

me Mortgage

NMLS 133519

Effective Date: April 29, 2021

Business Purpose Non-QM Rate Sheet

LOCK DESK

CONTACT:

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Direct: 833-381-8733

Lock Desk Closes at 3:30 PM PST

APPRAISAL ORDER PROCEDURES

AMC selection can be made at:

<https://www.memortgage.com/appraisals/>

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Underwriting Fee

\$1,995

EXTENSION FEES

15 day	-0.250
30 day	-0.375

*2 lock extensions allowed with a maximum of 30 days



theNONI™


NON OWNER NO INCOME

- **As little as 2 months reserves** (Use property cashflow to qualify)
- **FICOS As Low As 620**
- **No Seasoning** on cash out or rate and term
- **No LTV Restrictions** on 2-4 units
- **LTV's up to 80%** (min 680 fico)
- **No Rate Or Pricing Adjustments** on Cash Out, Interest Only, Condo, Units

LOSS PAYEE

Hometown Equity Mortgage, LLC dba meMortgage its successors and/or assigns
25531 Commercentre Dr #250, Lake Forest, CA 92630

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	theNONI (DSCR ≥ 1.0)	Effective 4/29/2021

			7/6 ARM PAR Pricing	
			DSCR ≥ 1.00 30 Day Lock	
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$3,000,000*	See Matrix	680+	4.625%	
		660-679	5.625%	
		640-659	6.125%	
		620-639	6.625%	

Harness the power of NONI™
with

NONIPlus

For borrowers with FICO ≥ 700 and LTV ≤ 65%

*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
1 Year Hard/2 Year Soft PPP	100
*No PPP (RI Only)	99

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBD30AL07	Beacon DSCR 7/6 ARM
TBD30AL07IO	Beacon DSCR 7/6 ARM IO
TBD30AL010	Beacon DSCR 10/6 ARM
TBD30AL010IO	Beacon DSCR 10/6 ARM IO

BUY UP/BUY DOWN
2:1 BUY UP
3:1 Buy down
Minimum Rate
7/6 ARM 4.125%
10/6 ARM 4.375%
30 Yr Fix 4.500%
ARM Index
SOFR
Margin
4.50%
CAPS
2/1/5
Floor Rate = Note Rate
Borrower Paid Compensation Only

Adjustments	LLRA
NONI Plus	-0.250%
30 Year Fixed	+0.375%
10/6 ARM	+0.125%
7/6 ARM IO	0.00%
10/6 ARM IO	0.00%
1 Yr Hard/2 Yr Soft PPP	+0.50%
No PrePay (RI Only)	+1.25%
FL Condo > 60% LTV	+0.25%
>=680 FICO & LTV 75.01 - 80%	+0.50%
Units	0.00%
Cash-out	0.00%
Condo	0.00%

*See matrix

**Underwriting exceptions are subject to a .250 price adjustment



DSCR < 1.00

**Effective
4/29/2021**

			7/6 ARM PAR Pricing	
			DSCR ≥ 1.00 30 Day Lock	
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$2,500,000*	See Matrix	680+	5.125%	

*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
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TBD30AL010IO	Beacon DSCR 10/6 ARM IO

BUY UP/BUY DOWN	
2:1 BUY UP	
3:1 Buy down	
Minimum Rate	
7/6 ARM	4.625%
10/6 ARM	4.875%
30 Yr Fix	5.000%
ARM Index	
SOFR	
Margin	
4.50%	
CAPS	
2/1/5	
Floor Rate = Note Rate	
Borrower Paid Compensation Only	

Adjustments	LLRA
30 Year Fixed	+0.375%
10/6 ARM	+0.125%
7/6 ARM IO	0.00%
10/6 ARM IO	0.00%
1 Yr Hard/2 Yr Soft PPP	+0.50%
No PrePay (RI Only)	+1.25%
FL Condo > 60% LTV	+0.25%
Units	0.00%
Cash-out	0.00%
Condo	0.00%

**see matrix

**Underwriting exceptions are subject to a .250 price adjustment

		the NONI			the DSCR < 1.00				
		Investor Option 1			Investor Option 2				
		Min Loan Amount 100K	DSCR ≥ 1.00		DSCR < 1.00				
FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out	FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
720	\$2,000,000	2 Months- Purchase & R/T	80%	75%	680+	\$1,500,000	6 months	70%	70%
	\$3,000,000	6 Months- C/O	75%	60%			12 months	70%	65%
680+	\$2,000,000	2 Months- Purchase & R/T	80%	70%					
	\$3,000,000	6 Months- C/O	70%	60%					
660-679	\$1,500,000	2 Months- Purchase & R/T	75%	70%					
	\$2,500,000	6 Months- C/O	70%	65%					
640-659	\$1,500,000	2 Months- Purchase & R/T	70%	65%					
	\$2,500,000	6 Months- C/O	60%	60%					
620-639	\$1,000,000	6 Months	65%	65%					
	\$2,000,000		60%	60%					

Investor - Doc Options	
Investor Cash Flow	<ul style="list-style-type: none"> • Option 1: DSCR ≥ 1.0 • Option 2: Limited DSCR < 1.0

Property Restrictions	Max LTV
Non-Warrantable Condo	Not allowed
Warrantable Condo	75%
2-4 Unit Modular	No Restriction 65%
Florida Condo	No Restriction
Rural Properties	70%

Additional Restrictions	
Maximum Cash-Out	≥ 65% LTV = \$500,000 < 65% LTV = Unlimited
1st Time Investor Min FICO	680
Max Acreage	20
Unleased Property (Refinance only) <small>Does not apply to short term rentals</small>	5% LTV reduction
Max # of Financed Properties By HEM	Committee review over 4
Gift Funds allowed with 5% borrower funds	NO LTV reductions
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
Foreign Nationals	Not Allowed
Note: IL - Must vest in a business entity if the rate exceeds 8%	
FTHB with "No Housing History" are not eligible - See Guidelines	

Products	Margin & Caps		I/O (Y/N)	IO Period	Final Maturity	Interested Party Contributions/Seller Concessions		Residency
7/6 & 10/6 Adjustable Rate (ARM)	4.50	2/1/5	N	NA	30 years	All LTVs	Max 2%	US Citizen, Perm/NonPerm Res. Alien
30 Year Fixed	NA	NA	N	NA	30 years	Eligible States		
Interest Only: 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	10 Years	30 Years	AL, AZ, CA, CO, CT, DE, FL, GA, HI, IA, IL, KY, LA, MA, MO, MD, NC, NJ, NY****, OK, OR, PA*, RI**, SC, TN, TX**, UT, VA, WA		

Guidelines Quick Reference							
ARM Index & Floor	Index: 30 day SOFR Floor = Note Rate						
Qualifying Rate	Note Rate						
Qualifying Payment	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate						
Assets	Sourced or seasoned 60 days (2 mos most recent bank statements req.)						
Credit	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.						
Cash Out	Business purpose use ONLY						
Prepayment Penalty	6 months interest on 80% of the original principal balance (Standard Term = 3 years) <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">Option 1:</td> <td>• 3 yr Hard Prepay: can not sell or refi</td> </tr> <tr> <td>Option 2:</td> <td>• 1 yr Hard / 2 yr Soft PrePay: can not sell or refi in the 1st year, can sell but not refi in yrs 2-3</td> </tr> </table> <p style="font-size: small; margin-top: 5px;"> *PA- Loan amounts ≥ \$256,024 can be vested as an Entity or as an Individual **PA- Loan amounts < \$256,024 must be vested in a Corp, LLC, Partnership or Trust ***RI- PPP not allowed. Must buyout PPP. ****TX C/O refinance must vest as Individual (no entities: LLC, inter vivos trust, etc) *****NY Co-Ops are Ineligible </p>			Option 1:	• 3 yr Hard Prepay: can not sell or refi	Option 2:	• 1 yr Hard / 2 yr Soft PrePay: can not sell or refi in the 1st year, can sell but not refi in yrs 2-3
Option 1:	• 3 yr Hard Prepay: can not sell or refi						
Option 2:	• 1 yr Hard / 2 yr Soft PrePay: can not sell or refi in the 1st year, can sell but not refi in yrs 2-3						

Credit	
Maximum Housing Lates	0x30x12
Minimum FC Seasoning months	48
Minimum SS/DIL Seasoning months	48
Minimum BK 7 Seasoning months	48
Minimum BK 13 Seasoning	48

Reserves	
• C/O proceeds can be used to meet reserves	
• Reserves for IO based on Interest Only Payment	
• Gift funds cannot be used to meet reserves requirements	

	<p>What is a DSCR Loan? How do you qualify?</p> <p>DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.</p> <p>How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)</p>	
Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI". $\frac{\text{Gross Rents} = \$1500}{\text{ITIA} = \$1500} = 1.00 \text{ DSCR}$	Full Amortization Example: If your DSCR < 1.00 you still have a loan just at a different price. $\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$	