



## Luzi Foreign National – DSCR – Investment Property Only

### Single Investment Property – Maximum LTV/CLTV

LUZI SOLUTIONS – DSCR	Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term	Cash-Out
>=1.00	680	1,000,000	75	75	70
		1,500,000	75	75	65
		2,000,000	70	70	60
		2,500,000	65	NA	NA
	No Credit Score	1,000,000	75	75	70
		1,500,000	75	75	65
		2,000,000	70	70	60
		2,500,000	65	NA	NA
<1.00	680	1,000,000	70	70	65
		1,500,000	65	65	65
		2,000,000	60	60	60
		1,000,000	70	70	65
	No Credit Score	1,500,000	65	65	65
		2,000,000	60	60	60

#### Property Type

- Single Family: Attached, Detached
- 2-4 Unit, Condominium, Condo Hotel (Condotel): Max LTV/CLTV Purchase 70%, Rate/Term 70%, Cash-Out 65%
- Rural: Max LTV/CLTV Purchase 70%, Rate/Term 70%, Cash-Out 65%

Housing History	Credit Event Seasoning	Investor Experience
0x30x12, if documented	BK/FC/SS/DIL/PreFC/MC: >= 36 Mo Forbearance, Modification, or Deferral: > 12 Mo	First Time Investor: Allowed
<b>Long-Term Rental – Vacant Refinance Only</b>	LTV is lesser of 70% for refinance, or LTV based upon the LUZI SOLUTIONS – DSCR /Credit Score/Loan Balance table	
<b>Short-Term Rental – Refinance Only</b>	LTV is lesser of 70% for refinance, or LTV based upon the LUZI SOLUTIONS – DSCR /Credit Score/Loan Balance table	

#### State Eligibility

- IL, NY: 2-4 Unit not eligible
- Ineligible Locations:
  - Baltimore City, MD
  - Philadelphia County, PA
  - Puerto Rico, Guam, & the US Virgin Islands
- State Overlays for CT, FL, IL, NJ, NY: Max LTV/CLTV limited to 70% for refinances only, max loan amount limited to \$2.0MM for all transactions

#### Declining Market

If the appraisal report identifies the property in a declining market, max LTV/CLTV is limited to 70% for refinances and max loan amount \$2.0MM for all transactions.

#### General Requirements

<b>Product Type</b>	<ul style="list-style-type: none"> <li>• Fixed Rate Terms: 15, 30, 40 years</li> <li>• 5/6 ARM, 7/6 ARM, 10/6 ARM with 30 and 40-year terms; ARM 40-year term must be combined with interest only feature</li> </ul>
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>• Eligible                             <ul style="list-style-type: none"> <li>• 30 and 40-year total loan terms, qualification based upon the interest only payment</li> </ul> </li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>• Min: 150,000</li> <li>• Max: 2,500,000</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase, Rate/Term, and Cash-Out</li> <li>• Non-Arm's Length transactions are ineligible</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Investment for all eligible foreign citizens</li> </ul>
<b>Eligible Borrower</b>	<ul style="list-style-type: none"> <li>• Foreign National</li> </ul>
<b>Eligibility Restrictions</b>	<ul style="list-style-type: none"> <li>• Citizens and individuals from OFAC sanctioned countries are not eligible</li> <li>• Florida Purchases: Loans secured by property in the state of Florida made to foreign principals, persons, and entities are to include one of the following Affidavits published by the Florida Land Title Association:                             <ul style="list-style-type: none"> <li>○ Conveyances to Foreign Entities By Individual Buyer</li> <li>○ Conveyances to Foreign Entities By Entity Buyer</li> </ul> </li> </ul>
<b>Acreage</b>	<ul style="list-style-type: none"> <li>• Property up to 5-acres</li> </ul>
<b>Cash-In-Hand</b>	<ul style="list-style-type: none"> <li>• Max: \$300,000 if LTV &gt; 50%</li> <li>• Max: \$500,000 for LTV &lt;= 50%</li> <li>• Total equity withdrawn cannot exceed above limits</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2<sup>nd</sup> appraisal obtained.</li> <li>• 2<sup>nd</sup> Appraisal required for loan &gt; \$2,000,000.</li> </ul>

#### Income Requirements

<b>Income</b>	<b>Long-Term Rental Documentation and LUZI SOLUTIONS – DSCR Calculation</b> <ul style="list-style-type: none"> <li>• <b>Purchase Transactions:</b> <ul style="list-style-type: none"> <li>○ Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long-term market rents.</li> <li>○ If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. Monthly gross rent is to be evaluated for each unit individually.                                     <ul style="list-style-type: none"> <li>▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>▪ 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%.</li> <li>▪ 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%.</li> </ul> </li> <li>○ A vacant or unleased property is allowed without LTV restriction.</li> <li>○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate LUZI SOLUTIONS – DSCR .</li> </ul> </li> </ul>
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## Luzi Foreign National – DSCR – Investment Property Only, continued

<b>Income, continued</b>	<ul style="list-style-type: none"> <li>• <b>Refinance Transactions:</b> <ul style="list-style-type: none"> <li>○ Required documentation:           <ul style="list-style-type: none"> <li>▪ Original appraisal report reflecting tenant-occupied, and</li> <li>▪ FNMA Form 1007 or 1025 reflecting long-term market rents, and</li> <li>▪ Executed lease agreement               <ul style="list-style-type: none"> <li>▫ Leases that have converted to month-to-month are allowed.</li> <li>▫ If lease agreement is not provided, LTV/CLTV is limited to lesser of 70% or the LUZI SOLUTIONS – DSCR /FICO/Loan balance matrix.</li> </ul> </li> </ul> </li> <li>○ Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from 1007/1025. Monthly gross rent is to be evaluated for each unit individually.           <ul style="list-style-type: none"> <li>▪ If using the lower of the actual lease amount or estimated market rent, nothing further is required.</li> <li>▪ 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%.</li> <li>▪ 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%.</li> </ul> </li> <li>○ A vacant property as indicated on the appraisal is allowed subject to the following:           <ul style="list-style-type: none"> <li>▪ LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the LUZI SOLUTIONS – DSCR /FICO/Loan balance matrix.</li> </ul> </li> <li>○ Unit subject to rent control or housing subsidy must utilize current contractual rent to calculate LUZI SOLUTIONS – DSCR .</li> </ul> </li> <li>• <b>LUZI SOLUTIONS – DSCR Calculation:</b> <ul style="list-style-type: none"> <li>○ Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA (or ITIA) of the subject property. See this matrix for required Debt Service Coverage Ratios.</li> <li>○ PITIA: Gross rents divided by PITIA = LUZI SOLUTIONS – DSCR</li> <li>○ ITIA: Gross rents divided by ITIA = LUZI SOLUTIONS – DSCR</li> </ul> </li> </ul> <p><b>Short-Term Rental (e.g., Airbnb, VRBO, FlipKey) Documentation and LUZI SOLUTIONS – DSCR Calculation</b>            Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis.</p> <ul style="list-style-type: none"> <li>• <b>Short-Term Rental Income – Purchase and Refinance Transactions:</b> <ul style="list-style-type: none"> <li>○ LTV is lesser of 70% for a refinance, or the LTV based upon the LUZI SOLUTIONS – DSCR /FICO/Loan balance (Excludes Condo Hotel projects).</li> <li>○ LUZI SOLUTIONS – DSCR Calculation:           <ul style="list-style-type: none"> <li>▪ Monthly gross rents based upon a 12-month average to account for seasonality required.</li> <li>▪ 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.</li> <li>▪ PITIA: (Gross Rents * .80) divided by PITIA = LUZI SOLUTIONS – DSCR</li> <li>▪ ITIA: (Gross Rents * .80) divided by ITIA = LUZI SOLUTIONS – DSCR</li> </ul> </li> </ul> </li> <li>• When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating LUZI SOLUTIONS – DSCR .</li> <li>• Any of the following methods may be used to determine gross monthly rental income:           <ul style="list-style-type: none"> <li>○ Short-term rental (STR) analysis form or 1007/1025 may be used, must include the following:               <ul style="list-style-type: none"> <li>▪ Provide the source of the data used to complete the STR analysis.</li> <li>▪ Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.</li> <li>▪ Include daily rental rate and occupancy percentage.</li> <li>▪ Factor seasonality and vacancy into the analysis.</li> <li>▪ Must be completed by a licensed appraiser.</li> </ul> </li> <li>○ The most recent 12-month rental history statement from the Third party rental/management service.               <ul style="list-style-type: none"> <li>▪ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.</li> </ul> </li> <li>○ The most recent 12-month bank statements from the borrower/guarantor evidencing short-term rental deposits. Borrower/guarantor must provide rental records for the subject property to support monthly deposits.</li> <li>○ AIRDNA Rentalizer/Property Earning Potential Report accessed using the Explore Short-Term Rental Data, must meet the following requirements:               <ul style="list-style-type: none"> <li>▪ Rentalizer (Property Earning Potential Report)                   <ul style="list-style-type: none"> <li>▪ Only allowed for purchase transaction</li> <li>▪ Gross rents equal the revenue projection from the Property Earning Potential Report less the 20% extraordinary expense factor</li> <li>▪ Forecast period must cover 12-months and dated 90-days within the Note date</li> <li>▪ Must have three (3) comparable properties similar in size, room count, amenities, availability, and occupancy</li> <li>▪ Market Score or Sub-Market Score must be 60 or greater as reflected on the Property Earning Potential Report</li> </ul> </li> </ul> </li> </ul> </li> </ul>		
<b>Underwriting Requirements</b>			
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• If score available, use representative credit score of the borrower/guarantor with the highest representative score</li> <li>○ Representative score for each borrower is the lower of two (2) or middle of three (3) credit scores</li> </ul>	<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• Tradelines not required, if borrower has U.S. credit score see section 2.5.12 of the Non-Agency Seller Guide</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Min of 30-days asset verification</li> </ul>	<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 6-months of PITIA</li> <li>• Cash-out may be used to satisfy requirement</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Allowed after min 10% borrower contribution</li> </ul>	<b>Document Age</b>	<ul style="list-style-type: none"> <li>• 120-days</li> </ul>
<b>Prepayment Penalty</b>	<ul style="list-style-type: none"> <li>• Acceptable structures include the following:           <ul style="list-style-type: none"> <li>○ Fixed percentage of no less than 3%</li> <li>○ Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years</li> </ul>           Example: (5%/4%/3%/3%/3%) or (5%/4%/3%/2%/1%)           <ul style="list-style-type: none"> <li>○ Six (6) months of interest on prepayments that exceed 20% of</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>AK, KS, MI, MN, NM, OH, RI:</b> Penalties not allowed</li> <li>• <b>IL, NJ:</b> Penalties not allowed on loans vested to individuals</li> <li>• <b>MS:</b> Only declining prepayment penalty structures are allowed</li> <li>• <b>PA:</b> Penalties not allowed on 1-2 unit loans with a loan amount less than or equal to the base figure (\$329,411 for 2026; adjusted annually).</li> </ul>	



	<p>the original principal balance in a given 12-month time period</p> <ul style="list-style-type: none"><li>• Prepayment periods up to 5-Years eligible, see rate sheet</li></ul>	<p>This restriction applies to business purpose loans whether vested to an individual or an entity. 3+ unit loans, or with a loan amount greater than \$329,411 are not subject to prepayment restrictions.</p>
<b>Escrows</b>	<ul style="list-style-type: none"><li>• Escrows may be waived, see Section 2.5.5 – Escrow/Impounds for requirements</li></ul>	