



Debt Service Coverage Ratio Form

Arch Mortgage Funding, Inc.® (AMF) — a division of the Arch Global Mortgage Group — offers a Debt Service Coverage Ratio (DSCR) product that uses the rental income on the subject investment property only to determine eligibility. The relationship between cash flow and current debt obligations is recognized. Loans in the DSCR program are exempt from the Ability to Repay (ATR) rule as they are business-purpose loans.

The program is designed for experienced real estate investors and qualifies the transaction based solely on cash flow from the subject property. DSCR is approached by using the gross rental income provided by the subject property divided by the total debt service. Current subject property debt obligations are included in the total debt service (for example, PITIA). All loans must be manually underwritten using AMF program guidelines and industry-standard best practices.

<p>GROSS RENTS FROM THE PROPERTY</p> <p>Gross Rental Income is based on the lesser of the Fair Market Rent identified via the Comparable Rent Schedule (Fannie Mae 1007) and/or the Lease Agreement.</p>	\$
{ / } Divided by	
<p>TOTAL MONTHLY PITIA EXPENSES FROM THE PROPERTY</p> <p>Principal, interest, taxes, insurance (hazard and flood) and any association fees/dues are to be included expenses. For an interest-only loan, the P&I payment is based on the fully amortizing loan period — qualifying on interest only is not allowed.</p>	\$
{ = } Equals	
<p>QUALIFYING DEBT SERVICE COVERAGE RATIO</p>	

Reviewed by:

Signatures for those completing the form: