

## INVESTORS DSC

PROGRAM ID: SP 11

**Program Description:** Investor properties based on debt service coverage calculation

### Products and Terms:

**5/1 ARM:** Fully Amortizing

**5/1 ARM:** With 7 or 10 year Interest Only period

**7/1 ARM:** Fully Amortizing

**7/1 ARM:** With 10 year Interest Only period

**Eligible borrowers:** Natural persons and limited liability companies (full recourse required on LLCs)

**Debt service coverage:** Rental income must equal or exceed 120% (non-interest only) or 125% (interest only) Debt Service Coverage. Qualifying payment on non-interest only is fully amortizing, qualifying payment on interest only is the interest only payment

**Minimum credit score:** 700, based on no less than three trade lines established for one or more years, no history of foreclosure or bankruptcy over past four years, and no late mortgage or rental payments over past two years

**Borrower loan limits:** Sprout's maximum exposure to any one borrower or beneficial owner is limited to the lesser of 5 loans or \$5 million

### Loan amounts and loan to value limits:

Purchase and rate & term refinance	Cash-out	Max Cash-out (Fannie Mae Seasoning rules apply)
75% to \$650,000	70% to \$500,000	\$250,000 at 70%
65% to \$1,250,000	65% to \$1,250,000	\$400,000 at 65%
60% to \$2,000,000	55% to \$2,000,000	\$850,000 at 55%

**Minimum Loan Amount:** \$135,000

**Acceptable occupancy:** Investor properties (borrowers must sign a business use affidavit) (no primary or second home occupancies)

**Acceptable property types:** Single family, Two family\*, Fannie eligible condominiums

**Required reserves:** 4 months

**Acceptable states:** 50 states

**Acceptable borrowers:** US Citizens and permanent resident aliens only

ARM re-prices at 1 year LIBOR + 3.99% subject to 5% Initial, 2% periodic and 5% lifetime caps

Escrow for taxes and insurance