COMMUNITY
WHOLESALE LENDING

MAPLE NON-QM DSCR GUIDELINES

EFFECTIVE 10.22.2026

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Maple DSCR Product Matrix

Investment Property with DSCR ≥ 1.00			Fixed Rate Only
Purpose	**Maximum Loan Amount**	**Max LTV/CLTV**	**Minimum Credit Score**
Purchase / Rate & Term	1,000,000	80%	720
	1,000,000	75%	680
	1,000,000	70%	660
	1,500,000	75%	700
	1,500,000	70%	680
	1,500,000	65%	660
	2,000,000	75%	720
	2,000,000	70%	700
	2,000,000	65%	680
	2,000,000	60%	660
Cash-Out	1,000,000	75%	720
	1,000,000	65%	660
	1,500,000	70%	700
	1,500,000	60%	660
	2,000,000	60%	700
Investment Property with DSCR. 75-.99			Fixed Rate Only
Purpose	**Maximum Loan Amount**	**Max LTV/CLTV**	**Minimum Credit Score**
Purchase / Rate & Term	1,000,000	75%	700
	1,000,000	70%	680
	1,000,000	60%	660
	1,500,000	70%	700
	2,000,000	65%	700
Cash-Out	1,000,000	70%	720
	1,000,000	60%	660
	1,500,000	65%	700
	2,000,000	60%	740
Investment Property with No DSCR Ratio			Fixed Rate Only
Purpose	**Maximum Loan Amount**	**Max LTV/CLTV**	**Minimum Credit Score**
Purchase / Rate & Term	1,000,000	75%	740
	1,000,000	70%	720
	1,000,000 (Purch)	65%	680
	1,000,000 (Refi)	60%	680
	1,000,000	60%	660
	1,500,000	70%	740
	1,500,000	65%	700
	2,000,000	65%	740
Cash-Out	1,000,000	65%	740
	1,000,000	60%	660
	1,500,000	60%	700
	2,000,000	60%	740

Maple Non-QM DSCR Guidelines:

Additional Criteria

Loan Scenario / Feature

Eligibility Restrictions

Min DSCR Ratio

- **.75 - .99** with Minimum 660 FICO
- **No Ratio** with Minimum 660 FICO

Short Term Rental Used

- Max 70% LTV/CLTV
- DSCR ≥ 1.00

Interest Only

- Min 700 FICO, Max 75% LTV/CLTV for Ratios >=1.0
- Min 700 FICO, Max 70% LTV/CLTV for Ratios 0.75 - 0.99
- Not Eligible For No Ratio Option

Temporary Interest Rate Buydowns

- Not Eligible

Escrow Impound Waivers

- Eligible (See Escrow / Impounds Section)

Employee of Lender/Broker

- Any scenario in which an employee of the lender, broker, correspondent, or originator is a party to the subject loan
  - Not Eligible

Borrower Eligibility Restrictions

Also see Borrower Eligibility Section below

First Time Investor

- Min 700 FICO
- DSCR > 1.0
- No Exceptions

First Time Homebuyer

- Not Eligible

Non-Permanent Resident Alien

- Max 75% LTV/ CLTV, No Cash Out

Maximum Financed Residential 1-4 Unit Properties and UPB

- No borrower or guarantor may have more than 20 financed properties
- No borrower or guarantor may have more than 10 properties or $7.5M UPB serviced by CWL

Property Type Restrictions

Also see Property - Eligible Types and Property - Ineligible Types below

2-4 Units

- Max 75% LTV/CLTV

Warrantable Condos

- Max 75% LTV/CLTV

Non-Warrantable Condos

- Max 75% LTV/CLTV

Rural Properties

- Not Eligible

Declining Markets

- Reduced Max LTV/CLTV by 5%

Cash-Out Requirements

- LTV > 60%: Max Cash Out $500K
- LTV <= 60%: No Limit

Reserves

See Reserves section for additional reserve requirements

Minimum Reserve Requirements for the Subject Property	Loan Amount
<= $500,000	3 months
$500,001 to $2,000,000	6 months

Occupancy Restrictions

Principal Residence or Second Homes

- Not Eligible

Investment Properties

- Gift funds not permitted for LTV/CLTV > 80%

Maple Non-QM DSCR Guidelines

Ability To Repay

- All loans are not subject to the general ATR underwriting standards (12 C.F.R. 1026.43(c)).
- All loans within the DSCR program must be non-owner occupied and for a business purpose.
- All borrowers must execute the Occupancy Certification indicating they will not occupy the subject property as a principal residence or second home and will not occupy the property for more than 14 days in any calendar year.
- All individuals signing the note or providing a personal guaranty must execute a Business Purpose & Occupancy Affidavit.
- For cash out transactions, cash out proceeds must not be utilized for personal use, and the borrower must provide an LOE detailing the purpose and use of the proceeds.

Age of Documents

- For new and existing construction, credit documents must be no more than 120 days on the date the note is signed, including credit reports and employment, income and asset documents.
- Appraisal reports must be dated no more than 120 days from the note date.
    - Any appraisal dated greater than 120 days from the note date will require a recertification of value completed by the original licensed appraiser, is good for an additional 120 days and must be completed prior to the note date.
    - If the loan does not close within the initial recertification, then another update may be obtained but the original appraisal must be dated within 12 months of the note date.
- Preliminary title policies must be no more than 120 days old on the date the note is signed.

Appraisal

General Requirements

- Property inspection waivers are not eligible
- All appraisals must comply with applicable regulations and standards, including but not limited to USPAP, FIRREA, AIR, HVCC, and HPML compliance.

Number of Appraisals Required

- One full appraisal for loan amounts up to $2,000,000
- Two full appraisals for loan amounts > $2,000,000 or HPML flip transactions.

Multiple Appraisal Requirements

- If two appraisals are obtained, the lower value must be used for the LTV/CLTV.
- If two appraisals are required they must be obtained from a different appraiser and appraisal company.

Secondary Valuation Requirements

- All single appraisal transactions must have a secondary valuation assessment completed prior to the delivery date with one of the following conditions satisfied. For TPO Non-Del the secondary valuation meeting one of the following conditions must be completed prior to the **note date:**
    - A Fannie Mae Collateral Underwriter® (CU) score <= 2.5 or Freddie Mac Loan Collateral Advisor® (LCA) score <= 2.5
        - If a CU or LCA score is used as the secondary valuation, the Submission Summary Report (SSR) must be included in the file.
        - If both are run, they must be done at the same time; Only one needs to have a passing score
    - If neither the CU score nor the LCA score is <= 2.5, a Clear Capital Collateral Desktop Analysis (CDA) or Stewart Valuation Appraisal Risk Review (ARR) with a value that is:
        - > 90% of the appraisal value if LTV <= 85% or
        - > 95% of the appraisal value if the LTV > 85%
        - Must deliver a Submission Summary Report (SSR) regardless of CU or LCA score
    - If the CDA or ARR supports the appraised value the report must be retained in the loan file
    - Field Review with a value that is not less than 90% of the original appraised value
    - If the field review supports the original appraised value, the report must be retained in the loan file
    - If none of the secondary valuations conditions above can be met, a second full appraisal is required
        - The lower of the first (original) and second appraisal values must be used as the appraised value in the LTV/CLTV calculation
    - A secondary valuation, other than a second full appraisal, is never used to determine the value of the subject property. Secondary valuation products are provided only to support the value of the appraisal and are not meant to be used as a substitute value for the property.

Additional Appraisal Requirements

- Unpermitted additions/alterations and deferred maintenance must meet Fannie Mae requirements
- All 1-unit investment property transactions require Form 1007
- For 2-4 unit properties, Fannie Mae form 1025 Small Residential Income Property Appraisal report is required
- Accessory units are acceptable
    - Must follow all Fannie Mae requirements and restrictions for ADUs
- Appraisal must reflect zoning compliance is legal
    - Legal non-conforming zoned properties must indicate that the subject property can be 100% rebuilt if it is severely damaged or destroyed

Declining Markets

- A declining market is defined as one in which the appraiser has indicated the market is declining in the housing trends of the appraisal report
    - In the event there are two appraisals, this condition is satisfied if either of the two appraisers indicates the market is declining
- If a property is in a declining market, the following applies:
    - The Max LTV is reduced by 5% (points) from the max LTV for the specific scenario (i.e. 5 points lower than the most restrictive max LTV given the loan scenario).

Rural Properties

- Defined by the appraiser in Neighborhood Characteristic Location
    - In the event there are two appraisals, any conflict with the Neighborhood Characteristic Location must be reconciled.

Assets

General Asset Requirements

- Full asset documentation is required for **both** funds to close and reserves.
    - For most asset types, this would include all pages of the most recent one-month's statement, the most recent quarterly statement, or FNMA approved third party direct pull services, dated within 90 days of the note date.
- Follow Fannie Mae Selling Guide requirements if funds require liquidation when used for the down payment or closing costs, and if the funds are being used for reserves.
- Large deposits should be in line and consistent with the borrower's overall credit and may require a signed LOE.

Business Assets

- Business assets are an acceptable source of funds for **down payment, closing costs, and reserves** for self-employed borrowers; **all** of the following must be met:
    - The borrowers on the loan must have a minimum of 25% ownership of the business and must be owners on the business account
    - Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent
    - All non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and confirming the borrower's access to funds in the account
    - The balance of the business assets must be multiplied by the ownership percentage to determine the owner's portion of business assets allowed for the transaction

Gift Funds

- Gift funds are eligible for **down payment and closing costs** with the following requirements:
    - Gift funds from family members, as defined by Fannie Mae, are eligible
    - Purchase transactions only
    - Ineligible for investor properties >80% LTV/CLTV
    - Acceptable as 100% downpayment for loans <75% LTV/CLTV
    - Acceptable for loans >= 75% LTV/CLTV, however the underlying borrowers must contribute a minimum of 5% of the transaction from their own funds (lower of purchase price or appraised value).
    - See Additional Criteria section for LTV/CLTV limitations
- Gifts must be evidenced by a gift letter signed by the donor. The gift letter must:
    - Specify the dollar amount of the gift;
    - Include the donor's statement that no repayment is expected; and
    - Indicate the donor's name, address, telephone number, and relationship to the borrower.

Other Asset Sources

- Life insurance policy current cash value or loan against the cash value may be used for **down payment, closing costs, or reserves.**
- Non-borrowing spousal accounts are allowed for **downpayment, closing costs, and reserves:**
    - Fully executed relationship letter required.
- Assets held in foreign accounts are acceptable for **down payment, closing costs, and reserves** subject to the following:
    - Must be 60 days seasoned with 2 most recent bank statements (all pages); and
    - When the source of funds originates from assets located outside the U.S., those assets require:
        - Documented evidence of the foreign assets translated into English and exchanged into U.S. dollars and held in a U.S. or state regulated financial institutions; and
        - Verification of the funds in U.S. dollars prior to closing the loan.
    - Assets from countries under OFAC sanctions are not permitted
- Funds held by a 1031 exchange administrator or permitted for downpayment and closing costs.
- Proceeds from the sale of personal assets are an acceptable source of funds for the **down payment, closing costs, and reserves** provided the individual purchasing the assets is not a party to the property sale transaction or the mortgage financing transaction.
    - Documentation required supporting borrower ownership of the asset, independent valuation of the asset, ownership transfer of the asset and borrower's receipt of sale proceeds
- Bitcoin and other forms of cryptocurrency are eligible for **downpayment, closing costs, and reserves,** subject to the following:
    - It has been exchanged into U.S. dollars
    - There must be sufficient documentation to verify that the funds originated from the borrower's cryptocurrency/virtual currency account.
    - Seasoning requirements not applicable given liquidation.
    - For reserves, liquidation is not required. The following is required:
        - Documentation proving ownership of the crypto assets.
        - The current valuation must be sourced exclusively from Coinbase, and the valuation must be dated within 30 days of the Note date.
        - Up to 60% may be used for reserves

Ineligible Asset Types

- Assets derived from the production or sale of marijuana
- Gift of equity
- Builder profits
- Rent credits
- Cash-on-hand
- Sweat equity
- Unsecured loans or cash advances
- Employer assistance funds

Reserves

- Refer to the Reserves sections of the product profile for calculation and minimum reserve requirements
- Net proceeds from a cash-out refinance transaction may be used as reserves. Refer to the Reserves section of the product profile for additional requirements.
- Publicly traded stocks, bonds, mutual funds, 100% of the account(s) value may be used for reserves.
- Vested retirement accounts (e.g., IRA, 401k, Keogh, 403b), 100% of the vested balance may be used for reserves.
- Ineligible assets for reserves:
    - Gift funds
    - Restricted stock
    - Retirement accounts <100% vested
    - 1031 Exchange assets
    - Employer assistance received in the form of an unsecured loan.
    - Employer assistance received for second homes and investment properties

Assignment of Mortgages

- All loans must be registered with MERS at time of delivery to CW Lending and a MERS transfer of beneficial rights and transfer of servicing right must be initiated by the Seller, to CW Lending, within 24-hours of purchase.

AUS / Underwriting Method

- AUS not utilized, manual underwriting only.
- All loan files should contain underwriter worksheets which detail the qualifying income calculations and debt obligations considered or not considered (and reason for exclusion)

Borrower Eligibility

General Eligibility

The DSCR program is eligible for professional investors only

Professional investors

- Professional investors must have at least 12 months experience owning and/or managing income producing real estate within the most recent 36 months from the note date of the subject transaction
    - Rental property experience: Must be documented via the Schedule of Real Estate Owned (REO) on the signed 1003 to validate investment properties owned and length of ownership.

First Time Investors

- First time investors allowed, refer to Additional Criteria section above (if any borrower or guarantor doesn't meet the 12 month experience requirement follow the first-time investor rules, including the prohibition on first-time homebuyers).

- All borrowers must execute a personal guaranty agreement if the Note is not being signed individually. See Entity Signature Requirements section below
- Maximum number of borrowers is four

Eligible Borrower Types

US Citizens

- US Citizens, eligible

Permanent Resident Aliens

- Permanent Resident Aliens, eligible with proof of one of the following:
  - I-151 Permanent Resident Card (Green Card) that does not have an expiration date on the back (also known as a green card)
  - I-551 Permanent Resident Card (Green Card) that is issued for 10 years that has not expired.
  - I-551 Conditional Permanent Resident Card (Green Card) issued for two years that has an expiration date, if it is accompanied by a copy of USCIS form I-751 requesting removal of conditions
  - Un-expired Foreign Passport that contains an un-expired stamp reading as follows: "Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until [mm-dd-yy]. Employment Authorized."

Non-Permanent Resident Aliens:

- If any borrower is a Non-Permanent Resident Alien, then all of the following requirements apply, to be eligible.
- Borrower Eligibility:
  - All borrowers must have a valid Social Security Number and established US credit history
  - No Asylum
- Employment Status Documentation:
  - The following VISA types are acceptable: E-1, E-2, E-3, EB-5, G-1 thru G-5, H-1B, L-1, NATO, O-1, R-1, TN(NAFTA)R-1
  - Copies of the Borrower's passport and unexpired visa must be obtained. 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). Includes I-797, I-797A, I-797B, I-797C.
  - A valid employment authorization document (EAD) must be obtained if the visa is not sponsored by the Borrower's current employer. If the visa will expire within six (6) months of note date, it is acceptable to obtain a letter from the employer documenting the Borrower's continued employment and continued visa renewal sponsorship (employer on the loan application must be the same as on the unexpired visa)
  - If a non-U.S. citizen is borrowing with a U.S. citizen, the visa or residency requirements still must be met. Individuals in possession of spouse or family member visas are to qualify as co-Borrowers only. A valid EAD must be provided to use income for qualification
- See Additional Criteria Section for other requirements

Entity Borrowers

Eligible Entity Types

- Limited Partnerships (LP)
- General Partnership (GP)
- Corporations (CORP)
- Limited Liability Companies (LLC)

Entity Requirements

- Business purpose loans only
- Entities must be formed for the purpose of ownership and management of real estate
- Maximum of 4 entity owners allowed

Guarantor Requirements

- All eligible Guarantors (noted below) must be disclosed and credit qualified
  - All Borrower(s) must execute the Occupancy Certification
  - Guarantor(s) must be a managing member or majority owner as confirmed by the Operating Agreement (or equivalent) and have at least 25% ownership of the business entity (as confirmed by the operating agreement or equivalent). Said guarantor is subject to the same underwriting requirements as the individual borrower.
  - Personal Guaranty is required when Note is not being signed individually
  - All Guarantors must sign all closing documents and disclosures
  - All borrowers will be required to provide personal recourse
  - Consent of Spouse Form is required in community property states when loan is signed with a Personal Guaranty and spouse is not included on the loan
    - Form must be executed at loan closing and dated the same date as the Note
- No additional individuals may be included on title or be obligated on the subject loan.

Required Entity Documents

- The following entity documents are required:
  - Articles of Incorporation
  - Operating Agreement (or equivalent)
  - Tax Identification Number
  - Certificate of Good Standing, must be dated within 30 days of closing

Layered Entities

- Layered entities are permitted up to two layers as long as the ownership structure is consistent from top to bottom with no discrepancies. For example, if the borrower is ABC LLC which is 100% owned by XYZ LLC, and John and Mary Smith are the sole owners of XYZ LLC, then John and Mary Smith must be the borrowers/guarantors. The ownership chain must be clear and aligned.
  - Entities layered with a trust are not eligible
  - Guideline requirements must be met for each entity

Entity Signature Requirements

- The note must be signed by the guarantor in their individual capacity and/or as a member, and/or as a managing member as follows:
  - Guarantor(s) sign the note as (a) member(s) or managing member(s) of the entity. In this case, each Guarantor must also sign the Personal Guaranty Agreement as an individual.
  - Borrower(s) may sign the note as (an) individual(s). In this case, the borrower(s) do not need to sign a Personal Guaranty Agreement.
  - Borrower(s) may sign the note both as (an) individual(s) and as (a) member(s) or managing member(s) of the entity (two signatures per person) In this case, the borrower(s) do not need to sign a Personal Guaranty Agreement.
- The Mortgage / Deed of Trust / security instrument should be signed by the borrower(s)/guarantor(s) of the entity in their capacity as member(s) and/or managing member

of the entity.
    - Note:
        - Ms. Jane Smith (individual signature if person is not signing a Personal guaranty)
        - Ms. Jane Smith, as member of ABC Property, LLC
    - Mortgage / Deed of Trust
        - Ms. Jane Smith, as member of ABC Property, LLC
    - Personal Guaranty Agreement
        - Ms. Jane Smith (Personal Guaranty Agreement must always be signed as an individual)

Power of Attorney (POA)

- A limited Power of Attorney (POA) is acceptable when all the following are met:
    - It is specific to the transaction;
    - It is recorded with the Mortgage/Deed of Trust;
    - It contains an expiration date;
    - It is used to execute only the final loan documents;
    - The Borrower who executed the POA signed the initial FNMA Form 1003;
    - An interested party to the transaction (such as seller, broker, loan officer, realtor, etc.) may not act as Power of Attorney.
- POA's are not eligible for cash-out transactions.
- POA's are not permitted for Entities: LLC, Corporations, Entity Borrowers, etc.

Ineligible Borrowers

- Borrowers with diplomatic immunity
- Borrowers with asylum status
- Illinois land trust
- Blind trusts
- Land trusts
- Irrevocable trust
- Layered Entities with a Trust
- Non-profit organizations
- Borrowers in any country not permitted to do business in the United States
- Persons from OFAC sanctioned countries or persons sanctioned by OFAC
- Individuals on OFAC's SDN list
- Tenants in Common, unless all parties vested match the actual borrowers on the loan
- Foreign Nationals

CEMA

- Not permitted

Condominiums

Condo requirements

- Condominiums can be either approved as Warrantable or Non-Warrantable under the guidelines in this section
- Warrantable Condo Project reviews must follow the Fannie Mae Selling Guide and any additional criteria specified in this section, and Non-Warrantable reviews must follow the Full Condo Project Review except for flexibilities allowed under the "Restrictions for Non-Warrantable Condominium Projects" section below
- A Condominium Project Certification form along with the Condo Project Questionnaire, and all supporting documentation required to determine eligibility must be included and retained in the file.
    - A new questionnaire is required for each loan transaction.

Full Condo Project Review:

- See Additional Criteria section for LTV/CLTV limitations
- Warrantable Condo projects must meet all condo warrantability requirements in the Fannie Mae Selling Guide and any additional requirements in this section
- The following must have a Full Project Review
    - Attached Condo Unit in a New or Newly Converted Project must meet Fannie Mae eligibility requirements
    - Non-Warrantable Projects
- Condominium Project Manager (CPM) Approval
    - The project must have a valid, unexpired CPM Certification as of the date of the Note, and such certification must be retained in the Mortgage loan file. The CPM status must reflect a designation that is eligible for sale to Fannie Mae
    - In addition, there must not be any change of circumstances since the project information was submitted to CPM that would result in the project not satisfying Fannie Mae's or CW Lending's eligibility criteria.
    - Evidence that the project continues to meet Fannie Mae's insurance requirements is required

Fannie Mae Project Eligibility Review Service (PERS) Approval

- New and Existing Condominium Project approvals are acceptable
- Evidence of the PERS final project approval must be current through the Note Date and be included in the Mortgage loan file

Project Review Waiver

- Project review is waived for the following project types but must still follow all Fannie Mae guidelines for acceptability
    - Detached unit in a New or Established Condo Project
    - Units in a new or established condo projects with 10 units or less, subject to the following:
        - Projects with five to ten units must not be part of a master association or larger development
        - Borrower/guarantor may not own more than 50% total units
        - The priority of common expense assessments applies
        - The standard insurance requirements apply
        - The project is not in Condo Project Manager (CPM) with a status of "Unavailable"
        - There are no unaddressed critical repairs outstanding or projects with evacuation orders

- Unit in a PUD project, except PUD projects consisting of single-width or multi-width manufactured homes subject to a community land trust, deed restriction, ground lease, or shared equity arrangement

Project Review Process Employed	Expiration of Project Review
Full Review for Established Projects	CPM/PERS must have been completed within one year prior to the note date
Full Review for New Projects	CPM/PERS must have been completed within 180 days prior to the note date
Approved by Fannie Mae as Reflected in CPM	CPM/PERS must be valid (unexpired) as of the note date

- Loans secured by units in projects that did not meet Fannie Mae's eligibility requirements as of the Note Date may still be delivered after the project becomes compliant, provided all of the following are met:
  - The project meets applicable Fannie Mae eligibility requirements at the time of delivery
  - All seasoning and other loan-specific requirements are satisfied
  - Example: If a loan closes in a new project that does not yet meet Fannie Mae's pre-sale requirement, the loan may be delivered once the pre-sale threshold is met and all other criteria are fulfilled.

Restrictions to Non-Warrantable Condominium Projects

- See Additional Criteria section for LTV/CLTV limitations
- Risk stacking of non-warrantable features are not permitted
- Single entity ownership is limited to 30% of a project
- Commercial space must be typical to the market, have no negative impact, and comprise 49% or less of a project space
- Investor concentration is limited to 70% of a project
- No more than 25% of the total units in the project can be 60 days or more past due on condo/HOA dues. This figure includes delinquencies for special assessments.
- Properties with significant deferred maintenance or critical repairs must adhere to FNMA criteria
- Common areas must be 100% complete
- HOA should be in control of the association. Projects under builder, developer control may be considered on a case-by-case basis and will require an exception approval
- HOA reserves must demonstrate a minimum of 10%.
- The project documents do not give a unit owner or any other party priority over the rights of the first mortgagee, such as right of first refusal.
- Mandatory dues are not allowed
- Projects involved in litigation are acceptable provided the lawsuit(s):
  - are not structural in nature
  - do not affect the marketability of the project units and
  - potential damages do not exceed 25% of HOA reserves or with documentation from the insurance carrier or attorney representing the insurance carrier that the insurance carrier has agreed to conduct defense and the HOA insurance policy is sufficient to cover the litigation expense.

Florida Condominiums:

- Condo projects subject to Florida's SB-4D requirements will be considered on a case-by-case basis and require prior approval.
- The following applies to Florida condos that are three (3) or more stories high and thirty (30) years or older (25 years or older if the building is within 3 miles of the coastline):
    - Evidence is required that the building has completed the required inspections outlined in FL SB-4D
        - If the required inspections have not been completed, the property is ineligible
    - If the inspection revealed substantial structural deterioration or any unsafe or dangerous conditions, evidence that the required repairs have been completed is required. If the required repairs have not been completed, the property is ineligible.
    - Evidence is required that the Association has completed the required Structural Integrity Reserve Study (SIRS) and the budget contains adequate reserves.
        - The monthly HOA fee should be consistent with the budget
    - Within Forty-eight (48) hours of closing, the most current SIRS must be reviewed to confirm the project's approved status

Condo Project Documentation

The following must be obtained and retained in the file:

- Condo Project Certification Form (all projects)
- Condo Project Questionnaire
- Copy of Fannie Mae Condo Project Manager (CPM) project status (regardless of approval type)
- Project's current annual budget (Full Review)
- Current balance sheet, dated within 60 days the note date (Full Review)
- Evidence of master policy and, if required, HO6 insurance coverage, or individual property insurance policy, as applicable for all projects. See Property Insurance section.
- Evidence new condo projects meet Fannie Mae presale ratios
- All project inspections completed within the last 36 months
- Project legal documents as required by Project Type
- All other documents required to determine condo project eligibility. Refer to the Fannie Mae Selling Guide for documentation examples.

Critical Repairs / Significant Deferred Maintenance

- Projects in need of critical repairs, or that have significant deferred maintenance, or have received a directive from a regulatory or inspection agency to mark repairs due to unsafe conditions are not eligible for purchase.
    - Projects in need of critical repairs are those needing repairs or replacements that significantly impact the safety, soundness, structural integrity or habitability of the project's building(s), or the financial viability or marketability of the project. Critical repairs include conditions such as, but not limited to:
        - Material deficiencies, which if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year;
        - Any mold, water intrusions or potentially damaging leaks to the project's building(s);
        - Advanced physical deterioration;
        - Any project that failed to pass state, county, or other jurisdictional mandatory inspections or certifications specific to structural safety, soundness, and habitability; or
        - Any unfunded repairs costing more than $10,000 per unit that should be undertaken

within the next 12 months (does not include repairs made by the unit owner or repairs funded through a special assessment).

- A project with an evacuation order due to an unsafe condition, either for a partial or total evacuation of the project's building(s), is ineligible until the unsafe condition has been remediated and the building(s) is deemed safe for occupancy.

Special Assessments

- Special assessments may be current or planned. Lenders must obtain and review the following information for each special assessment to determine if it addresses a critical repair:
    - What is the purpose of the special assessment,
    - When was the special assessment approved and is it planned (approved by the unit owners, but not yet initiated by the board) or already being executed,
    - What was the original amount of the special assessment and the remaining amount to be collected, and
    - When the expected date the special assessment will be paid in full.
- If the special assessment is associated with a critical repair and the issue is not remediated, the project is ineligible.

Credit

Credit Requirements

- A tri-merge credit report is required from all borrowers
- Classic FICO credit score model for qualification and pricing is required. No exceptions.
- Credit re-scores are allowed and must be completed prior to loan lock.
    - In the event of a disputed item or valid error, a rescore is allowed after the time of lock.
    - Documentation must be provided to support the reason that a credit rescore was performed.
- No credit bureaus may be frozen. Borrowers must unfreeze all bureaus, and a new tri-merge credit report obtained reflecting information from all three bureaus.
- The loan level Representative Credit Score is computed by:
    - Selecting a representative score for each borrower using:
        - the middle score for each borrower if 3 scores are available or the lower score when only 2 scores are available.
    - Selecting the representative score from the borrower with the highest percentage ownership
        - In the case where two borrowers or more borrowers have the same highest percentage ownership, the loan level Representative Credit Score will be the lowest borrower representative score amongst these borrowers.
- The borrower with the highest percentage ownership must have at least two credit scores. In the case that more than one borrower has the same highest percentage ownership , all such borrowers must have at least two credit scores.
- Borrowers currently enrolled in credit counseling or debt management plans are not permitted.

Tradelines

- Each borrower who is using income to qualify must have:
    - at least 2 tradelines reporting at least 12 months of history in the last 24 months, or a combined credit profile between Borrower and co-Borrower with a minimum of three tradelines showing at least 12 months of history in the last 24 months
    - Tradeline activity is not required, and the tradelines can be opened or closed.
- The following are not acceptable to be counted as tradelines:
    - Tradeline in a deferment status
    - Accounts discharged through bankruptcy
    - Authorized user accounts
    - Charge-offs
    - Collection accounts
    - Foreclosures
    - DIL
    - Short sales
    - Pre-foreclosure sales

Fraud Report

- Fraud Report (i.e. DataVerify, Fraudguard, Corelogic, TransUnion TLPxp, LexisNexis: SmartLinx, or Instant ID) is required on all transactions.
    - The following transaction participants must be included in the fraud report: borrowers, property sellers, and settlement agents
    - All High and Red Flag potential findings must be satisfactorily addressed/cleared prior to close. "High" alerts or "Red Flags" may be addressed through the vendor's solution or with a signed attestation. The attestation must address each "high" alert, or "red flag" noted in the fraud report.

Housing Payment History

- The housing payment history must reflect 0x30x12 **for the subject property and each borrower's/guarantor's primary residence** for the most recent 12 months, regardless of whether the borrower/guarantor is on the note or vested on title.
    - Housing payment history for the subject and each borrower's/guarantor's primary residence must be evidenced by 12 months proof of payment via cancelled checks, bank debits, VOR/VOM, or the credit report may also be used if the housing payment history is reported.
        - When the housing payment history for the subject property or the borrower's/guarantor's primary residence involves a private party mortgage, or is evidenced by a non-institutional VOM or VOR, at least one of the following is **also** required to validate the payment history:
            - The most recent six months: Cancelled checks or bank statements (all pages), or ACH payments, or bank transfer/wire, or electronic payment method.
        - A borrower's/guarantor's primary residence may be documented as free and clear.

- Housing Payment History Other REO (does not include the borrower's/guarantor's primary residence)
    - Mortgages appearing on the credit report or other documentation in the file must reflect 0x30x12
    - No validation is required for mortgages that do not appear on the credit report or other documentation in the file. **The mortgages must be reflected in the REO count and UFB limit for the maximum number of financed properties.**
- Rolling late payments are not considered a single event. Each occurrence of a contractual delinquency is considered individually.
- All mortgages and rental payments must be current at the time of application and at closing. This includes mortgages and rental payments on properties other than the subject and primary residence. If the credit report, VOR/VOM, or other documentation reflects a past-due status, updated documentation is required to verify the account is current.
- Payments missed under forbearance agreements must be counted as late payments for the purposes of the housing payment history
- Passed due balloon payments are considered a 1x30 delinquency provided the delinquency was cured within 180 days of maturity.
- If the subject property has delinquent taxes that are more than 1 year delinquent as of the subject note date, an exception is required.
- If borrower is living rent free as a dependent with family and a 12-month housing history is not applicable, the following apply:
    - A rent-free letter is required

Disputed Tradelines

- Disputed accounts may require an LOE

Liabilities

Housing & Mortgage related obligations

- Housing and mortgage related obligations, including property taxes, insurance premiums, mortgage insurance and similar charges that are required by creditor, ground rents, and leasehold payments must be fully documented on the Scheduled of REO section of the 1003 for the subject property .
    - These obligations must be verified using reasonable reliable records such as taxing authority, or local government records, homeowner's association billing statements, or information obtained from a valid and legally executed contract.
- Property taxes estimates for new construction
    - Utilized 1.25% for properties in California
    - For states other than California, use 1.5%
    - Use of other property tax rates are allowed provided the rates are documented in the file

OFAC Search

- The following individuals involved in the transactions must be screened through OFAC's SDN list: all borrowers/guarantors, property sellers, and settlement agents.
- If the borrower is an entity, guarantors and all members/managers of the entity must be included in the OFAC search.

Solar Leases

- Installment debt from financed or leased payments associated with solar panels must be included in the DSCR ratio.
- Must conform to Fannie Mae guidelines
- PACE, HERO, or any similar loans with payments included in the property tax payments or take lien priority are not eligible and require proof of payoff.
    - Using loan proceeds to pay off a PACE, HERO, or similar loan is considered cash-out.

Derogatory Credit

- Individual collections and charge offs in the last 3 years (as of the application date) exceeding $5,000 (individually or in aggregate) must be paid in full prior to or at closing. Exceptions to this are:
    - Medical collections less than $15,000 in aggregate
- All open judgements, garnishments, and all outstanding liens affecting title must be paid off prior to or at closing.
- All past due accounts must be brought current prior to closing.
- Income tax liens (federal, state, and local) must be paid off prior to or at closing unless all the requirements listed below are met:
    - The file must contain a copy of the approved IRS tax payment plan with the terms of repayment, including the monthly payment amount and total amount due
    - As of closing, the borrower is current on the payment plan
    - The tax payment plan does not carry a lien on any property
- The following derogatory credit events require a 36+ month seasoning
    - Derogatory credit events include all REOs

Derogatory Credit Event	Seasoning Period
Foreclosure, Short Sale, Pre-Foreclosure, Deed-in-Lieu	Property resolution date (completion date) to the subject note date
Chapter 7, 11, and 13 Bankruptcies	Discharge/dismissal date to the subject note date
Modifications (Due to Default)	Date modification was signed to subject note date
Notice of Default or Lis Pendens	The date of the notice to the subject note date
120+ Day Delinquency	Date the loan was brought current to the subject note date
Balloon payments that are more than 180 days past maturity	Date the balloon payment was made to the subject note date

    - Bankruptcies require evidence of resolution.
    - Multiple bankruptcies are not permitted.
    - A second or junior lien that has been charged off is subject to this seasoning period based off

the charge off date.
    - Timeshares are treated as a consumer installment loan not as a Derogatory Credit Event defined in the table above.
- Any revolving or installment account that was more than 60 days delinquent in the four years from the subject's note date must be fully explained and documented in the file.
- Derogatory credit belonging to an ex-spouse can be excluded if late payments occurred after the divorce /separation, and the divorce/separation agreement indicates the derogatory accounts belong solely to the ex-spouse.

Disaster Policy

- If the appraisal was completed prior to the disaster,
    - An appraisal update for final inspection from the appraiser must be obtained.
        - If two appraisals had been obtained, the condition above must be met for the appraisal with the lowest value.
    - Any damage that impacts the safety or habitability of the property or damage in excess of $2,000 must be repaired and re-inspected.
    - If the appraisal was completed after the disaster, the appraiser must comment on the adverse event and an effect on marketability or value.
    - Any damage that impacts the safety or habitability of the property or damage in excess of $2,000 must be repaired and re-inspected.
    - Requirement applies for 90 days following the incident period ending date or the date the adverse event occurred, whichever is later.

- CW Lending may require a post-disaster inspection when the disaster occurred after closing but prior to purchase.
    - If a post-disaster inspection is required, a Post Disaster Inspection (PDI) Report from Clear Capital or Damage Assessment Report (DAR) from Pro Teck must be provided
    - Any indication of damage reflected on the report will require a re-inspection by the appraiser.
        - If two appraisals were used, the re-inspection must be performed by the appraiser from the lowest value appraisal.
    - Any damage that impacts the safety or habitability of the property or damage in excess of $2,000 must be repaired and re-inspected.

Product Feature Eligibility

Eligible

- Fully Amortizing Fixed Rate
    - 15 Year
    - 30 Year
- Fixed Rate Interest Only
    - 30-Year Term with 10-Year Interest Only Period
    - 40-Year Term with 10-Year Interest Only Period

Ineligible

- Assignment of Contracts
- Construction loans
- Builder bailout
- Conversion loans
- Lease option
- Daily Simple Interest loans
- Reverse 1031 exchange transactions

eMortgages & eNotarization

- eMortgages and eNotarization are ineligible

Employment/ Income Verification

- Not required

Escrow Holdbacks

- Escrow holdbacks are ineligible.

Escrow/Impounds

- Escrow waivers for business purpose loans, are eligible subject to the following:
    - Escrow waiver is subject to an LLPA adjustment, see rate sheet for program specific adjustments

Financing Concessions

- If a borrower is participating in the transaction (i.e. borrower is acting as their own agent) is considered an interested party and their contributed funds must be counted against the interested party contribution (IPC) limits. Note: The transaction is ineligible if an employee of the lender, broker, correspondent, or originator is a party to the subject loan.
- Maximum IPCs for all occupancy types: 6%
- Follow all other Fannie Mae guidelines.

First-time Homebuyer

- First-Time Homebuyers (FTHB) are ineligible (no borrower / guarantor can be a FTHB)

High Cost / Higher Priced

- Any loan scenario meeting the definition of “high cost” “high risk”, “covered”, “subprime” or any similar designation under state or local laws are not eligible.
- **Cured High-Cost loans are not eligible**
- **All loan files must contain documentation evidencing compliance with this section**

Interest Only

- See Additional Criteria for additional constraints
- See Qualifying Payment section for details on how to compute the qualifying payment for Fixed IOs.

Loan Purpose: Purchase

General Requirements

- Proceeds from the transaction are used to finance the acquisition of the subject property.

LTV/CLTV Determination

- LTV/CLTV is based upon the lesser of:
    - the sales price or
    - appraised value, except for:
        - Exception: Refinance of a land contract is considered a purchase and the LTV/CLTV should be calculated using the purchase price

Purchase Contract Requirements

- The loan file must include a fully executed agreement (purchase contract) of sale and counteroffer (if applicable) reflecting the following:
    - The purchase contract cannot be expired.
    - Borrower as the purchaser of the property.

Property Flip Requirements

- Sellers must have owned the property more than 12 months, otherwise the transaction is subject to review as a Flip Transaction. See Property Flips section.
- Transactions that meet the definition of a Flip Transaction as defined in the Property Flips section of the product profile must meet the requirements provided in that section.

Ineligible transactions

- Non-arm's length transactions are ineligible, refer to the Non-arms Length transaction section of the product profile for details.

Loan Purpose: Refinance – Cash-Out

General Requirements

- A refinance that does not meet the definition of a rate/term transaction is considered cash-out.
- Cash out must be for business purposes only, and the borrower must provide and LOE detailing the purpose and use of the proceeds.
- Cash-Out amount includes:
    - Funds received at closing as cash back, and
    - The payoff of any debt outside that which was used for the original purchase
- A mortgage secured by a property currently owned free and clear is considered cash-out.
- Cash-out may be used to satisfy the reserve requirement

Maximum Cash Out

- LTV/CLTV > 60%: $500,000
- LTV/CLTV ≤ 60%: No limit

Ownership Seasoning Requirements

- Borrower must have owned the subject property for a minimum of six (6) months, measured from acquisition date to note date

Prior Cash-Out Refinance Seasoning

- Refinance of a previous loan that provided cash out will be considered a cash out refinance if the loan being refinanced is seasoned for less than 12 months (measured from note date to note date)

Delinquent Taxes

- The payoff of delinquent real estate taxes (60 days or more past due) is considered cash-out.

Ineligible Transactions

- Refinance of a land contract is considered a purchase and ineligible as a cash-out refi.
- Loans with Power of Attorney are ineligible

Inherited / Awarded Properties

- Refinances of inherited properties and properties legally awarded to the borrower are allowed. This includes divorce, separation and dissolution of a domestic partnership. Ownership seasoning requirements do not apply provided all of the following requirements are met:
    - Written agreement signed by all parties stating the terms of the buyout and property transfer must be obtained
    - Equity owners must be paid through subject loan's settlement
    - Subject property has cleared probate and property is vested in the borrower's name
    - Current appraised value is used to determine LTV/CLTV

Texas Section 50(a)(6)

- Texas 50(a)(6) transactions are not eligible

Delayed Financing

- Delayed purchase financing is eligible when a property was purchased by a borrower for cash within 180 days of the note date, subject to the following:
- The transaction is considered a cash-out refinance for pricing and eligibility.
- The original purchase transaction was an arms-length transaction.
- The source of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property).
- The maximum LTV/CLTV ratio for the transaction is based upon the lesser of:
    - the current appraised value or
    - the property's purchase price plus fully documented improvements.

- Improvements must be supported by Invoices and/or receipts for work performed must be documented and confirmed by the appraiser.
- The prior settlement statement will be required for proof of purchase price
- The preliminary title search or report must confirm that there are no existing liens on the subject property
- The new loan amount can be no more than the actual documented amount of the borrower's initial investment subject to the maximum LTV/CLTV for cash-out transactions.

Additional Requirements

- While maintaining the property is an acceptable use for cashout proceeds, major renovations, rehabilitations, etc. that would render the property uninhabitable are not permitted on the subject property
- See Recently Listed Properties section for additional constraints

Loan Purpose: Refinance – Rate & term

General Requirements

- A Rate and Term refinance transaction is one in which the new loan amount is limited to the payoff of a present mortgage on the subject property for the purpose of changing the interest rate and/or term with no additional cash or advancing of new money in excess of the limited account amount (see below)
- The appraised value will be used to determine LTV/CLTV.

Subordinate Financing Payoff Eligibility

- A rate and term may also pay off an existing subordinate lien on the subject property subject to the following:
    - The subordinate lien was a closed-end mortgage and was used to acquire the property, or
    - The subordinate lien is a HELOC and less than $5,000 has been drawn in the past 12 months (12 months measured in arrears from the subject's note date)
        - Withdrawal activity must be documented with a transaction history from the HELOC

Cash back includes:

- Cash received at closing, and funds to pay off debt other than the subject property's first and second lien (as allowed above),
- Cash back must not exceed the lesser of:
    - 2% of the new loan amount or
    - $5,000
- Any amount greater than these limits will cause the transaction to be considered a cash-out refinance.

Seasoning Requirements

- Refinance of a previous loan that provided cash out will be considered a cash out refinance if the loan being refinanced is seasoned for less than 12 months (measured from note date to note date)

Construction Loan Requirements

- The rate / term refinance of a construction loan is eligible with the following conditions:
    - If the lot was acquired twelve (12) or more months before applying for the subject loan (acquisition date to application date), the LTV / CLTV is based on the current appraised value of the property
    - If the lot was acquired less than twelve (12) months before applying for the construction financing (acquisition date to application date), the LTV / CLTV is based on the lesser of (i) the current appraised value of the property and (ii) the total acquisition costs

Ineligible transactions

- Refinance of a land contract is considered a purchase and ineligible for a rate & term refinance
- See Recently Listed Properties section for additional constraints

Minimum Loan Amount

- $125,000

Mortgage Insurance

- Mortgage insurance is not required

Multiple Financed Properties

- The maximum number of financed residential 1-4 unit properties to any one borrower or guarantor is limited to 20.
- The maximum number of financed residential 1-4 unit properties to any one borrower or guarantor that are serviced by CW Lending is limited to 10 and the maximum aggregate unpaid principal balance of such financed residential 1-4 units properties serviced by CW Lending is limited to $7.5M.
- The financed property and UPB limits in this section include all residential 1-4 unit mortgages serviced by CW Lending, mortgages disclosed on the credit report, and mortgage disclosed on the URLA, bank statements, or elsewhere in the loan file.

Non-Arms Length Transactions

- Non-arm's length transactions are ineligible
    - Non-arm's length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property.
        - Examples of non-arm's length transactions include, but are not limited to:
            - Family sales,
            - Estate sales,
            - Employer/employee sales, and
            - Flip transactions
    - When the property seller is a corporation, partnership, limited liability company (LLC), or other business entity, the borrower may not have an ownership interest in the selling entity.
- Builder-related transactions are ineligible if:
    - The transaction is a builder refinance, and the builder/developer (or an affiliated entity) has built more than four (4) units in the same subdivision, development, or condominium project as the subject property; or
    - The loan is secured by a newly constructed second home or investment property (purchase or refinance) and the borrower has a relationship or business affiliation with the builder, developer, or seller.

Occupancy

Owner-occupied primary residence

- Not Eligible

Second Homes

- Not Eligible

Investment Properties

Investment Property Only

- Borrower does not occupy the property
- All borrower(s) must execute the Occupancy Certification form
- For non-owner-occupied properties with a Guarantor, the individual(s) providing the guaranty must execute the Personal Guaranty Agreement
- The spouse of a guarantor must sign the Consent of Spouse form if the property is in a community property state (AK, AZ, CA, FL, ID, KY, LA, NV, NM, NY, SD, TN, TX, WA and WI)
- See Additional Criteria section for additional requirements

Prepayment Penalty

Acceptable Prepayments

- A prepayment penalty is acceptable on investment properties where permitted by applicable law and regulations
- Total points, fees, and APR may not exceed current state and federal high-cost threshold
- Not allowed on investment property cash out transactions where the proceeds will be used for personal use

- Acceptable prepayment penalty structures are as follows:

	Ohio (OH 1-2 Unit Only)	Michigan (MI Only)	Remaining Eligible States
5 Year Fixed	1% -1%-1%-1%-1%		5%-5%-5%-5%-5%
4 Year Fixed	1%-1%-1%-1%		5%-5%-5%-5%
3 Year Fixed	1%-1%-1%	1%-1%-1%	5%-5%-5%
2 Year Fixed	1%-1%	1%-1%	5%-5%
1 Year Fixed	1%	1%	5%

Prepayment conditions

- Prepayment Penalty Period commences on the Note Date and ends on the Nth year anniversary of the Note Date, where N is the Prepayment Penalty Period in Years selected at closing, ranging from 1-5 years.
- A prepayment penalty fee will apply in the event any unscheduled principal is received (a Curtailment) within the Prepayment Penalty Term, including when the loan is paid off in full for any reason.
- The prepayment penalty fee is equal to the Prepayment Penalty Percent in effect at the time of the prepayment, which may change each year on anniversary of the Note Date, multiplied by the Curtailment amount

State restrictions

- Prepayment penalties are not allowed in AK, MD, MN, NM
- MI: Prepayment penalty allowed to 1% of unpaid principal; maximum 3 year term.
- IL: Prepayment penalties only allowed on loans made to LLCs, General Partnerships, Limited Partnerships, and Corporations
    - Cook County: Only allowed where Loan Amount > $250K (all state restrictions also apply)
- NJ: Prepayment Penalties are only allowed on loans made to an S-Corp or C-Corp.
- OH: Prepayment penalty to 1% of unpaid principal allowed on 1 or 2 unit properties; 5-year maximum term (minimum loan amount adjusts annually). Standard requirements apply for 3–4-unit properties.
- PA: Penalties not allowed on 1-2 unit properties with loan amounts less than $319,777 (Adjusts annually)
- RI: The borrower must provide explicit written consent to the prepayment penalty provisions prior to the note date.

Properties - Eligible

- Single Family Detached
- Single Family Attached
- PUDs
- Low-rise and High-rise condominiums (see Condominium section)
- Leasehold Properties
- 2-4 Units - See Additional Criteria section above

Properties – Ineligible

General Property Types - Ineligible

- Manufactured or Mobile homes
- Properties with fractional ownership
- Units in a co-op development
- Vacant land or land development properties
- Mixed-Use properties (including those with daycare, doctor's office, etc.)
- Unique Properties
- Dome or geodesic properties / Earth berm homes
- Log homes
- Houseboats
- Barndominiums
- Theme Park Resort Properties

Size, Acreage, and Zoning - Ineligible

- Single Family properties < 700 sq. ft.
- Properties > 20.00 acres (no truncating allowed)
- Properties zoned agricultural, commercial, or industrial
- Properties with zoning violations or illegal use

Agricultural / Rural Use - Ineligible

- Rural Properties
- Properties with agricultural features
    - e.g., working farms, vineyards, farms, hobby farms, ranches, orchards, equestrian facilities

Construction / Occupancy - Ineligible

- Properties under construction
- Builder model leaseback

Condominium Project features - Ineligible

- Condotels
- Units subject to timeshare arrangements
- Condo projects with registration services or restrictions on owner's ability to occupy
- Live / Work Condos
- Assisted Living / Continuing Care Facilities
- Any project in litigation, arbitration, mediation, or other dispute regarding safety, soundness, habitability, or functional use of the project
- Any project that requires Private Transfer Fees as a part of the transaction, and those fees do not benefit the association

Property Condition / Appraisal

- Condition rating of C6 on the appraisal are ineligible

Ineligible Use Restrictions

- Properties used for the cultivation, distribution, manufacture, or sale of marijuana
- Properties used as boarding houses, bed/breakfast, or single room occupancy
- Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment)
- Properties used as group homes

Multi-Unit / Ownership Restrictions

- Multi-family units where a single deed conveys ownership of more than one, or all of the units
- Properties with more than 4 units
- Multiple dwellings on a single lot (legal ADU acceptable, limited to one)

Membership / Legal / Land Restrictions

- Properties with mandatory Country Club Memberships
- Properties on Native American Land (Reservations) or Hawaiian Home Lands

Geographic Restrictions

- Hawaii properties located in lava zones 1 and/or 2
- Energy Financing Restrictions
- Properties with solar panels and other energy efficient items financed with a PACE or HERO loan are not eligible unless the loan is paid off at or prior to closing.

Property Insurance

Follow Fannie Mae policy for items not addressed

1-4 Unit Properties

- Policies must provide for coverage on a replacement cost basis, except for roofs.
- Roofs must be insured. Policies that provide for coverage on an actual cash value (ACV) basis are acceptable for roofs, personal property, and structures that are not buildings.
- The maximum deductible for all required perils is 5% of the property insurance coverage amount.

Master Property Insurance for Condominium and *PUD** Projects

- The master property insurance policy must provide coverage on a replacement cost basis, with the exception of roofs.
- Roofs must be insured. Policies that provide coverage on an actual cash value (ACV) basis are acceptable for roofs, personal property, and certain property elements.
- The master property insurance policy coverage amount **must equal at least 100%** of the estimated replacement cost value (RCV) of the project improvements, including common elements and residential structures. **One of the following must be used to document coverage sufficiency:**
    - Guaranteed replacement cost coverage, or its equivalent
    - Extended replacement cost coverage, or its equivalent;
    - A replacement cost value estimate provided by the insurer;
    - The project's insurance risk appraisal; or

    - A statement validating the coverage amount is at least 100% of the RCV of the project's improvements, common elements, and residential structures from the insurer or other applicable professional with appropriate expertise to make such a determination.
- The maximum deductible for all required perils is 5% of the master property insurance coverage amount. Refer to the Fannie Mae Selling Guide for per unit deductible requirements when applicable.

Individual Unit Property Insurance (HO-6)

- The HO-6 policy must provide coverage on a replacement cost basis.
- If the master property insurance policy includes a per unit deductible applicable to a specific required peril, the unit owner's property insurance policy must include coverage for that peril.
- The maximum deductible for all required property insurance perils is the greater of 5% of the property insurance coverage amount or $2,500.

Note: An HO-6 policy cannot be used to satisfy insufficient master property insurance coverage. Building Ordinance or Law Coverage cannot be used to offset insufficient master property insurance coverage.

**Applies to PUD projects where the project's legal documents provide for a master property insurance policy that covers both the common elements and residential structures.*

Flood Insurance

- Flood insurance is required when a loan is secured by a property located in a:
    - Special Flood Hazard Area (SFHA); or
    - Coastal Barrier Resource System (CBRS) or Otherwise Protected Area (OPA)
    - Must meet all Fannie Mae requirements.

Rent Loss Insurance

- Rent Loss insurance for the subject property is required and must equal six months of local average monthly rents
    - Blanket policies covering the subject are permitted.

Vacant Properties

- Properties that are vacant must have the appropriate hazard insurance policy for vacant properties

Property Flips

Flip Transaction Definition

- When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than ten (10%), the transaction is considered a "flip".

Determining the Flip Period

- To determine the three hundred sixty-five (365) day period, the acquisition date (the day the seller became the legal owner of the property) and the purchase date (the day both parties executed the purchase agreement) should be used

General Flip Transaction Requirements

- Flip transactions are subject to the following requirements:
    - All transactions must be arm's length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction. See Non-Arms Length Transactions section
    - No pattern of previous flipping activity may exist in the last 12 months. Exceptions to ownership transfers may include newly constructed properties, sales by government agencies, properties inherited or acquired through divorce, and sales by the holder of a defaulted loan
    - The property was marketed openly and fairly, through a multiple listing service, auction, for sale by owner offering (documented) or developer marketing
    - The property seller must be the owner of record
    - No assignments of the contract to another buyer

Appraisal and Value Support Requirements

- Increases in value should be documented with commentary from the appraiser and recent comparable sales.
    - Sufficient documentation to validate the actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable.

Borrower Acknowledgement Requirement

- If the property is being purchased for more than 5% above the appraised value, a signed letter of acknowledgement from the Borrower must be obtained

Second Appraisal Requirements

- A second appraisal is required, prior to closing, in the following circumstances:
    - Greater than ten (10%) increase in sales price if seller acquired the property in the past 90 days
    - Greater than twenty (20%) increase in sales price if seller acquired the property in the past 180 days
    - The second appraisal must be dated prior to the loan consummation/note date.
    - The Borrower may not pay for the 2nd appraisal

HPML Requirements

- Flip transactions must comply with the HPML appraisal rules in Regulation Z.

Exclusions

- Bank owned REO and Corporate Relocations are eligible and not considered a flip transaction.

Qualifying Payment

General Requirements

- The qualifying payment is based on the principal and interest payment along with 1/12th of the annual real estate taxes, property insurance, other insurance premiums, and any associated dues.
- The Qualifying payment is based upon the amortization term

Interest Only Loans

- The amortization term is the remaining term after expiration of the interest-only period.\The qualifying payment must include the principal component

DSCR Ratio

- The Debt Service Coverage Ratio (DSCR)
    - Gross Rental Income / Qualifying Payment
- Minimum DSCR Ratio
    - 0.75 - .99
    - No Ratio is also permitted
- Refer to additional criteria section for ratio requirements.
- See Rental Income section for requirements to determine the Gross Rental Income

Recently Listed Properties

Refinance Transactions

- Properties that have been listed for sale by the borrower less than or equal to 6 months from the note date may not be currently listed at the time of loan application and will require a LOE signed by the borrower and evidence the listing is cancelled.
    - Multiple listings within 12 months of the note date are ineligible

Rental Income

Long-term Rental Income

- Gross Rental Income is calculated using the lower of:
    - Executed Lease Agreement or 1007/1025 Market rent from appraisal (both must be included in the loan file)
        - Note: The executed lease agreement is not required for purchase transactions where the lease is not being transferred or there is no lease in place.
    - If the executed lease agreement reflects a higher monthly rent than the appraisal, it may be used in the calculation provided that the most recent three consecutive months of receipt can be documented with cancelled checks or other electronic records

Short-term Rental Income

Eligibility

- Short-term rental income is permitted for both purchase and refinance transactions
- Short-term rental income must be legally permitted and considered common for the area, as confirmed by the appraisal and/or property location
- LTV/CLTV limits and DSCR floors specified in Additional Criteria are met

Documentation Requirements

- Short-term rental income may be documented using a supplemental appraisal form completed by the licensed appraiser who performed the original appraisal. The form must accompany and be part of the original appraisal.
- Income must be verified through a third-party property management provider
    - Vendors such as Airbnb, AirDNA, VRBO, and HomeAway are acceptable
    - Documentation must include the property address or a unique property ID specific to the subject property

Calculation

Purchase Transactions

- Gross rent is 100% of the estimated market rent from:
    - Form 1007/1025 OR
    - Supplemental appraisal form completed by the appraiser of record

Refinances

- Use the lower of:
    - 100% of the estimated market rent from:
        - Form 1007/1025 OR
        - Supplemental appraisal form completed by the appraiser of record

      AND
    - 100% of the actual 12-month short-term rental income history, supported with documentation from Airbnb, AIRDNA, VRBO, HomeAway, or a third-party management provider.
        - 12 months of history is required for refinance transactions

Vacant Properties For Refinance Transactions

- Vacant properties are not eligible for refinance transactions unless:
    - The subject property recently underwent renovations or rehab with the intention of being rented out soon AND
    - The appraiser confirms that renovations/rehab were recently completed and provides visual evidence.
- If the foregoing conditions are met, utilize the market rent from the 1007/1025 or supplemental appraisal form completed by the appraiser of record

Assignment of Rents

- The 1-4 Family Rider (Fannie Mae Form 3170) must be in the file

Reserves

Loan Amount	Min. Reserve Requirements for Subject Property
≤ $500,000	3 months
$500,001 - $2,000,000	6 months

- Reserves are calculated off the actual P&I plus taxes, insurance, and HOA fees (if any) (PITIA)
- Reserves for Interest-Only loans are based upon the initial interest only payment (ITIA)
- Reserves are only required for the subject property.
- See Asset section for documentation requirements
- Cash out proceeds may be used to satisfy the reserve requirement

Solar Panels

- PACE loans (or any similar loans with payments that are included in property taxes or take lien priority) are not eligible
- Follow all Fannie Mae guidelines

State Restrictions

- Eligible in all CW Lending licensed U.S. states
- See Prepayment Penalty Section

Subordinate Financing

- Not permitted
    - New and Existing

Tax Transcripts

- 4506-Cs not required / not applicable

Temporary Interest Rate Buydowns

- Not Eligible

Title

- A title policy or attorney opinion letter meeting all of Fannie Mae's requirements
- UCC filings must be removed or subordinated
- All judgements or liens affecting title must be paid, including but not limited to PACE liens or other liens on title tied to energy efficient improvements must be removed.
    - Subordination is not acceptable.
- Loans with private transfer fee covenants are ineligible unless such covenants are "excepted transfer fee covenants". Excepted transfer fee covenants are covenants that:
    - Require payment of a private transfer fee to a covered association (homeowner associations, condominiums, etc.) and limits the use of such transfer fees exclusively to purposes which provide a direct benefit to the real property encumbered by the private transfer fee covenants

Revision History

MAPLE DSCR REVISION HISTORY		
DATE	TOPIC	CHANGE
10.22.2026	Prepayment Penalty, Acceptable Structures	Added Prepayment Penalty Matrix grid. • State-Specific Restrictions: Ohio (OH) and Michigan (MI) are limited to a 1% prepayment penalty • Standard Structure: All other eligible scenarios are subject to a 5% fixed prepayment penalty.
	Prepayment Penalty, State Restrictions	• Michigan (MI): Updated to permit prepayment penalties up to 1% of unpaid principal, with a maximum 3-year term. • Mississippi (MS): Prepayment penalties are not permitted. • Ohio (OH): Updated to permit prepayment penalties up to 1% of unpaid principal on 1–2 unit properties, with a maximum 5-year term. Standard requirements apply to 3–4 unit properties.
09.04.2026	**Prepayment Penalties in Rhode Island**	• Prepayment penalties are now eligible for business purpose loans in Rhode Island under standard prepayment penalty terms. The borrower must provide explicit written consent to the prepayment penalty provisions prior to the note date.
	Non-Arm's Length Transactions	• Builder-related transactions are ineligible if it is a builder refinance and the builder/developer (or an affiliated entity) has built more than four (4) units in the same subdivision, development, or condominium project. Builder-related transactions are also ineligible if the loan is secured by a newly constructed second home or investment property (purchase or refinance) and the borrower has a relationship or business affiliation with the builder, developer, or seller.
	Borrower Eligibility	For non-permanent resident aliens using an I-797 Form (Notice of Action), guidance has been updated to clarify that I-797A, I-797B, and I-797C forms are also eligible.
	Rent Loss Insurance	Clarified Rent Loss Insurance requirements

08.03.2026	**Appraisal Requirements**	Clarified that Freddie Mac's expanded PDR eligibility for incomplete construction/renovations and C5 property deficiencies is not permitted
	Condominiums	Removed Limited Project Review eligibility and related requirements; updated condo project documentation requirements.

CW Lending will originate in accordance with the applicable underlying Investor requirements unless otherwise noted in the guidelines. CW Lending does not discriminate in any aspect of a credit transaction on the basis of sex, gender identity or expression, sexual orientation, marital status, familial status, race, color, ethnicity, religion, national origin, age, handicap or disability status, income derived from public assistance, military status or the good faith exercise of rights under the Consumer Credit Protection Act.