CASH FLOW QUALIFICATION

Copper Series Product Line Non-Conforming Investment

Investment property business purpose loans

$2M	0.50	1-4
Maximum loan amount	Minimum DSCR	Eligible units

Long-term and short-term rental financing, qualified using the cash flow of the subject property.

CALIFORNIA / IDAHO / OREGON

Guidelines as of 10.22.2026 | Version 26.11

Maximums and minimums vary by transaction, occupancy and documentation. See matrices.

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Eligibility matrices

Long-term rental | DSCR >= 1.00

Transaction	Units	Maximum loan	Min. credit score	Max. LTV/CLTV
Purchase / Rate & Term Refinance	1-4	$2,000,000	740	70%
Purchase / Rate & Term Refinance	1-4	$1,500,000	720	80%
Purchase / Rate & Term Refinance	1-4	$1,000,000	720	85%
Purchase / Rate & Term Refinance	1-4	$1,000,000	660	75%
Cash-Out Refinance	1-4	$1,500,000	720	65%
Cash-Out Refinance	1-4	$1,000,000	720	75%
Cash-Out Refinance	1-4	$1,000,000	700	70%
Cash-Out Refinance	1-4	$1,000,000	680	60%

1 Condotels

- Cash Out Refinance: Maximum LTV/CLTV is the lesser of 75% or the LTV/CLTV based on loan amount and FICO

2 First Time Investor minimum credit score 680

Long-term rental | DSCR >= 0.50 and < 1.00

Transaction	Units	Maximum loan	Min. credit score	Max. LTV/CLTV
Purchase / Rate & Term Refinance	1-4	$2,000,000	740	60%
Purchase / Rate & Term Refinance	1-4	$1,500,000	720	70%
Purchase / Rate & Term Refinance	1-4	$1,000,000	720	75%
Cash-Out Refinance	1-4	$1,500,000	720	55%
Cash-Out Refinance	1-4	$1,000,000	720	65%

Apply all applicable documentation, occupancy and transaction restrictions. LTV and CLTV limits are maximums.

Eligibility matrices

Short-term rental | DSCR >= 1.00

Transaction	Units	Maximum loan	Min. credit score	Max. LTV/CLTV
Purchase / Rate & Term Refinance	1-4	$2,000,000	740	65%
Purchase / Rate & Term Refinance	1-4	$1,500,000	720	75%
Purchase / Rate & Term Refinance	1-4	$1,000,000	720	80%
Purchase / Rate & Term Refinance	1-4	$1,000,000	660	70%
Cash-Out Refinance	1-4	$1,500,000	720	60%
Cash-Out Refinance	1-4	$1,000,000	720	70%
Cash-Out Refinance	1-4	$1,000,000	700	65%
Cash-Out Refinance	1-4	$1,000,000	680	55%

1 First Time Investor Minimum Credit Score 680

Short-term rental | DSCR >= 0.50 and < 1.00

Transaction	Units	Maximum loan	Min. credit score	Max. LTV/CLTV
Purchase / Rate & Term Refinance	1-4	$2,000,000	740	55%
Purchase / Rate & Term Refinance	1-4	$1,500,000	720	65%
Purchase / Rate & Term Refinance	1-4	$1,000,000	720	70%
Cash-Out Refinance	1-4	$1,500,000	720	50%
Cash-Out Refinance	1-4	$1,000,000	720	60%

Apply all applicable documentation, occupancy and transaction restrictions. LTV and CLTV limits are maximums.

Guideline directory

Use the PDF bookmarks or select a section below. Original section numbers are retained for cross-references. Sections specific to other states and prior revision logs are omitted.

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1. Product Description

This investment product product is designed for borrowers who are experienced real estate investors seeking to purchase or refinance an investment property that is owned for business purposes. The borrower is qualified based upon the cash flow of the subject property. Diligence must be done to ensure that the borrower will not be occupying the subject property this investment product loans are exempt from the ATR, QM and HPML requirements

2. Loan Terms

- Fixed Rate: 30-year terms
- 30-year Fixed Rate Interest Only
  - 10-year interest only period
  - 20-year amortization period
- 40-year Fixed Rate Interest Only
  - 10-year interest only period
  - 30-year amortization period

3. Loan Options

Copper Series loan options
30-year fixed
30-year fixed interest only
40-year fixed interest only
Short-term rental: 30-year fixed
Short-term rental: 30-year fixed interest only
Short-term rental: 40-year fixed interest only

4. Prepayment Penalty

Prepayment penalty options

- No prepayment penalty
- Three-, two- or one-year prepayment penalties permitted: six months interest on the excess of 20% of the original principal balance. Refer to the rate sheet.

- Declining option: 5, 4, 3, 2, 1 permitted.

State application

- California and Oregon: prepayment penalties permitted under the product requirements.
- Idaho: refinance transactions with the same mortgage company that funded the underlying mortgage, as evidenced by the note, are ineligible under the prepayment penalty restriction.
- All loans with a prepayment penalty must pass Mavent and/or Compliance Ease prepayment penalty tests.
- A Prepayment Penalty Rider is required for all loans closing with a prepayment penalty.

5. Age of Documentation

- Credit and asset documents: Not to exceed 90 days old as of the Note date
- Appraisal: Not to exceed 120 days as of the Note date. An appraisal update is permitted up to 180 days old as of the Note date. After 180 days, a new appraisal is required

6. Tradeline Requirements

All borrowers must meet the following tradeline requirements:

- Three (3) tradelines from traditional credit sources that reported for a minimum of 12 months prior to the date of the application (may be opened or closed) with one (1) tradeline reporting for a minimum of twenty-four (24) months.

OR

- Two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the most recent twenty-four (24) months, and
- One (1) additional open tradeline for no less than 12 months

OR

- Two (2) open tradelines are acceptable if both tradelines are:
  - Open for the most recent twenty-four (24) months prior to the application date, and
  - Both tradelines have activity in the past twelve (12) months from the application date.

Notes:

Joint accounts count as one (1) tradeline for each borrower.

7. Non-Traditional Credit

Not Permitted

8. Required Documentation

The following documentation is required

- All real estate owned, along with any associated lien(s) must be disclosed on the application
  - No other liabilities are required to be on the 1003(URLA)
- Mortgage/lien rating for each financed property
- Business Purpose Loan Certification, signed by borrower(s)
  - Cash in hand must comply with this disclosure
- Occupancy Certification, signed by the borrower(s)
  - Occupancy of the subject property by borrower or borrower's family member is not permitted
- Personal Guaranty Document required when the LLC appears on the Note, regardless if the borrower is signing the Note.

9. Temporary Buydown

Not permitted

10. Minimum Loan Amount

Minimum loan amount $100,000

11. Maximum Cash Out

- Maximum Cash Out
  - $1,000,000 for LTV/CLTV ≤50%
  - $750,000 for LTV/CLTV >50% and ≤ 60%
  - $500,000 for LTV/CLTV > 60%
- Maximum cash out is
  - Determined by the amount of cash out reflected on the Final Closing Disclosure (after any debt payoff)
  - Cumulative for all properties simultaneously being financed with Coast 2 Coast Funding Group, Inc., not each individual loan
  - When multiple loans are in process (simultaneous transactions), the loan with the highest LTV will determine the maximum cash out limit that will apply to all simultaneous transactions. For cash out refinance transactions, the amount of cash out proceeds from any Copper Series cash out refinance loans within 6 months of the note date, including simultaneous loans in process, must be included in the cumulative cash out limitation Diligence must be used to ensure that the proceeds are not used for a purpose other than a business purpose, such as verification that the account the borrower wires fund to matches the business account and not their personal bank account, debt is not being paid off on the Closing Disclosure, etc.
- Proceeds received from a cash out refinance must be used for a business purpose

12. Underwriting

All loans must be underwritten by Coast 2 Coast Funding Group, Inc. and must receive a valid Investor clear to close approval prior to funding.

- All loans must be manually underwritten.

13. Qualifying Rate

- Fixed Rate: Note rate
- Interest Only Fixed Rate: Interest only payment for the initial 10-year interest only period

14. Debt Service Coverage Ratio (DSCR)

- Fully Amortized Products (all non-IO): The DSCR is calculated by taking 100% of the gross rents divided by the full payment of the subject property (principal, interest, taxes, insurance, and association fees (PITIA)
- Interest Only Products: The DSCR is calculated by taking 100% of the gross rents divided by the Interest Only payment of the subject property plus taxes, insurance, and association fees. (ITIA) Minimum Debt Service Coverage Ratio Requirement
- DSCR Purchase, Rate & Term Refinance and Cash Out Refinance = .50
- DSCR Utilizing Short Term Rental and the Market Score is < 60 = 1.00

15. Types of Financing

- Purchase Mortgage
- Rate & Term Refinance
- Cash Out Refinance

16. Incidental Cash Back

Cash out on rate and term refinance not to exceed the greater of 1% of the unpaid principal balance of the new mortgage or $2,000.

17. Properties Listed for Sale

Rate and Term Refinance

- Subject property must not be currently listed for sale
- If listed for sale, must be taken off the market

Cash Out Refinance

- Properties listed for sale in the six months prior to the Note date are limited to the lesser of 70% LTV/CLTV or product requirements
- Properties must be taken off the market prior to the Note date

18. Eligible Subordinate Financing

Existing subordinate financing

19. Ineligible Subordinate Financing

- New subordinate financing
- Subordinate financing not permitted for the following
  - When gift funds are used

20. Occupancy

Investment properties

21. Eligible Property Types

- 1-4 units
- Condos:
  - Warrantable and non-warrantable condos permitted
- Condotels
- Leasehold estates
- Modular homes
- PUDs

22. Ineligible Property Types

- 3d printed home
- Assisted living projects
- Barndominium
- Bed and breakfast properties
- Berm home

- Boarding house
- Builder model leaseback (purchase transactions)
- Commercial utilized properties
- Condo with deed restrictions
- Condotels converted from motels
- Co-ops
- Geodesic/Dome homes
- Indian/Tribal land
- Industrial properties
- Illegally zoned properties
- Land trusts
- Leasehold estate condo project
- Leasehold estate co-op project
- Manufactured Home
- Mixed Use
- Mobile home
- Properties located adjacent to or containing environmental hazards
- Properties encumbered with private transfer fee covenants
- Properties located in a Coastal Barrier Resource System (CBRS)
- Properties not suitable for year-round occupancy
- Properties with a C5 or C6 Condition rating
- Properties > 20 acres
- Properties with deed or resale restrictions
- Shouse
- Tiny home

23. Eligible Borrowers

- U.S. Citizens
- Permanent Resident Alien
- Inter vivos revocable trust

24. Ineligible Borrowers

- Non-Permanent Resident Alien
- First Time Homebuyers only when all borrowers on the loan are FTHB
- Non-arm's length transactions between family members
- Loans from principal/owner of Coast 2 Coast Funding Group, Inc. third party originators are not eligible when the principal/owner is also the originator of their own loan

25. Investor Experience

Experienced Investor

At least one borrower has had investment property ownership and landlord experience managing residential or commercial real estate for a minimum of 12 consecutive months within the most recent three years from application date The 12 months of consecutive landlord experience can be within any of the three years prior to the application date.

First Time Investor

A First Time investor with less than 12 months of landlord experience within the most recent three years prior to the application date is permitted with a minimum FICO of 680.

26. Geographic Restrictions

Properties must be located in California, Idaho or Oregon.

28. Housing Payment History

- Housing Payment History: 0x30x12
- Inclusive of all liens regardless of position
- Applies to all mortgages and rental payments within 12 months prior to closing

29. Significant Derogatory Credit

Foreclosure

- ≥ 4 years from discharge or dismissal date
- ≥ 2 years and < 4 years from discharge or dismissal date
  - Lesser of 70% LTV or product guidelines
  - Greater of 660 credit score or product guidelines
  - Additional three months reserves for subject to property Bankruptcy, Short sale, DIL, Pre-foreclosure, Mortgage Charge-off, Notice of Default, Delinquency of 120 days
- ≥ 4 years from discharge or dismissal date

- ≥ 2 years and < 4 from discharge or dismissal date
  - Lesser of 70% LTV or product guidelines
  - Great of a 660-credit score or product guidelines

30. Forbearance

The borrower may not have any active mortgage forbearance on any mortgages.

31. Interested Party Contributions

6%

32. Reserves

Loan amount	Reserves
<= $1,000,000	6 months
> $1,000,000	9 months

- Interest Only products, calculate reserves using the Interest Only payment plus taxes, insurance, HOA (if applicable). (ITIA)
- Cash proceeds from the transaction may be used for reserves
- Rate and Term Refinance transactions do not require reserves if the following are met:
- Loan amount is < $650,000
- Mortgage history is 0x30x24 or since inception if owned between 12-24 months
- Subject property housing payment is decreasing
- Borrower does not have a prior foreclosure, bankruptcy, short-sale, deed-in-lieu, or mortgage charge-off in the most recent seven (7) years from the Note Date.

33. Employment/ Income

- Income used to qualify is based on cash flow from the property owned using a DSCR calculation
- Borrower's employment and income not required and must not be disclosed on the application
- Additional sources of income are not eligible to be used for qualifying purposes

34. Long Term Rental Income Documentation

Purchase and Delayed Financing

Subject property is tenant occupied at the time of first payment due:

- The lesser of the market rent from the Single-Family Comparable Rent Schedule (Form 1007/1000) / Small Residential Income Property Appraisal Report (1025/72) or the current (active) lease agreement will be used to determine the monthly rent. Subject property is currently vacant or tenant has been provided notice to vacate and

property will be vacant at the time of first payment due:

- The market rent from the Single-Family Comparable Rent Schedule (Form 1007/1000) / Small Residential Income Property Appraisal Report (1025/72) will be used to determine the monthly rent.

Refinance

- The most recent lease agreement and Single-Family Comparable Rent Schedule (Form 1007/1000) is required to determine the monthly rent. An expired lease agreement that states that the lease becomes a month-to-month lease is permitted with proof of most recent month's rental payment to the borrower.
- If the lease agreement reflects market rents greater than those shown on Single Family Comparable Rent Schedule (Form 1007/1000);
  - If the lease is within a 10% variance from the Single-Family Comparable Rent Schedule (Form 1007/1000)use the rental income amount on the lease;
  - If the lease is > 10% variance, use the rental income shown on the Single-Family Comparable Rent Schedule (Form 1007/1000)
- If there is no active lease agreement in place, utilize 75% of the market rent shown on the Single-Family Comparable Rent Schedule (Form 1007/1000).
  - Provide letter of explanation why the subject property is not currently rented. The reason for not having an active lease in place must make sense and be supported by file evidence, i.e., the lease just ended, and a new tenant/lease has not been executed, or the home was recently under renovation and is now ready to be leased. Note: When utilizing long term rental income from an Accessory Dwelling Unit (ADU), all applicable requirements above apply to the ADU also.

35. Short Term Rental Income Documentation

Purchase and Delayed Financing

A short-term rental unit is defined as being rented for less than month to month, (i.e., Airbnb or VRBO.).

- Obtain the AirDNA Rentalizer Report (Property Earning Potential) AirDNA report for the subject property.
  - Take the Projected Revenue and divide by 12 months to determine the monthly rent for DSCR calculation.
  - If the AirDNA Market/Submarket Score is < 60, the minimum DSCR requirement is 1.00.

Notes:

- If the transaction is a payoff of a construction to permanent loan, the subject transaction can apply the purchase guidelines if the Certificate of Occupancy was issued within ninety (90) calendar days of the application date and the appraisal supports the subject property as new construction.
- If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)

Refinance

- Obtain the AirDNA Rentalizer Report (Property Earning Potential) AirDNA report for the subject property.
  - Take the Projected Revenue and divide by 12 months to determine the monthly rent for DSCR calculation;
  - If the AirDNA Market/Submarket Score < 60, the minimum DSCR requirement is 1.00.
- Provide a 12-month yearly income statement of the property being in service from a third party, (i.e., Airbnb or VRBO), including a month-to-month rental history; and
  - Take the 12-month yearly income and divide by 12 months to determine the monthly rent
- Take the lessor of the 12-month average from the AirDNA Rentalizer Report (Property Earning Potential) or the 12-month average from the yearly Income Statement to determine the qualifying monthly rent.

Notes:

If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)

36. IRS Form 4506-C

Not required

37. Tax Transcripts

Not required

38. Number of Financed Properties

- Borrower may own an unlimited number of financed properties
- New multiple loans must be underwritten simultaneously

39. Maximum Company Exposure

- Maximum Company Exposure to one borrower - ten (10) loans or an aggregate unpaid principal balance of $5,000,000 (including the subject property)

40. Maximum Condominium Exposure

- Maximum 20% of properties in a condo project may have financing with the company (per project, not per borrower)
- Projects ≤ 10 total units; borrower may finance one unit with the Company

41. Declining or Soft Markets

- If the appraiser notes the market is soft or declining, a 5% reduction to the maximum LTV

A market will be deemed "declining" if:

- Appraiser indicates in Neighborhood Section that market is declining
- Appraiser indicates anywhere in comments that market is declining

42. Appraisals

- Appraisal Requirements
  - ≤ $2,000,000: One appraisal
  - A Single-Family Comparable Rent Schedule Form 1007/1000) is required when using long term rental
- The re-use of an appraisal is not permitted
- Appraisal transfers are permitted provided the appraisal was completed in compliance with Fannie Mae or Freddie Mac guidelines.

Secondary Valuation Requirement:

One of the following is required as a secondary valuation to the appraisal to support the value

but is not used to determine the actual value:

- Collateral Desktop Analysis (CDA) from Clear Capital
- Appraisal Risk Review (ARR) from Stewart Valuation Intelligence
- Consolidated Collateral Analysis (CCA)from Consolidated Analytics If any of these secondary valuations returns a value that is "Indeterminate" or lower than the appraised value and exceeds a 10% tolerance, a second full appraisal must be provided

Two Appraisals Required

- Appraisals must be completed by two independent companies but can be from the same AMC
- The LTV will be determined by the lower of the two appraised values as long as the lower appraised appraisal supports the value conclusion
- Any inconsistencies between the two appraisal reports must be addressed and reconciled
- If the two appraisals are completed "subject to," only one 1004D is required based on the appraisal being used to determine value
- A secondary valuation is not required

43. Escrow Waiver

Max LTV ≤ 80%

44. Mortgage Insurance

Mortgage insurance not required

Questions or loan scenarios	Contact Coast 2 Coast Funding Group, Inc.
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For mortgage professionals. Guidelines are subject to change without notice. This summary does not replace full underwriting requirements and is not a commitment to lend. Contact Coast 2 Coast Funding Group, Inc. for current guidelines and applicable forms.