



First Colony

SHARP ADVANTAGE DSCR MATRIX

12.18.25

REFER TO THE SHARP ADVANTAGE FULL PROGRAM GUIDELINES FOR ADDITIONAL GUIDANCE AND RESTRICTIONS								
DSCR >= 0.75 - 0.99					DSCR >=1.00			
LOAN AMOUNT	FICO	PURCHASE	RATE/ TERM	CASH OUT	FICO	PURCHASE	RATE/ TERM	CASH OUT
<= \$1M	740	75	75	70	740	80	80	75
	720	75	75	70	720	80	80	75
	700	75	75	70	700	80	80	75
	680	70	70	60	680	80	80	70
					660	75	75	70
>\$1M - <=\$1.5M	740	75	70	70	740	80	80	75
	720	70	70	65	720	80	80	70
	700	70	70	65	700	80	80	70
	680	70	65		680	75	70	65
>\$1.5M - <=\$2M	740	70	65	65	740	75	70	70
	720	65	65	65	720	75	70	65
	700	65	65	65	700	75	70	65
					680	70	65	
>\$2M - <=\$2.5M					740	70	65	65
					720	70	65	65
					700	70	65	65
>\$2.5M - <= \$3M					740	70	65	
					720	70	65	
					700	70	65	

*2-4 Units: 5% reduction if >\$2.5M

REFER TO THE SHARP ADVANTAGE FULL PROGRAM GUIDELINES FOR ADDITIONAL GUIDANCE AND RESTRICTIONS		
DSCR CALCULATIONS		
ANNUAL RENTALS		
Transaction Type	Documentation Requirements	Income Calculation
PURCHASE	<ul style="list-style-type: none"> • Market rents: FNMA Form 1007/1025 • Above Market Rents: <ul style="list-style-type: none"> • FNMA Form 1007/1025 • Executed lease agreements from the seller • Proof of receipt for the most recent 2 months (e.g., bank statements or payment records) IF rents exceed market • Under Market Rents: <ul style="list-style-type: none"> • FNMA Form 1007/1025 	<ul style="list-style-type: none"> • Use market rents from FNMA Form 1007/1025 • Use the greater of 1007/1025 market rents or actual rents, not to exceed 120% of market rents • Use market rents from FNMA Form 1007/1025
REFINANCE	<ul style="list-style-type: none"> • FNMA Form 1007/1025 AND • Executed lease agreements • Evidence of Most Recent 2 MO Rent Receipts IF rents exceed market 	<ul style="list-style-type: none"> • Use the greater of 1007/1025 market rents or actual rents, not to exceed 120% of market rents.
SHORT TERM RENTALS		
Transaction Type	Documentation Requirements	Income Calculation
PURCHASE	<ul style="list-style-type: none"> • Market rents: <ul style="list-style-type: none"> • FNMA Form 1007/1025 • 12 MO rental history from 3rd party management • Above Market Rents: <ul style="list-style-type: none"> • Proof of receipt for the most recent 2 months (e.g., bank statements or payment records) • Under Market Rents: <ul style="list-style-type: none"> • FNMA Form 1007/1025 	<ul style="list-style-type: none"> • The greater of 1007/1025 market rents or actual rents may be used, not to exceed 120% of market rents. • Expense Factor: <ul style="list-style-type: none"> • When applying FNMA 1007/1025 utilizing short-term rentals, a 20% expense factor must be used. • When applying actual rents, no expense factor required. Utilize net rentail income after expenses. • When applying FNMA 1007/1025 utlizing long-term rentals - no expense factor is required • Use market rents from FNMA Form 1007/1025
REFINANCE	<ul style="list-style-type: none"> • Market rents: <ul style="list-style-type: none"> • FNMA Form 1007/1025 AND • Active listing (e.g., screenshot of Airbnb/VRBO) AND • 12 MO rental history from 3rd party management • Above Market Rents: <ul style="list-style-type: none"> • Proof of receipt for the most recent 2 months (e.g., bank statements or payment records) • Statement must Include: <ul style="list-style-type: none"> • Rents for subject property collected over 12 MO AND • Vendor/Management fees 	<ul style="list-style-type: none"> • 12 months average of rents provided by 3rd party management company or market rents from FNMA Form 1007/1025 • The greater of 1007/1025 market rents or actual rents may be used, not to exceed 120% of market rents. • Expense Factor: <ul style="list-style-type: none"> • When FNMA 1007/1025 utlizes short-term rentals a 20% expense factor must be used. • When FNMA 1007/1025 utlizes long-term rentals - no expense factor is required

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PROGRAM INFORMATION										
TERMS	Fully Amortizing	FIXED	15YR & 30YR		ARM	5/6 & 7/6	INDEX	SOFR	5 YR Caps	2/1/5
	Interest Only	FIXED	30 & 40 YR		ARM	5/6 & 7/6	MARGIN	5.0	7 YR Caps	5/1/5
INTEREST ONLY	I/O period 10 YRS Qualifying payment is based on the Interest Only period									
QUALIFYING	ARM	Higher of Fully indexed or Note Rate				I/O	Use ITIA payment			
LOAN AMOUNTS	MIN	\$125K	MAX	\$3M (loan amounts >\$2M require Corporate Approval)						
DSCR MINIMUM	0.75									
SHORT TERM RENTAL	DSCR >=1.15 Purchase Max LTV <=75% Refinance Max LTV <=70% (also refer to First Time Investor section below)									
SEASONING	<ul style="list-style-type: none">Cash Out: Minimum 6 months from acquisition to note date - use appraised value Business Purpose LOE requiredNo waiting period if property inherited or legally awarded									
CASH-OUT	LTV > 65% MAX \$500K LTV < = 65% Unlimited									
NON ARMS LENGTH TRANSACTIONS	Ineligible									
COMPLIANCE	High Cost or Section 32 loans - not permitted									
GENERAL ELIGIBILITY										
ELIGIBLE PROPERTY TYPES	SFR, 2-4 Units & Condos									
INELIGIBLE PROPERTY TYPES	Refer to Sharp Advantage Underwriting Guidelines for complete list									
CONDOS	Warrantable Condo: MAX LTV: 80% Non-Warrantable /Condotel MAX LTV: 75% <ul style="list-style-type: none">FL Condos: Established Condo Projects with 5+ attached units - Purchase: Max LTV/ CLTV 75% / Refinance: Max LTV/ CLTV 65%FL Condos: New Construction - PERS approval requiredLoan Amounts > \$2.5M must be warrantable (Refer to Sharp Advantage Underwriting Guidelines for full details)									
RURAL	MAX 5 Acres Purchase MAX LTV 80% Refinance MAX LTV 75%									
ELIGIBLE BORROWERS	US Citizens, Perm Resident Aliens, Non Perm Resident Aliens (Refer to Sharp Advantage Underwriting Guidelines for complete list) <ul style="list-style-type: none">All borrowers must have U.S credit and legal residency in the U.S.									
INELIGIBLE BORROWERS	ITIN, Foreign National, Asylum status, DACA (Refer to Sharp Advantage Underwriting Guidelines for complete list)									
FIRST TIME HOMEBUYER	Ineligible									
FIRST TIME INVESTOR	Borrowers who have NOT owned/managed an investment property for 12 MO within the past 3 YRS: <ul style="list-style-type: none">MIN DSCR = 1.0 MIN FICO 700 MAX LOAN AMOUNT \$1MM									
ENTITY VESTING	<ul style="list-style-type: none">Business Purpose loans vested in LLC, C CORP, S CORP are permittedBorrowers/ members with 50% or more ownership require a personal guaranteeForeign Entities are not permitted. Entity must registered in property state.									
FICO	<ul style="list-style-type: none">For one borrower: Use the middle of 3 credit scores or lower of 2 credit scoresMultiple borrowers: Use the highest representative scoreAll borrowers on the loan must meet the program minimum FICO requirements									
TRADELINES	One of the following must be met: <ul style="list-style-type: none">1 borrower has 3 reporting FICO scores; or2 tradelines reporting for 24 MO. w/activity in the past 12 MO; or3 tradelines reporting for 12 MO. w/recent activity									

CREDIT EVENTS	<ul style="list-style-type: none">• BK 7 & 13 = 36 Months from discharge/dismissal to application SS, DIL, FC, MOD or 120+ lates = 36 Months from discharge/dismissal to application• Credit event seasoning 24-36 months: Purchase - Max 75% LTV Refinance - Max 70% LTV
COLLECTIONS	All items affecting title and open judgements/garnishments must be paid off prior to/at closing
ESCROW WAIVER	<ul style="list-style-type: none">• Permitted when loan is non-HPML AND LTV <=80% MIN FICO 700• Escrow holdbacks - not permitted Flood insurance waivers not permitted
APPRAISALS	2 appraisals are required for Loan Amounts >=\$2M
APPRAISAL REVIEW	CU Score is <=2.5 is acceptable with Submission Summary Report (SSR) If CU Score is >2.5 = Desk Review (CDA) OR Field Review OR 2nd appraisal is required If CDA is >10% of appraised value - a Field Review OR 2nd full appraisal required
DECLINING VALUE	If Appraiser indicates declining market and LTV >65%, a 5% LTV reduction is required
PROPERTIES LISTED FOR SALE	<ul style="list-style-type: none">• Property must be taken off the market one (1) day prior to the date of the application• MIN 3 YR PPP when State permits If PPP is not State permitted = 5% LTV reduction• All Property Types - Use the lower of the lowest list price or appraised value• Cash out: Properties listed for sale within 6 months prior to application - 10% LTV reduction required
VACANT / UNLEASED PROPERTIES	<ul style="list-style-type: none">• Purchase Transaction: MAX LTV 80%• Refinance Transaction: MAX 70% LTV<ul style="list-style-type: none">o Max 1 vacancy on a 2-3 Unit propertyo Max 2 vacancies on a 4 Unit property
HOUSING HISTORY	<ul style="list-style-type: none">• 1 X 30 X 12 - All mortgages reporting on credit report Non-Subject & non-primary residence not reporting on credit do not need to verified <div>Borrowers must maintain a Primary Residence Rents: 12 MO history required, VOR or canceled check if private Owns: 12 MO payment history reported on the credit report</div> <div>Rent Free borrowers are eligible IF:<ul style="list-style-type: none">• Borrower is an experienced investor, or• Evidence is provided that borrower is living in marital residence (documentation to support required)</div>
RESERVES	Based on the subject property PITIA <ul style="list-style-type: none">• MIN 3 months required• Cash-out may be used to meet reserve requirements
GIFT FUNDS	<ul style="list-style-type: none">• Permitted - MIN Borrower Contributions - 10%• Gift funds may not be used to meet reserve requirements
SUBORDINATE FINANCING	<ul style="list-style-type: none">• New subordinate financing not permitted• Resubordinated liens subject to MAX LTV and cannot be privately held or HELOC
TAX TRANSCRIPTS	Not required
INTERESTED PARTY CONTRIBUTIONS	Investment = Max 6%
STATE ELIGIBILITY	<ul style="list-style-type: none">• Properties in the state of HI are ineligible• Investment Properties - located in Baltimore City, MD and Philadelphia County, PA are ineligible