



Revised: November 7, 2022

# The Science of Doing Non-QM Right!™

## DSCR GOLD

### NON-FOREIGN NATIONAL

| Loan Amount | FICO | DSCR        | Purchase | Rate Term Refi | Cash Out Refi |
|-------------|------|-------------|----------|----------------|---------------|
| ≤ 1,000,000 | 720  | > / = 1     | 80%      | 80%            | 70%           |
|             |      | 0.75 – 0.99 | 75%      | 75%            | 65%           |
|             | 680  | > / = 1     | 75%      | 75%            | 65%           |
|             |      | 0.75 - 0.99 | 70%      | 70%            | 60%           |
| ≤ 2,000,000 | 700  | > / = 1     | 70%      | 70%            | 65%           |
|             |      | 0.75 - 0.99 | 65%      | 65%            | 60%           |
|             | 680  | > / = 1     | 65%      | 65%            | 60%           |

### FOREIGN NATIONAL

| Loan Amount   | FICO | DSCR    | Purchase | Rate Term Refi | Cash Out Refi |
|---------------|------|---------|----------|----------------|---------------|
| ≤ \$1,000,000 | None | > / = 1 | 65%      | 65%            | 60%           |

#### PROPERTY TYPE OVERLAYS

|                       |  |
|-----------------------|--|
| 2-4 Unit              | 80% LTV  |
| Condotel              | Not Eligible   |
| Warrantable Condo     | 80% LTV  |
| Non-Warrantable Condo | Non-Foreign National 75% LTV<br>Foreign National 70% LTV |

#### OTHER OVERLAYS

|               |                                  |
|---------------|----------------------------------|
| Interest Only | 75% LTV<br>Min 1.0 DSCR required |
| State of CA:  | 80% LTV                          |

#### PROGRAM PARAMETERS

|                        |  |
|------------------------|--|
| Minimum Loan Amount    | <ul style="list-style-type: none"> <li>\$150,000</li> </ul>  |
| Maximum Loan Amount    | <ul style="list-style-type: none"> <li>\$2,000,000 Non-Foreign National (<i>differs from silver</i>)</li> <li>\$1,000,000 Foreign National (<i>differs from silver</i>)</li> </ul>   |
| Maximum Cash Out       | <ul style="list-style-type: none"> <li>\$500,000</li> </ul>  |
| Minimum PITIA Reserves | <p><b>Non-Foreign National</b></p> <ul style="list-style-type: none"> <li>Loan Amt &lt; / = \$1.5M: 2 Months</li> <li>Loan Amt &gt; \$1.5M: 6 Months</li> </ul> <p><b>Foreign National</b></p> <ul style="list-style-type: none"> <li>12 Months or 6 Months with a 5% LTV reduction</li> </ul> |

| DSCR                             |   |
|----------------------------------|---|
| <b>DSCR:</b>                     | <ul style="list-style-type: none"> <li>Fully Amortizing = Gross Rents ÷ PITIA</li> <li>Interest Only = Gross Rents ÷ ITIA</li> </ul>  |
| <b>Long Term Rental Income:</b>  | <ul style="list-style-type: none"> <li>Use the lower of the Lease Agreement or the FNMA 1007 Rent Schedule.</li> <li>Higher Lease/Rent allowed with 3 months receipt.</li> <li>Use 100% of market rents for all vacant units.</li> </ul>  |
| <b>Short Term Rental Income:</b> | <ul style="list-style-type: none"> <li>Short-term rental income received directly from a home-sharing service may be used when the following requirements are met:                             <ul style="list-style-type: none"> <li>✓ 12 months evidence of receipt via the home-sharing service or bank statement deposits</li> <li>✓ Property ownership report obtained and proof of property listing on service provider website</li> <li>✓ Income limited to 125% of market rents schedule for long-term tenancy</li> </ul> </li> </ul>       |
| <b>Unleased Properties:</b>      | <ul style="list-style-type: none"> <li>If appraisal reflects any unit vacant:                             <ul style="list-style-type: none"> <li>✓ Purchase: No LTV reduction</li> <li>✓ Refinance: Max 70%</li> </ul> </li> </ul>  |
| ASSETS                           |   |
| <b>Asset Seasoning:</b>          | <ul style="list-style-type: none"> <li>60 days sourced &amp; seasoned</li> </ul>  |
| <b>Large Deposits:</b>           | <ul style="list-style-type: none"> <li>Not sourced</li> </ul>   |
| <b>Seller Concessions:</b>       | <ul style="list-style-type: none"> <li>Maximum 2%</li> </ul>  |
| <b>Borrower Contribution:</b>    | <ul style="list-style-type: none"> <li>All funds must come from the borrower. <i>(differs from silver)</i></li> </ul>   |
| <b>Gift Funds:</b>               | <ul style="list-style-type: none"> <li>Not Permitted <i>(differs from silver)</i></li> </ul>  |
| <b>Gift of Equity:</b>           | <ul style="list-style-type: none"> <li>Not Eligible</li> </ul>  |
| <b>Reserves:</b>                 | <ul style="list-style-type: none"> <li>Reserve requirements limited to subject property only. Additional reserves for other REO not required.</li> <li>Cash out proceeds may be used to satisfy reserve requirements.</li> </ul>  |
| <b>Foreign Assets:</b>           | <ul style="list-style-type: none"> <li>Assets held in foreign accounts may be used for funds to close and reserve requirements.</li> <li>Funds must be transferred to a US account in the borrower's name and/or the title/closing agent at least 10 days prior to closing.</li> <li>Assets must be verified in U.S. Dollar equivalency at the current exchange rate via either <a href="http://www.xe.com">www.xe.com</a> or the Wall Street Journal conversion table.</li> <li>A copy of the most recent 30-day statement is required.</li> </ul> |

| CREDIT                                  |  |
|---|--|
| <b>Qualifying Credit Score:</b>         | <ul style="list-style-type: none"> <li>• A credit report must be obtained for all borrowers who have a valid Social Security Number.</li> <li>• Each individual borrower's qualification score is determined as follows:                             <ul style="list-style-type: none"> <li>✓ 3 scores: Middle score</li> <li>✓ 2 scores: Lowest score</li> <li>✓ 1 score: Borrower is not eligible</li> </ul> </li> <li>• Lowest qualification score of all borrowers is used for overall loan qualification.</li> </ul>  |
| <b>Tradelines:</b>                      | <p><b>Non-Foreign National:</b></p> <ul style="list-style-type: none"> <li>• All borrowers must be evaluated individually.</li> <li>• Minimum tradelines:                             <ul style="list-style-type: none"> <li>✓ 3 tradelines reporting for 12+ months all with activity in the last 12 months; OR</li> <li>✓ 2 tradelines reporting for 24+ months all with activity in the last 12 months.                                     <ul style="list-style-type: none"> <li>• 1 mortgage or installment tradeline reporting for 36+ months with activity in the last 12 months .<br/>   (<i>differs from silver</i>)</li> </ul> </li> </ul> </li> <li>• An acceptable 12- or 24-month housing history, not reporting on credit, may also be used as a tradeline.<br/>                             (<i>differs from silver</i>)</li> <li>• Max 0 x 60 x 12 months reporting on acceptable tradelines.</li> <li>• Authorized user accounts are not acceptable.</li> </ul> <p><b>Foreign National:</b></p> <ul style="list-style-type: none"> <li>• No minimum tradelines required</li> </ul> |
| <b>Housing History:</b>                 | <ul style="list-style-type: none"> <li>• A 12-month history is required for borrower's primary residence if in United States, and subject property if a refinance transaction.</li> <li>• A housing history is not required for other REO not reporting on credit.</li> <li>• Any housing event reported on credit for any property must be included in housing history eligibility.</li> <li>• Eligibility is determined as follows: (<i>differs from silver</i>)                             <ul style="list-style-type: none"> <li>✓ 0 x 30 x 12 months</li> </ul> </li> </ul>  |
| <b>Bankruptcy &amp; Housing Events:</b> | <ul style="list-style-type: none"> <li>• &gt; 36 Months: No LTV Reduction</li> <li>• &gt; 24 Months: LTV Overlay as follows:                             <ul style="list-style-type: none"> <li>✓ Purchase Max 75% LTV</li> <li>✓ R/T or C/O refi Max 70% LTV</li> </ul> </li> </ul>   |
| <b>Housing Events:</b>                  | <ul style="list-style-type: none"> <li>• A Housing Event is defined as:                             <ul style="list-style-type: none"> <li>✓ Foreclosure</li> <li>✓ Deed-in-Lieu</li> <li>✓ Short Sale</li> <li>✓ 1x120 mortgage history</li> <li>✓ Non-COVID Related Modification which resulted in:                                     <ul style="list-style-type: none"> <li>○ Forgiveness of a portion of principal and/or interest on either the first or second mortgage</li> <li>○ Application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness</li> <li>○ Conversion of any portion of the original mortgage debt to a "soft" subordinate mortgage</li> <li>○ Conversion of any portion of the original mortgage debt from secured to unsecured</li> </ul> </li> </ul> </li> </ul>  |
| <b>Charge-Offs &amp; Collections:</b>   | <ul style="list-style-type: none"> <li>• Ignored unless title is impacted.</li> </ul>  |

**CREDIT (cont.)**

**Judgments and Liens:**

- All judgments or liens affecting title must be paid.
- Active court-ordered judgments may remain open when one of the following options is met:
  - ✓ The amount is the lesser of \$5,000 per occurrence or 2% of the loan amount: OR
  - ✓ The borrower is currently in a repayment agreement with the creditor, a minimum of 3 months has elapsed on the plan, and evidence of timely payments for the most recent 3 months is provided.
- Outstanding state and federal tax liens or delinquent obligations may remain open on purchase transactions when all the following requirements are met:
  - ✓ A copy of the repayment agreement is obtained; AND
  - ✓ A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided; AND
  - ✓ The title company must provide written confirmation confirming
    - the title company is aware of the outstanding tax lien, and
    - there is no impact to first lien position.

**BORROWERS**

**Occupancy:**

- Business purpose Investment Property only
- Residential unit(s) not permitted to be occupied by the borrower or the borrower's family.

**Primary Residence Attributes:**

- Non-Foreign National borrowers should currently own or rent a primary residence with an associated housing expense. Living rent free will be considered on a case-by-case basis.
- Primary residence should be superior to the subject property in value, design and appeal.

**First Time Investor:**

- Defined as: Borrower(s) who have not owned and managed commercial or non-owner occupied residential real estate in the United States for at least 1 year in the last 3 years.
- Non-Foreign National: Eligible up to max 75% LTV
- Foreign National: Eligible with no LTV restrictions

**First Time Homebuyer:**

- Defined as: Borrower(s) who have not owned at least one residential property in the United States in the last 3 years.
- Non-Foreign National: Not Eligible
- Foreign National: Eligible with no LTV restrictions

**Non-Occupant Co-Borrowers:**

- Not Eligible

**Non-Arms Length:**

- Not Eligible

**Multiple Financed Properties:**

- There is no limit on the number of other properties borrowers may currently have financed.
- ACC Mortgage exposure may not exceed \$5M aggregate for each individual borrower.

**Eligible Borrowers:**

- U.S. Citizens
- Permanent Resident Aliens
- Non-Permanent Resident Aliens (with U.S. credit)
- Foreign National

**Ineligible Borrowers:**

- ITIN
- LLCs, partnerships, or corporations (may qualify for vesting only)
- Borrowers with diplomatic immunity or otherwise excluded from U.S. jurisdiction
- Citizens of Russia, Belarus and Venezuela
- Borrowers from OFAC sanctioned countries:  
<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information>

**BORROWERS (cont.)**

|  |  |
|--|--|
| <p><b>Perm Resident Alien:</b></p>     | <ul style="list-style-type: none"> <li>Acceptable evidence of lawful permanent residency must be documented and meet one of the following criteria: <ul style="list-style-type: none"> <li>✓ I-151 – Permanent Resident Card (Green Card) that does not have an expiration date</li> <li>✓ I-551 – Permanent Resident Card (Green Card) issued for 10 years that has not expired</li> <li>✓ I-551 – Conditional Permanent Resident Card (Green Card) issued for 2 years that has an expiration date and is accompanied by a copy of USCIS Form I-751 requesting removal of the conditions</li> <li>✓ Un-expired Foreign Passport with an un-expired stamp reading as follows: “Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until mm-dd-yyyy. Employment Authorized.”</li> </ul> </li> </ul>  |
| <p><b>Non-Perm Resident Alien:</b></p> | <ul style="list-style-type: none"> <li>Copies of the borrower’s passport and unexpired visa must be obtained.</li> <li>The following visa classifications are allowed as Non-Permanent Resident Aliens: <ul style="list-style-type: none"> <li>✓ E-1, E-2, E-3, G-1 through G-5, H-1B &amp; C, H-2 through H-4, L-1B, L-2, NATO 1 through 6, O-1, R-1, TN-1 &amp; 2 (NAFTA)</li> </ul> </li> <li>Acceptable alternative documentation to verify visa classification is an I-797 form (Notice of Action) with valid extension dates and an I-94 form (Arrival/Departure Record).</li> </ul>   |
| <p><b>Foreign National:</b></p>        | <ul style="list-style-type: none"> <li>Copies of the borrower’s passport and unexpired visa must be obtained.</li> <li>A list of permissible nonimmigrant Visa types is located on the U.S. Department of State web site <a href="https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html">https://travel.state.gov/content/travel/en/us-visas/visa-information-resources/all-visa-categories.html</a></li> <li>Canadian citizens are not required to provide a valid visa.</li> <li>Borrowers who are residents of countries which participate in the State Department’s Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at <a href="https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html">https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html</a></li> </ul> |

**SUBJECT PROPERTY**

|  |  |
|--|--|
| <p><b>Eligible Property Types:</b></p>   | <ul style="list-style-type: none"> <li>SFR Attached or Detached</li> <li>PUD Attached or Detached</li> <li>Modular</li> <li>Townhomes</li> <li>2-4 Unit</li> <li>Warrantable Condominium</li> <li>Non-Warrantable Condominium</li> </ul>   |
| <p><b>Ineligible Property Types:</b></p> | <ul style="list-style-type: none"> <li>Vacant land or land development properties</li> <li>Properties not readily accessible by roads that meet local standards</li> <li>Properties not suitable for year-round occupancy, regardless of location</li> <li>Agricultural properties (including farms, ranches, or orchards)</li> <li>Manufactured or Mobile homes</li> <li>Co-op/timeshare hotels</li> <li>Cooperative share loans</li> <li>Boarding houses or bed/breakfast properties</li> <li>Properties with zoning violations</li> <li>Dome or geodesic homes</li> <li>Assisted living facilities</li> <li>Homes on Native American Land (Reservations)</li> <li>Hawaii properties located in lava zones 1 and/or 2</li> <li>Houseboats</li> <li>Fractional ownership</li> <li>Properties used for the cultivation, distribution, manufacture, or sale of marijuana</li> <li>Log Homes</li> <li>Rural Properties</li> <li>Properties subject to rent control</li> <li>Condotel (<i>differs from silver</i>)</li> </ul> |

| SUBJECT PROPERTY (cont.)                   |   |
|--|---|
| <b>Acreage:</b>                            | <ul style="list-style-type: none"> <li>• Maximum 2 acres</li> </ul>   |
| <b>Appraisal:</b>                          | <ul style="list-style-type: none"> <li>• A full interior inspection with photos is required for all units.</li> <li>• A 1007 or 1025 Comparable Rent Schedule is required on all transactions.</li> <li>• Appraisal Transfers are eligible, see ACC's Appraisal Transfer Policy for details</li> </ul>  |
| <b>Appraisal Review:</b>                   | <ul style="list-style-type: none"> <li>• Loan Amount &lt;= \$2M:               <ul style="list-style-type: none"> <li>✓ FNMA Collateral Underwriter (CU) score of 2.5 or less or a Collateral Desktop Analysis (CDA).</li> </ul> </li> <li>• Loan Amount &gt; \$2M:               <ul style="list-style-type: none"> <li>✓ Second full appraisal.</li> </ul> </li> </ul>  |
| <b>Property Flips:</b>                     | <ul style="list-style-type: none"> <li>• Period is measured from the date the seller became legal owner of the property to the date all parties executed the sales contract.</li> <li>• The following transactions require a 2nd full appraisal:               <ul style="list-style-type: none"> <li>✓ Prior sale less than 90 days and &gt; 10% increase in sales price</li> <li>✓ Prior sale 91-180 days and &gt; 20% increase in sales price</li> </ul> </li> <li>• For properties with a prior sale in the last 365 days and &gt;10% increase in sales price, the following additional requirements apply:               <ul style="list-style-type: none"> <li>✓ Must be ARMs length</li> <li>✓ No pattern of previous flipping</li> <li>✓ Must have been marketed openly and fairly</li> <li>✓ No assignments of the contract to another buyer</li> <li>✓ If sales price exceeds appraised value by more than 5% a signed letter of acknowledgement from borrower is required</li> </ul> </li> </ul> |
| <b>Properties Listed for Sale:</b>         | <ul style="list-style-type: none"> <li>• To be eligible for either a rate/term or a cash-out refinance, the subject property must be taken off the market on or before application date.</li> <li>• The borrower must confirm in writing the reason for the prior listing and intent to occupy the subject property.</li> <li>• For cash-out refinances, 6 months seasoning from listing contract expiration date to application date is required.               <ul style="list-style-type: none"> <li>✓ A listing expiration of less than 6 months is permitted with a 10% LTV reduction. (<i>differs from silver</i>)</li> </ul> </li> <li>• The lesser of the most recent list price or the current appraised value should be used to determine loan-to-value for both rate/term and cash-out transactions.</li> </ul>  |
| <b>Refinance Seasoning:</b>                | <ul style="list-style-type: none"> <li>• Rate/Term Refinance – No seasoning requirement.</li> <li>• Cash Out Refinance – 6 Months required from Purchase date to ACC Note date.</li> <li>• No waiting period for properties obtained through inheritance, divorce or separation.</li> </ul>   |
| <b>Determining LTV Cash Out Refi:</b>      | <ul style="list-style-type: none"> <li>• Property acquired &gt; 12 months from application date:               <ul style="list-style-type: none"> <li>✓ Current appraised value is used.</li> </ul> </li> <li>• Property acquired 6 - 12 months from application date:               <ul style="list-style-type: none"> <li>✓ Lesser of current appraised value or the previous purchase price plus documented improvements (if any) is used. The purchase settlement statement and any invoices for materials/labor will be required.</li> </ul> </li> </ul>   |
| <b>Lease with Option to Purchase:</b>      | <ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>  |
| <b>Land Contracts / Contract for Deed:</b> | <ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>  |



**MISCELLANEOUS**

|   |  |
|---|--|
| <b>Document Expiration:</b>                   | <ul style="list-style-type: none"> <li>• Assets 60 days</li> <li>• Appraisal 120 days</li> <li>• ACC Credit Report 120 days</li> <li>• Title Commitment and CPL 120 days</li> </ul>  |
| <b>Amortization Types:</b>                    | <ul style="list-style-type: none"> <li>• 15- &amp; 30-Year Fixed Rate</li> </ul>   |
| <b>Interest Only:</b>                         | <ul style="list-style-type: none"> <li>• Eligible see page 1 for LTV restrictions (<i>differs from silver</i>)</li> </ul>  |
| <b>Secondary Financing:</b>                   | <ul style="list-style-type: none"> <li>• Not permitted</li> </ul>  |
| <b>Power of Attorney:</b>                     | <p><b>Non-Foreign National:</b></p> <ul style="list-style-type: none"> <li>• Not Permitted for Cash-Out Transactions</li> </ul> <p><b>Foreign National:</b></p> <ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>  |
| <b>Vesting Structures:</b>                    | <ul style="list-style-type: none"> <li>• Natural persons</li> <li>• Limited Liability Companies, Partnerships, Corporations, and S Corporations</li> <li>• Inter vivos revocable trusts (case-by-case basis)</li> </ul>  |
| <b>Vesting to Business Entity:</b>            | <ul style="list-style-type: none"> <li>• To vest ownership in an Entity, the following requirements must be met: <ul style="list-style-type: none"> <li>✓ Business purpose and activities are limited to ownership and management of real estate.</li> <li>✓ Entity limited to a maximum of 4 owners (aka members, partners, or shareholders)</li> <li>✓ Each Entity owner must apply as the borrower and complete a I003 as an individual applicant.</li> <li>✓ The loan application, credit report, and assets for each individual owner will be used to determine qualification and pricing.</li> <li>✓ Each Entity owner must receive notice of the loan and its terms prior to closing.</li> </ul> </li> <li>• The following Entity documentation must be provided: <ul style="list-style-type: none"> <li>✓ Articles of Organization, Partnership, Incorporation, and/or Operating Agreements as applicable based on organizational structure.</li> <li>✓ Tax Identification Number (EIN). A non-Foreign National single member LLC may use the guarantor's social security number in lieu of EIN.</li> <li>✓ Certificate of Good Standing.</li> <li>✓ Certificate of Authorization for the person executing all documents on behalf of the Entity.</li> </ul> </li> </ul> |
| <b>Document Signatures:</b>                   | <ul style="list-style-type: none"> <li>• Documents signed by Borrowers outside of the US must be notarized by a US embassy or consular official. The certificate of acknowledgment must meet the standard notarial requirements and must include the embassy or consular seal. If the US embassy or consular official is unavailable, a notary is acceptable if the country, where signing is taking place, is part of the Hague Convention and the signed documents are accompanied by an Apostille.</li> </ul>   |
| <b>Automatic Payment Authorization (ACH):</b> | <ul style="list-style-type: none"> <li>• Not Required (<i>differs from silver</i>)</li> </ul>  |

**MISCELLANEOUS (cont.)**

|  |  |
|--|--|
| <p><b>Escrows:</b></p>   | <ul style="list-style-type: none"> <li>• Escrow funds/impond accounts can be waived (except for Flood Insurance) when the following requirements are met:             <ul style="list-style-type: none"> <li>✓ Loan is not HPML</li> <li>✓ LTV less than or equal to 80%</li> <li>✓ Minimum decision credit score of 720</li> <li>✓ Minimum 12-months of reserves</li> </ul> </li> <li>• Pricing adjustment may apply, see rate sheet</li> </ul> |
| <p><b>Compliance:</b></p>  | <ul style="list-style-type: none"> <li>• Compliance with all applicable federal and state regulations</li> <li>• No Section 32 or state high cost</li> </ul>   |
| <p><b>Prepayment Penalty:</b></p>  | <ul style="list-style-type: none"> <li>• 6 Months Interest on 80% of original principal balance.</li> <li>• 3 years standard term.</li> <li>• Not allowed in KS, MD, MI, MN, MS and NJ.</li> <li>• State Overlays:             <ul style="list-style-type: none"> <li>✓ IL: not allowed on loans with interest rates &gt; 8%</li> <li>✓ PA: not allowed on loan amounts &lt; \$278,204</li> </ul> </li> </ul>                                    |
| <p><b>Eligible States:</b></p>   | <ul style="list-style-type: none"> <li>• AR, AZ, CA, CO, CT, DE, DC, FL, GA, ID, IL, IN, KS, MD, MI, MN, MS, NC, NJ, NV, OK, OR, PA, SC, TN, TX, UT, VA &amp; WA</li> </ul>  |
| <p><b>Eligible States (Non-Licensed Originators):</b></p>                  | <ul style="list-style-type: none"> <li>• AR, CO, CT, DE, DC, FL, GA, IN, MD, MS, OK, PA, SC, TN, TX, VA &amp; WA</li> </ul>  |
| <p><b>Eligible States (Real Estate Broker State License Required):</b></p> | <ul style="list-style-type: none"> <li>• CA, MI, MN &amp; NJ</li> </ul>  |

