

me Mortgage

NMLS 133519

Effective Date: September 01, 2021

Business Purpose Non-QM Rate Sheet

LOCK DESK

CONTACT:

E-mail: lockdesk@memortgage.com

Direct: 833-381-8733

Lock Desk Closes at 4:00 PM PST

APPRAISAL ORDER PROCEDURES

AMC selection can be made at:

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

TABLE OF CONTENTS

Business Purpose Non-Qm Products

theNONI (DSCR ≥ 1.00)	Page 2
thenearNONI (DSCR < 1.00)	Page 3
Matrix	Page 4

Underwriting Fee

Underwriting Fee: \$1,995

Doc Prep Fee: \$599

*EXTENSION FEES

5 day	-0.125
7 day	-0.150
10 day	-0.250
15 day	-0.375

*2 lock extensions allowed with a maximum of 30 days

Eligible States

AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KY, LA, MA, MD, ME, MI**, MO, MS, MT, NC, NE, NH, NJ, NV, NY, OH**, OK, OR, PA*, RI**, SC, TN, TX***, UT, VA, WA, WI, WV, WY

*See Matrix for restrictions and additional details regarding Prepayment Penalty



theNONI™

NON OWNER NO INCOME

- **As little as 0 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

For use by mortgage professionals only. Mortgage Financing Provided by Hometown Equity Mortgage, LLC dba meMortgage NMLS #133519. Rates, terms and programs subject to change without notice.

	theNONI (DSCR ≥ 1.0)		Effective 9/1/2021

			•7/6 ARM PAR Pricing •5YR PrePay •30 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$3,000,000*		See Matrix	680+	4.125%	
			660-679	5.125%	
			640-659	5.625%	
			620-639	6.125%	

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 Adjustments		
Prepay Penalty	LLRA	Max Price
5 Year Hard PPP	0.000%	102.000
4 Year Hard PPP	+0.125%	101.500
3 Year Hard PPP	+0.250%	101.000
2 Year Hard PPP	+0.750%	100.750
1 Year Hard PPP	+1.125%	100.500
*No PPP (MI, OH, & RI Only)	+1.500%	100.000

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	3.875%
10/6 ARM	4.000%
30 Yr Fix	4.250%
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%
Interest Only (ARMS Only)	0.000%
NY State	+0.125%
FL Condo > 60% LTV	+0.25%
>=680 FICO & LTV 75.01 - 80%	+0.250%
Units	0.000%
Cash-out	0.000%
Non-Warrantable Condo	+0.500%
ACH Waiver (Auto Pay)	+0.125%

*See matrix

**Underwriting exceptions are subject to a price and or rate adjustment

***Base note rate includes ACH set up



thenearNONI (DSCR < 1.00)

Effective
9/1/2021

			•7/6 ARM PAR Pricing •5YR PrePay •30 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$100,000-\$2,500,000*		See Matrix	680+	4.625%	
			640-679	5.875%	
			620-639	6.375%	

*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty Adjustments		
Prepay Penalty	LLRA	Max Price
5 Year Hard PPP	0.000%	102.000
4 Year Hard PPP	+0.125%	101.500
3 Year Hard PPP	+0.250%	101.000
2 Year Hard PPP	+0.750%	100.750
1 Year Hard PPP	+1.125%	100.500
*No PPP (MI, OH, & RI Only)	+1.500%	100.000

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
30 Year Fixed	+0.375%
10/6 ARM	+0.125%
Interest Only (ARMS Only)	0.00%
NY State	+0.125%
FL Condo > 60% LTV	+0.25%
Units	0.00%
Cash-out	0.00%
Non-Warrantable Condo	+0.500%
ACH Waiver (Auto Pay)	+0.125%

*See matrix

**Underwriting exceptions are subject to a price and or rate adjustment

***Base note rate includes ACH set up

		the NONI			thenear NONI (DSCR < 1.00)				
		Investor Option 1			Investor Option 2				
		DSCR ≥ 1.00			DSCR < 1.00				
FICO	Min Loan Amount 100K Loan Amount	Reserves	Purchase or R/T	Cash-Out	FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	\$2,000,000	0 Months- Purchase & R/T 6 Months- C/O	80%	75%	680+	\$1,500,000	6 months	75%	70%
	\$3,000,000		75%	65%					
660-679	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	75%	70%	640-679	\$2,500,000	12 months	70%	65%
	\$2,500,000		70%	65%					
640-659	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	70%	65%	640-679	\$1,500,000	6 months	70%	65%
	\$2,500,000		60%	60%					
620-639	\$1,000,000	6 Months	65%	65%	620-639	\$1,500,000	6 months	65%	60%
	\$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	Purchase & R/T 75%
Warrantable Condo	No Restriction
2-4 Unit	No Restriction
Modular	65%
Florida Condo	No Restriction
Rural Properties	70%

Additional Restrictions	
Maximum Cash-Out	Unlimited
1st Time Investor Min FICO	680
Max Acreage	20
Unleased Property (Refinance only) Does not apply to short term rentals	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
Minimum Loan Amount	100000
Foreign Nationals	Not Allowed
First Time Home Buyers	Not Eligible
DSCR < .75%	680 FICO
ACH required on all loans (waiver available)	

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
30 Year Fixed	NA	NA	N	NA	30 years	Max 2%
Interest Only: 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	10 Years	30 Years	US Citizen, Perm/NonPerm Res. Alien
Eligible States: AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KY, LA, MA, MD, ME, MI**, MO, MS, MT, NC, NE, NH, NJ, NV, NY, OH**, OK, OR, PA*, RI**, SC, TN, TX***, UT, VA, WA, WI, WV, WY						

Guidelines Quick Reference		
ARM Index & Floor	Index: 30 day SOFR Floor = Note Rate	Impounds
Qualifying Rate	Note Rate	Not required
Qualifying Payment	Full Amortization: PITIA based on note rate	• No C5 or C6
Assets	IO: Initial ITIA based on note rate	• 2 appraisals >\$1.5MM
Credit	Sourced or seasoned 60 days (2 mos most recent bank statements req.)	• ARR/CDA req or CU risk score > 2.5
Cash Out	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.	600 sq feet
Prepayment Penalty	Business purpose use ONLY	• Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; Lowest of all borrowers Representative score
State Specific	* 5% of the amount prepaid	Compliance
		• Points & Fees may not exceed 5%
		Hard Prepay Only
		1, 2, 3, 4 & 5 year prepays available

Credit	
Maximum Housing Lates	0x30x12 1x30x12 by exception only
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

What is a DSCR Loan? How do you qualify?

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.

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)

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.

$$\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$$

