

INVESTMENT Achiever™

Achieve More™ on Investment Properties using Cash-Flow
As of 09/20/2022

Investment Property DSCR ≥ 1.15				
Minimum Credit Score	Max Loan Amount	Purchase	Rate and Term	Cash Out
720+	\$1,000,000	75%	75%	70%
	\$1,500,000	75%	70%	65%
	\$2,000,000	70%	65%	60%
680+	\$1,000,000	75%	70%	70%
	\$1,500,000	70%	70%	65%
	\$2,000,000	65%	65%	60%
660+	\$1,000,000	70%	65%	65%
	\$1,500,000	65%	60%	60%
	\$2,000,000	65%	60%	NA

Investment Property DSCR < 1.15				
Minimum Credit Score	Max Loan Amount	Purchase	Rate and Term	Cash Out
720+	\$1,000,000	70%	70%	65%
	\$1,500,000	70%	65%	60%
	\$2,000,000	65%	60%	55%
680+	\$1,000,000	70%	65%	60%
	\$1,500,000	65%	65%	60%
	\$2,000,000	65%	60%	55%

PRODUCTS		Allowed Property Types - Max LTV/CLTV		LIMITS	
FIXED	ADJUSTABLE	Per Grid		Criteria	Limit
15-Yr Fixed	5/6 SOFR ARM	2-4 Units, Condo (Purc + R/T)	70%	Min DSCR	1.10
30-Yr Fixed	7/6 SOFR ARM	2-4 Units, Condo (Cash-Out)	65%	Min Credit Score	660
30-Yr Fixed, 10yr I/O	10/6 SOFR ARM	Condotel* (Purchase)	65%	Min Loan Amount	\$150,000
40-Yr Fixed, 10yr I/O	Am: 30-Yr, 40-Yr w/ 10-Yr IO	Condotel* (R/T + Cash-Out)	60%	Max Loan Amount	\$2,000,000

INCOME DOCUMENTATION	
DSCR	<ul style="list-style-type: none"> Debt Service Coverage Ratio (DSCR) Minimum: 1.10 The DSCR is calculated by taking the gross rents divided by the PITIA of the subject property. Interest-only loans must use the fully amortized PITIA payment for DSCR calculation and meet the following <ul style="list-style-type: none"> If DSCR < 1.15, maximum LTV of 70% and minimum FICO of 680 If DSCR ≥ 1.15, maximum LTV per eligibility and minimum FICO of 660 See full guidelines for requirements on PITIA & Gross Rent calculations
Income	<ul style="list-style-type: none"> Use lower of Estimated market rent from 1007 or lease agreement if provided. All refinance transactions require a 5% LTV reduction if appraisal reflects any unit is vacant (does not apply if subject is used as a short-term rental). Short term rental income permitted with use of a 12-month look back period to determine actual average monthly rents using annual statements from Airbnb or a similar service required. AirDNA, or similar Synthetics, type projections not accepted.

Level of Experience	
Experienced	<ul style="list-style-type: none"> No Restrictions beyond above grid when borrower has: <ul style="list-style-type: none"> Owned 2 properties for more than 12 months, or Owned 1 investment property for 24 months, or Owned a commercial property for 12 months, or Ownership in commercial or investment in a real estate investment trust for greater than the most current 12 months, or Ownership in three or more properties over the past 24 months
Inexperienced Investor	<ul style="list-style-type: none"> Borrowers owning 1 property for most recent 12 months must meet additional criteria: <ul style="list-style-type: none"> Minimum DSCR of 1.15 Maximum LTV 70% Minimum FICO 700 Minimum loan amount: \$300,000 & maximum: \$1,000,000. Additional 3 mos. reserves required First Time Home Buyers not permitted

BORROWER HISTORY	
Housing History	<ul style="list-style-type: none"> 1x30x12 – No reduction 0x60x12 – Max 70% LTV Purchase & Max 65% LTV Rate/Term & Cash-out
Credit Event Seasoning	<ul style="list-style-type: none"> Bankruptcy/Foreclosure/Short-Sale/Deed-In-Lieu/Mod: <ul style="list-style-type: none"> >=36 Mo – No reduction >=24 Mo – Max 70% LTV Purchase & – Max 60% LTV Rate/Term & Cash-out

UNDERWRITING	
Credit	<ul style="list-style-type: none"> Middle of 3 Scores, or Lower of 2 3 tradelines with 12+ mos. activity; or 2 tradelines with 24+ mos. (with activity in past 12 mos.) Mortgage debt must be current at application and through closing Delinquent non-mortgage accounts must be brought current at closing
Appraisal(s)	<ul style="list-style-type: none"> 2nd Appraisal required for loans > \$1,500,000. FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained.
Cash-Out Max	<ul style="list-style-type: none"> Max \$350,000 cash back: <ul style="list-style-type: none"> LTV > 60% Loan amount ≤ \$1,000,000 SFR, Condo & 2-4 Unit Properties Max \$500,000 cash back: <ul style="list-style-type: none"> LTV < 60% Loan amount > \$1,000,000 1-2 Unit Properties
Reserves	<ul style="list-style-type: none"> LTV ≤ 65%: 3-months of PITIA LTV > 65%: 4-months of PITIA Loan Amount > \$1.5M: 6-months of PITIA Loan Amount > \$2.5M: 12-months of PITIA
Unleased Units / Properties	<ul style="list-style-type: none"> 5% LTV reduction if appraisal reflects any unit vacant
Interest Only Restrictions	<ul style="list-style-type: none"> Minimum Credit Score: 680 Max LTV Reduced by 5%
Prepayment Penalty	<ul style="list-style-type: none"> Investment Occupancy Only Penalties not allowed in AK, KS, MI, MN, NM, OH, and RI Penalties not allowed on loans vested to individuals in IL and NJ Penalties not allowed on loan amounts less than \$278,204 in PA Only declining prepayment penalty structures allowed in MS Prepayment periods up to 5-Years eligible, see rate sheet
Prepayment Penalty Structure	<ul style="list-style-type: none"> 5% fixed up to 5-years Declining structures over 5-years: <ul style="list-style-type: none"> (5%/4%/3%/2%/1%) Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.
Assets	<ul style="list-style-type: none"> Min of 30-days asset verification seasoning All large deposits must be sourced
Document Age	Max Document Age: 90-days

GENERAL	
Acreage Limitations	Non-Rural property, up to 2-Acres
Foreign National	Not Accepted
Gift Funds	Min contribution: 10%
Exposure	Maximum concentration to a single borrower is \$5,000,000
Condos	<ul style="list-style-type: none"> If the property is part of a condo association, the lender must obtain a condo questionnaire and insurance certificate from the condo association to ensure that it meets the eligibility criteria outlined in sellers guide.
Escrow Account	<ul style="list-style-type: none"> Escrows are generally required for taxes and insurance; escrow waivers may be permitted. All HPML Sec 35, require escrows for first 5 years. Escrow for Flood Insurance is always required. See guidelines for additional info.

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