



Luzy Cross Collateral – DSCR

Cross Collateral – Maximum LTV/CLTV

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Maximum LTV/CLTV		Loan LUZI SOLUTIONS – DSCR > 1.20		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
700	1,000,000	80	75	75
	1,500,000	80	75	75
	2,000,000	75	75	70
	3,000,000	70	65	65
	3,500,000	70	65	NA
	4,000,000	65	60	NA
680	1,000,000	75	75	70
	1,500,000	75	75	70
	2,000,000	70	70	65
	3,000,000	65	NA	NA
	3,500,000	65	NA	NA
660	1,000,000	75	75	70
	1,500,000	75	75	70
	2,000,000	70	65	65
	2,500,000	70	65	65
	3,000,000	65	NA	NA
Maximum LTV/CLTV		Loan LUZI SOLUTIONS – DSCR 1.00 – 1.20		
700	1,000,000	75	70	70
	1,500,000	75	70	70
	2,000,000	70	70	65
	2,500,000	65	65	60
	3,000,000	60	NA	NA
	3,500,000	60	NA	NA
680	1,000,000	70	70	65
	1,500,000	70	70	65
	2,000,000	65	60	60
	3,000,000	60	NA	NA
	3,500,000	60	NA	NA
660	1,000,000	65	65	65
	1,500,000	65	65	60
	2,000,000	60	60	55
	2,500,000	60	55	NA
	3,000,000	55	NA	NA
Loan Amount	Minimum		Maximum	
	\$200,000		\$4,000,000	
Property Count	2		25	
Property Level Allocated Balance	\$0		\$1,000,000	
Property Type				
<ul style="list-style-type: none"> Single Family: Attached, Detached 2-4 Unit and Condominium: Max LTV/CLTV Purchase 75%, Refinance 70% <ul style="list-style-type: none"> Overlay applies if any of the properties in the portfolio are 2-4 Unit or Condominium Condo Hotel (Condotel): Max LTV/CLTV Purchase 75%, Refinance 65%, Max Loan Amount \$1,500,000 <ul style="list-style-type: none"> Overlay applies if any of the properties in the portfolio are a Condo Hotel Rural: Max LTV/CLTV 75% Purchase, 70% Refinance <ul style="list-style-type: none"> Overlay applies if any of the properties in the portfolio are rural Not Eligible: 5-8 Unit residential in all states, 2-8 Mixed Use properties in all states 				
Housing History	Credit Event Seasoning	Investor Experience		
1x30x12 2x30x24	BK/FC/SS/DIL/PreFC/MC: <ul style="list-style-type: none"> >=36 Mo – Any event Forbearance, Modification, or Deferral: > 12 Mo	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: Not eligible First Time Homebuyer: Not eligible		
State Restrictions				
<ul style="list-style-type: none"> IL, NY: 2-4 Unit not eligible Ineligible Locations: <ul style="list-style-type: none"> Baltimore City, MD Philadelphia County, PA Puerto Rico, Guam, & the US Virgin Islands State Overlays for CT, FL, IL, NJ, NY: Max LTV/CLTV Purchase 75%, Refinance 70% <ul style="list-style-type: none"> Overlay applies if any of the properties in the portfolio are in the states of CT, FL, IL, NJ, NY 				
Declining Market				
<ul style="list-style-type: none"> If appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 75% for purchase and 70% for refinance <ul style="list-style-type: none"> Overlay applies if any of the properties in the portfolio are in a declining market 				



Luzi Cross Collateral – DSCR , continued

General Requirements			
Product Type	<ul style="list-style-type: none"> • Fixed Rate Terms: 15, 30-years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term 		
Interest Only	<ul style="list-style-type: none"> • Min 680 • Max LTV: 75% Purchase, 75% Rate/Term, 70% Cash-Out • Qualification based upon the interest only payment 		
Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash-Out • Mixed transactions permitted (i.e., Purchase, Cash-Out), eligibility/pricing to be based upon the most conservative transaction type • Non-Arm's Length transactions are ineligible 		
Cash-In-Hand	<ul style="list-style-type: none"> • Max: \$1,000,000 if LTV ≥ 65% • Max: \$2,000,000 if LTV < 65% 		
Occupancy	<ul style="list-style-type: none"> • Investment 		
Eligible Borrower	<ul style="list-style-type: none"> • U.S. Citizen • Permanent Resident Alien 		
Acreage	<ul style="list-style-type: none"> • Property up to 5 acres 		
Restrictions	<ul style="list-style-type: none"> • Citizens and individuals from OFAC sanctioned countries are not eligible 		
Appraisals	<ul style="list-style-type: none"> • FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. • 2nd Appraisal required for loans > \$2,000,000 		
Value	<ul style="list-style-type: none"> • Minimum value \$100,000 per property, based on lesser of the purchase price or appraised value • Maximum value \$1.5MM per unit for each property (i.e., \$1.5MM max on 1-unit, \$3.0MM max on 2-unit, \$4.5MM max on 3-unit, etc), based on lesser of the purchase price or appraised value 		
Partial Release	<ul style="list-style-type: none"> • 120% of the allocated balance required to be paid to obtain a partial release 		
Income Requirements			
Income	<ul style="list-style-type: none"> • Long-Term Rental: See Correspondent Non-Agency Seller Guide for documentation requirements • Short-Term Rental: See Correspondent Non-Agency Seller Guide for documentation requirements • Vacant Property: <ul style="list-style-type: none"> ○ 10% LTV reduction to be applied when 25% or more of the properties in the portfolio are vacant <ul style="list-style-type: none"> ▪ Property Level Requirements for 2-4 Unit: Property is considered vacant when 2 or more units are vacant. Use 75% of market rent for the vacant unit(s) ○ Vacant properties must be in lease-ready condition and cannot be undergoing renovation 		
LUZI SOLUTIONS – DSCR	<ul style="list-style-type: none"> • Minimum Loan LUZI SOLUTIONS – DSCR : 1.00 <ul style="list-style-type: none"> ○ Loan LUZI SOLUTIONS – DSCR calculation: Total gross rental income for all properties/Total loan amount PITIA (or ITIA) • Minimum Property LUZI SOLUTIONS – DSCR : .75 <ul style="list-style-type: none"> ○ Property LUZI SOLUTIONS – DSCR calculation: Gross rental income per property/Allocated loan amount PITIA (or ITIA) per property • Azuza LLC Cross Collateral Workbook to be completed, see website for form 		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> • Use representative credit score of the borrower/guarantor with the highest representative score <ul style="list-style-type: none"> ○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores 	Tradelines	<ul style="list-style-type: none"> • 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)
Assets	<ul style="list-style-type: none"> • Min of 30-days asset verification required 	Reserves	<ul style="list-style-type: none"> • 2-months of PITIA for each property • Total Loan Amount > \$1.5M: 6-months of PITIA for each property • Total Loan Amount > \$2.5M: 12-months of PITIA for each property • Cash-out may be used to satisfy requirement
Gift Funds	<ul style="list-style-type: none"> • Ineligible 	Document Age	<ul style="list-style-type: none"> • 120-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 Example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) • Prepayment periods up to 5-Years eligible, see rate sheet 		
Escrows	<ul style="list-style-type: none"> • Escrows are required for cross-collateral, may not be waived 		
See Azuza LLC Rate Sheet for file review fees			



Luzy Solutions – DSCR (5-8 Unit or 2-8 Mixed Use)

Single Investment Property - Maximum LTV/CLTV							
		5-8 Residential Units >= 1.00			2-8 Mixed Use >= 1.00		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term	Cash-Out	Purchase	Rate/Term	Cash-Out
720	1,500,000	75	70	65	75	70	65
	2,000,000	70	65	65	70	65	65
	2,500,000	65	60	60	NA	NA	NA
	3,000,000	60	55	NA	NA	NA	NA
700	1,500,000	75	70	65	75	70	65
	2,000,000	70	65	65	70	65	65
Housing History		Credit Event Seasoning		Investor Experience			
0x30x12		BK/FC/SS/DIL/PreFC/MC: • >=36 Mo – Any event Forbearance, Modification, or Deferral: > 12 Mo		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: Not eligible First Time Homebuyer: Not eligible			
Unleased Units							
<ul style="list-style-type: none"> • Maximum: 1 vacant unit on 2-3 Unit property. 2 vacancies on 4+ Units • Vacant unit(s) qualify at 75% of market rent 							
State Restrictions							
<ul style="list-style-type: none"> • Ineligible States: IL, NY • Ineligible Locations: <ul style="list-style-type: none"> ○ Baltimore City, MD ○ Philadelphia County, PA ○ Puerto Rico, Guam, & the US Virgin Islands • State Overlays for CT, FL, NJ: Max LTV/CLTV limited to 70% for purchase and 65% for refinance, min credit score 720 							
Declining Market							
Maximum eligible LTVs do not require a market adjustment for the 5-8 multifamily and 2-8 mixed use property types.							
General Requirements							
Product Type	<ul style="list-style-type: none"> • Fixed Rate Terms: 15, 30 years • 5/6 ARM, 7/6 ARM, 10/6 ARM with 30-year term 						
Interest Only	<ul style="list-style-type: none"> • Eligible • 30-year term, qualification based upon the interest only payment 						
Loan Amounts	<ul style="list-style-type: none"> • Min: 400,000 • Max: 3,000,000 						
Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash-Out • Non-Arm's Length transactions are ineligible 						
Cash-In-Hand	<ul style="list-style-type: none"> • Max: \$1,000,000 						
Occupancy	<ul style="list-style-type: none"> • Investment 						
Eligible Borrower	<ul style="list-style-type: none"> • U.S. Citizen • Permanent Resident Alien • Non-Permanent Resident Alien 						
Restrictions	<ul style="list-style-type: none"> • Citizens and individuals from OFAC sanctioned countries are not eligible 						
Property Type	<ul style="list-style-type: none"> • Residential 5-8 Unit • Mixed use 2-8 Unit: Commercial usage limited to Retail/Office/Restaurant <ul style="list-style-type: none"> ○ 2-3 Unit: Max 1 commercial Unit ○ 4-5 Unit: Max 2 commercial Units ○ 6-8 Unit: Max 3 commercial Units ○ Commercial space must not exceed 49.99% of the total building area • Ineligible: Rural 						
Acresage	<ul style="list-style-type: none"> • Property up to 2-acres, not meeting the rural definition, eligible 						
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, FHLMC 71B, 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), or ○ Narrative report can be utilized • The following attachments 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 subject including exterior/interior and street scene ○ Aerial photo ○ Sketch or floor plan of typical units ○ Map ○ Appraiser qualifications • Review Product – A commercial sales and income BPO or second appraisal. <ul style="list-style-type: none"> ○ In Pennsylvania and North Carolina, 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) 						
Mixed Use	<ul style="list-style-type: none"> • Commercial use limited to retail, restaurant, or office space. Residential/Commercial zoning acceptable • Vacant commercial space not allowed 						



Luzy Solutions – DSCR (5-8 Unit or 2-8 Mixed Use), continued

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. <ul style="list-style-type: none"> Max: 1 vacant unit on 2-3 Unit property; 2 vacancies on 4+ Units Vacant residential units must be actively marketed for rent, provide screenshot of listing or other documentation Vacant commercial space not allowed Reduce qualifying rents by any management fee reflected on appraisal report 2-8 Mixed Use – Income from commercial space must not exceed 49.99% of the total property income 		
LUZI SOLUTIONS – DSCR	<ul style="list-style-type: none"> Minimum LUZI SOLUTIONS – DSCR \geq 1.00 LUZI SOLUTIONS – DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment) Reduce qualifying rents by any management fee reflected on the appraisal report 		
Underwriting Requirements			
Credit Score	<ul style="list-style-type: none"> Use representative credit score of the borrower/guarantor with the highest representative score <ul style="list-style-type: none"> Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores 	Tradelines	<ul style="list-style-type: none"> 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)
Assets	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Not eligible 	Document Age	<ul style="list-style-type: none"> 120-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 Example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%) Prepayment periods up to 5-Years eligible, see rate sheet 		
Escrows	<ul style="list-style-type: none"> Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements 		