Effective Date: July 14, 2026

Velvet Cake DSCR

ELIGIBILITY MATRIX

Debt Service Coverage Ratio	FICO	Purchase	Rate/Term	Cash-Out
DSCR ≥ 1.20	700	80	80	75
	680	75	75	70
	660	70	70	N/A
DSCR 1.00 - 1.19	700	80	80	75
	680	75	75	70

PRODUCT OVERLAYS

Minimum Loan Amount	$100,000
Maximum Loan Amount	$3,000,000
Maximum Cash-Out	$2,500,000
Maximum Cash-In-Hand	$500,000
Minimum DSCR Ratio	1.00
Short-Term Rental	Eligible
First Time Homebuyer	Ineligible
First Time Investor	Ineligible
Reserves ≤ $2,000,000	6 Months
Reserves > $2,000,000	12 Months
5-8 Units	75% Max LTV
Interest Only	5% LTV Reduction
Subordinate Financing	Institutional Only
Mortage History	0x30x12
Credit Event (FC, BK, SS, DIL)	7+ Years
Forbearance, Mod, Deferral	6+ Months

PRODUCT NOTES & REQUIREMENTS

Occupancy	• Investment
Property Types	• SFR • 2-4 Units • 5-8 Units • Condo (FNMA Warrantable) • Townhome
Ineligible Property Types	• Non-Warrantable Condo • Mixed-Use • Commercial Zoned Properties • Rural • Manufactured • Co-op • Condotel • Agricultural • Leasehold • Land Trusts • Deed and Resale Restricted • Hobby Farms
Ineligible Borrowers	• Foreign National • Non-Revocable Trusts • Guardianships • Life Estates • Diplomats • Borrowers party to a lawsuit
Appraisal Requirements	• 1 Appraisal ≤ $2,000,000 • 2 Appraisals > $2,000,000
Collateral Condition Requirements	• Appraisal must reflect C4 or better (C5 or C6 ineligible)
Assets	• Cash-Out may be used for reserves • Gifts of equity are ineligible • Cryptocurrency ineligible towards reserves and funds to close unless liquidated
Solar Panels	• See *Cake Solar Panel Policy & Procedure* guideline for eligibility
Prepayment Penalty	• 1/2/3/5 year PPP options; 6 months interest only
Forbearance	• Payments must be documented by canceled checks or bank statements • 6 months seasoning required after the loan is paid as agreed (Current)
State Restictions	• Texas 50(a)(6) Ineligible