



**theLender Wholesale**  
 25531 Commercentre Dr. Ste 250  
 Lake Forest, CA, 92630  
 833-381-8733 | www.thelender.com

Effective Date: August 03, 2022

**Business Purpose Non-QM Rate Sheet**

**LOCK DESK**

**CONTACT:**  
**E-mail:** [lockdesk@thelender.com](mailto:lockdesk@thelender.com)  
**Direct:** 833-381-8733  
**Lock Desk Closes at 3:00 PM PST**

**APPRAISAL ORDER PROCEDURES**

[AMC selection can be made at:  
 https://www.thelender.com/appraisals/](https://www.thelender.com/appraisals/)

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**Business Purpose Fee's**

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

**\*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 theLender 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 theLender NMLS #133519 . Rates, terms and programs subject to change without notice.

			•7/6 ARM PAR Pricing •5YR PrePay •15 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$150,000-\$3,500,000*		See Matrix	720+	7.375%	
			680-719	7.750%	
			660-679	8.500%	
			640-659	8.750%	
			620-639	9.500%	



**theNONI™**  
**NON OWNER NO INCOME**

- **As little as 0 months reserves** (Use property cashflow to qualify)
- **FICOS As Low As 620**
- **No Seasoning** on cash out or rate and term
- **Cash Out LTV's up to 75%**
- **No LTV Restrictions** on 2-4 units
- **Max LTV to 80%** (Purchase & R/T)
- **No Rate Or Pricing Adjustments** On Units, IO ARM's, and Loan Amounts > 250,000

\*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty Adjustments		
Prepay Penalty	LLRA	Max Price
5 Year Hard PPP	0.000%	101.00
4 Year Hard PPP	+0.125%	101.00
3 Year Hard PPP	+0.250%	101.00
2 Year Hard PPP	+0.750%	100.75
1 Year Hard PPP	+0.875%	99.50**
*No PPP (AK, KS, MI, MN, MS, NM, OH, RI, loan amt < \$278,204 in PA Only, & NJ, IL if vested to individuals)	+1.000%	99.00**

\*\* No Buy Up Allowed

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX40	Beacon DSCR 40 Yr Fixed
TBDFX30IO	Beacon DSCR 30 Yr Fixed IO
TBDFX40IO	Beacon DSCR 40 Yr Fixed IO
TBD30AL07	Beacon DSCR 7/6 ARM
TBD30AL07IO	Beacon DSCR 7/6 ARM IO
TBD30AL010	Beacon DSCR 10/6 ARM
TBD30AL010IO	Beacon DSCR 10/6 ARM IO

BUY UP/BUY DOWN
2:1 BUY UP
4:1 BUY DOWN
<b>Max Buy Up</b>
+ .500%
<b>Max Buy Down</b>
- .250%
<b>ARM Index</b>
SOFR
<b>Margin</b>
4.50%
<b>CAPS</b>
2/1/5
<b>Floor Rate = Note Rate</b>
<b>Borrower Paid</b>
<b>Compensation Only</b>

Adjustments	LLRA
NONI Plus (Purchase, R/T Only, FICO ≥ 720, LTV ≤ 65%, & Min rate 7.375%)	-0.250%
30 Year Fixed	0.000%
40 Year Fixed	+0.500%
30 Year Fixed IO	+0.500%
40 Year Fixed IO	+0.625%
10/6 ARM	0.000%
FL Condo > 60% LTV	+0.250%
Loan Amt \$150,000 - \$250,000	+0.500%
Loan Amt \$1,500,000 - \$2,000,000	+0.125%
Loan Amt \$2,000,001 - \$3,500,000	+0.250%
LTV 75.01 - 80% (Purchase)	+1.250%
LTV 70.01 - 75% & Cash-Out	+0.750%
Non-Warrantable Condo	+0.500%
ACH Waiver (Auto Pay)	+0.125%
Condotel/Care Facility****	+0.750%
Foreign National	+1.000%
30 Day Lock	+0.125%

\*See matrix

\*\*Underwriting exceptions are subject to a price and or rate adjustment

\*\*\*Base note rate includes ACH set up

\*\*\*\*Email Lock Desk for manual rate adjustment

			•7/6 ARM PAR Pricing •5YR PrePay •15 Day Lock •ACH***		
Loan Amount		Reserves	FICO	Purchase or R/T*	Cash-Out*
\$150,000-\$3,000,000*		See Matrix	720+	8.250%	
			680-719	8.750%	
			660-679	9.500%	

\*See Matrix for restrictions and additional details regarding Prepayment Penalty

Prepay Penalty Adjustments		
Prepay Penalty	LLRA	Max Price
5 Year Hard PPP	0.000%	101.00
4 Year Hard PPP	+0.125%	101.00
3 Year Hard PPP	+0.250%	101.00
2 Year Hard PPP	+0.750%	100.75
1 Year Hard PPP	+0.875%	99.50**
*No PPP (AK, KS, MI, MN, MS, NM, OH, RI, loan amt < \$278,204 in PA Only, & NJ, IL if vested to individuals)	+1.000%	99.00**

\*\* No Buy Up Allowed

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBDFX40	Beacon DSCR 40 Yr Fixed
TBDFX30IO	Beacon DSCR 30 Yr Fixed IO
TBDFX40IO	Beacon DSCR 40 Yr Fixed IO
TBD30AL07	Beacon DSCR 7/6 ARM
TBD30AL07IO	Beacon DSCR 7/6 ARM IO

BUY UP/BUY DOWN
2:1 BUY UP
4:1 BUY DOWN
Max Buy Up
+ .500%
Max Buy Down
- .250%
ARM Index
SOFR
Margin
4.50%
CAPS
2/1/5
Floor Rate = Note Rate Borrower Paid Compensation Only

Adjustments	LLRA
30 Year Fixed	0.000%
40 Year Fixed	+0.500%
30 Year Fixed IO	+0.500%
40 Year Fixed IO	+0.625%
10/6 ARM	0.000%
Loan Amt \$150,000 - \$250,000	+0.500%
Loan Amt \$1,500,000 - \$2,000,000	+0.125%
Loan Amt \$2,000,001 - \$3,000,000	+0.250%
FL Condo > 60% LTV	+0.250%
Non-Warrantable Condo	+0.500%
Condotel/Care Facility****	+0.750%
ACH Waiver (Auto Pay)	+0.125%
Foreign National	+1.000%
DSCR < .75	+1.125%
30 Day Lock	+0.125%


\*See matrix

the NONI			DSCR ≥ 1.00	
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out
700+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	80%	75%
	\$1,500,000		75%	70%
	\$2,000,000		70%	65%
	\$3,500,000		70%	60%
660+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	75%	70%
	\$1,500,000		75%	70%
	\$2,000,000		70%	65%
	\$3,000,000		65%	n/a
620+	\$1,000,000	0 Months- Purc & R/T 6 Months- C/O	70%	65%
	\$1,500,000		65%	n/a
	\$2,000,000		65%	n/a
	\$3,000,000		60%	n/a

the nearNONI			DSCR < 1.0	
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out
700+	\$1,000,000	6-Months	70%	70%
	\$1,500,000		70%	65%
	\$2,000,000		65%	60%
	\$3,000,000		12- Months	60%
660+	\$1,000,000	6-Months	70%	65%
	\$1,500,000		70%	65%
	\$2,000,000		65%	60%
	\$3,000,000		12- Months	60%

Credit						
Mortgage History	0x30x12; 1x30x12 (Exception); 0x60x24					
FC, DIL, SS, 120+ Days late	36 Months					
Chapter 7/11/13 BK Seasoning	36 Months					
Guideline Quick Reference						
ARM Index & Floor	Index: 30 day SOFR   Floor = Note Rate					
Qualifying Rate	Note Rate					
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate					
Assets	Sourced or seasoned 60 days (2 mos most recent bank statements req.)					
Credit	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.					
Cashout	Business purpose use ONLY					
Impounds	Not Required					
Appraisal	No C5 or C6; 2 Appraisals >\$1.5MM; ARR/CDA req or CU risk score >2.5					
Min SQ Footage	600 Sq FT					
Credit Score	Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; Lowest of all borrowers Representative score					
Compliance	Points & Fees may not exceed 5%					
Citizenship	US Citizen, Perm/NonPerm Res. Alien					
Seller Concessions	Max 2%					
Products						
	Margin	Caps	IO (Y/N)	IO Period	Maturity	
7/6 ARM	10/6 ARM	4.5	2/1/5	N	NA	30 Years
7/6 ARM-IO	10/6 ARM- IO	4.5	2/1/5	Y	10 Years	30 Years
30 Year Fixed	40 Year Fixed	NA	NA	N	NA	30/40 Years
30 Year Fixed- IO		NA	NA	Y	10 Years	30 Years
40 Year Fixed- IO		NA	NA	Y	10 Years	40 Years
Eligible States						
AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY						

Program Parameters	
Minimum Loan Amount	\$150,000
Maximum Loan Amount	\$3,500,000
Maximum Cash Out	LTV ≥ 65% Max \$500k LTV < 65% \$1mm
LTV Restrictions	
Purchase & R/T LTV > 75%; Cashout LTV > 70%	ACH Enrollment required
Property Restrictions	
Non-Warrantable Condo	Purchase & R/T 75% Cash-out 70%
Condotel	Purchase 75% Refs 65% Max Loan = \$1,500,000 Min Sq Ft = 500
Assisted Living/ Nursing Homes	Allowed 65% max LTV
Modular	65%
Rural Properties	Not Eligible
Additional Restrictions	
1st Time Investor Min FICO	680 Min Fico
Max Acreage	2
Unleased Property (Refinance only); Does not apply to short term rentals	Max LTV 70% for DSCR ≥ 1.00 Max LTV 65% for DSCR ≤ 1.00
Max # of Financed Properties	Committee review over 4
Gift Funds allowed with 5% borrower funds	No LTV reduction
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
First Time Home Buyers	Not Eligible
DSCR < 0.75	See rate sheet for price adjustments
LLCs	All members must be individuals
Prepayment Penalty	
Standard prepay is 5% of the amount prepaid 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	C/O proceeds can be used for reserves
Reserves for IO based ITIA payment	
Gift Funds cannot be used for reserves	
State Specific:	
*PA- Loan amounts < \$278,204 cannot have a prepayment penalty	
*PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust.	
*IL - Loan with a rate ≥ 8% must close in the name of an entity	
IL & NJ - Prepayment penalty not allowed if vesting as an individual	



Home of the  
**NONI**  
Non Owner No Income

**What is a DSCR Loan? How do you qualify?**

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.


How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI".

Gross Rents = \$1500  
ITIA = \$1500 = 1.00 DSCR

PITIA Example: If your DSCR < 1.00 you still have a loan just at a different price.

Gross Rents = \$1500  
PITIA = \$2000 = 0.75 DSCR



EQUAL HOUSING OPPORTUNITY

			DSCR ≥ 1.00		
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out	Max Cashout
680	\$1,000,000	6 Months	75%	65%	≥ 50% LTV - \$300,000
	\$1,500,000	12 Months	70%	60%	<50% LTV - \$500,000
<b>DSCR 0.75 - 0.99</b>					
FICO	Loan Amount	Reserves	Purchase	R/T & Cash Out	Max Cashout
680	\$1,000,000	12 Months	65%	60%	> 50% LTV - \$300,000
	\$1,500,000		65%	N/A	
Foreign Credit	\$1,000,000	12 Months	65%	60%	≤ 50% LTV - \$500,000
	\$1,500,000		65%	N/A	

Credit						
Mortgage History	0x30x12					
FC, DIL, SS, 120+ Days late	36 Monhts					
Chapter 7/11/13 BK Seasoning	36 Months					
Guidline Quick Reference						
ARM Index & Floor	Index: 30 day SOFR   Floor = Note Rate					
Qualifying Rate	Note Rate					
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate					
Assets	Min of 30-days asset verification required; any large deposit must be sourced					
Tradelines	US Credit - Min 2x24 or 3x12 No US Credit - 2 Credit Reference Letters					
Cashout Impounds	Business purpose use ONLY Not Required					
Appraisal	No C5 or C6; 2 Appraisals >\$1.5MM; ARR/CDA req or CU risk score >2.5					
Min SQ Footage	600 Sq FT					
Credit Score	US Credit - Middle score or lower of 2 No US Credit - Treat as 680					
Compliance	Points & Fees may not exceed 5%					
Citizenship	Russia and Belarus are not Eligible					
Seller Concessions	Max 2%					
Products	Margin	Caps	IO (Y/N)	IO Period	Maturity	
7/6 ARM	10/6 ARM	4.5	2/1/5	N	NA	30 Years
7/6 ARM-IO	10/6 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
40 Year Fixed- IO		NA	NA	Y	10 Years	40 Years
Eligible States						
AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY						

Program Parameters	
Minimum Loan Amount	\$150,000
Maximum Loan Amount	\$1,500,000
Maximum Cash Out	See Grid
LTV Restrictions	
ACH Enrollment	Required
Property Restrictions	Max LTV
Non-Warrantable Condo	Not Allowed
Condotel	65%
2-4 Units and Condo	65%
Modular	65%
Rural Properties	Not Eligible
Additional Restrcitions	
1st Time Investor Min FICO	680 Min Fico
Max Acreage	2
Unleased Property (Refinance only); Does not apply to short term rentals	5% LTV reduction
Max # of Financed Properties	Committee review over 4
Gift Funds allowed with 5% borrower funds	Not Eligible
100% Gift Funds	Not Eligible
NonArms Length Trans.	Not Eligible
DSCR < .75	Not Eligible
LLCs	All members must be individuals
Prepayment Penalty	Reserves
Standard prepay is 5% of the amount prepaid	C/O proceeds can 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 for IO based ITIA payment
State Specific: *PA- Loan amounts < \$278,204 cannot have a prepayment penalty *PA- Loan amounts < \$278,204 must be vested in a Corp, LLC, Partnership or Trust, *IL - Loan with a rate ≥ 8% must close in the name of an entity	Gift Funds cannot be used for reserves



**What is a DSCR Loan? How do you qualify?**

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.  
How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Interest Only Example: If your DSCR ≥ 1.00 you've got a "NONI".  
Gross Rents = \$1500  
ITIA = \$1500 = 1.00 DSCR

PITIA Example: If your DSCR < 1.00 you still have a loan just at a different price.  
Gross Rents = \$1500  
PITIA = \$2000 = 0.75 DSCR



the Lender

the **NONI65**

Effective Date  
7/19/2022

FICO	Loan Amount	Reserves	Purchase or Rate & Term	Cash-Out
680+	\$2,000,000	None	65%	65%

Products	Margin & Caps	I/O (Y/N)	Final Maturity	Residency		Property Restrictions	Max LTV	
5/6, 7/6 & 10/6 Adjustable Rate (ARM)	4.50	2/1/5	N	30 years	US Citizen, Perm/NonPerm Res. Alien	Condotels Non-Warrantable Condo Warrantable Condo	Allowed No Restriction No Restriction	
30 & 40 Year Fixed	NA	NA	N	30/40 years		Modular Florida Condo Rural Properties	No Restriction No Restriction Not Allowed	
Interest Only: 5/6, 7/6 & 10/6 Adj Rate (ARM)	4.50	2/1/5	Y	30 Years	AK, AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NM, NJ, NV, NY, OH, OK, OR, PA*, RI**, SC, SD, TN, TX***, UT, VA, WA, WI, WV, WY			
Interest Only: 30 Year Fixed	NA	NA	Y	30 Years				
Interest Only: 40 Year Fixed	NA	NA	Y	40 Years				
Guidelines Quick Reference								
<b>ARM Index &amp; Floor</b>	Index: 30 day SOFR   Floor = Note Rate			<b>Impounds</b>	Not required			Condotel o Projects that are managed and operated as a hotel or motel. o A project that includes registration services o Investor concentration up to 100%. o Maximum Loan Amount: \$1.5 million o Minimum Loan Balance: \$150,000 o Minimum square footage: 500 o Fully functioning kitchen o Bedroom required  Rural property: o A property is classified as rural if: • The appraiser indicates in the neighborhood section of the report a rural location; or • The following two (2) conditions exist: - The property is located on a gravel road and - Two of the three comparable properties are more than 5 miles from the subject property
<b>Qualifying Rate</b>	Note Rate			<b>Appraisal</b>	• No C5 or C6 • 2 appraisals >\$1.5MM • ARR/CDA req or CU risk score > 2.5			
<b>Qualifying Payment</b>	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate			<b>Min Sq. footage</b>	600 sq feet			
<b>Assets</b>	Sourced or seasoned 60 days (2 mos most recent bank statements req.)			<b>Credit Score</b>	• Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; • Lowest of all borrowers Representative score			
<b>Credit</b>	Mortgage only credit report with FICO required. * FTHB - 2 open and active trade lines seasoned for 24 months are required			<b>Compliance</b>	• Points & Fees may not exceed 5%			
<b>Cash Out</b>	Business purpose use ONLY			<b>Hard Prepay Only</b>	• 0, 1, 2, 3, 4 & 5 year prepays available • Not allowed in AK, KS, MI, MN, MS, NM, OH & RI; Must buyout PPP			
<b>Prepayment Penalty</b>	* 5% of the amount prepaid			<b>State Specific</b>	*PA- Loan amounts ≥ \$278,205 can be vested as an Entity or as an Individual *PA- Loan amounts < \$278,205 must be vested in a Corp, LLC, Partnership or Trust & PrePay not allowed, must be bought out			
<b>Additional Restrictions</b>				<b>Maximum Cash-Out</b>	\$1,000,000			
<b>Assisted Living/Nursing Homes</b>				<b>1st Time Investor</b>	No Restrictions			
<b>Max Acreage</b>				<b>Max Acreage</b>	2			
<b>Unleased Property (Refinance only)</b>				<b>STR Experience</b>	Not Required			
<b>Max # of HEM Financed Properties</b>				<b>Max # of HEM Financed Properties</b>	Committee review over 4			
<b>Gift Funds</b>				<b>Gift Funds</b>	No Restrictions			
<b>100% Gift Funds</b>				<b>100% Gift Funds</b>	Allowed			
<b>NonArms Length Trans.</b>				<b>NonArms Length Trans.</b>	Not Eligible			
<b>Minimum Loan Amount</b>				<b>Minimum Loan Amount</b>	\$150,000			
<b>Minimum DSCR</b>				<b>Minimum DSCR</b>	No Minimum			
<b>ACH</b>				<b>ACH</b>	Required			
<b>First Time Home Buyers</b>				<b>First Time Home Buyers</b>	12 mo housing history Living Rent Free - Not Allowed Occupancy must make sense			
<b>LLCs</b>				<b>LLCs</b>	All members must be individuals			
<b>Cash-Out Seasoning</b>				<b>Cash-Out Seasoning</b>	6 Months - 12 to use appraised value			
<b>Credit</b>				<b>Maximum Housing Lates</b>	0x60x12			
<b>Credit Event seasoning restrictions:</b>				<b>Credit Event seasoning restrictions:</b>	24 months			
<b>BK, Foreclosure, Deed in Lieu, Short Sale, 120 day mortgage lates</b>				<b>BK, Foreclosure, Deed in Lieu, Short Sale, 120 day mortgage lates</b>	< 36 months - \$1.5M Max Loan Amount			



### What is a DSCR Loan? How do you qualify?

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the property. How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Interest Only Example: If your DSCR Full Amortization Example: If your DSCR <1.00 you still have a loan but at a different price

Gross Rents = \$1500	-----	Gross Rents = \$1500	-----
Gross Rents = \$1500	-----	Gross Rents = \$1500	-----
ITIA = \$1500	= 1.00 DSCR	PITIA = \$2000	= 0.75 DSCR