

me Mortgage

NMLS 133519

Effective Date: August 26, 2022

Business Purpose Non-QM Rate Sheet

LOCK DESK

CONTACT:

E-mail: lockdesk@memortgage.com

Direct: 833-381-8733

Lock Desk Closes at 3:00 PM PST

APPRAISAL ORDER PROCEDURES

[AMC selection can be made at:](#)

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

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Underwriting Fee

Underwriting Fee: \$1,995
Doc Prep Fee: \$599

*EXTENSION FEES

5 day	-0.250
7 day	-0.325
10 day	-0.550
15 day	-0.650

*2 total lock extensions allowed

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, ND, NE, NH, NJ, NM*, NV, NY, OH*, OK, OR, PA, RI*, SC, SD, 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 LTV's up to 75%**
- **No LTV Restrictions** on 2-4 units
- **Max LTV to 80%** (Purchase only)
- **No Rate Or Pricing Adjustments** On Units, IO ARM's, and Cash Out up to 70%

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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		+7/6 ARM PAR Pricing +5YR PrePay +15 Day Lock +ACH***		
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
\$150,000-\$3,500,000*	See Matrix	720+	7.250%	
		680-719	7.500%	
		660-679	8.125%	
		640-659	8.375%	
		620-639	9.125%	

Harness the power of NONI™

NONIPLUS

For Borrowers with FICO ≥ 720,
LTV ≤ 65%, Purchase & R/T Only



NONI65

For Borrowers with
FICO ≥ 680 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%	101.000
4 Year Hard PPP	+0.125%	101.000
3 Year Hard PPP	+0.250%	101.000
2 Year Hard PPP	+0.750%	100.750
1 Year Hard PPP	+0.875%	99.50**
*No PPP (AK, KS, MI, MN, MS, NM, OH, RI, loan amt < \$278,204 in PA Only, & NJ, IL if vested to individuals)	+1.000%	99.00**

** No Buy Up Allowed

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX40	Beacon DSCR 40 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	Adjustments	LLRA
2:1 BUY UP	NONI Plus (Purchase, R/T Only, FICO ≥ 720, LTV ≤ 65%, & Min rate 7.250%)	-0.250%
4:1 BUY DOWN	30 Year Fixed	0.000%
Max Buy Up	40 Year Fixed	+0.500%
+500%	30 Year Fixed IO	+0.500%
Max Buy Down	40 Year Fixed IO	+0.625%
-250%	10/6 ARM	0.000%
ARM Index	FL Condo > 60% LTV	+0.250%
SOFR	Loan Amt \$150,000 - \$250,000	+0.500%
Margin	Loan Amt \$1,500,000 - \$2,000,000	+0.125%
4.50%	Loan Amt \$2,000,001 - \$3,500,000	+0.250%
CAPS	LTV 75.01 - 80% (Purchase)	+0.750%
2/1/5	LTV 70.01 - 75% & Cash-Out	+0.750%
Floor Rate = Note Rate	Non-Warrantable Condo	+0.500%
Borrower Paid Compensation Only	ACH Waiver (Auto Pay)	+0.125%
	Condotel/Care Facility****	+0.750%
	Foreign National	+1.000%
	30 Day Lock	+0.125%

*See matrix

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

***Base note rate includes ACH set up

****Email Lock Desk for manual rate adjustment

	thenearNONI (DSCR <1.00)	Effective 8/26/2022

Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$150,000-\$3,000,000*		See Matrix	720+	7.500%	
			680-719	8.000%	
			660-679	8.750%	



Harness the power of NONItm
with
NONI65 | For Borrowers with
FICO ≥ 680 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%	101.000
4 Year Hard PPP	+0.125%	101.000
3 Year Hard PPP	+0.250%	101.000
2 Year Hard PPP	+0.750%	100.750
1 Year Hard PPP	+0.875%	99.50**
*No PPP (AK, KS, MI, MN, MS, NM, OH, RI, loan amt < \$278,204 in PA Only, & NJ, IL if vested to individuals)	+1.000%	99.00**

** No Buy Up Allowed

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX40	Beacon DSCR 40 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
4:1 BUY DOWN
Max Buy Up
+ .500%
Max Buy Down
- .250%
ARM Index
SOFR
Margin
4.50%
CAPS
2/1/5
Floor Rate = Note Rate
Borrower Paid Compensation Only

Adjustments	LLRA
30 Year Fixed	0.000%
40 Year Fixed	+0.500%
30 Year Fixed IO	+0.500%
40 Year Fixed IO	+0.625%
10/6 ARM	0.000%
Loan Amt \$150,000 - \$250,000	+0.500%
Loan Amt \$1,500,000 - \$2,000,000	+0.125%
Loan Amt \$2,000,001 - \$3,000,000	+0.250%
FL Condo > 60% LTV	+0.250%
Non-Warrantable Condo	+0.500%
Condotel/Care Facility****	+0.750%
ACH Waiver (Auto Pay)	+0.125%
Foreign National	+1.000%
DSCR < .75	+1.125%
30 Day Lock	+0.125%

*See matrix

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

***Base note rate includes ACH

****Email Lock Desk for manual rate adjustment

the NONI			DSCR ≥ 1.00	
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out
700+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	80%	75%
	\$1,500,000		75%	70%
	\$2,000,000		70%	65%
	\$3,500,000		70%	60%
660+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	75%	70%
	\$1,500,000		75%	70%
	\$2,000,000		70%	65%
	\$3,000,000		65%	n/a
620+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	70%	65%
	\$1,500,000		65%	n/a
	\$2,000,000		65%	n/a
	\$3,000,000		60%	n/a

theNearNONI (DSCR < 1.00)			DSCR < 1.0	
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out
700+	\$1,000,000	6-Months	70%	70%
	\$1,500,000		70%	65%
	\$2,000,000		65%	60%
	\$3,000,000		12- Months	60%
660+	\$1,000,000	6-Months	70%	65%
	\$1,500,000		70%	65%
	\$2,000,000		65%	60%
	\$3,000,000		12- Months	60%

Credit						
Mortgage History	0x30x12; 1x30x12 (Exception); 0x60x24					
FC, DIL, SS, 120+ Days late	36 Months					
Chapter 7/11/13 BK Seasoning	36 Months					
Guideline 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.					
Cashout	Business purpose use ONLY					
Impounds	Not Required					
Appraisal	No C5 or C6; 2 Appraisals >\$1.5MM; ARR/CDA req or CU risk score >2.5					
Min SQ Footage	600 Sq FT					
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					
Compliance	Points & Fees may not exceed 5%					
Citizenship	US Citizen, Perm/NonPerm Res. Alien					
Seller Concessions	Max 2%					
Products						
	Margin	Caps	IO (Y/N)	IO Period	Maturity	
7/6 ARM 10/6 ARM	4.5	2/1/5	N	NA	30 Years	
7/6 ARM-IO 10/6 ARM- IO	4.5	2/1/5	Y	10 Years	30 Years	
30 Year Fixed 40 Year Fixed	NA	NA	N	NA	30/40 Years	
30 Year Fixed- IO	NA	NA	Y	10 Years	30 Years	
40 Year Fixed- IO	NA	NA	Y	10 Years	40 Years	
Eligible States						
AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY						

Program Parameters	
Minimum Loan Amount	\$150,000
Maximum Loan Amount	\$3,500,000
Maximum Cash Out	LTV ≥ 65% Max \$500k LTV < 65% \$1mm
LTV Restrictions	
Purchase & R/T LTV > 75%; Cashout LTV > 70%	ACH Enrollment required
Property Restrictions	
Non-Warrantable Condo	Purchase & R/T 75% Cash-out 70%
Condotel	Purchase 75% Refs 65% Max Loan = \$1,500,000 Min Sq Ft = 500
Assisted Living/ Nursing Homes	Allowed 65% max LTV
Modular	65%
Rural Properties	Not Eligible
Additional Restrictions	
1st Time Investor Min FICO	680 Min Fico
Max Acreage	2
Unleased Property (Refinance only); Does not apply to short term rentals	Max LTV 70% for DSCR ≥ 1.00 Max LTV 65% for DSCR ≤ 1.00
Max # of Financed Properties	Committee review over 4
Gift Funds allowed with 5% borrower funds	No LTV reduction
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
First Time Home Buyers	Not Eligible
DSCR < 0.75	See rate sheet for price adjustments
LLCs	All members must be individuals
Prepayment Penalty	
Standard prepay is 5% of the amount prepaid Prepay Options: *0, 1, 2, 3, 4 & 5 year prepay options available Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP	C/O proceeds can be used for reserves
State Specific: *PA- Loan amounts < \$278,204 cannot have a prepayment penalty *PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust. *IL - Loan with a rate ≥ 8% must close in the name of an entity IL & NJ - Prepayment penalty not allowed if vesting as an individual	
Reserves for IO based ITIA payment	
Gift Funds cannot be used for reserves	

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.	Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI". Gross Rents = \$1500 ITIA = \$1500 = 1.00 DSCR	PITIA Example: If your DSCR < 1.00 you still have a loan just at a different price. Gross Rents = \$1500 PITIA = \$2000 = 0.75 DSCR
	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)		



			DSCR ≥ 1.00		
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out	Max Cashout
680	\$1,000,000	6 Months	75%	65%	≥ 50% LTV - \$300,000
	\$1,500,000	12 Months	70%	60%	<50% LTV - \$500,000
			DSCR 0.75 - 0.99		
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out	Max Cashout
680	\$1,000,000	12 Months	65%	60%	> 50% LTV - \$300,000
	\$1,500,000		65%	N/A	
Foreign Credit	\$1,000,000		65%	60%	≤ 50% LTV - \$500,000
	\$1,500,000		65%	N/A	

Credit	
Mortgage History	0x30x12
FC, DIL, SS, 120+ Days late	36 Months
Chapter 7/11/13 BK Seasoning	36 Months
Guideline 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	Min of 30-days asset verification required; any large deposit must be sourced
Tradelines	US Credit - Min 2x24 or 3x12 No US Credit - 2 Credit Reference Letters
Cashout	Business purpose use ONLY
Impounds	Not Required
Appraisal	No C5 or C6; 2 Appraisals >\$1.5MM; ARR/CDA req or CU risk score >2.5
Min SQ Footage	600 Sq FT
Credit Score	US Credit - Middle score or lower of 2 No US Credit - Treat as 680
Compliance	Points & Fees may not exceed 5%
Citizenship	Russia and Belarus are not Eligible
Seller Concessions	Max 2%
Products	
7/6 ARM	10/6 ARM
7/6 ARM-IO	10/6 ARM-IO
30 Year Fixed	
30 Year Fixed-IO	
40 Year Fixed-IO	
Eligible States	
AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY	

Program Parameters	
Minimum Loan Amount	\$150,000
Maximum Loan Amount	\$1,500,000
Maximum Cash Out	See Grid
LTV Restrictions	
ACH Enrollment	Required
Property Restrictions	Max LTV
Non-Warrantable Condo	Not Allowed
Condotel	65%
2-4 Units and Condo	65%
Modular	65%
Rural Properties	Not Eligible
Additional Restrcitions	
1st Time Investor Min FICO	680 Min Fico
Max Acreage	2
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	Not Eligible
100% Gift Funds	Not Eligible
NonArms Length Trans.	Not Eligible
DSCR < .75	Not Eligible
LLCs	All members must be individuals
Prepayment Penalty	
Standard prepay is 5% of the amount prepaid	Reserves
Prepay Options: *0, 1, 2, 3, 4 & 5 year prepay options available Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP	C/O proceeds can be used for reserves
State Specific: *PA- Loan amounts < \$278,204 cannot have a prepayment penalty *PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust, *IL - Loan with a rate ≥ 8% must close in the name of an entity	Reserves for IO based ITIA payment
	Gift Funds cannot be used for reserves

	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". $\frac{\text{Gross Rents} = \$1500}{\text{ITA} = \$1500} = 1.00 \text{ DSCR}$	PITIA Example: If your DSCR <1.00 you still have a loan just at a different price. $\frac{\text{Gross Rents} = \$1500}{\text{PITA} = \$2000} = 0.75 \text{ DSCR}$





NONI65 Matrix

Effective Date
7/19/2022

FICO	Loan Amount	Reserves	Purchase or Rate & Term	Cash-Out
680+	\$2,000,000	None	65%	65%

Products	Margin & Caps	I/O (Y/N)	Final Maturity	Residency	Property Restrictions	Max LTV
5/6, 7/6 & 10/6 Adjustable Rate (ARM)	4.50	2/1/5	N	30 years	US Citizen, Perm/NonPerm Res. Alien	Allowed
30 & 40 Year Fixed	NA	NA	N	30/40 years		No Restriction
Interest Only: 5/6, 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	30 Years	AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI**, SC, SD, TN, TX***, UT, VA, WA, WI, WV, WY	No Restriction
Interest Only: 30 Year Fixed	NA	NA	Y	30 Years		No Restriction
Interest Only: 40 Year Fixed	NA	NA	Y	40 Years		No Restriction
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		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	Mortgage only credit report with FICO required. * FTHB - 2 open and active trade lines seasoned for 24 months are required	Additional Restrictions				
Cash Out	Business purpose use ONLY	Compliance		• Points & Fees may not exceed 5%		
Prepayment Penalty	* 5% of the amount prepaid	Hard Prepay Only	• 0, 1, 2, 3, 4 & 5 year prepays available * Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP			
State Specific	*PA- Loan amounts ≥ \$278,205 can be vested as an Entity or as an Individual *PA- Loan amounts < \$278,205 must be vested in a Corp, LLC, Partnership or Trust & PrePay not allowed, must be bought out					
		<h3>What is a DSCR Loan? How do you qualify?</h3> <p>DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the 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> <p>Interest Only Example: If your DSCR Full Amortization Example: If your DSCR <1.00 you still</p> $\frac{\text{Gross Rents} = \$1500}{\text{ITIA} = \$1500} = 1.00 \text{ DSCR}$ $\frac{\text{Gross Rents} = \$1500}{\text{PITIA} = \$2000} = 0.75 \text{ DSCR}$				
		Condotel			<ul style="list-style-type: none"> o Projects that are managed and operated as a hotel or motel. o A project that includes registration services o Investor concentration up to 100%. o Maximum Loan Amount: \$1.5 million o Minimum Loan Balance: \$150,000 o Minimum square footage: 500 o Fully functioning kitchen o Bedroom required 	
		Rural property:			<ul style="list-style-type: none"> o A property is classified as rural if: <ul style="list-style-type: none"> • The appraiser indicates in the neighborhood section of the report a rural location; or • The following two (2) conditions exist: <ul style="list-style-type: none"> • The property is located on a gravel road and • Two of the three comparable properties are more than 5 miles from the subject property 	
		Maximum Cash-Out			\$1,000,000	
		Assisted Living/Nursing Homes			Allowed: home must be residential in nature and have little to no alterations	
		1st Time Investor			No Restrictions	
		Max Acreage			2	
		Unleased Property (Refinance only)			No Restrictions	
		STR Experience			Not Required	
		Max # of HEM Financed Properties			Committee review over 4	
		Gift Funds			No Restrictions	
		100% Gift Funds			Allowed	
		NonArms Length Trans.			Not Eligible	
		Minimum Loan Amount			\$150,000	
		Minimum DSCR			No Minimum	
		ACH			Required	
		First Time Home Buyers			12 mo housing history	
					Living Rent Free - Not Allowed	
					Occupancy must make sense	
		LLCs			All members must be individuals	
		Cash-Out Seasoning			6 Months - 12 to use appraised value	
		Credit				
		Maximum Housing Lates			0x60x12	
		Credit Event seasoning restrictions:			24 months	
		BK, Foreclosure, Deed in Lieu, Short Sale, 120 day mortgage lates			< 36 months - \$1.5M Max Loan Amount	