

Leverage Investor - DTI

Effective Date:

6/6/2018

FICO	Loan Amount	Full Doc			Self-Employed Solutions	
		24 Months OR 12 Months			24 Mo Business or 12 Mo Personal Bank Statements	
		Reserves	LTV/CLTV		LTV/CLTV	
			Purch / RT Refi	Cash Out	Purch / RT Refi	Cash Out
720+	<=1,000,000	6 months	80	75	80	75
	1,000,001 - 1,500,000	12 months	75	75	75	70
	1,500,001 - 3,000,000	12 months	70	65	70	65
	3,000,001 - 4,000,000	12 months	65	60	65	60
	4,000,001 - 5,000,000	12 months	65	55	65	55
700 - 719	<=1,000,000	6 months	80	75	80	75
	1,000,001 - 1,500,000	12 months	75	70	75	70
	1,500,001 - 3,000,000	12 months	70	65	70	65
	3,000,001 - 4,000,000	12 months	65	60	65	60
	4,000,001 - 5,000,000	12 months	65	55	65	55
680 - 699	<=1,000,000	6 months	80	75	75	75
	1,000,001 - 1,500,000	12 months	75	70	70	65
	1,500,001 - 3,000,000	12 months	70	65	65	65
660 - 679	<=1,000,000	6 months	80	70	75	70
	1,000,001 - 1,500,000	12 months	75	65	70	65
	1,500,001 - 2,000,000	12 months	70	60	65	60
640 - 659	<=1,000,000	6 months	80	70	75	70
580-639	<=1,000,000	6 months	75	70	NA	NA
540-579	<=1,000,000	6 months	75	65	NA	NA

GRADE DETERMINATION			
Grade	A	B	B-
Minimum FICO	540	540	540
Housing	1x30x12	0x60x12	0x90x12
BK (Chap 13 Discharge)	12 months	Settled	Settled
BK (Other)	24 months	24 months	12 months
Foreclosure	24 months	24 months	12 months
Short Sale/DIL	24 months	24 months	Settled
Max LTV: Purchase & R/T	80	75	70
Max LTV: Cash Out	75	70	65
Max CLTV	80	80	70
Max Loan Amount	5,000,000	1,500,000	1,000,000
5/1 LIBOR ARM	1 YR LIBOR - 5.0 % Margin/Floor - 2/2/5 Caps	1 YR LIBOR - 5.0 % Margin/Floor - 2/2/5 Caps	1 YR LIBOR - 6.0 % Margin/Floor - 2/2/5 Caps
7/1 LIBOR ARM	1 YR LIBOR - 5.0 % Margin/Floor - 5/2/5 Caps	1 YR LIBOR - 5.0 % Margin/Floor - 5/2/5 Caps	1 YR LIBOR - 6.0 % Margin/Floor - 5/2/5 Caps
Available Doc Types	Full Doc - 24 mo Full Doc - 12 mo Bank Stmt - 24 mo Bank Stmt - 12 mo	Full Doc - 24 mo Full Doc - 12 mo	Full Doc - 24 mo Full Doc - 12 mo

GENERAL	
Maximum Cash to Borrower	<ul style="list-style-type: none"> Maximum cash to borrower is limited to 65% of Property Value including Free and Clear properties Loan Amounts exceeding \$1,000,000, Loan Amounts less than \$150,000, Condominiums, and Multi-Units are limited to 60% of Property Value as max cash back to borrower
Eligible Products	<ul style="list-style-type: none"> 5/1 LIBOR ARM (2/2/5 Caps) • 7/1 LIBOR ARM (5/2/5 Caps) • 15 Year Fixed • 30 Year Fixed - ARM Qualifying Rate: Greater of the Fully-Indexed Rate or Note Rate - ARM Index: 12 Month LIBOR - ARM Note Margin (A Grade): 6% - ARM Note Margin (B, B-, Grades): 7% - ARM Floor = Margin
Interest Only	<ul style="list-style-type: none"> IO Period: 120 Months Loan Term: 360 Months Loan Term: 360 Months; Qualified at 360 Months A & B Grades Only Maximum LTV/CLTV: 80% Minimum FICO: 600 Available Products: 5/1 ARM, 7/1 ARM, 30 Year Fixed
Loan Amounts	<ul style="list-style-type: none"> Program Minimum Loan Amount: \$75,000 Loan Amounts >\$1,500,000 require 2 appraisals Loan Amounts >\$3,000,000 must meet the following: <ul style="list-style-type: none"> Only Available in the following states: CA, IL, FL, NY, NJ, MD, VA, DC, WA Maximum cash to borrower is the lower of 50% of property value or \$3,000,000 Property Types: SFR, Warrantable and Non-Warrantable Condos See Appraisal overlays below for specific appraisal requirements
Prepayment Penalty	<ul style="list-style-type: none"> Terms up to 5 Years are acceptable. The following structures are acceptable... <ul style="list-style-type: none"> - 6 months of interest on the amount of the prepayment that exceeds 20% of the original principal balance - 3%, 4%, or 5% for the term of the penalty - Declining structures that do not exceed 5% and do not drop below 3% in the first 3 years (5%/4%/3%/2%/1%, 5%/4%/3%, etc) Penalties not available in New Mexico and loan vested to individuals in New Jersey

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CREDIT	
Income Tax Liens	<p>All income tax liens (federal, state, local) must be paid off prior to or at loan closing. Tax liens that do not impact title may remain open provided the following are met;</p> <ul style="list-style-type: none"> • The file must contain a copy of the repayment agreement • A minimum of 6-payments has been made under the plan with all payments made on time • The balance of the lien must be included when determining the maximum CLTV for the program • Refinance transactions require a subordination agreement from the taxing authority
Tradelines Requirements	<ul style="list-style-type: none"> • Tradelines: At least 3 open and active trade lines that have reported for a minimum of 12 months with activity in the last 12 months OR <ul style="list-style-type: none"> - At least 2 open and active tradelines reporting for a minimum of 24 months with activity in the last 12 months • The following are not acceptable to be counted as a tradeline: "non-traditional" credit as defined by Fannie Mae, any liabilities in deferment status, accounts discharged through bankruptcy, authorized user accounts, charge-offs, collection accounts, foreclosures, deed-in-lieu of foreclosure, short sales, or pre-foreclosure sales. • Limited Tradelines are not allowed
Borrower Eligibility	<ul style="list-style-type: none"> • First time homebuyer not allowed
Residency	<ul style="list-style-type: none"> • US Citizen; Permanent resident alien; Non-permanent resident alien
DTI/INCOME/ASSETS	
12 Months Bank Statements Restrictions	<ul style="list-style-type: none"> • Maximum DTI is 43%; • Non-occupant co-borrowers not allowed; • Minimum 660 credit score; • Primary Borrower must be Self-Employed; • Limited to sole proprietor and 100% business owners; • First-time Homebuyer not allowed <p>Personal Accounts:</p> <ul style="list-style-type: none"> • Verify the existence of the business and ensure the business is active with the following; a letter from either the businesses tax professional certifying 4 years of self-employment in same business, or regulatory agency or licensing Bureau; along with either a phone listing and/or business address using directory assistance or internet search; • Verify that the borrower is 100% owner of the business; • Most recent 12 months of PERSONAL bank statements; • Most recent 2 months of BUSINESS bank statements
Asset Utilization	<p>A borrower's liquid assets may be used to augment income for loan and product qualification purposes. See guidelines for details</p> <ul style="list-style-type: none"> • Max LTV: 75% • Max Loan Amount: \$1,000,000 • A Grade only • Minimum FICO: 680 • Max DTI: 43% • Cash out not eligible
Debt-To-Income (DTI)	<ul style="list-style-type: none"> • 43% Maximum DTI • 50% DTI Allowed with the following restrictions: <ul style="list-style-type: none"> - Not Allowed for Self-Employed Solutions Express (12 mo Bank Statements) or Asset Utilization
Gift Funds	<ul style="list-style-type: none"> • Unless otherwise specified, gift funds are acceptable only if a 20% down payment has been made by the borrower from their own resources. • Fannie Mae guidelines should be used for donor relationship to borrower(s), documentation, proof of funds, and evidence of receipt; • Gift funds may not be used to meet reserve requirements. • Gift Funds not allowed for loans qualified under the Debt Service Coverage Program. • Gift of Equity not allowed.
Reserves	<ul style="list-style-type: none"> • Each financed property, in addition to the subject property, will increase the applicable reserve requirement by two (2) months PITIA on the subject property to a maximum requirement of 12 months. The additional reserves are based upon the PITIA of the subject property. • Reserves must be sourced and documented per guidelines. • Reserves for a loan with an Interest Only feature based upon the interest only payment (ITIA). • Proceeds from a cash-out refinance cannot be used to meet the minimum reserve requirements. • Proceeds from 1031 Exchange cannot be used to meet reserve requirements.
PROPERTY	
Appraisal	<ul style="list-style-type: none"> • Appraisal should be dated no more than 120 days prior to the Note Date. After a 120-day period, a re-certification of value is acceptable up to 180 days. New appraisal is required after 180 days. • Condition rating must be C4 or lower; Quality rating of Q5 or below is acceptable. • Second Appraisal from Clear Capital or Assurance is required when any of the following conditions exist. The lower of the two "Appraised Value" is used and the second appraisal must be from a different company and appraiser than the first appraisal. <ul style="list-style-type: none"> - Loan Amount exceeds \$1,500,000 - Transaction is a flip as defined in the Property Flipping section <p>Appraisal Review:</p> <ul style="list-style-type: none"> - CDA from Clear Capital is required on all transactions; or - A field review or 2nd appraisal from Approved AMC is acceptable. Source of the appraisal review product may not be the same AMC used for the appraisal. <ul style="list-style-type: none"> • If the CDA reflects a value more than 10% below the appraised value or cannot provide a validation, the next option in the review must be followed which is a field review or 2nd appraisal.

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Appraisal Overlays for Loan Amounts >\$3,000,000	<p>Neighborhood Analysis</p> <ul style="list-style-type: none"> • Degree of Development and Growth Rate: Properties designated as "rural" not allowed • Trend of Property Values: "Declining" Markets not allowed • Supply of Properties in the Subject Neighborhood: Markets in "Over-supply" not allowed • Price Range and Predominant Price: The appraised value may not exceed the highest value of the Predominant Price Range by more than 10% • Marketing Time for Properties: "Over 6 months" Not Allowed • Over-Improvement: The subject property may not be designated as an "over-improvement" <p>Comparable Sales</p> <ul style="list-style-type: none"> • Minimum of 4 closed comparable sales • All comparable sales must have occurred within the 12 months preceding the appraisal date • At least 1 closed comparable must have occurred with 120 days of the appraisal date • All comparable sales must be located within 4 miles of subject • At least 1 closed comparable sales must be located within 1 mile of subject • At least 2 closed comparable sales must be located within the same neighborhood as the subject <p>Property Condition</p> <ul style="list-style-type: none"> • Eligible Property Condition Ratings: C1, C2, C3 • Eligible Quality of Construction Ratings: Q1, Q2, Q3, Q4 <p>Maximum Acceptable Acreage= 5 acres</p> <p>Zoning - Properties zoned as agricultural are not eligible</p> <p>Total Adjustments - Total net adjustments should be minimal if the comparable is truly similar. Net Adjustments may not exceed 15% of the sales price of the comparable sale and gross adjustments may not exceed 25%.</p>
Property Type Limitations	<ul style="list-style-type: none"> • Non-Warrantable Condo Max Loan Amount: \$1,500,000 • Rural Property: 70% Max LTV • Condo: max 80% LTV • Max 10 acres
MISCELLANEOUS	
Compliance	<ul style="list-style-type: none"> • Impounds are required • Points and Fees may not exceed 5% • Loans considered high-cost by Federal or State law are not eligible for purchase
Eligible States	<ul style="list-style-type: none"> • See our licensed state list
Financed Properties	<ul style="list-style-type: none"> • No limit on financed properties; exposure to a single borrower not to exceed \$5,000,000 or 6 properties; • Add 2 months reserves for each additional financed property (including departure residence). Total reserve requirement is not to exceed 12 mo.
Interested Party Contributions	<ul style="list-style-type: none"> • May not exceed 3%
Vesting in Entities	<p>To vest a loan in an Entity, the following requirements must be met:</p> <ul style="list-style-type: none"> • Purpose and activities are limited to ownership and management of real property. • Any business structure is limited to a maximum of 4 owners or members. • All members, partners, or shareholders of the Entity, as the case may be, (each, a "Member", and up to a maximum of 4 members per Entity) must provide personal guarantees of the obligations of the Entity in a form satisfactory to RPF. • Each Entity Member must complete a Form 1003 or similar credit application indicating clearly that such document is being provided in the capacity of guarantor. The application of each Member and such person's credit score and creditworthiness will also be used to determine qualification and pricing. • Each Member of the Entity must receive notice of the loan and its terms prior to closing. • The following Entity documentation must be provided: <ul style="list-style-type: none"> - Entity Articles of Organization, Partnership, and Operating Agreements, if any - Tax Identification Number - Certificate of Good Standing - Certificate of Authorization for the person executing all documents on behalf of the Entity - Borrowing Certificate