



Hometown Equity Mortgage

25531 Commercentre Dr. Ste 250
 Lake Forest, CA 92630
 833-381-8733 | www.HTEM.com

Effective Date: May 28, 2024

theBlanket (Cross Collateral) Rate Sheet

LOCK DESK

CONTACT:

E-mail: 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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***EXTENSION FEES**

5 day	-0.125
7 day	-0.250
10 day	-0.375
15 day	-0.500
*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, VT, WA, WI, WV, WY

*See Matrix for restrictions and additional details regarding Prepayment Penalty

theBlanket Fees

theBLANKET

	Underwriting Fee	Doc Fee	Funding Fee	Pre-Close Fee
	*Cost Per Property		*Cost per Loan	
3-5 properties	\$1,995	\$599	\$575	\$500
6-10 properties	\$1,795	\$599	\$1,500	\$750
11-20 properties	\$1,595	\$599	\$2,000	\$1,000
21-25 properties	\$1,495	\$599	\$3,000	\$1,250

LOSS PAYEE

Hometown Equity Mortgage, LLC dba theLender its successors and/or assigns
 25531 Commercentre Dr #250, Lake Forest, CA 92630

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DSCR CC

Note Rate	15 Day Price		
	7/6 ARM	10/6 ARM	30 Yr Fx
7.000	96.675	96.575	96.575
7.125	97.238	97.138	97.138
7.250	97.800	97.700	97.700
7.375	98.363	98.263	98.263
7.500	98.925	98.825	98.825
7.625	99.425	99.325	99.325
7.750	99.863	99.763	99.763
7.875	100.300	100.200	100.200
8.000	100.738	100.638	100.638
8.125	101.175	101.075	101.075
8.250	101.550	101.450	101.450
8.375	101.925	101.825	101.825
8.500	102.300	102.200	102.200
8.625	102.675	102.575	102.575
8.750	103.050	102.950	102.950
8.875	103.425	103.325	103.325
9.000	103.800	103.700	103.700
9.125	104.175	104.075	104.075
9.250	104.550	104.450	104.450
9.375	104.925	104.825	104.825
9.500	105.300	105.200	105.200
9.625	105.613	105.513	105.513
9.750	105.863	105.763	105.763
9.875	106.113	106.013	106.013
10.000	106.363	106.263	106.263
10.125	106.613	106.513	106.513
10.250	106.863	106.763	106.763
10.375	107.113	107.013	107.013
10.500	107.363	107.263	107.263

Prepay Term	Max Price
60 Months	101.000
48 Months	101.000
36 Months	101.000
24 Months	101.000
12 Months	100.000
No Penalty	98.500

PrePay Notes	
1. AK, KS, MI, MN, MS, NM, OH, & RI must buyout PPP	
2. IL & NJ -Prepayment penalties not allowed on loans vested to individuals	
3. PA - Loan amounts < \$301,022 cannot have a prepayment penalty	

ARM Requirements	
ARM Index	SOFR 30AVG
ARM Margin	6.5
7yr/10yr ARM Caps	5/1/5
Reset Frequency	6 mo

Lock Period Adjustments	
30 days	-0.250
45 days	-0.375

FICO/CLTV LLPAs (Price Adjustments)

DSCR	760+ 740-759 720-739 700-719 680-699 660-679	<=50.00	50.01-55.00	55.01-60.00	60.01-65.00	65.01-70.00
			1.875	1.625	1.375	0.875
	1.750	1.500	1.250	0.750	0.000	
	1.500	1.250	1.000	0.500	-0.250	
	0.875	0.625	0.375	-0.125	-1.000	
	0.250	-0.125	-0.125	-0.625	NA	
	0.000	-0.375	-0.625	-1.125	NA	

OTHER LLPAs (Price Adjustments)

	CLTV	<=50.00	50.01-55.00	55.01-60.00	60.01-65.00	65.01-70.00
Housing History	0x60x12	-0.250	-0.250	-0.250	-0.250	-0.250
Housing Event Seasoning	≥36 Mo	0.000	0.000	0.000	0.000	0.000
Loan Balance	400,000-500,000	0.000	0.000	0.000	0.000	0.000
	500,001-1,000,000	0.000	0.000	0.000	0.000	0.000
	1,000,001-1,500,000	0.000	0.000	0.000	0.000	0.000
	1,500,001-2,000,000	0.000	0.000	0.000	0.000	0.000
	2,000,001-2,500,000	0.000	0.000	0.000	0.000	0.000
2,500,001-3,000,000	0.000	0.000	0.000	0.000	0.000	
Purpose	CO Refi	-0.375	-0.375	-0.375	-0.500	NA
Amortization	Interest Only	-0.500	-0.500	-0.500	-0.500	-0.625
5% Fixed Prepayment Penalty Term*	60 Months	1.000	1.000	1.000	1.000	1.125
	48 Months	0.750	0.750	0.750	0.750	0.875
	36 Months	0.250	0.250	0.250	0.250	0.250
	24 Months	-0.375	-0.375	-0.375	-0.375	-0.500
	12 Months	-1.125	-1.125	-1.375	-1.375	-1.625
	No Penalty	-1.750	-1.750	-2.000	-2.000	-2.250
Declining PrePay:	5%,4%,3%,2%,1%	0.750	0.750	0.750	0.750	0.875
	5%,4%,3%,2%	0.500	0.500	0.500	0.500	0.625
	5%,4%,3%	0.000	0.000	0.000	0.000	0.000
	5%,4%	-0.375	-0.375	-0.375	-0.375	-0.500
Other	Escrow Waiver	-0.250	-0.250	-0.250	-0.250	-0.250
	ACH Waiver	-0.250	-0.250	-0.250	-0.250	-0.250
Citizenship	Foreign National	-2.250	-2.250	-2.375	-2.375	NA



theBlanket Matrix

Effective Date: 03.15.24

DSCR ≥ 1.20				
FICO	Max Loan Amount	Purchase	R/T	Cash-Out
700	\$3.0M	70%	65%	65%
660	\$3.0M	65%	N/A	N/A
Foreign National	\$3.0M	65%	N/A	N/A

Property Eligibility		Program Parameters	
Eligible Properties	1-4 Unit, Condo, Condotels All properties must be in the same state	Minimum Loan Amount	\$400,000
Declining Markets	No Reduction	Maximum Loan Amount	\$3,000,000
Property Count	Minimum: 3 Maximum: 25	Cash-Out	LTV ≤ 65% Unlimited
Ineligible Properties	5-8 units 2-8 mixed use	Reserves	<ul style="list-style-type: none"> Loan amounts ≤ \$1M - 3 mos Loan amounts > \$1M - 9 mos
Mixed Transactions	(Purchase, Cash-out) permitted, however, eligibility/pricing is based upon most conservative transaction type.	Property worksheet	Must be submitted with the loan
Property Level Allocated Balance	Min - \$50,000 Max - \$1,000,000	Vesting	<ul style="list-style-type: none"> U.S. Citizen or Permanent Resident Non-Permanent Resident, subject to restrictions Limited Liability Company, Partnership, or Corporation Foreign Nationals
Appraisal Reviews	CDA for SSR scores > 2.50 2 appraisals for loan amts ≥ \$2M	Unleased Property	Max 1 unit
DSCR	Minimum - 1.2, 1.0 per property (1.2 I/O) A Loan DSCR and Property DSCR is required to be calculated	Partial Release	120% of the allocated balance required to be paid to obtain a partial release.
Borrower Eligibility		Short Term Rental	Treat as vacant
First-Time Investor/Homebuyer	Not Allowed, Experience Investor Only	Gift Funds	Not allowed
First-Time Homebuyers	Not Allowed	Credit Events	36 months seasoning required 0x60x12 mortgage lates
Quick Reference Guidelines		Subordinate Financing	Not Allowed
Qualifying Rate	Note Rate	Max # of HEM Financed Properties	Committee review over 4
Qualifying Payment	Full Amortization: PITIA based on note rate; IO: Initial ITIA based on note rate	Non Arm's Length Transactions	Not Eligible
Seller Concessions	6%	Vesting in LLC's	All Members must be individuals
Assets	1 Mo's recent Statements Req	Compliance	Points & Fees may not exceed 5%
Citizenship	US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien and Foreign Nationals	Eligible States	
Prepayment Penalty		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, VT, WA, WI, WV, WY	
<ul style="list-style-type: none"> Prepayment periods up to 5-Years eligible, see rate sheet Penalties not allowed in AK, KS, MI, MN, NM, OH and RI Penalties not allowed on loans vested to individuals in IL and NJ 		Follow NONI Guidelines for all items not addressed here	



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- Penalties not allowed on loan amounts less than \$312,159 in PA
- Only declining prepayment penalty structures allowed in MS

Guidelines

Rent Documentation	<ul style="list-style-type: none"> • Purchase <ul style="list-style-type: none"> ○ FNMA Form 1007, if applicable. ○ Existing lease agreement(s), if applicable. ○ If the existing lease is being transferred to the borrower, the Seller must verify that it does not contain any provisions that could affect the first lien position of the subject property. • Refinance <ul style="list-style-type: none"> ○ FNMA Form 1007, if applicable. ○ Existing lease agreement(s), if applicable. ○ If subject property leased on a short-term basis is utilizing an on-line service such as Airbnb; gross monthly rents can be determined by using a 12-month look back period; and either 12-monthly statements, or an annual statement provided by the on-line service to document receipt of rental income.
DSCR Calculation	<ul style="list-style-type: none"> • Leased property: DSCR is based upon the contracted monthly rent amount from the lease: <ul style="list-style-type: none"> ○ A property is considered "Leased" when there is an executed long term (Min. 12-months) lease agreement between the lessor and lessee. ○ Most recent two months of rent payment per lease agreement is required. • Unleased and vacant property: DSCR is based upon the estimate of the monthly rent of the subject. The final reconciliation of Market Rent must be based on a 12-month rent schedule. <ul style="list-style-type: none"> ○ A property is considered unleased and vacant when no long term executed lease is in place. The Borrower should provide the cause of vacancy (Letter of Explanation) for refinance transactions, such as recently completed renovation, tenant turnover, etc. • Vacancies <ul style="list-style-type: none"> ○ 1-4 Units – Vacant unit qualify at 75% of market rent (Maximum 1 vacancy).
Eligible Tenant	<ul style="list-style-type: none"> • Neither the Borrower(s) nor the borrower's immediate family shall at any time occupy the properties. • Borrower affiliated tenants are defined as any borrower or guarantor, any affiliate of the borrower/guarantor, any holder of a direct or indirect interest in Borrower or such affiliate, any officer, director, executive employee, or manager of the borrowing entity, and any family member (including spouse, siblings, ancestors, and lineal descendants) of any person or entity described in the preceding. • Borrower(s) must attest that all tenants are non-borrower affiliated.
Lease and Occupancy Requirements	<ul style="list-style-type: none"> • All units must be residential units that are currently occupied and leased to tenants, except that up to 10% of the units for a loan may be comprised of units which are currently vacant, but in lease-ready condition. Notwithstanding the foregoing, for portfolios of less than 10 units, up to one (1) unit may be vacant in the normal course of lease turnover. • All properties must be either leased to an eligible tenant or in lease ready condition meaning the properties have been cleaned, no renovations or repairs to the properties are needed and the properties are immediately available to be leased to an eligible tenant. • Corporate lease agreements are acceptable with lease terms consistent with typical market standards and will be subject to standard market rent verification. • Lease Agreements that allow Single Room Occupancy (SRO), or boarder leases are not permitted. • Third-party sale-and-leaseback agreements and contracts for deed transactions will not be permitted. • Leases must be in U.S. dollars.
Asset Documentation	<ul style="list-style-type: none"> • Follow NONI Guidelines