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FOREIGN NATIONAL PROGRAM

Full Documentation: Second Home & Investment Property

Purchase and Rate/Term Refinance

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1 Unit	$75,000 - 150,000[1]	680	70%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$150,001 - 1,500,000		75%	
	$1,500,001 - 2,000,000		70%	
	$2,000,001 - $3,000,000		65%	
2-4 Units & Condo	$1,500,000	680	70%	
	$1,500,001 - 2,000,000		70%	
	$2,000,001 - 3,000,000		65%	
1-4 Units & Condo	$1,000,000	660-679	70%	
	$1,000,001 - 1,500,000		65%	
1-4 Units & Condo	$1,000,000	Foreign Credit	70%	
	$1,000,001 - 3,000,000		65%	

Cash-Out Refinance[3]

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1-4 Units & Condo	$1,000,000	680	70%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$1,000,001 - 1,500,000		65%	
	$1,500,001 - 2,000,000		60%	
	$2,000,001 - $3,000,000		55%	
	$1,000,000	660-679	65%	
	$1,000,001 - 1,500,000		60%	
1-4 Units & Condo	$1,000,000	Foreign Credit	70%	
	$1,000,001 - 2,000,000		60%	
	$2,000,001 - 3,000,000		55%	

Footnotes	
[1]LTV Restrictions	• Minimum Loan Amount: $75,000. Loan Amount < $150K: 70% Max LTV/CLTV
[2]Additional Reserves	• Additonal two(2) months of reserves required for each additonal financed property owned.
[3]Cash Out Refinance	• Cash out net proceeds can be used for reserve requirement • Texas Cash-Out Section 50(a)(6) not permitted • Cash-Out Proceed is limited to the 50% of property value • The subject property may not have been listed For Sale in the last 6 months prior to the application date

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DSCR(Debt Service Coverage Ratio): Investment Property[1]

Purchase and Rate/Term Refinance

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1 Unit	$75,000 - 150,000[2]	680	70%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$150,001 - 1,500,000		75%	
	$1,500,001 - 2,000,000		65%	
	$2,000,001 - $3,000,000		60%	
2-4 Units & Condo	$1,000,000	680	70%	
	$1,000,001 - 2,000,000		65%	
	$2,000,001 - 3,000,000		60%	
1-4 Units & Condo	$1,000,000	660-679	70%	
	$1,000,001 - 1,500,000		65%	
1-4 Units & Condo	$750,000	Foreign Credit	75%	
	$750,001 - 1,000,000		70%	
	$1,000,001 - 1,500,000		65%	
	$1,500,001 - 2,000,000		60%	
	$2,000,001 - 3,000,000		55%	

Cash-Out Refinance[4]

Property Type	Max Loan Amount	Min Credit Score	Max LTV/CLTV	Min Reserves (P&I Only)
1-4 Units & Condo	$1,500,000	680	65%	Loan Amount ≤$1M: 6 months >$1M,≤$2M: 9 months >$2M: 12 months
	$1,500,001 - 2,000,000		60%	
	$2,000,001 - 3,000,000		50%	
	$1,000,000	660-679	65%	
	$1,000,001 - 1,500,000		60%	
1-4 Units & Condo	$1,000,000	Foreign Credit	65%	
	$1,000,001 - 1,500,000		60%	
	$1,500,001 - 2,000,000		55%	
	$2,000,001 - 3,000,000		50%	

Footnotes	
[1]DSCR	• Minimum DSCR Purchase & Rate/Term: 0.75(Up to 70%LTV) & 1.00(over 70%); Minimum DSCR Cash-Out: 1.00 • If DSCR < 1.15, Minimum Loan Amount is $150,000
[2]LTV Restrictions	• Minimum Loan Amount: $75,000. Loan Amount < $150K: 70% Max LTV/CLTV
[3]Additional Reserves	• Additonal two(2) months of reserves required for <u>each additonal financed</u> property owned.
[4]Cash Out Refinance	• Cash out net proceeds can be used for reserve requirement • Texas Cash-Out Section 50(a)(6) not permitted • Cash-Out Proceed is limited to the 50% of property value

GUIDELINES

Lending Guide	All loans must be **<u>manually</u>** underwritten to the standards contained within this matrix and the Lending Guide. Any guidance published on this matrix supersedes any guidance referenced within the Lending Guide. • If guidance is not provided on this matrix or within the Lending Guide, please refer to the FNMA Seller Guide.

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	7/1 ARM	30 Year Fixed	Interest Only
Qualifying Payment	Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term	Qualify at Note Rate	Qualify at higher of Start Rate or Fully Indexed Rate amortized over 30-year term; 10 Year Interest-Only Period followed by 20 Year Amortization
Eligible Borrower	• Non-Resident Aliens (Foreign Nationals) - see Foreign Nationals section for details • Non-Arms Length Transaction is not allowed • Non-occupant co-borrower is not allowed		
Max DTI	• Max 49.99% DTI (N/A for DSCR)		
Foreign Nationals	A Foreign National is a non-resident alien who is not authorized to live or work in the U.S or hold a work Visa that is indicative of a more temporary residency. A Foreign National may periodically visit the U.S. for various reasons including vacation and / or business. To be eligible, the borrower must live and work in another country and be a legal resident of that same country. They may not purchase property intended for use as a primary residence. • Copy of the borrower's valid and unexpired passport (including photograph) • Copy of the borrower's valid and unexpired visa (including photograph) OR an I797 form with valid extension dates, and I-94 **Note**: I-94 is only required when the Borrower is already in the United States. • Foreign Nationals allowed to legally travel to and from the United States without Visa are eligible. (e.g., Countries participating in the Visa Waiver Program, Canadian citizens). The credit File should be documented with a current print-out of the participating countries, with the borrowers country of origin highlighted VWP are found under U.S. Department of State's website: https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html • Visa types allowed: B-1, B-2, H-2, H-3, I, J-1, J-2, O-2, P-1, P-2, TN NAFTA, Laser Visa (F1 and F2 types are not allowed) • If a non-U.S. citizen is borrowing with a U.S. citizen, Foreign National documentation requirements still apply • Documents signed by borrowers outside of the U.S. must be notarized by a U.S. embassy or consular official. The certificate of acknowledgment must meet the standard requirements and must include the embassy or consular seal • Foreign Nationals of the countries listed on the Sanctions Programs and Country Information by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) are not eligible. **Note**: First Time Investor and First Time Homebuyers requirements do not apply to Foreign National borrowers		
Power of Attorney	• Power of Attorney is not allowed		
Income(Full Doc)	**<u>Salaried Borrower:</u>** • Paystubs covering a minimum of 30 days (which include YTD income) AND one of following: (1) 2 years W-2 equivalent document (2) 2 years tax return from borrower's country of origin (3) A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2 years - Letter from employer must be on company letterhead,including company address and web address. Employer to be independently verified (LexisNexis, D&B, Google, or other). All documents must be translated by an independent certified translator. **<u>Self-employed Borrower:</u>** All Income documents must be translated by an independent certified translator Non-U.S. Self-Employment income must provide following documents: • Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower's CPA or local equivalent (the "Accountant") on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided. • A copy of the Accountant's current license is required. The Business & Accountant must be independently verified; **OR,** • Two (2) years tax returns from the borrower's country of residence, along with an YTD P&L statement		

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Income(DSCR)	**<u>Purchase:</u>** ● Form 1007 from appraiser **<u>Refinance:</u>** ● Exis. ng Lease Agreement(s), if appraisal reflects tenant occupied ● If new lease, must include copy of lease along with proof of receipt of damage deposit and first month's rent ● Form 1007, if applicable ● If subject property leased on a short-term basis utilizing an on-line service such as Airbnb; gross monthly rents can be determined by using a 12-month look back period; and either 12-monthly statements, or an annual statement provided by the on-line service to document receipt of rental income. If documentation can't be provided covering a 12-mo period, property will be considered unleased. **<u>Income Analysis:</u>** • DSCR: Monthly Gross Income divided by the PITIA of the subject • Gross Income: the lower of Gross Rents indicated on the lease agreement(s) and Form 1007 • If the lease(s) agreement reflects higher rents then the 1007, the lease(s) amount may be used for gross rents if two months proof of receipt is verified • PI of PITIA is using Note rate. Use ITIA for Interest Only loans
Assets	• Most recent asset documents required; documents must be translated by an independent certified translator • Foreign Assets must be transferred to US Institutional Account prior to ordering loan docs • 100% gift allowed for SH - closing costs, down payments, and reserves; Not allowed for Investment transaction • Business assets - minimum 50% ownership & a CPA letter explaning use of the funds will not have a negative impact on the business required • Interested Party Contributions(IPC): limited to 6%(SH)/ 3%(NOO); cannot exceed closing cost
Credit	**<u>Foreign National Minimum Trade Line Requirements:</u>** Foreign National Borrowers without Qualifying U.S. Credit (Including borrowers without a valid Social Security Number and borrowers with or without an Individual Tax Identification Number) must provide evidence of three (3) open tradelines reporting for two (2) years with activity in the most recent 12-months. No derogatory credit history is permitted within the 2-year history under review. ANY combination of the following is acceptable to arrive at the tradeline requirement: • Tradelines evidenced via a U.S. credit report; AND / OR • Tradelines evidenced via international credit report if a U.S. credit report cannot be produced, or does not provide a sufficient number of tradelines; AND / OR • Tradelines evidenced via credit reference letters from verified financial institutions in the borrower's country of origin, if a U.S. credit report and/or international credit report is not available, or the combination of the credit reports does not provide a sufficient number of tradelines - A minimum of 1 reference letter must be from an internationally known financial institution - Each letter of reference must state the type and length of the relationship, how the account is held, payment amount, outstanding balance and status of account including a minimum 12 months payment history - A single reference source may provide verification of multiple accounts. Individual account detail must be provided - The letter must mention the borrower by name - Name, title & contact information of the person signing the letter must be included - Currency must be converted to U.S. Dollars and signed and dated by certified translator - All documents must be translated into English **<u>Housing Payment History:</u>** • Mortgage/Rental History: 0x30 during the past 12 months; Evidence of a two-year housing history is required • Without verifiable housing history, including borrowers who live <u>rent free</u>, DTI may not exceed 36% and borrower must add additional four (4) months of reserves • Foreign Credit – Housing history may be used as one (1) of the required tradelines; if it is included on the U.S. credit report, the international credit report, or verified in accordance with credit reference letter requirements

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Derogatory Event Seasoning	**Derogatory Credit Waiting Periods:** Derogatory Event | Waiting Period Requirement **Bankruptcy - Chapter 7,11, and 13** | 3 years **Foreclosure** | 3 years **Loan Modification** | 2 years **Deed-in-Lieu or Short Sale** | 3 years **Judgments, tax liens, collections, charge-offs and repossessions** must be paid in full at or before loan closing. Collection accounts with documented disputes are excluded.
Appraisal	• One appraisal with an interior inspection required • Transferred appraisal not allowed • 3rd Party Appraisal Review required: **CDA report/Property analysis report internally** ordered/reviewed by COL if Loan Balance <= $1.5MM (if needed) • Properties owned < 12 mo must use lesser of original purchase price or new appraised value for LTV purposes • Two appraisal required for all loans > $1,500,000 OR Cash-Out& Loan Balance > $1,000,000
HPML/HPCT	• High-cost loans (Section 32) as defined by applicable state and/or local regulations are NOT permitted • COL will purchase loans that are defined as HPML only if all of the requirements listed below are met along with applicable product guidelines - QM Points and Fees audit must pass - Escrows/Impounds are required for property taxes and insurance - All federal and state guidelines are met
ACH	• An executed Automatic Debit Payment Agreement (ACH Form) from a U.S. Bank, is required for transactions involving a Foreign National
Escrow Waiver	• Not Eligible