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## Bank Statement Mortgage for Real Estate Investors

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### Overview

Real estate investors needing a permanent mortgage solution for a 1-4 unit residential property have traditionally used the rental cash flow and debt service coverage ratio ("DSCR") to qualify their ability to repay. Recent home price appreciation and high interest rates may mean the DSCR does not provide an ideal loan amount, or a rental property may be ineligible altogether because of how it cash flows (e.g., short-term rental).

The bank statement mortgage may be a solution for real estate investors who would like permanent financing for higher-value homes, short-term rentals, and maturing hard-money loans. This product analyzes bank statements to calculate qualifying income and determine loan size, up to 80% loan to value ("LTV") or 70% LTV for cash-out refinances. The loan term is 30 years with flexible prepayment options.

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### Loan Amount

\$100,000 to \$1.5 million per property, subject to concentration limit and other conditions.

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### Loan to Value

Up to an 80% LTV for a purchase or rate-term refinance or 70% LTV for a cash-out refinance.

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### Loan Options

This product has a 30-year loan term. Options are fixed rate and fully amortizing or a 5/6 adjustable rate and fully amortizing.

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### Rate Lock

Interest rate locked for up to 40 days, upon acceptance of a mortgage offer and completion of borrower tasks.

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Eligible Borrowers	Restricted to a business entity (e.g., limited liability company).
Personal Guarantee	Required from an individual who is at least a 25% owner of the borrowing entity. Non-recourse is not an option.
Eligible Sponsors	Limited to a personal guarantor with a minimum 660 FICO score, no serious mortgage delinquencies in the last two years, no bankruptcies or foreclosures in the last four years, and no felony conviction of any kind.
Debt to Income	<p>Loan amount is subject to 50% debt-to-income ("DTI") threshold, determined by analyzing 12 months of Bank Statement transactions or 6 months of Asset Statements to calculate qualifying income. A prequalification analysis will be completed to determine eligible mortgage proceeds.</p> <p>Certain transaction types will be excluded as qualified income (e.g., cash-out mortgage proceeds, construction draws, W-2).</p> <p>A personal financial statement, tax returns, and other income documentation are not a requirement of this product.</p>
Eligible Properties	1-4 unit detached properties, townhouses, and condominiums (unwarrantable considered case by case). Manufactured homes, mobile homes, senior assisted living not eligible.
Seasoning Requirement	For cash-out refinances, if property owned less than three months, loan proceeds are restricted to 80% of the cost of purchasing and repairing the property; for ownership of three to six months, 100% of cost. No cost-basis restriction after six months of ownership.
Property Valuation	Full appraisal with interior property inspection.
Mortgage Process	<ol style="list-style-type: none"> <li>1. Submit loan application.</li> <li>2. Submit bank statements.</li> <li>3. Review your mortgage offer, which our team will present after analyzing your statements.</li> <li>4. Submit other information and close your loan, upon receipt of appraisal and completion of underwriting.</li> </ol>
Mortgage Timeline	Three weeks, contingent on third party services.

Disclosures: Mortgage fulfilled with private label partnership that is licensed under the CA Financing Law by the CA Department of Business Regulation and disclosed on all loans. This is not a commitment to lend. Restrictions may apply. Mortgage interest rates, fees, and guidelines may be amended at any time without notice. This is not an advertisement to extend to consumer credit as defined by Regulation Z, Section 1026.2.