AD Mortgage

Effective date: 9/11/2026

DSCR

Underwriting Requirements

Minimum Loan Amount	$75,000	**Maximum Loan Amount**	$3,500,000
Appraisal	▫ 120 days age maximum ▫ Second Appraisal required for loan amounts > $2MM		
Assets	▫ Assets sourced and seasoned for 30 days, Documents good for 120 days ▫ Gift funds allowed (Required Borr Contribution: Inv-10%) ▫ Overseas Assets sourced for 30 days ▫ 1031 Exchange Eligible		
Cashout	▫ Max Cash in Hand: No limitation for CLTV <55% & min FICO 680; $1,000,000 for CLTV from 55% to 65% or CLTV>65 & min FICO 700 or CLTV <=55 & FICO <680; $500,000 for CLTV >65% & FICO <700 ▫ Delayed Financing has Cash Out pricing ▫ Non-occupying co-borrowers are ineligible for Cash Out transactions ▫ Non-Permanent Residents min FICO 700		
Credit & Tradelines	▫ If 3 scores are not available: 3 for past >=12 months OR 2 for past >=24 months, active in the last 12 month ▫ Middle Lowest for multiple borrowers, Lowest if only 2 scores ▫ Valid for at least 60 days at submission / 120 days max age		
Credit Event CLTV	▫ BK, FCL, SS, DL, modification, forbearance and 120+ days are considered as a Credit Event		
Eligible States Inv	▫ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, ME, MI, MO, MN, MS, MT, NC, ND, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA (except for Philadelphia County), RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY		
Eligible States Inv (No License Required)	▫ AK, AL, AR, CO, CT, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MD (except for Baltimore County & Baltimore City), ME, MO, MS, MT, NC, NE, NH, NJ, NM, NY, OH, OK, PA (except for Philadelphia County), RI, SC, TN, TX, WA, WI, WV, WY		
Escrow	▫ Escrow Waiver Available ▫ No Escrow Waiver Adj in NY ▫ Max CLTV 80% (90% in CA)		
First-Time Homebuyer (FTHB)	▫ FTHB allowed: Max LA = $1,000,000; Max CLTV = 70%; min 680 FICO; DSCR >= 1; FTHB with payment shock exceeding 300% are ineligible. Short-term rentals are not allowed. IO not allowed.		
Income	▫ DSCR = Gross Income / Proposed PITIA (or ITIA for interest-only loans). Borrower income is not required. DSCR < 1 requires min FICO 680 ▫ 0.75 <= DSCR < 1 Cash-Out: max 70% CLTV ▫ DSCR <0.75 Purchase/Rate&term: max 70% ▫ DSCR <0.75 Cash-Out: max 65% CLTV ▫ DSCR <1 Purchase/Rate&term: max 75%		
Interest Only	▫ 5/6 ARM, 30 Year Fixed, 40 Year Fixed. 120 Months of I/O Period, 240/360 Months of Amortization, Qualified at Amortized ITIA Payment, min FICO 680, FTHB not allowed		
New Construction	▫ Max CLTV on PUD is 75% for FL ▫ Max CLTV for Condo 70% for FL ▫ No CLTV limitations on 1-4 units without community		
Non-Permanent Resident / FN / ITIN	▫ Eligible Status H-1, L-1, E1-E3, NATO, O1, R1, TN (additional statuses allowed are listed in the guidelines exhibit 1) ▫ Cash Out transactions non-permanent residents min FICO 700▫ ITIN: min FICO 700, max 70 CLTV, max LA 1.5 MM, DSCR>=1 ▫ Foreign Nationals are not allowed (See Foreign National program)		
Occupancy Types	▫ Investment properties		
Points & Fees	▫ Total Borrower Paid Points and Fees must be less than 7% (including Lender fees) ▫ Broker's Maximum Compensation 3.00% (Borrower Paid) , 2.75% (Lender Paid, Max Price 102.75) ▫ Lender Credit Max 2.75 points ▫ Broker's Processing Fee is a part of broker's compensation and capped at maximum allowed compensation ▫ Third Party's Processing Fee allowed ▫ UW fee can be waived		
Points Financed	Not Available		
Prepayment Penalty	▫ Investment Only ▫ Max PP Term - 5 years ▫ Penalty Amount: 6 months of interest on any amount over 20% of Note Principal ▫ PPP not allowed and buydown is required in: AK, AR, KS, MD (LA < $75,000), MI, MN, NM, OH (on 1-2 units with LA < $116,356), PA (on 1-2 units with LA < $329,411), RI, VA (LA < $75,000) ▫ Loans vested in individuals in IL, NJ, VT - buydown required or close in LLC (IL - max 3 years) ▫ Max PPP 3 years in ID, MA ▫ Max PPP 3 years and Penalty Amount: max 2 months interest for any loan type in DC, MD ▫ Max PPP 2 years in MS ▫ Max Price 102.500 when prepayment is not allowed and buydown is required		
Property Types	▫ Single Family Residence ▫ Townhome ▫ Warrantable / Non-Wr. Condo (Limited Review) with max CLTV: 75 (FL 70) ▫ Condotel ▫ 2-4 Unit (Max CLTV: 80) ▫ PUD ▫ SFR Rural (Max CLTV: 80, Min FICO: 680)▫ Short-Term Rental (Max CLTV: 80) ▫ Mixed Use and Multifamily properties are not allowed ▫ Leasehold ▫ All Condominimums & Condotels Min. DSCR >= 1.0		
Reserves	▫ Loan amount <= 1,000,000: min 3 months, >1,000,000 and <=2,000,000: min 6 months, >2,000,000: min 12 months		
Seller Concessions	▫ 6% if 80% CLTV or less ▫ 4% if CLTV greater than 80%		
Title	▫ Individuals ▫ LLCs / Corp (Maximum 4 owners allowed, all have to be borrowers and guarantors on the transaction) ▫ Title Commitment: 90 days max age		

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Investment

Purpose	Property Type	Minimum FICO	Maximum LTV/CLTV*	Maximum Loan Amount	MaximumDTI (%)
Purchase, Rate/Term Refinance	1 Unit SFR, PUD, 2-4 Unit, Condo	760	80	$2,000,000	No DTI required
			70	$2,500,000	
			65	$3,000,000	
			55	$3,500,000	
		700	80	$1,500,000	
			75	$2,000,000	
			70	$2,500,000	
			65	$3,000,000	
			55	$3,500,000	
		680	80	$1,000,000	
			75	$1,500,000	
			70	$2,000,000	
			65	$2,500,000	
			55	$3,000,000	
		660	75	$1,500,000	
			70	$2,000,000	
			55	$2,500,000	
			50	$3,000,000	
		640	70	$1,000,000	
			60	$1,500,000	
			55	$2,000,000	
			50	$2,500,000	
		620	65	$1,000,000	
			55	$2,000,000	
			50	$2,500,000	
	SFR Rural, PUD Rural	760	80	$2,000,000	
			70	$2,500,000	
			65	$3,000,000	
			55	$3,500,000	
		700	80	$1,500,000	
			75	$2,000,000	
			70	$2,500,000	
			65	$3,000,000	
			55	$3,500,000	
		680	80	$1,000,000	
			75	$1,500,000	
			70	$2,000,000	
			65	$2,500,000	
			55	$3,000,000	
Purchase	Condotel	680	75	$1,500,000	
		660	75	$1,000,000	
			70	$1,500,000	
Rate/Term Refinance	Condotel	660	65	$1,500,000	
Cash Out	1 Unit SFR, PUD, 2-4 Unit, Condo	700	75	$1,500,000	
			70	$2,000,000	
			60	$2,500,000	
			55	$3,000,000	
		680	70	$1,500,000	
			65	$2,000,000	
			55	$2,500,000	
		660	70	$1,000,000	
			65	$2,000,000	
			55	$2,500,000	
	SFR Rural, PUD Rural	700	75	$1,500,000	
			70	$2,000,000	
			60	$2,500,000	
			55	$3,000,000	
		680	70	$1,500,000	
			65	$2,000,000	
			55	$2,500,000	
	Condotel	660	65	$1,000,000	

** 2-4 Units (80% CLTV Max)*