

me Mortgage

NMLS 133519

Effective Date: 9/16/2022

NONI58

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/](https://www.memortgage.com/appraisals/)

TABLE OF CONTENTS

Business Purpose Non-Qm Products

theNONI58 (DSCR \geq 1.00) Page 2
theNONI58 Matrix Page 3

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

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.

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.
<ul style="list-style-type: none"> • 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: *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	Gift Funds cannot be used for reserves
Products	Margin
7/6 ARM	4.5
10/6 ARM	5/1/5
7/6 ARM-IO	4.5
10/6 ARM- IO	5/1/5
5/6 ARM-IO	4.5
5/6 ARM- IO	2/1/5
30 Year Fixed	NA
30 Year Fixed- IO	NA
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	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.
For each borrower who has 3 credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually)	