

# me Mortgage

NMLS 133519

Effective Date: 8/26/2022

## 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/>

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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  |
| 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.                                      |
| • General Purpose Commercial Forms (i.e., GP Commercial Summary Form available from CoreLogic a la mode)                            |
| • A full interior inspection with photos is required for all units.   |
| • Commercial space must not exceed 49% of the total building area.  |
| Property Condition  |
| * No Fair or poor ratings   |
| * No environmental issues (Storage or use of hazardous material)  |
| * No health or safety issues (As noted by appraiser, i.e. broken windows, stairs)   |
| * No excessive deferred maintenance that could become a health or safety issue  |
| * 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  |
| * Income and Expense statement                                   |
| * Photos of subject including exterior/interior and street scene |
| * Aerial Photo   |
| * Sketch or floor plan of typical units                          |
| * Map  |
| * Plot plan or survey  |
| * Appraiser qualifications                                       |
| Note: *Commercial BPO Required for all Loans                     |

| Prepayment Penalty   |              | Reserves   |       |          |           |          |
|--|--------------|--|-------|----------|-----------|----------|
| Standard prepay is 5% of the amount prepaid                      |              | C/O proceeds can NOT be used for 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  |              | Reserves based PITIA payment or ITIA if interest only                            |       |          |           |          |
| State Specific:  |              | Gift Funds cannot be used for reserves   |       |          |           |          |
| *PA- Loan amounts < \$278,204 cannot have a prepayment penalty   |              |  |       |          |           |          |
| *IL - Loan with a rate ≥ 8% must close in the name of an entity  |              |  |       |          |           |          |
| *IL & NJ - Must buy out prepay if vested to an individual        |              |  |       |          |           |          |
| 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).                                 |  |
| * Loan amounts >= \$2,000,000 require DSCR >= 1.00 and Debt Yield of 9% or greater (Net operating income/Loan amount = 9% or greater) |  |
| * Reduce qualifying rents by any management fee reflected on the appraisal report   |  |
| Credit  |  |
| Mortgage History  |  |
| FC, DIL, SS, 120+ Days late   | 0x30x24  |
| Chapter 7/11/13 BK Seasoning  | 24 Months  |
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| 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. |
| For each borrower who has 3 credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually) |  |