

## LEAD+ Wholesale Lending

### Lead DSCR Multi

**\*\*Lead Multi DSCR is designed for Residential properties up to 8 Units\*\***

CT, FL, IL, NJ:

Purchase: Max LTV/CLTV 70%, min credit score 720, Refinance: Max LTV/CLTV 65%, min credit score 720 and max loan amount is limited to \$2.0MM

**DSCR >= 1.00**

Credit	Reserve	Loan Amount
700	6	\$1,500,000
	9	\$2,000,000

Purchase	Rate/Term	Cash out
75	70	65
70	65	65

### Requirements

Products	Fixed Rate Terms: 15, 30-years; Maximum loan term cannot exceed 30-years.
Interest Only	Credit score: 700      Max LTV 75% Purchase, 70% Rate/Term, 65% Cash-Out
Loan Amounts	Minimum: \$400,000 Maximum: \$2,000,000
Debt Paid Off With Cash Out Refi	Only debt on the subject property can be paid off with proceeds from cash out refinance. ANY other pay off/pay down of debt is ineligible
Property Types	<ul style="list-style-type: none"> <li>· Residential 5 – 8 Units</li> <li>· Mixed use 2 – 8 Units                             <ul style="list-style-type: none"> <li>o Commercial usage limited to Retail/Office/Restaurant                                     <ul style="list-style-type: none"> <li>▪ 2-3 Units: Max 1 commercial Unit</li> <li>▪ 4-5 Units: Max 2 commercial Unit</li> <li>▪ 6-8 Units: Max 3 commercial Units</li> <li>▪ Commercial space must not exceed 49.99% of the total building area</li> </ul> </li> </ul> </li> </ul>
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.
Unleased Properties	Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units Vacant unit(s) qualify at 75% of market rent
Acreage	Maximum: 2 Acres, Rural is ineligible
Cash In Hand	Maximum: \$1,000,000

## Requirements (continued)

Appraisals	<ul style="list-style-type: none"> <li>· A full interior inspection with photos is required for all units.</li> <li>· 5-8 Residential               <ul style="list-style-type: none"> <li>o FHLMC 71A, FHLMC 71B (Acceptable only for loan amounts up to \$1M), FNMA 1050 or similar short form used to appraise 5+ residential properties,</li> <li>o Narrative report can be utilized but not required.</li> </ul> </li> <li>· 2-8 Mixed Use               <ul style="list-style-type: none"> <li>o General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)</li> </ul> </li> <li>· The following attachments required for 5-8 Residential and 2-8 Mixed Use appraisal reports:               <ul style="list-style-type: none"> <li>o Rent Roll</li> <li>o Income and Expense Statement</li> <li>o Photos of subject including exterior/interior and street scene</li> <li>o Aerial photo</li> <li>o Sketch or floor plan of typical units</li> <li>o Map</li> <li>o Appraiser qualifications</li> </ul> </li> <li>· Review Product – A commercial BPO or second appraisal is required for all loans.                In Pennsylvania and North Carolina, a commercial evaluation product is used instead of a commercial BPO.                Drive By Commercial sales and income product to be ordered through Clear Capital                Second Appraisal for loan amounts &gt;\$2.0M</li> </ul>
Declining Market	Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.
Property Condition	<ul style="list-style-type: none"> <li>· No fair or poor ratings</li> <li>· No environmental issues (Storage or use of hazardous material i.e., Dry Cleaners, Laundromat)</li> <li>· No health or safety issues (As noted by appraiser, i.e., broken windows, stairs)</li> <li>· No excessive deferred maintenance that could become a health or safety issue for tenants</li> <li>· No structural deferred maintenance, (i.e., Foundation, roof, electrical, plumbing)</li> </ul>
Mixed Use	<ul style="list-style-type: none"> <li>· Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable.</li> </ul> Vacant commercial space not allowed.
Income	Leased – Use lower of Estimated market rent or lease agreement. (copies of leases are required) <ul style="list-style-type: none"> <li>· Short-Term Rental Income not eligible</li> <li>· Vacant Unit(s) – Use 75% of market rents.               <ul style="list-style-type: none"> <li>o Max: 1 vacant unit on 2-3 Unit property: 2 vacancies on 4+ Units.</li> </ul>               Vacant residential units must be actively marketed for rent. Provide screenshot of listing or other documentation               <ul style="list-style-type: none"> <li>o Vacant commercial space not allowed.</li> </ul> </li> <li>· Reduce qualifying rents by any management fee reflected on appraisal report.</li> </ul> 2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income No Income other than the subject rental income is to be disclosed on the initial or final URLA <ul style="list-style-type: none"> <li>· Minimum DSCR &gt;= 1.00</li> <li>· DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the PITIA payment).</li> <li>· Loan amounts &gt;= \$2,000,000 require DSCR &gt;= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater)</li> </ul> Reduce qualifying rents by any management fee reflected on the appraisal report

Requirements (continued)		
Prepays 5% (Investment only)	Prepayment periods up to 5-Years eligible, see rate sheet Penalty Not Allowed: AK, AZ, DC, IL KS, MD, MI, MN, MS,NJ, NM, NC OH, OK, PA, RI, UT and WA	States
Credit scores	Use representative credit score of the borrower/guarantor with the highest representative score. Middle of 3 scores or lower of 2	
Borrower Experience	<b>Experienced Investor:</b> : 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 <b>First Time Investor:</b> Not eligible <b>First Time Homebuyer:</b> Not eligible	
Reserves	· 6-months of PITIA · Loan Amount > \$1.5M: 9-months of PITIA Cash out may <b>not</b> be used to satisfy Reserve Requirements	
Assets	Min of 30-days asset verification required; any large deposit must be sourced	
Gift Funds	Not Eligible	
Tradelines	· Min: 2 reporting 24-months w/activity in last 12- months or 3 reporting 12-months w/recent activity · For each borrower/guarantor who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers/guarantors must be evaluated individually).	
Credit History	Housing History: 0x30x12 Credit event: BK/FC/SS/DIL >= 36 Mo No Restrictions Forbearance, Mod or Deferral: See Non-Agency Seller Guide	
Escrows	Escrows may be waived, see seller guides Escrow/Impounds for requirements	
Geographical Restrictions	CT, FL, IL, NJ: Purchase Max LTV/CLTV 70%, min credit score 720, Refinance Max LTV/CLTV 65%, min credit score 720 and max loan amount is limited to \$2.0MM  We do not lend in Puerto Rico, Guam, US Virgin Islands, New York, North Dakota and South Dakota	
*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   www.nmlsconsumeraccess.org   Equal Housing Opportunity.		