the reserve requirement.
Max. Seller Contribution	3% with all LTVs
Cash-Out	- Cashout is not eligible if there has been a prior cashout transaction in the past 6 months - Cash out seasoning is defined as the time difference between the date of the new note date and the property acquisition date - A minimum borrower seasoning requirement of six (6) months is required for a transaction to be eligible for cash out. - For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. - If the cash-out seasoning is less than 12 months but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements. - Properties listed for sale in the past six (6) months are not eligible - Cash out seasoning of six (6) months or less is allowed with the following restrictions: - It must be documented that the borrower acquired the property through an inheritance or was legally awarded the property through divorce, separation, or dissolution of a domestic partnership. - Max Cash Back to borrower: Unlimited
Rate & Term	Refinance of previous loan that provided cashout & seasoned < 6 months will be considered cashout.
Texas Cash Out	Eligible since Business Purpose N/O/O properties

General Requirements	
Listed Properties	- Rate & Term: Cannot be listed for sale on date of loan application. The value will be based on the lesser of the lowest list price or appraised value. - Cash Out: Cannot be listed for sale in prior 6 months from date of loan application unless there is a three (3) year prepayment penalty. If a property is listed for sale, the listing must be cancelled prior to the note date. The value will be based on the lesser of the lowest list price or appraised value.
Appraisal	- One full appraisal required for all loans <= $2,000,000 - Two full appraisals required for all loans > $2,000,000 - Desk review or CDA will be ordered and reviewed by ITRUST Underwriter on all loans with one full appraisal - Desk review or CDA will not be required on all loans with two full appraisals - Transferred Appraisal: Allowed
Hazard Ins. Flood Ins.	Must meet FNMA Guidelines
Max # of Prop.	Max. 10 financed properties & Max. $5MM combined
Secondary Financing	- Private-party secondary financing not allowed - Secondary financing must be subordinated and included in CLTV - HELOC CLTV must be calculated at the maximum available line amount unless the borrower can provide documentation showing the line of credit is past its draw period
Prepayment Penalty	- Prepayment periods up to 5-Years eligible, see rate sheet - Six months of interest: The prepayment charge will be equal to 6 months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period. - The prepayment penalty can be disclosed within the body of the Note or in a separate rider.
Escrow Waiver	- Escrow funds/impound accounts are required to be established for all HPML loans. Escrow funds include, but are not limited to taxes, insurance (hazard, flood, and mortgage) premiums, etc. - Escrow funds/impound accounts can be waived, with the exception of Flood Insurance Premium for non-HPML loans or exempt business purpose loans when LTV <= 80%
Closing In Trust	Must meet FNMA guideline
Chain of Title	24-month title history is required. Transfer date, price, and buyer and Seller names should be provided for any transfers that occurred within the past 24 months.
Power of Attorney	Not allowed for Cash-Out
Accessory Unit	Must meet FNMA guideline
Properties with Solar Panels	Must meet FNMA guideline
Title Vesting and Ownership	- Ownership may be fee simple or leasehold title. - Eligible forms of vesting are: - Individuals - Joint tenants - Tenants in Common - Inter vivos revocable trust - must meet FNMA guideline. - Ineligible forms of vesting are: - Land trusts - Blind trusts - Irrevocable trust - IRAs - Not-For-Profit entity

<table>
<tr><th colspan="2">General Requirements</th></tr>
<tr><td>Leasehold Properties</td><td>- In areas where leasehold estates are commonly accepted and documented via the Appraisal, loans secured by leasehold estates are eligible for purchase. The mortgage must be secured by the property improvements and the borrower’s leasehold interest in the land. The leasehold estate and any improvements must constitute real property, be subject to the mortgage lien, and be insured by the title policy.

- Must meet FNMA guideline.</td></tr>
<tr><td>Vested In An Entity</td><td>- Only allowed for Business Purpose Loans (Investment Occupancy)
- Limited to the following structures: LLC, Partnership, and Corporation
- Purpose and activities are limited to ownership and management of real property.
- Multi-level entity structures are allowed subject to entity documentation requirements met for all entities.
- Entity must be domiciled in a U.S. State.
- Entity is limited to a maximum of four (4) member(s) or manager(s).
- Personal guaranties must be provided by member(s)/manager(s) representing at least 50% ownership of the entity.
- A guarantor must have authority to execute loan documents on behalf of the entity.
- Each Entity member providing a Personal Guaranty (full recourse) must complete a FNMA Form 1003. Only the debt appearing on the personal credit report of individual(s) providing a personal guaranty needs to be reflected on the FNMA Form 1003 loan application. The application of each member providing a personal guaranty and their credit score, and creditworthiness will also be used to determine qualification and pricing.
- Such structures shall be initiated and arranged by the members of the Entity.
- Documentation required for the different entity types
Limited Liability Company (LLC)
- Entity articles of organization or partnership (or equivalent)
- Evidence of good standing: Good standing is always required for the state in which the entity was formed (e.g., Certificate, screen shot from state website)
- Entity documents authorizing the guarantor to execute loan documents on behalf of the entity (e.g., Operating Agreement, Certificate of Authorization)
- If not available, a Borrowing Certificate is required
- Entity documents that include a list of members/managers and ownership percentage (e.g., organization structure)
- EIN/Tax Identification Number
- Single member LLC may use EIN or the guarantor social security number
- Multi-member LLCs require an EIN
Corporation
- Filed Certificate/Articles of Incorporation and all amendments (or equivalent)
- By-Laws and all amendments
- Evidence of good standing: 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.</td></tr>
</table>

General Requirements	
Vested In An Entity	**Partnership** - Filed Partnership Certificate (if a general partnership, filing with the SOS may not be required) - Partnership Agreement and all amendments - Evidence of good standing: 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 - Limited partner consents (where required by partnership agreement). - Closing docs to be signed by the guarantor(s) - Spousal consent to pledge.