

Cardinal Financial offers the Non-QM Flex product through Octane which provides features beyond the criteria established for Qualified Mortgages. Features for this product include Interest Only and loan qualification for investment properties using the subject cash flow. Below is a summary of requirements and features. Please see the [Cardinal Non-QM Flex Lending Guide](#) for the full product requirements. Guidelines are subject to change without notice.

Refer to the [Jumbo Comparison Matrix Resource Document](#) > TPO Non-QM Comparison tab as an additional resource.

## Investor Solutions (DSCR) - Investment Property

1-4 Unit Investment Property				
>= 1.00		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
700+	\$1,000,000	80 <sup>3,4,5</sup>	75 <sup>2,3,4,5</sup>	75 <sup>2,3,4,5</sup>
	\$1,500,000	80 <sup>3,4,5</sup>	75 <sup>2,3,4,5</sup>	75 <sup>2,3,4,5</sup>
	\$2,000,000	75	70 <sup>4</sup>	70 <sup>4</sup>
	\$3,000,000	70	65	65
660 <sup>1</sup>	\$1,000,000	75	75 <sup>2,3,4,5</sup>	70 <sup>4</sup>
	\$1,500,000	75	70 <sup>4</sup>	70 <sup>4</sup>
	\$2,000,000	70	65	65
	\$2,500,000	70	65	65
	\$3,000,000	65	NA	NA
640 <sup>1</sup>	\$1,000,000	75	70 <sup>4</sup>	NA
	\$1,500,000	65	65	NA
	\$2,000,000	65	NA	NA
	\$3,000,000	60	NA	NA

<sup>1</sup> Interest Only: Minimum Credit Score 680  
<sup>2</sup> 2-4 Units maximum LTV/CLTV: Purchase 80%, Refinance 70%  
<sup>3</sup> Condominium maximum LTV/CLTV: Purchase 75%, Refinance 70%  
<sup>4</sup> Condo Hotel maximum LTV/CLTV: Purchase 75%, Refinance 65% maximum Loan Amount \$1,500,000  
<sup>5</sup> Rural: Max LTV/CLTV 75% Purchase, 70% Refinance (eligible for loans locked on or after 4.21.25)

>=.75 <sup>3</sup> to < 1.00		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase	Rate/Term Refi	Cash-Out Refi
700	\$1,000,000	75	70 <sup>2</sup>	70 <sup>2</sup>
	\$1,500,000	75	70 <sup>2</sup>	70 <sup>2</sup>
	\$2,000,000	70	65	65
	\$2,500,000	65	NA	NA
	\$3,000,000	60	NA	NA
680	\$1,000,000	70	65	NA
	\$1,500,000	70	65	NA
	\$2,000,000	65	60	NA
	\$3,000,000	60	NA	NA
660 <sup>1</sup>	\$1,000,000	65	NA	NA

<sup>1</sup> Interest Only: Minimum Credit Score 680  
<sup>2</sup> Condo Hotel maximum LTV/CLTV: Purchase 75%, Refinance 65%  
<sup>3</sup> Minimum DSCR ratio .75 for loans locked on or after 4/30/2025

Investor Solutions Program Parameters	
Eligible Transactions	<ul style="list-style-type: none"> <li>• 30-Yr Fixed</li> <li>• 30-Yr Fixed Interest Only</li> <li>• 15-Yr Fixed</li> <li>• 5/6 ARM</li> <li>• 5/6 ARM Interest Only</li> <li>• 7/6 ARM</li> <li>• 7/6 ARM Interest Only</li> <li>• 10/6 ARM</li> <li>• 10/6 ARM Interest Only</li> </ul>
Octane Programs	

	<b>Octane Product Codes</b>	
	NQFDSCR30	Non-QM Flex Investor Solutions - DSCR-30 Year Fixed - Cardinal Financial
	NQFDSCR30IO	Non-QM Flex Investor Solutions - DSCR-30 Year Fixed - Interest Only - Cardinal Financial
	NQFDSCR15	Non-QM Flex Investor Solutions - DSCR - 15 Year Fixed - Cardinal Financial
	NQFDSCR5/6	Non-QM Flex Investor Solutions - DSCR - 5/6 ARM - Cardinal Financial
	NQFDSCR5/6IO	Non-QM Flex Investor Solutions - DSCR - 5/6 ARM - Interest Only - Cardinal Financial
	NQFDSCR7/6	Non-QM Flex Investor Solutions - DSCR - 7/6 ARM - Cardinal Financial
	NQFDSCR7/6IO	Non-QM Flex Investor Solutions - DSCR - 7/6 ARM - Interest Only - Cardinal Financial
	NQFDSCR10/6	Non-QM Flex Investor Solutions - DSCR - 10/6 ARM - Cardinal Financial
	NQFDSCR10/6IO	Non-QM Flex Investor Solutions - DSCR - 10/6 ARM - Interest Only - Cardinal Financial
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate/Term Refinance</li> <li>• Cash-out Refinance <ul style="list-style-type: none"> <li>◦ Max Cash Out <ul style="list-style-type: none"> <li>■ LTV &gt;= 65%: \$500,000</li> <li>■ LTV &lt; 65%: \$1,000,000</li> <li>■ Total equity withdrawn cannot exceed the above limits <ul style="list-style-type: none"> <li>• Not applicable to Delayed Financing transactions</li> </ul> </li> </ul> </li> </ul> </li> </ul>	
<b>Acreage</b>	<p><b>Loans locked on or after 4.21.25:</b></p> <ul style="list-style-type: none"> <li>• Property up to 5 acres</li> </ul> <p><b>Loans locked prior to 4.21.25:</b></p> <ul style="list-style-type: none"> <li>• Property up to 2 acres that do not meet definition of rural: Eligible</li> </ul>	
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Two appraisals required when any of the following conditions exist: <ul style="list-style-type: none"> <li>◦ Loan amounts &gt; \$2,000,000,</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>○ The transaction is a flip as defined in the Property Flipping section of this guide,</li> <li>○ As required under the Appraisal Review guidelines below.</li> <li>● When a second appraisal is provided, the “appraised value” will be the lower of the two appraisals.</li> </ul>
<b>Appraisal - Declining Market</b>	<p>If the appraisal report identifies the property in a declining market:</p> <ul style="list-style-type: none"> <li>● Maximum LTV/CLTV is limited to 75% for purchase and 70% for rate/term and cash-out refinance transactions</li> <li>● Maximum loan amount is limited to \$2,000,000</li> </ul>
<b>Appraisal Review</b>	<p>An appraisal review product is required on every loan unless a second appraisal is obtained. Four (4) options are available:</p> <ul style="list-style-type: none"> <li>● A Collateral Underwriter (CU) or Loan Collateral Advisor (LCA) with an eligible score of 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). Only one score is required, but if both scores (CU &amp; LCA) are provided, both are required to be 2.5 or less; or</li> <li>● AVM from Clear Capital dated within 90 days of the Note date, or</li> <li>● Collateral Desktop Analysis (CDA) from Clear Capital, or</li> <li>● A second appraisal.</li> </ul> <p>If the CU/LCA score exceeds 2.5, the file must include either an AVM from Clear Capital, a CDA from Clear Capital, or a second appraisal.</p> <p>The AVM must show an acceptable FSD score range of 0.00 to 0.13 and the AVM value must be within 10% of the appraised value.</p> <ul style="list-style-type: none"> <li>● If the AVM reflects a value more than 10% below the appraised value or cannot provide a value, the file must include an acceptable CDA from Clear Capital or a second appraisal.</li> </ul> <p>If the CDA Desk Review reflects a value more than 10% below the appraised value or cannot provide a validation, the next option would be a second appraisal.</p> <p>A second appraisal must support the original appraised value, else the lower of the two appraisals must be used in the LTV/CLTV calculation.</p> <p>Any appraisal review product or second appraisal may not be from the same appraiser or appraisal company as the original report.</p>
<b>Asset Documentation</b>	Minimum of 30 days asset verification required
<b>Credit Score</b>	Use the representative score of the borrower/guarantor with the highest representative score.
<b>Credit Tradelines</b>	<ul style="list-style-type: none"> <li>● For each borrower who has three (3) credit scores, the minimum tradeline requirement is waived (all borrowers must be evaluated individually)</li> </ul>

	<ul style="list-style-type: none"> <li>Each borrower with less than three (3) credit scores must meet the following minimum tradeline requirements. <ul style="list-style-type: none"> <li>At least three (3) tradelines reporting for a minimum of 12 months, with activity in the last 12 months, or</li> <li>At least two (2) tradelines reporting for a minimum of 24 months, with activity in the last 12 months.</li> </ul> </li> <li>Borrowers who do not meet one of the above tradeline requirements, but have a minimum of two credit scores, can alternatively satisfy the tradeline requirements found here: <a href="#">Tradelines</a></li> </ul>
<b>Document Age</b>	<ul style="list-style-type: none"> <li>120 day validity date for the following: <ul style="list-style-type: none"> <li>Mortgage/rental verification</li> <li>Asset documents/bank statements</li> <li>Credit report</li> <li>Title Commitment <ul style="list-style-type: none"> <li>A 24-month title history is required showing transfer dates, price, and buyer and seller names</li> </ul> </li> </ul> </li> <li>Appraisals must be dated within 365 days of the Note date, but a recertification of value (1004D) would be required if an appraisal will be more than 120 days old on the date of the Note.</li> </ul>
<b>DTI Requirements</b>	<ul style="list-style-type: none"> <li>Qualification is determined solely based on the debt service coverage ratio (DSCR) of the subject property only, as defined by rents divided by proposed PITIA.</li> <li>Example: Rents of \$1000 and PITIA of \$800. <math>DSCR = 1,000/800=1.25</math></li> </ul>
<b>Escrow Accounts</b>	<p>Escrows for hazard insurance, property taxes and flood (if applicable) are required</p> <ul style="list-style-type: none"> <li>See <a href="#">Escrows - Impound Accounts</a> for full details along with waiver requirements</li> </ul>
<b>Gift Funds</b>	Eligible after minimum down payment by borrower of 10% from own funds
<b>Derogatory Event Seasoning</b>	BK/FC/SS/ DIL: $\geq 48$ months
<b>Housing Payment History</b>	<p>Housing History Eligibility</p> <ul style="list-style-type: none"> <li>1x30x12 <ul style="list-style-type: none"> <li>No LTV reduction required</li> <li>No more than one 30-day delinquency in the last 12 months</li> <li>No 60-day or greater delinquencies in the last 12 months</li> </ul> </li> </ul>
<b>Income Requirements</b>	<p><b>Long-Term Rental Documentation and DSCR Calculation</b></p> <ul style="list-style-type: none"> <li><b>Purchase Transactions</b> <ul style="list-style-type: none"> <li>Monthly Gross Rents are the monthly rents established on FNMA Form 1007 or 1025 reflecting long term market rents</li> </ul> </li> </ul>

- If the subject property is currently tenant occupied, the 1007 or 1025 must reflect the current monthly rent. **Monthly gross rent is to be evaluated for each unit individually.**
  - Note: Neither the borrower(s) nor the borrower's immediate family shall at any time occupy the property. This restriction includes a tenant that has signed a lease and is paying rent on the subject property.
    - Tenant name, additional comments or identity of interest notes must support that the tenant is not related to the borrower.
  - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
  - If using a higher 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 1007-1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
  - If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount by more than 120%, the estimated market rent is capped at 120%.
- A vacant or unleashed property is allowed without an LTV restriction
- Units subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
- **Refinance Transactions**
  - Required documentation:
    - **Subject property appraisal report reflecting tenant occupied, and**
    - FNMA Form 1007 or 1025 reflecting long term market rents, and
    - **Executed lease agreement**
      - **Lock date on or after 4.21.25:**
        - **Leases that have converted to month-to-month are allowed.**
        - **If lease agreement is not provided, LTV/CLTV is limited to the lesser of 70% or power DSCR/FICO/Loan balance matrix.**
      - **Lock date prior to 4.21.25:**
        - If the lease has converted to month-to-month, then provide most recent two (2) months proof of receipt to evidence continuance of the lease.
        - If unable to provide evidence of receipt, the unit will be treated as vacant and subject to the following:

- LTV/CLTV limits: Lesser of 70% or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix
  - Note: Neither the borrower(s) nor the borrower's immediate family shall at any time occupy the property. This restriction includes a tenant that has signed a lease and is paying rent on the subject property.
    - Tenant name, additional comments or identity of interest notes must support that the tenant is not related to the borrower.
  - A vacant property as indicated on the appraisal is allowed subject to the following:
    - LTV/CLTV limits: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix
  - Monthly Gross Rents are determined by using the actual lease amount or estimated market rent from the 1007/1025. **Monthly gross rent is to be evaluated for each unit individually.**
    - If using the lower of the actual lease amount or estimated market rent, nothing further is required.
    - 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 1007/1025. If the actual rent exceeds the estimated market rent by more than 120%, the rents are capped at 120%.
    - If using a higher estimated market rent from 1007/1025, it must be within 120% of the lease amount. If the estimated market rent exceeds the lease amount by more than 120%, the estimated market rent is capped at 120%.
  - Units subject to rent control or housing subsidy must utilize current contractual rent to calculate DSCR.
- DSCR Calculation
  - Debt Service Coverage Ratio is the Monthly Gross Rents divided by the PITIA of the subject property.
  - Gross rents divided by PITIA = DSCR
  - Gross rents divided by ITIA = DSCR (Interest Only programs)

#### **Short-Term Rental Income - Purchase and Refinance Transactions**

- LTV/CLTV Limits
  - Purchase: Lesser of 75%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix
  - Refinance: Lesser of 70%, or the LTV/CLTV based upon the DSCR/FICO/Loan balance matrix

- See matrix for Condo Hotel LTV/CLTV limits
- **DSCR Calculation**
  - Monthly gross rents based upon a 12-month average to account for seasonality is required
  - Gross rents reduced by 20% to reflect extraordinary costs (i.e. advertising, furnishing, 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.
  - $(\text{Gross Rents} \times .80) \text{ divided by PITIA} = \text{DSCR}$
  - $(\text{Gross Rents} \times .80) \text{ divided by ITIA} = \text{DSCR (Interest Only programs)}$
- When short-term rental income is documented using multiple sources, the lowest source of monthly income is to be utilized for calculating DSCR.
- **Purchase Transactions** - Any of the following methods may be used to determine gross monthly rental income:
  - **Loans locked on or after 4.21.25**
    - Short-term rental (STR) analysis form or Form 1007/1025 may be used. The analysis must include the following:
      - Provide the source of the data used to complete the STR analysis.
      - Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.
      - Include daily rental rate and occupancy percentage.
      - Factor seasonality and vacancy into the analysis.
      - Must be completed by a licensed appraiser
    - A 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.
    - AIRDNA Rentalizer Property Earning Potential Report accessed using the Explore Short-Term Rental data.
      - See full guidelines for more details.
  - **Loans locked prior to 4.21.25:**
    - A 1007 or 1025 Comparable Rent Schedule prepared by the appraiser reflecting long-term or short-term market rents, or
      - If long-term rent is utilized, 20% expense factor is not

	<p>to be applied.</p> <ul style="list-style-type: none"> <li>Note: for appraisals completed on or after March 3, 2025, the 1007 or 1025 Comparable Rent Schedule may no longer be used to determine gross monthly rents</li> </ul> <ul style="list-style-type: none"> <li>An alternative market rent analysis similar to FNMA Form 1007/1025 is allowed, subject to the following: <ul style="list-style-type: none"> <li>Analysis must be completed pursuant to the lender's appraisal management process,</li> <li>Must be completed by a licensed appraiser,</li> <li>Must include daily rental rate and occupancy percentage.</li> </ul> </li> <li>A most recent 12-month rental history statement from the 3rd party rental / management service. <ul style="list-style-type: none"> <li>The statement must identify the subject/unit, rents collected for the previous 12 months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.</li> </ul> </li> <li>AIRDNA Rentalizer Property Earning Potential Report accessed using the Explore Short-Term Rental data. <ul style="list-style-type: none"> <li>See full guidelines for more details.</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li><b>Refinance Transactions</b> - Any of the following methods may be used to determine gross monthly rental income: <ul style="list-style-type: none"> <li><b>Loans locked on or after 4.21.25</b> <ul style="list-style-type: none"> <li>Short-term rental (STR) analysis form or Form 1007/1025 may be used. The analysis must include the following: <ul style="list-style-type: none"> <li>Provide the source of the data used to complete the STR analysis.</li> <li>Include comparable STR properties, focusing on room count, gross living area (GLA), location, and market appeal.</li> <li>Include daily rental rate and occupancy percentage.</li> <li>Factor seasonality and vacancy into the analysis.</li> <li>Must be completed by a licensed appraiser</li> </ul> </li> <li>The most recent 12-month history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> <li>The statement must identify the subject/unit, rents collected for the previous 12 months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.</li> </ul> </li> <li>The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrowers must</li> </ul> </li> </ul> </li></ul>
--	--

	<p>provide rental records for the subject property to support monthly deposits.</p> <ul style="list-style-type: none"> <li>○ <b>Loans locked prior to 4.21.25</b> <ul style="list-style-type: none"> <li>■ A FNMA Form 1007 Comparable Rent Schedule or 1025 Appraisal prepared by the appraiser reflecting long-term or short-term market rents; <ul style="list-style-type: none"> <li>● If long-term rent is utilized, 20% expense factor is not to be applied.</li> <li>● Note: for appraisals completed on or after March 3, 2025, the 1007 or 1025 Comparable Rent Schedule may no longer be used to determine gross monthly rents.</li> </ul> </li> <li>■ An alternative market rent analysis similar to FNMA Form 1007 / 1025 is allowed, subject to the following: <ul style="list-style-type: none"> <li>● Analysis must be completed pursuant to the appraisal management process,</li> <li>● Must be completed by a licensed appraiser,</li> <li>● Must include daily rental rate and occupancy percentage.</li> </ul> </li> <li>■ The most recent 12-month history statement from the 3rd party rental/management service. <ul style="list-style-type: none"> <li>● The statement must identify the subject/unit, rents collected for the previous 12 months, and all vendor management fees. The qualifying rental income must be net of all vendor or management fees.</li> </ul> </li> <li>■ The most recent 12-month bank statements from the borrower evidencing short-term rental deposits. Borrowers must provide rental records for the subject property to support monthly deposits.</li> </ul> </li> </ul>
<b>Income   Un-leased Properties</b>	<ul style="list-style-type: none"> <li>● Refinance <ul style="list-style-type: none"> <li>○ Long-term rental: A vacant or unleased property is allowed subject to LTV of 70%</li> <li>○ Pricing is based upon the DSCR from the gross rents on the 1007.</li> <li>○ Not applicable for short-term rentals. See Short Term Rental Income Section for more details</li> </ul> </li> </ul>
<b>Investor Experience</b>	<p>Experienced Investor</p> <ul style="list-style-type: none"> <li>● Borrower must have a history of owning and managing commercial or non-owner occupied residential real estate for at least 1 year in the last 3 years</li> </ul> <p>First-Time Investor</p> <ul style="list-style-type: none"> <li>● First-time investors are eligible subject to the following restrictions:</li> </ul>

	<ul style="list-style-type: none"> <li>○ Credit Score <ul style="list-style-type: none"> <li>■ For loans locked on or after 4.21.25: minimum FICO 700</li> <li>■ For loans locked prior to 4.21.25: minimum FICO 680</li> </ul> </li> <li>○ If reported, no mortgage late payments during the past 36 months</li> <li>○ First Time Investors that do not currently own a primary residence are ineligible</li> <li>○ Cash-out transactions are not eligible with lock date prior to 4.21.25</li> <li>○ For loans locked on or after 4.21.25, property type is limited to 1-unit only</li> <li>○ For loans locked on or after 4.21.25, DSCR &gt;1.0 only</li> <li>● First Time Home Buyer: Not eligible</li> </ul>
<b>Interest Only</b>	<p>Eligible</p> <ul style="list-style-type: none"> <li>● Minimum credit score 680</li> <li>● Maximum LTV <ul style="list-style-type: none"> <li>○ 75% Purchase</li> <li>○ 75% Rate/Term</li> <li>○ 70% Cash Out</li> </ul> </li> <li>● 30-year total loan term with qualification based upon 20-year amortizing payment <ul style="list-style-type: none"> <li>○ Fixed rate: Qualified at the Note rate</li> <li>○ ARM: Qualified at the higher of the fully indexed rate or the Note rate</li> </ul> </li> <li>● Single asset DSCR loans secured by 1-4 unit properties can be qualified using interest-only payment (ITIA).</li> </ul>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>● Minimum: \$100,000 <ul style="list-style-type: none"> <li>○ Loan amount &lt; \$150,000 <ul style="list-style-type: none"> <li>■ Max LTV/CLTV Purchase 70%</li> <li>■ Max LTV/CLTV Any Refinance 65%</li> <li>■ Minimum DSCR 1.00</li> </ul> </li> </ul> </li> <li>● Maximum: \$3,000,000</li> </ul>
<b>Occupancy</b>	Investment
<b>Property Type</b>	<p>Eligible</p> <ul style="list-style-type: none"> <li>● Attached/Detached SFR: No restrictions</li> <li>● 2-4 Units: <ul style="list-style-type: none"> <li>○ Purchase Max LTV/CLTV = 80%</li> <li>○ Refinance Max LTV/CLTV = 70%</li> </ul> </li> <li>● Condominiums: <ul style="list-style-type: none"> <li>○ Purchase Max LTV/CLTV = 75%</li> <li>○ Refinance Max LTV/CLTV = 70%</li> <li>○ Refer to <a href="#">Condominiums</a> guidelines for eligibility</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>● Condo Hotel: <ul style="list-style-type: none"> <li>○ Purchase Max LTV/CLTV = 75%</li> <li>○ Refinance Max LTV/CLTV = 65%</li> <li>○ Maximum Loan Amount = \$1,500,000</li> <li>○ Refer to <a href="#">Condominium Hotels</a> guidelines for eligibility</li> </ul> </li> <li>● Rural: Eligible for loans locked on or after 4.21.25 <ul style="list-style-type: none"> <li>○ Purchase Max LTV/CLTV = 75%</li> <li>○ Refinance Max LTV/CLTV = 70%</li> </ul> </li> <li>● Required for loans locked prior to 4.21.25: <ul style="list-style-type: none"> <li>○ California Condominiums <ul style="list-style-type: none"> <li>■ An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire or appraisal.</li> <li>■ Projects with unacceptable or no inspection are ineligible.</li> </ul> </li> <li>○ Florida Condominiums <ul style="list-style-type: none"> <li>■ A structural inspection is required for projects: <ul style="list-style-type: none"> <li>● Three (3) stories or greater; and</li> <li>● Over 30 years old (or 25 years old if within 3 miles of the coast).</li> </ul> </li> <li>■ Projects with an unacceptable or no inspection are not eligible.</li> </ul> </li> </ul> </li> </ul> <p><b>Not Eligible</b></p> <ul style="list-style-type: none"> <li>● Rural: Property type is ineligible for loans locked prior to 4.21.25</li> <li>● Condominium properties that do not meet <a href="#">Condominiums</a> or <a href="#">Condominium Hotels</a> guidelines</li> </ul>
<b>Prepayment Penalty</b>	<p>Where permitted by applicable laws and regulations on an investment property, a prepayment charge may be assessed in the period between one (1) and five (5) years following the execution date of the Note. The following structure is allowed:</p> <ul style="list-style-type: none"> <li>● Six (6) months of interest <ul style="list-style-type: none"> <li>○ The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance. The charge applies to loans that pay off due to sale or refinance, or curtailments that exceed 20% of the original principal balance in a given 12-month time period.</li> </ul> </li> </ul> <p>The following state restrictions apply:</p> <ul style="list-style-type: none"> <li>● Penalties not allowed in AK, KS, MI, MN, MS, NM, and RI <ul style="list-style-type: none"> <li>○ Only declining prepayment penalty structures are allowed in MS, and Cardinal does not offer this structure.</li> </ul> </li> <li>● Penalties not allowed on loans vested to individuals in IL and NJ</li> <li>● Prepayment penalties are not allowed in District of Columbia (DC), MD, or LA if</li> </ul>

	<p>the business purpose is marked “no” inside the system of record</p> <ul style="list-style-type: none"> <li>Penalties not allowed on loan amounts less than \$319,777 in PA</li> </ul>								
Reserve Requirements	<table border="1"> <thead> <tr> <th colspan="2">Required PITIA Reserves</th> </tr> </thead> <tbody> <tr> <td>Loan Amount &lt;= \$1.5 million</td><td>2 months</td></tr> <tr> <td>Loan Amount &gt; \$1.5 million</td><td>6 months</td></tr> <tr> <td>Loan Amount &gt; \$2.5 million</td><td>12 months</td></tr> </tbody> </table> <ul style="list-style-type: none"> <li>Cash out may be used to satisfy requirements. <ul style="list-style-type: none"> <li>Follow guidance located in <a href="#">Reserves</a></li> </ul> </li> </ul>	Required PITIA Reserves		Loan Amount <= \$1.5 million	2 months	Loan Amount > \$1.5 million	6 months	Loan Amount > \$2.5 million	12 months
Required PITIA Reserves									
Loan Amount <= \$1.5 million	2 months								
Loan Amount > \$1.5 million	6 months								
Loan Amount > \$2.5 million	12 months								
State Restrictions	<ul style="list-style-type: none"> <li>State Overlays for CT, IL, and NJ <ul style="list-style-type: none"> <li>Maximum LTV/CLTV limited to 75% for purchase and 70% for rate/term and cash-out refinance transactions</li> <li>Maximum loan amount is limited to \$2,000,000</li> </ul> </li> <li>State Overlays for FL and NY <ul style="list-style-type: none"> <li>Maximum LTV/CLTV limited to 80% for purchase and 75% for refinance transactions</li> <li>Maximum loan amount is limited to \$1,500,000</li> <li>Minimum credit score = 700 <ul style="list-style-type: none"> <li>If minimum credit score is &lt; 700, maximum LTV/CLTV is limited to 75% for purchase and 70% for refinance transactions</li> </ul> </li> </ul> </li> <li>Ineligible locations: Puerto Rico, Guam and the US Virgin Islands</li> </ul>								

*distribution of this document is strictly prohibited. See Cardinal's program guidelines for loan specific details and eligibility requirements. ©2019 Cardinal Financial Company, Limited Partnership. All rights reserved. Company NMLS #66247.*