

## FOREIGN NATIONAL 4, 6, 7, 8, 11

Investor Cash Flow Only; DSCR >= 1.00; 1-4 Unit Investment Property

**PRODUCT DESCRIPTION:** Foreign Nationals are defined as Borrowers who do not work in or reside in the U.S. The Borrower must reside in and work in a foreign country. Foreign Nationals are eligible under the Access Non-QM product series to purchase or refinance investment properties. Interest-Only is not eligible for Foreign National borrowers. All other underwriting requirements must be met.

THIS IS A QUICK GUIDE FOR ACCESS FOREIGN NATIONALS ONLY. REFER TO FULL GUIDELINES FOR ACCESS WHICH SUPERSEDE THIS DOCUMENT.

### 1-4 Unit Investment Property DSCR >= 1.10

#### <=\$1,000,000<sup>1</sup>

FICO <sup>3, 5</sup>	Purchase	Rate/Term Refi	Cash Out <sup>2, 9, 12</sup>
740	70%	70%	70%
720	70%	70%	70%
700	70%	70%	70%
680	70%	70%	65%
660	70%	70%	65%

#### <=\$1,500,000

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720	70%	70%	65%
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660	65%	65%	60%

#### <=\$2,000,000

FICO <sup>3, 5</sup>	Purchase	Rate/Term Refi	Cash Out <sup>2, 9, 12</sup>
740	70%	70%	65%
720	70%	70%	65%
700	70%	70%	65%
680	70%	70%	N/A

#### <=\$2,500,000<sup>10</sup>

FICO <sup>3, 5</sup>	Purchase	Rate/Term Refi	Cash Out <sup>2, 9, 12</sup>
740	65%	65%	N/A
720	65%	65%	N/A
700	65%	65%	N/A

#### <=\$3,000,000<sup>10</sup>

FICO <sup>3, 5</sup>	Purchase	Rate/Term Refi	Cash Out <sup>2, 9, 12</sup>
740	55%	55%	N/A
720	55%	55%	N/A
700	55%	55%	N/A

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1. Minimum loan amount \$125,000
2. See Texas Cash-Out Refinances a/k/a Texas Home Equity Loans for full details regarding Texas Home Equity Section 50(a)(6) eligibility
3. If no US FICO, Max LTV is 65%
4. Interest-Only is not eligible
5. No forbearance allowed
6. Minimum 12 months post-closing reserves

7. Gift funds not allowed
8. Borrowers must clear OFAC review and cannot be on US Department of Treasury sanctions list
9. Max Cash-Out Refinance Limits - \$500,000 total cash-out funds
10. For LTVs 70.01% - 75%, Cash-Out may not be used for reserves
11. Non-Warrantable Condos are ineligible
12. **Properties owned less than 6 months (Deed date to Note date) require 5% LTV reduction**



## GUIDELINES

<b>Credit Requirements</b>	<p>A credit report and credit score are not required. However, if a borrower on the loan has a social security number, a credit report must be obtained and reviewed. Borrowers that have established credit in the U.S. and do not meet the standard trade line requirement may not have their credit history disregarded. The credit history (i.e., combination of credit report and supplemental credit references), including payment history and any derogatory credit, must comply with the requirements listed in this Underwriting Guideline.</p> <p>If a U.S. credit report or international credit report is not available, the following is required:</p> <ul style="list-style-type: none"> <li>• Two (2) credit reference letters from verified financial institution from borrower's country of origin, written or translated into English (see Acceptable Bank List for Foreign Credit/Assets).</li> <li>• Can include non-traditional credit sources, i.e. utility company</li> <li>• Letter should reference borrower's time as a customer and is in good-standing.</li> </ul> <p>Borrowers with a US credit score must use their score for pricing and eligibility purposes. Borrowers without a US credit score will be underwritten based on a 680 FICO score but no LTV/FICO LLPA shall be utilized, either positive or negative.</p>
<b>Qualifying ARM Payment</b>	<p>Note that these requirements are superseded by any regulatory requirements such as HPML, unless exempt by definition.</p> <p><b>Fully-Amortized ARM Loans:</b> Qualified at the greater of the Note rate or the index plus margin, using the full term of the loan</p>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>▪ 1-4 unit attached and detached properties</li> <li>▪ Attached and detached PUDs</li> <li>▪ Attached and detached Condos which are warrantable under Fannie Mae/Freddie Mac criteria.</li> <li>▪ Properties with an Accessory Unit (ADU) must meet Fannie Mae/Freddie Mac criteria. SFR with 2 ADUs are permitted only if the following criteria are met: appraiser confirms compliance with local regulations, appraiser provides a minimum of 2 comparable properties with 2 ADUs, the value and/or income from only one unit may be used.</li> <li>▪ TBD Properties (file must be resubmitted when property address is found – valid change of circumstance to add the property address is ineligible for this product)</li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>▪ Acreage greater than 2 acres (appraisal must include total acreage)</li> <li>▪ Mixed Use Properties</li> <li>▪ Log Homes</li> <li>▪ Boarding Homes</li> <li>▪ Manufactured housing/Modular homes</li> <li>▪ Properties subject to oil and/or gas leases</li> <li>▪ Unique properties</li> <li>▪ Agriculturally Zoned Properties (exceptions may be considered on a case-by-case basis)</li> <li>▪ Working farms, ranches or orchards</li> <li>▪ Hobby Farms</li> <li>▪ Co-ops</li> <li>▪ Properties in Lava Zones 1 and 2</li> <li>▪ Properties with a condition rating of C5 or C6</li> <li>▪ Rural Properties are not eligible on investment properties</li> </ul>
<b>Geographic Eligibility</b>	<p>The Access product suite is eligible in ALL states. No state subprime or equivalent allowed.</p> <p>Loans that fall under the definition of New York Subprime Home Loan are not eligible for the product.</p> <p>In the event an appraisal indicates a property is located in a declining market, a 5% LTV reduction will be applied.</p> <p><i>Second Home and Investment Properties in the City of Baltimore are ineligible</i></p> <p><b>Second Homes and Investment Properties in the County of Philadelphia are ineligible.</b></p>

**GUIDELINES**

<p><b># of Properties Owned</b></p>	<p>Loan/Property restrictions per borrower are as follows:</p> <ul style="list-style-type: none"> <li>• Borrowers are collectively limited to eight (8) loans either issued or purchased by REMN/HBFS not to exceed \$10,000,000. If greater than four (4) loans, then REMN WS Credit Committee approval is required</li> <li>• Borrowers with &gt; 15 properties are not eligible for any investment property transaction (purchase, rate/term, or cash-out). This is an aggregate based on all borrowers, and includes commercial properties and properties owned free and clear</li> <li>• Borrowers may have REMN/HBFS financing on a maximum of 5% of the properties in a condominium project. Condo project will require upfront validation with the Project Standards group to ensure maximum exposure in the project has not been reached.</li> <li>• For projects ≤ 10 total units, financing on a maximum of 1 unit is allowed</li> <li>• Multiple simultaneous submissions require REMN management approval</li> </ul>
<p><b>Pre-Payment Penalties</b></p>	<p>Prepayment penalties may be placed on investment properties (all documentation types) where allowed and to the extent permitted by state and federal law. Except as otherwise specified or directed, the prepayment penalty placed shall be for a term of at least 1 year and permit the Borrower to pay down up to 20% of the original principal balance per 12 month period. Any pay downs (including complete payoff) which exceed 20% per year are penalized in an amount not less than six (6) months interest on the amount prepaid which exceeds 20% of the original principal balance, unless restricted by state/federal law. Any loan which has a prepayment penalty must be a business purpose loan as defined in 12 CFR 1026.3(a). This includes cash-out refinance transactions, where the cash-out proceeds must be used solely for business purposes. Prepayment penalties are available for terms up to five (5) years. Pricing implications may apply in the event that a PPP shorter than three years or no PPP is placed. Investor Cash Flow Loans with a DSCR 70 must have at least a one-year PPP. 70.01-75% LTV for DSCR &lt; 1.0 is only allowed for those states currently approved for prepayment penalties (see full guidelines for more details).</p> <p>Eligible states for PPP are AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, ME, MD*, MO, MT, NC, ND, NE, NH, NJ*, NV, NY, OK, OR, PA*, SC, SD, TN, TX, UT, VA, VT, WA*, WI, WY</p> <p>*State Specific Limitations</p> <p>Illinois – PPP permitted only when closing in an LLC or a corporation</p> <p>Maryland – Note must include Choice of Law – Title 12, Subtitle 10 Credit Grantor provisions</p> <p>New Jersey – PPP permitted only when closing in a corporation</p> <p>Pennsylvania – Minimum loan balance of \$312,159 required to allow PPP on 1-2 unit properties</p> <p>Rhode Island – Max 1 year prepay period. Purchase transactions must have a Flat-Pay structure</p> <p>Washington – PPP permitted only on fixed rate transactions</p>
<p><b>Foreign National Overview</b></p>	<p>Foreign Nationals are defined as Borrowers who do not work in or reside in the U.S. The Borrower must reside in and work in a foreign country. Foreign Nationals are eligible under the Access Non-QM product series to purchase or refinance investment properties. Foreign Nationals are not eligible to have the title for the subject property vested in an LLC. Interest-Only is not eligible for Foreign National borrowers. All other underwriting requirements must be met.</p> <p>An IRS form W-8BEN, Certificate of Foreign Status must be filed with the IRS (all Borrowers). A copy of the Certificate must be retained in the file.</p>

## GUIDELINES

<b>Eligibility Requirements</b>	<p>The following are required as evidence that the borrower is in the U.S. legally:</p> <ul style="list-style-type: none"> <li>• Copy of the borrower’s valid and unexpired passport (including photograph), and</li> <li>• Copy of the borrower’s valid and unexpired visa (including photograph) OR an I-797 form with valid extension dates and I-94,</li> </ul> <p>Borrowers from countries participating in the State Department’s Visa Waiver Program (VWP) are not required to provide a valid visa. Participating countries can be found at <a href="https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html">https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html</a></p> <ul style="list-style-type: none"> <li>o The credit file should be documented with a current print-out of the participating countries, with the borrower’s country of origin highlighted.</li> <li>o Citizens of Canada traveling to the United States do not require a nonimmigrant visa.</li> </ul> <p>•A list of nonimmigrant Visa types is located on the U.S. Department of State website: <a href="https://travel.state.gov/content/travel/en/us-visas/visa-informationresources/all-visa-categories.html">https://travel.state.gov/content/travel/en/us-visas/visa-informationresources/all-visa-categories.html</a>. If a non-U.S. citizen is borrowing with a U.S. citizen, foreign national documentation requirements still apply.</p> <ul style="list-style-type: none"> <li>• All parties (Borrower’s and Seller’s) involved on the transaction must be screened though exclusionary lists and must be cleared through OFAC’s SND list. A search of Specially Designated Nationals &amp; Blocked Persons list may be completed via US Department of Treasury: <a href="https://sanctionssearch.ofac.treas.gov/">https://sanctionssearch.ofac.treas.gov/</a></li> <li>• Borrowers from OFAC sanctioned countries are ineligible.</li> <li>• Individuals with Diplomatic immunity are not eligible; immunity status is listed on the reverse side of the US issued ID card</li> </ul>
<b>Liabilities</b>	<p>Borrowers must provide a complete schedule of real estate owned listing property type, property value, rental income (if any), mortgage amount (if any), mortgage payment (if any), and taxes, insurance, and common charges (if any). Any US liabilities must be taken into account. Foreign liabilities, including carrying costs on foreign properties, do not need to be documented or included in the underwriting analysis of the file.</p>
<b>Assets</b>	<p>Borrowers must document transfer of funds that will be used for closing to a US account prior to closing. They must also source funds used for the transaction for the most recent 60 day period. Any foreign asset statements provided must be presented both in original format (home country language and currency) as well as certified translated into English.</p> <p>Assets that will be utilized for reserves or asset qualification purposes may remain in a foreign account provided that the institution which is custodian of the funds is on the Acceptable Bank List for Foreign Credit/Assets (located in full guidelines). Otherwise, funds, must be moved to an account in the US and prior to closing.</p> <p>Business funds are eligible under standard Borrower requirements.</p> <p>Assets types and questions not directly addressed here should be underwritten in accordance with the Assets section of the full Access guidelines.</p>

**GUIDELINES**

<b>Reserves</b>	12 months PITIA reserves required for the subject property
<b>Gifts</b>	Gift funds are not eligible for Foreign National borrowers.
<b>Maximum Seller Concession</b>	6% across all LTVs.
<b>Know Your Customer</b>	All foreign Borrowers must undergo a Know Your Customer (KYC) check to be completed by Seller prior to the Seller closing the loan. A Lexis Nexis World Compliance Online Search is used to satisfy this requirement. Any alerts that arise must be acceptably addressed before a final approval may be granted. If a borrower cannot clear the KYC check, the loan will be ineligible for purchase.
<b>Automated Clearing House (ACH) Requirements</b>	Any loan made to a Foreign National must have an ACH agreement signed at the closing table. The ACH must be set to draw from a US bank account. The Borrower shall provide proof that a US bank account is opened in their name (or in the name of the LLC which owns the property, if applicable) and that the account is funded with the first month's payment. In the event that the servicing transfer date is after the first payment date, the Seller is responsible for ensuring the payment(s) due prior to the servicing transfer date are made timely.
<b>Translation Requirements</b>	Any foreign documentation provided must be provided in its original form. The documentation must also be translated by a certified translator. The Seller must vet the Borrower selected translator for acceptability.
<b>Escrows</b>	Escrows/impounds for taxes and all insurance coverage is mandatory.
<b>Unlicensed MLO</b>	<p>A broker/MLO who is not currently licensed in the state where the subject property is located is eligible to submit the loan if the following applies:</p> <ul style="list-style-type: none"> <li>• Investor Cash Flow transactions only</li> <li>• Subject property cannot be located in the following states: AK, AZ, CA, IA, ID, MI, MN, NE, NV, ND, OR, SD, UT, VT</li> <li>• Broker/MLO must have a current license in at least one other state</li> <li>• The loan must be reviewed at the time of submission and receive upfront approval by the REMN Ops Manager or Credit Officer to confirm a) the Broker/MLO is licensed, b) the property is located in an eligible state, and c) the product type is Investor Cash Flow</li> <li>• A loan with an unlicensed MLO MUST meet all guidelines, no exceptions</li> <li>• Standard ICF pricing does not apply – special pricing must be obtained from the REMN Lock Desk</li> </ul>