

me Mortgage

NMLS 133519

Effective Date: January 24, 2022

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

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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

AK*, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS*, KY, LA, MA, MD, ME, MI*, MN*, MO, MS, MT, NC, NE, NH, NJ, NM*, 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
- **Cash Out up 80%** (min 680 FICO)
- **No LTV Restrictions** on 2-4 units
- **LTV's up to 85%** (min 680 fico)
- **No Rate Or Pricing Adjustments** on 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 1/24/2022

			•7/6 ARM PAR Pricing •5YR PrePay •30 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$70,000-\$3,500,000*		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 (AK, KS, MI, MN, NM, OH, & RI Only)	+1.500%	100.000

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX30IO	Beacon DSCR 30 Yr Fixed IO
TBDFX40IO	Beacon DSCR 40 Yr Fixed IO
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	
6:1 BUY DOWN (< 4.00% Note Rate)	
Minimum Rate	
7/6 ARM	3.875%
10/6 ARM	4.000%
30/40 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%
30 Year Fixed IO	+0.500%
40 Year Fixed IO	+0.625%
10/6 ARM	+0.125%
Interest Only (ARMS Only)	0.000%
Loan Amt >= \$70,000 - \$99,999	+0.250%
FL Condo > 60% LTV	+0.250%
LTV 80.01 - 85% (Purchase&R/T)	+1.000%
LTV 75.01 - 80% & Cash-Out	+1.000%
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
1/24/2022

			•7/6 ARM PAR Pricing •5YR PrePay •30 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$70,000-\$3,000,000*		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 (AK, KS, MI, MN, NM, OH, & RI Only)	+1.500%	100.000

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX30IO	Beacon DSCR 30 Yr Fixed IO
TBDFX40IO	Beacon DSCR 40 Yr Fixed IO
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%
30/40 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%
30 Year Fixed IO	+0.500%
40 Year Fixed IO	+0.625%
10/6 ARM	+0.125%
Interest Only (ARMS Only)	0.000%
Loan Amt >= \$70,000 - \$99,999	+0.250%
FL Condo > 60% LTV	+0.250%
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



theHardNONI

Effective
1/24/2022

			7/6 ARM with 2 Yr PPP and ACH***
FICO	Housing History	Credit Event Seasoning	Rate
660+	2x30x12	≥ 2 Years	6.375%
640-659	0x60x12	≥ 1 Years	7.250%
600-639	0x90x12	≥ 1 Years	7.750%

Prepay Penalty Adjustments		
Prepay Penalty	LLRA	Max Price
2 Year Hard PPP	0.000	100.000
1 Year Hard PPP	+0.750%	100.000
*No PPP (AK, KS, MI, MN, NM, OH, & RI Only)	+1.500%	100.000

Program Codes	
TBDHFX30	Beacon DSCR Hard 30 Yr Fixed
TBDH30AL07	Beacon DSCR Hard 7/6 ARM
TBDH30AL07IO	Beacon DSCR Hard 7/6 ARM IO
TBDH30AL010	Beacon DSCR Hard 10/6 ARM
TBDH30AL010IO	Beacon DSCR Hard 10/6 ARM IO

BUY UP/BUY DOWN
Not Eligible
Minimum Rate
Note Rate
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%
FL Condo > 60% LTV	+0.25%
Loan Amt >= \$70,000 - \$99,999	+0.250%
Interest Only (ARMS Only)	0.000%
Units	0.000%
Cash-out	0.000%

*See matrix

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

***ACH required

		theNONI			thenearNONI (DSCR < 1.00)				
FICO	Loan Amount	Reserves	DSCR ≥ 1.00		FICO	Loan Amount	Reserves	DSCR < 1.00	
			Purchase or R/T	Cash-Out				Purchase or R/T	Cash-Out
680+	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	85%	80%	680+	\$2,000,000	6 months	75%	70%
	\$2,500,000		80%	75%		\$3,000,000	12 months	70%	65%
	\$3,500,000		75%	70%					
660-679	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	80%	75%	640-679	\$2,000,000	6 months	70%	65%
	\$2,000,000		75%	70%		\$3,000,000	12 months	70%	60%
	\$3,000,000		70%	65%					
640-659	\$1,500,000	0 Months- Purchase & R/T 6 Months- C/O	70%	65%	620-639	\$2,000,000	6 months	65%	60%
	\$2,000,000		70%	65%		\$3,000,000	12 months	55%	45%
	\$3,000,000		60%	60%					
620-639	\$1,500,000	6 Months	65%	65%					
	\$2,500,000		60%	60%					
	\$3,000,000		N/A	N/A					

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
Interest Only: 30 Year Fixed	NA	NA	Y	10 Years	30 Years	Eligible States
Interest Only: 40 Year Fixed	NA	NA	Y	10 Years	40 Years	AK**, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS**, KY, LA, MA, MD, ME, MI**, MN**, MO, MS, MT, NC, NE, NH, NJ, NM**, 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	Escrow Impounds	Required > 80% LTV
Qualifying Rate	Note Rate	Appraisal	• No C5 or C6 • ARR/CDA req for CU risk score > 2.5 • 2 appraisals >\$1.5MM
Qualifying Payment	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate	Min Sq. footage	600 sq feet
Assets	Sourced or seasoned 60 days (2 mos most recent bank statements req.)	Credit Score	• 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
Credit	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.	Compliance	• Points & Fees may not exceed 5%
Cash Out	Business purpose use ONLY	Hard Prepay Only	• 0, 1, 2, 3, 4 & 5 year prepays available * There are pricing implications for prepays less than 3 years
Prepayment Penalty	* 5% of the amount prepaid		
State Specific	*PA- Loan amounts ≥ \$278,204 can be vested as an Entity or as an Individual *PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust **AK, KS, MI, MN, NM, OH, & RI - PPP not allowed. Must buyout PPP. ***TX C/O refinance must vest as Individual (no entities: LLC, inter vivos trust, etc)		

LTV Restrictions	
Pur-R/T > 80% & C/O > 75%	• ACH enrollment required
Non-Warrantable Condo	Purchase & R/T 75% Cash-out 70%
Modular	65%
Florida Condo	No Restriction
Rural Properties	70%

Additional Restrictions	
Maximum Cash-Out	> 75% LTV = \$500,000 ≤ 75% LTV = Unlimited
1st Time Investor Min FICO	680
Max Acreage	20
Unleased Property (Refinance only)	5% LTV reduction
Does not apply to short term rentals	
Max # of Financed Properties	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	\$70,000.00
Foreign Nationals	Not eligible
DSCR < .75%	680 FICO

Credit	
Maximum Housing Lates	0x30x12 0x60x24
Credit Event seasoning restrictions:	
BK, Foreclosure, Deed in Lieu, Short Sale, 120day lates	36 months

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.

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

Qualification			HardNONI			
			DSCR ≥ 1.00			
FICO	Housing History	Credit Event Seasoning	Loan Amount	Reserves	Purchase or R/T	Cash-Out
660+	2x30x12	≥ 2 Years	\$1,500,000	6 Months- ≥ 65% LTV	75%	70%
			\$2,500,000		70%	65%
640-659	0x60x12	≥ 1 Years	\$1,500,000	6 Months- ≥ 65% LTV	70%	65%
			\$2,500,000		60%	60%
600-639	0x90x12	≥ 1 Years	\$1,000,000	9 Months	65%	60%

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	US Citizen, Perm/NonPerm Res.
30 Year Fixed	NA	NA	N	NA	30 years	Alien
Interest Only: 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	10 Years	30 Years	AK**, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS**, KY, LA, MA, MD, ME, MI**, MN**, MO, MS, MT, NC, NE, NH, NJ, NM**, 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	Not required
Qualifying Rate	Note Rate				Appraisal	• No C5 or C6 • 2 appraisals >\$1.5MM
Qualifying Payment	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate				Min Sq. footage	•CDA req or CU risk score < 2.5 600 sq feet
Assets	Sourced or seasoned 60 days (2 mos most recent bank statements req.)				Credit Score	•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
Credit	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.				Compliance	• Points & Fees may not exceed 5%
Cash Out	Business purpose use ONLY					
Prepayment Penalty	* 5% of the amount prepaid			Hard Prepay Only	0, 1, 2 year prepays available	
State Specific	*PA- Loan amounts ≥ \$278,204 can be vested as an Entity or as an Individual *PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust **AK, KS, MI, MN, NM, OH, & RI - PPP not allowed. Must buyout PPP. ***TX C/O refinance must vest as Individual (no entities: LLC, inter vivos trust, etc)					

Property Restrictions	Max LTV
ACH Required on All Loans	
Non-Warrantable Condo	Not Allowed
2-4 Unit	No Restriction
Modular	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	Not Allowed
Max Acreage	20
Unleased Property (Refinance only) Does not apply to short term rentals	5% LTV reduction
Max # of Financed Properties	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	\$70,000.00
Foreign Nationals	Not Allowed
First Time Home Buyers	Not Eligible
DSCR	≥ 1.00
Credit	
Maximum Housing Lates	*See Matrix Above
Credit Event seasoning restrictions:	*See Matrix Above
BK, Foreclosure, Deed in Lieu, Short Sale, 120day lates	
Reserves	
• C/O proceeds can be used to meet reserves 640+ FICO ONLY	
• 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. $\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$
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