



**AMBASSADOR**  
Business Purpose - DSCR ≥ .75 | No Ratio

DSCR   No Ratio			Maximum LTV/CLTV		
DSCR	Min. Credit Score	Max. Loan Amount	Purchase	Rate/Term Refi	Cash Out Refi
≥ 1.00	680	1,000,000	70	65	65
		1,500,000	70	60	60
	Foreign Credit	1,000,000	70	65	65
		1,500,000	70	60	60
DSCR	Min. Credit Score	Max. Loan Amount	Purchase	Rate/Term Refi	Cash Out Refi
.75 - .99	680	1,000,000	65	60	60
		1,500,000	65	N/A	N/A
	Foreign Credit	1,000,000	65	60	60
		1,500,000	65	N/A	N/A
DSCR	Min. Credit Score	Max. Loan Amount	Purchase	Rate/Term Refi	Cash Out Refi
No Ratio (< .75)	680	1,000,000	60	60	60
		1,500,000	60	N/A	N/A
	Foreign Credit	1,000,000	60	60	60
		1,500,000	60	N/A	N/A
Credit Requirements			Credit Event Seasoning		
<b>US Credit:</b> <ul style="list-style-type: none"> <li>• Min FICO 680 <u>with</u></li> <li>• 2 tradelines reporting for 24 months <u>or</u></li> <li>• 3 reporting for 12 months</li> </ul> <b>Foreign Credit:</b> <ul style="list-style-type: none"> <li>• Minimum 2 credit reference letters (see guidelines for requirements)</li> </ul>			<b>BK/FC/SS/DIL:</b> ≥ 36 Months <b>Forbearance, Mod or Deferral:</b> See Guidelines		
Housing History			Unleased/Vacant Properties		
0x30x12, if documented			LTV reduction not required.		
Ineligible locations					
Puerto Rico, Guam, & the US Virgin Islands not eligible					
General Requirements					
Product Type	30-Yr Fixed, 5/6 ARM, 7/6 ARM				
Interest Only	Eligible				
Loan Amounts	Min: 150,000		Max: 1,500,000		
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Eligibility Restrictions	Citizens and individuals from OFAC sanctioned countries including Russia and Belarus are not eligible.				
Property Type	Single Family, Attached, Detached: No restrictions   Rural: Not eligible   2-4 Units, Condominium, Condo Hotel: <b>Max LTV/CLTV Purchase 70%, Refinance 65%</b>				
Short-Term Rent	<b>Max LTV: Purchase 70%   Refinance 65%</b>				
Acreage	Property up to 2-acres, not meeting the rural definition, eligible				
Cash-in-Hand	Max cash-in-hand: <b>LTV &gt; 50%:</b> \$300,000 <b>LTV ≤ 50%:</b> \$500,000 Total equity withdrawn can't exceed above limits				
Appraisal	Properties with condition rating of 5 or 6 are not acceptable. Desk review required for all loan files not requiring 2nd appraisal. Transferred appraisal acceptable. 2nd appraisal or Desk Appraisal must be ordered from Champions Approved AMC				
Underwriting Requirements					
Assets	Sourced and Seasoned for 60 days.				
Gift Funds	Not allowed				
Reserves	12 months PITIA   Cash out may be used to satisfy reserve requirements				
Prepayment Penalty	5% of the unpaid principal balance. (Other than the monthly payments required herein, if Borrower prepays this Note in whole or in part before the full term of the pre-payment period, Borrower will pay a Prepayment Premium equal to Five Percent (5%) of any amounts prepaid ("Prepayment Premium").) (Standard Term 3 yrs.) Not allowed Alaska, Delaware, Kansas, Maryland, Michigan, Minnesota, New Mexico, Ohio, and Rhode Island. Permitted ONLY if closing in the name of an Entity: IL & NJ. Pennsylvania - Min Loan Amt \$301,022.				
Power of Attorney	Not allowed				
Subordinate Financing	Must be institutional. No seller carrybacks. Max CLTV equals Max LTV on transaction.				

**Long-Term Rental Documentation and DSCR Calculation**

- **Purchase Transactions:**
  - Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents
  - If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent
  - Vacant or unleased property is allowed without LTV restrictions
- **Refinance Transactions:**
  - **Required Documentation:**
    - FNMA Form 1007 or 1025 reflecting long term market rents, and lease agreement
    - If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of lease. If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following:
      - Eligibility (LTV) must use the DSCR .99-.75 matrix. Pricing is based upon the DSCR from the gross rents on the 1007.
  - Monthly Gross Rents are determined by the higher of the actual lease amount or market rent from 1007/1025. If using a higher monthly actual lease amount, evidence of 2-months of receipt is required, and the lease amount must be within 120% of the estimated market rent from the 1007 or 1025. If the actual rent exceeds the market more than 120%, the rents are capped at 120%.
  - A vacant or unleased property is allowed. Eligibility (LTV) must use DSCR .99-.75 matrix for all properties with any unleased (vacant) units. Pricing is based upon the DSCR from the gross rents on the 1007.
- **DSCR Calculation:**
  - Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property. See this matrix for required Debt Service Coverage Ratios.
  - Gross rents divided by PITIA = DSCR

**Short-Term Rental Documentation and DSCR Calculation**

Short-term rentals are properties which are leased on a nightly, weekly, monthly, or seasonal basis. For example: [AirBnB](#), VRBO, [Flipkey](#), etc.

- **Short – Term Rental Income – Refinance or Purchase Transactions:**
  - LTV/CLTV limits:
    - Purchase: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.
    - Refinance: Lesser of 65%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix.
    - See matrix for condo hotel LTV/CLTV limits.
  - When the DSCR is .99 - .75 matrix grid to be followed for this DSCR score
  - Ineligible for No Ratio (DSCR < .75)
  - **DSCR Calculation:**
    - Monthly gross rents based upon a 12-month average to account for seasonality required.
    - Gross rents reduced by 20% to reflect extraordinary costs (i.e., advertising, furnishings, cleaning) associated with operating short-term rental property compared to non-short-term property. If the rental documentation referenced below includes expenses, actual expenses should be compared to the 20% expense factor. If actual expenses are less than 20%, a minimum 20% expense factor is required to be utilized. If actual expense exceeds 20%, the actual expense factor should be used.
    - $(\text{Gross Rents} \cdot .80)$  divided by PITIA = DSCR.
  - **Any of the following methods may be used to determine gross monthly rental income:**
    - A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser reflecting long-term or short-term market rents.
      - If long-term rent is utilized, 20% expense factor is not to be applied.
    - The most recent 12-month rental history statement from the 3rd party rental/management service.
      - The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees. The rental income will exclude all vendor or management fees.
    - The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrower must provide rental records for the subject property to support monthly deposits.