

## Choice Investor Program

<b>Program Highlights</b>	<ul style="list-style-type: none"> <li>• Unlimited number of financed properties</li> <li>• Model Home Leaseback allowed</li> <li>• Higher than Agency allowed Seller Contributions</li> <li>• Higher than Agency allowed loan amounts</li> </ul>
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Investment – ARM and Fixed			
PURCHASE AND RATE TERM REFINANCE <sup>1,2</sup>			
Occupancy	FICO	LTV	Loan Amount
Investment Property	660	85%	\$1,500,000
Investment Property	620	80%	\$1,500,000
Investment Property	620	75%	\$1,750,000
Investment Property	620	70%	\$2,000,000
CASH OUT REFINANCE <sup>3</sup>			
Investment Property	640	80%	\$1,000,000
Program Matrix Notes:			
<ol style="list-style-type: none"> <li>1. Delayed Financing may be underwritten and priced as a rate term refinance. Maximum LTV per Matrix. Maximum loan amount per Matrix. Rate term cash back amount restriction does not apply.</li> <li>2. For Rate term transactions, maximum cash back amount is \$2,000.</li> <li>3. For Cash Out transactions, maximum cash back amount is \$350,000</li> </ol>			

Investment Reserves		
Occupancy	LTV	# of Months PITI
Investment Property	> 80%	9 months
Investment Property	≤ 80%	6 months
<b>Additional Reserves for Each Financed Property</b>	<b>N/A</b>	<b>6 months</b>

Product Detail	Product Guidelines
<b>Amortization Type</b>	5/1 Adjustable and 30 Year Fixed Rate
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Purchases: <ul style="list-style-type: none"> <li>○ One appraisal required for all loans ≤ \$1,500,000.</li> <li>○ Two appraisals required for all loans &gt; \$1,500,000.</li> </ul> </li> <li>• Refinances: <ul style="list-style-type: none"> <li>○ One appraisal required for all loans ≤ \$1,000,000.</li> <li>○ Two appraisals required for all loans &gt; \$1,000,000.</li> </ul> </li> </ul>
<b>ARM Caps</b>	5/1 : 2/2/6
<b>ARM Index</b>	1 year LIBOR
<b>ARM Margin &amp; Floor Rate</b>	5.00%
<b>ARM Qualification</b>	5/1 ARM must be qualified at the higher of the fully indexed rate or note rate.
<b>AUS</b>	Manual Underwriting is required, however, an AUS is required to demonstrate the borrower is not eligible for agency product.

<b>Declining Markets</b>	If appraiser denotes market as declining, reduce maximum LTV by 5% from maximum financing limits.
<b>Derogatory Event Seasoning</b>	<ul style="list-style-type: none"> <li>24 months seasoning from BK Dismissal/discharge date, PFC/FC/DIL/SS completion date to application date.</li> </ul>
<b>Documentation</b>	All loans must meet ATR requirements to be eligible. Full Income and Asset documentation is required in compliance with <a href="#">Appendix Q</a> requirements.
<b>Escrow Waivers</b>	Not allowed. Per HPML requirements, an escrow account must be established before consummation of the loan for payment of property taxes and premiums for mortgage-related insurance required by Royal Pacific Funding. The escrow account must be maintained for at least five years after the date of consummation.
<b>FICO/Credit Score</b>	620 ( <i>Minimum FICO requirement may be higher depending on loan parameters. Please see matrix for details.</i> )
<b>Lien Position</b>	First
<b>Maximum Loan Amount</b>	\$2,000,000 ( <i>Maximum loan amount may be lower depending on loan parameters. Please see matrix for details.</i> )
<b>Minimum Loan Amount</b>	\$100,000
<b>Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>Unlimited financed properties</li> <li>Royal Pacific Funding will finance 4 properties with a maximum unpaid principal balance of \$4,000,000.</li> <li>Landlord History: Borrowers with &lt; 12 month history of managing multiple investment properties are limited to 4 acquired properties in the last 12 months.</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>1 unit investment property</li> <li>2-4 unit investment property</li> </ul>
<b>Payment History</b>	0x30 in most recent 12 months on all mortgages/rentals
<b>Program Codes</b>	Royal 30 Yr Fixed Choice Investor Royal 5/1 LIBOR ARM Choice Investor
<b>Property Types</b>	<ul style="list-style-type: none"> <li>Single Family (Detached, Semi Detached, Attached)</li> <li>2-4 units</li> <li>PUD (Detached, Attached)</li> <li>Warrantable Condominium(Detached, Attached)</li> <li>Non-Warrantable Condominiums (Detached, Attached) including Condotels.</li> </ul>
<b>Ratios</b>	Maximum DTI 43%
<b>Secondary Financing</b>	Not allowed
<b>Seller Contributions</b>	Up to 6% Seller Contributions
<b>Temporary Buydowns</b>	Not allowed
<b>Term</b>	5/1 ARM: 30 year Fixed: 30 year
<b>Transaction Types</b>	<ul style="list-style-type: none"> <li>Purchase</li> <li>Rate term Refinance/Delayed Financing</li> <li>Cash out Refinance</li> <li>Section 32 (HOEPA) loans or State high cost loans not allowed</li> <li>Total points &amp; fees must be &lt; 5%</li> </ul>