

INVEST STAR 5-10 CREDIT MATRIX

DSCR

Eligibility	Description
DSCR Ratio	Minimum DSCR ratio of 1.10
DSCR Calculation	<ul style="list-style-type: none"> Rental income divided by PITIA Rental Income is the Lesser of the lease or Survey Lease may be used with 2 months canceled checks to support higher rent
Short Term Rental	Short term rent is not permitted on 5-10 unit properties
Real Estate Owned	List all properties to meet the experience requirement and those properties associated to mortgage liabilities on credit.

LOAN TYPE RESTRICTIONS

Transaction Type	Fico	DSCR ≥ 1.10			
		≤ \$1.0M	≤ \$1.5M	≤ \$2.0M	≤ \$3.0M
Purchase	760 +	75%	75%	75%	70%
	740 - 759	75%	75%	75%	70%
	720 - 739	75%	75%	70%	65%
	700 - 719	75%	70%	65%	60%
	680 - 699	N/A	N/A	N/A	N/A
	660 - 679	N/A	N/A	N/A	N/A
Rate/Term Refinance	760 +	70%	70%	70%	65%
	740 - 759	70%	70%	70%	65%
	720 - 739	70%	70%	70%	65%
	700 - 719	70%	70%	65%	60%
	680 - 699	N/A	N/A	N/A	N/A
	660 - 679	N/A	N/A	N/A	N/A
Cash Out Refinance	760 +	65%	65%	65%	60%
	740 - 759	65%	65%	65%	60%
	720 - 739	65%	65%	65%	60%
	700 - 719	65%	65%	65%	60%
	680 - 699	N/A	N/A	N/A	N/A
	660 - 679	N/A	N/A	N/A	N/A

PRODUCT TYPE RESTRICTIONS

Eligibility	Max LTV Purchase	Max LTV R&T	Max LTV Cash Out
Interest Only	70%	70%	65%

PRODUCT OVERLAYS

Eligibility	Description
Eligible Channels	• Retail is eligible • Wholesale is eligible • Correspondent not eligible
Fixed Products	30 Year fixed or 40 Year fixed interest only
Arm Products	Not allowed
Interest Only Term	120 Months
Loan Amount	Minimum loan amount \$400,000 • Maximum loan amount \$3,000,000
Prepayment Penalty	Fixed percentage 1-5 year term with a 5% fixed penalty Declining structure starting at 5% with a floor of 3%
Prepay Restrictions	Allowed with conditions in MS & OH
Escrows	An impound account is required
Cash Out Proceeds	Maximum cash out proceeds \$500,000
Appraised Value Seasoning	No seasoning to use appraised value for a Rate and Term Refinance 3 months seasoning for a Cash Out Refinance • Max loan amount lesser of \$750,000 or purchase price plus improvements • Minimum Fico of 700 6 months seasoning for a Cash Out Refinance • No additional restrictions No seasoning required to use appraised value on properties obtained through inheritance, divorce, or separation
Occupancy	Investment only
Secondary Financing	Not allowed
Land Contract • Lease with Option to Purchase	Not allowed
Delayed Financing	Eligible when a property was purchased by a borrower for cash within 180 days of the loan application • Rate and Term loan/LTV limits apply

BORROWER

Eligibility	Description
Eligible Borrowers	US Citizen • US Domiciled Entity
ACH Requirements	Required on all 5-10 Unit loans
Max Borrowers	Max 4 individuals or 2 entities
Vesting	Natural persons • US Domiciled Entity • Living Trusts
Experience	5-10 unit properties require experience owning a 2+ unit property on purchase transactions
First Time Investor	First time investors are not permitted
First Time Homebuyer	Ineligible
Exposure	No more than \$5,000,000 or 15 properties to one single borrower

CREDIT

Eligibility	Description
Decision Credit Score	<p>Minimum score 700 A minimum of two scores must be reporting Use the lower of two or middle of three credit scores to determine the decision score • Use the lowest decision score amongst all borrowers</p>
Mortgage Status	Primary and Subject Mortgage must be current at the time of closing
Mortgage Rating	0 x 30 x 12 months for Primary and Subject Mortgage
Mortgage / Primary Rating	If reporting on credit for 12 months, most recent 60 days not required
Consumer Credit	No requirement
Credit Event Seasoning	36 Months
Covid Forbearance	Eligible if all missed payments are repaid or 3 regular payments over 90 days have been paid after forbearance has ended.
Charge-Offs and Collections	Charge-offs and collections can be ignored unless title impacted.
Judgments and Liens	All open judgments, garnishments, and outstanding liens affecting title must be paid off prior to or at closing.
Tradelines	<p>One (1) active tradeline rated for 24 months and Two (2) tradelines rated 12 months open or closed • One (1) mortgage tradeline rated for 12 months open or closed in last 24 months and One (1) additional tradeline</p>

ASSETS / RESERVES

Eligibility	Description
Assets	Seasoned for 60 days • Sourcing required
Reserves	<p>6 Months PITIA unless: • 12 Months PITIA for loan amounts greater than \$1,500,000 Cash Out can be used for reserves</p>
Concessions	Not to exceed 6% and must be used for closings costs and prepaids
Gift Funds	Gift funds permitted after a minimum 10% borrower contribution
Gift Equity	Not eligible

PROPERTY	
Eligibility	Description
Property Type	5-10 units (Residential use only)
Property Condition	C4 or better
Minimum Square footage	5-10 units 500 sq ft
Vacancy / Stabilization	<ul style="list-style-type: none"> • 1 unit is permitted to be unleased/vacant on RT/CO transaction, 75% of market rent used to qualify. • 2 unit is permitted to be unleased/vacant on Purchase transaction, 75% of market rent used to qualify.
Acreage	Max 10 acres • No rural properties
Appraisal Requirements	<ul style="list-style-type: none"> • All appraisals ordered by AHL - FHLMC 71A or Commerical Narrative Appraisal must be dated within 120 days of the Note
Two Appraisals	Required for loan amounts >\$2,000,000
Appraisal Transfers	Not Allowed
Insurance Requirements	Rent loss coverage equal to 6 months qualifying rent Liability coverage equal to \$100,000
Listed for Sale	Listing must be canceled prior to the application date for a Rate and Term Refinance Listing must be canceled 90 days prior to the application date for a Cash Out Refinance The lessor of the recent list price or appraised value will be used within 6 months of the listing
Unavailable States	NY, IL, NJ, PA, MD, ND, SD, NE, AK <ul style="list-style-type: none"> • PA and MD by exception only
NMLS License Required	AZ, CA, OR, NV, UT, ID, MN, VT
COMPLIANCE	
Eligibility	Description
Max Broker Fees	<ul style="list-style-type: none"> • Loan Amounts < \$150,000: Max broker compensation which includes borrower paid compensation, lender paid compensation, business purpose premium, and total fee compensation, which includes all other fees charged by the broker such as the credit report fee, processing fee, etc., is 5% in aggregate. • Loan Amounts > \$150,000: Max broker compensation which includes borrower paid compensation, lender paid compensation, business purpose premium is 3%. Total fee compensation which includes all other fees charged by the broker such as the credit report fee, processing fee, etc. is 5% in aggregate. • Stacking Fees does not affect or allow the broker to charge in excess of the above max compensation.
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