

# me Mortgage

NMLS 133519

Effective Date: 8/23/2022

## NONI58

### LOCK DESK

**CONTACT:**

**E-mail:** [lockdesk@memortgage.com](mailto: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/](https://www.memortgage.com/appraisals/)

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### Underwriting Fee

Underwriting Fee: \$1,995  
Doc Prep Fee: \$599  
Funding Fee: \$575

### \*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

### 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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| NONI58 |             |          | DSCR ≥ 1.00    |          |
|--------|-------------|----------|----------------|----------|
| FICO   | Loan Amount | Reserves | Purchase & R/T | Cash Out |
| 700+   | \$1,500,000 | 6 Months | 75%            | 70%      |
|        | \$2,000,000 | 9 Months | 70%            | 65%      |
| 660+   | \$1,500,000 | 6 Months | 70%            | 65%      |
|        | \$2,000,000 | 9 Months | 65%            | 60%      |

| Appraisals - 5-8 Units  |
|---|
| A Full interior inspection with photos is required for all units<br>FHLMC 71A, FNMA 1050 or similar short form used to appraise 5+ unit properties or Narrative report can be utilized but not required   |
| Appraisals - 2-8 Mixed Use  |
| Commercial use limited to retail or office space. Residential or commercial zoning acceptable.<br>• General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)<br>• A full interior inspection with photos is required for all units.<br>• Commercial space must not exceed 49% of the total building area.       |
| Property Condition  |
| * No Fair or poor ratings<br>* No environmental issues (Storage or use of hazardous material)<br>* No health or safety issues (As noted by appraiser, i.e. broken windows, stairs)<br>* No excessive deferred maintenance that could become a health or safety issue<br>* No structural deferred maintenance (i.e Foundation, roof, electrical, plumbing etc) |

| Program Parameters           |   |
|------------------------------|---|
| Minimum Loan Amount          | \$400,000   |
| Maximum Loan Amount          | \$2,000,000   |
| Maximum Cash Out             | \$1,000,000   |
| General Guidelines           |   |
| 1st Time Investor            | Not Eligible  |
| First Time Home Buyers       | Not Eligible  |
| Experienced Investor         | Must have a history of owning & managing commercial or non-owner residential real estate for at least 1 yrs in the last 3 yrs |
| Property Type                | Residential 5-8 Units / 2-8 unit Mixed Use  |
| Rural Properties             | Not Eligible  |
| Max Acreage                  | Up 2 acres, not meeting rural definition  |
| Unleased Units               | Maximum 2 vacant units  |
| Max # of Financed Properties | Committee review over 4   |
| LLCs                         | All members must be individuals   |
| Assets                       | Min of 30 days asset verification required.   |
| Gift Funds- Allowed          | After min 10% borrower contribution   |
| Cashout                      | Business Purpose Only   |

| Required Attachments  |
|---|
| * Rent Roll<br>* Income and Expense statement<br>* Photos of subject including exterior/interior and street scene<br>* Aerial Photo |
| * Sketch or floor plan of typical units<br>* Map<br>* Plot plan or survey<br>* Appraiser qualifications                             |
| Note: *Commercial BPO Required for all Loans  |

| Prepayment Penalty   |  | Reserves  |          |           |          |  |
|--|--|---|----------|-----------|----------|--|
| Standard prepay is 5% of the amount prepaid<br>Prepay Options: *0, 1, 2, 3, 4 & 5 year prepay options available<br>Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP                               |  | C/O proceeds can NOT be used for reserves             |          |           |          |  |
| State Specific:<br>*PA- Loan amounts < \$278,204 cannot have a prepayment penalty<br>*IL - Loan with a rate ≥ 8% must close in the name of an entity<br>IL & NJ - Must buy out prepay if vested to an individual |  | Reserves based PITIA payment or ITIA if interest only |          |           |          |  |
|  |  | Gift Funds cannot be used for reserves                |          |           |          |  |
| Products   | Margin   | Caps  | IO (Y/N) | IO Period | Maturity |  |
| 7/6 ARM 10/6 ARM   | 4.5  | 5/1/5   | N        | NA        | 30 Years |  |
| 7/6 ARM-IO 10/6 ARM- IO  | 4.5  | 5/1/5   | Y        | 10 Years  | 30 Years |  |
| 5/6 ARM-IO 5/6 ARM- IO   | 4.5  | 2/1/5   | Y        | 10 Years  | 30 Years |  |
| 30 Year Fixed  | NA   | NA  | N        | NA        | 30 Years |  |
| 30 Year Fixed- IO  | NA   | NA  | Y        | 10 Years  | 30 Years |  |
| Guideline Quick Reference  |  |   |          |           |          |  |
| ARM Index & Floor  | Index: 30 day SOFR   Floor = Note Rate   |   |          |           |          |  |
| Qualifying Payment   | Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate |   |          |           |          |  |
| Qualifying Rate  | Note Rate  |   |          |           |          |  |

| Income Requirements   |   |
|---|---|
| Leased- Use Lower of Estimated market rent or lease agreement   |   |
| Vacant Unit(s)- Use 75% of market rents   |   |
| Reduce qualifying rents by any management fee reflected on appraisal report   |   |
| DSCR  |   |
| * DSCR = Eligible monthly rents/PITIA (Loans with an interest only feature may use the ITIA payment).<br>* Loan amounts >= \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater)<br>* Reduce qualifying rents by any management fee reflected on the appraisal report |   |
| Credit  |   |
| Mortgage History  | 0x30x24   |
| FC, DIL, SS, 120+ Days late   | 24 Months   |
| Chapter 7/11/13 BK Seasoning  | 24 Months   |
| Credit Score  | Middle of 3 or lower of 2   |
| Tradelines  | Two (2) reporting 24 months with activity in last 12 months or 3 reporting 12 months with recent activity.<br><br>For each borrower who has 3 credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually) |