

MONTHLY MORTGAGE LOWDOWN

Let's talk No Doc & DSCR Options!



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TOPICS COVERED

- **Mortgage Rate Update** - November 29, 2022
- **No Doc Loans** - No docs - no problems!
- **DSCR Loans** - Perfect for long-term or short-term rental properties
- **Bank Statement Loans** - Perfect for self employed borrowers
- **Asset Depletion Loans** - Convert assets to earned income!

MORTGAGE RATE UPDATE: NOVEMBER 29, 2022

PROGRAM	DOWN	RATE	APR
Conventional 30 YR	20%	6.250%	6.307%
Conventional 30 YR	5%	6.250%	6.577%
Conventional 30 YR	3%	6.499%	6.960%
FHA 30 YR	3.5%	5.625%	6.686%
VA 30 YR	0%	5.625%	6.686%
Jumbo 30 YR	20%	6.125%	6.149%
Jumbo ARM 10/1	20%	5.875%	6.078%

**The above table is for informational purposes only and rates are not locked. Numbers based on a borrower with a FICO score of at least 740.*

NO DOC LOAN PROGRAM

NO DOC LOAN PROGRAM

THE SOLUTION FOR BORROWERS UNABLE TO QUALIFY BASED ON DTI UNDERWRITING

Primary Residence & Second Homes

Credit Underwritten Based on LTV, FICO, and Liquidity

Income Documentation Not Required

Employment Not Required

Debt-to-Income (DTI) Not Calculated

Asset Seasoning 30 Days

NO DOC LOAN PROGRAM

THE PERFECT SOLUTION FOR

Self-Employed/Small Business Owner

Volatile or Irregular Employment

Retired Seasonal & Gig Workers

Real Estate Investors

Owners & Employees of Cash Businesses

Change of Industry or type of Employment

Transitioning from Recent Health, Family, or Other Life Events

Looking to Unlock Trapped Home Equity

Recent Immigrant

NO DOC LOAN PROGRAM

The No Doc loan program fills the voice and addresses the regulatory rules limiting prime borrowers' access to lending by eliminating unnecessary documents that are not part of credit underwriting decision.

		EVERYONE ELSE
Income Documentation	NOT REQUIRED	REQUIRED
Income Calculated	NOT REQUIRED	REQUIRED
DTI Calculated	NOT REQUIRED	REQUIRED
Employment Verified	NOT REQUIRED	REQUIRED
Employment Stated	NOT REQUIRED	REQUIRED

NO DOC LOAN PROGRAM

With our No Doc loan program, qualifying happens in three simple steps:

This also results in faster closings!

1

CONFIRM LTV

2

CONFIRM FICO

3

VERIFY RESERVES

DSCR LOANS

DEBT SERVICE COVER RATIO

DSCR LOAN PROGRAMS

A DSCR loan is a type of non-QM loan for real estate investors. Lenders use a DSCR to help qualify real estate investors for a loan because it can easily determine the borrower's ability to repay without verifying income.

In simple terms: Will the rent cover the mortgage payment?

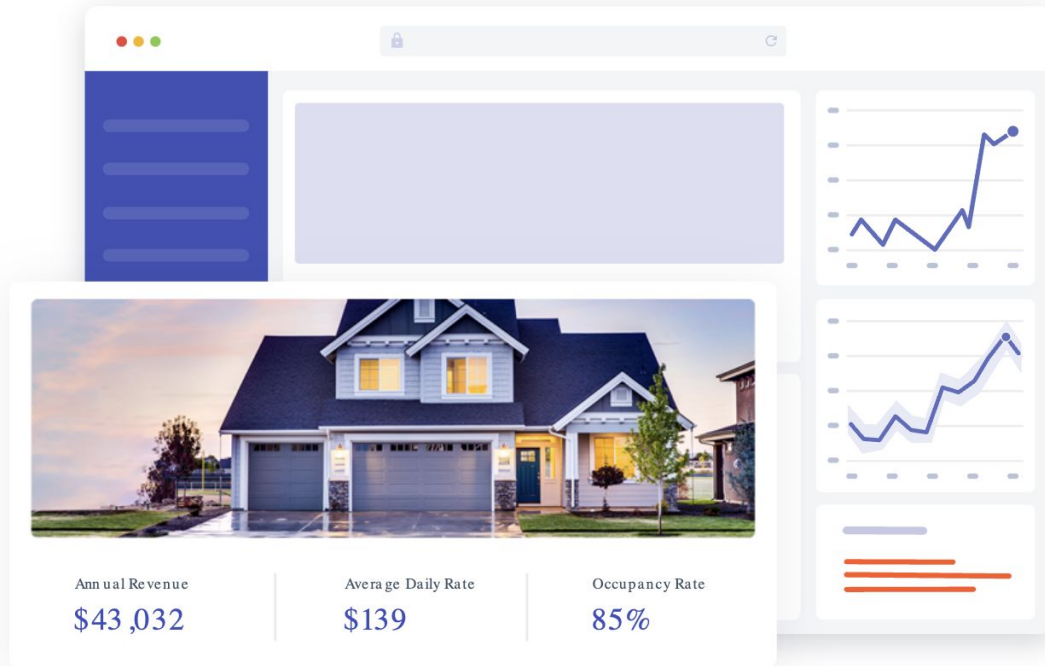
DSCR LOAN PROGRAM HIGHLIGHTS

- *620+ FICO Score*
- *Multiple term options!*
- *Purchases, rate/term, & cash out refis*
- *No limit on the number of financed properties!*
- *Short-term rentals are okay!*
- *Can fund directly into an LLC*
- *80% Max LTV on purchase & rate/term*
- *75% Max LTV on cash out*
- *No prepayment penalty options*
- *Estimated short-term rental income allowed via AirDNA*

**WHAT ABOUT SHORT TERM
RENTAL PROPERTIES?**

SHORT TERM RENTAL CALCULATIONS

AIRDNA



Until now, determining the potential earnings of a vacation rental has been a guessing game.

We know they're profitable, but how profitable?

At what point does a short-term rental really make a good investment?

Will it continue to appreciate in value?

SELF EMPLOYED?

WE HAVE A LOAN FOR THAT.

BANK STATEMENT LOANS

A bank statement loan is perfect for self-employed borrowers who have a minimum of two years of continuous history.

Can Use Personal or Business Bank Statements

Up to 80% LTV

NO MORTGAGE INSURANCE

No Tax Returns Required

No 1099/ W2 Needed

Loans up to \$2 Million

ASSET DEPLETION

CONVERT ASSETS TO INCOME

ASSET DEPLETION LOANS

Use seasoned, liquid (stocks, cash, etc) or retirement (401K, IRA, etc) assets to supplement your earned income to meet income guidelines!

DTI ratio is not calculated or considered

Up to 80% LTV

NO MORTGAGE INSURANCE

No Tax Returns Required

No 1099/ W2 Needed

Loans up to \$2 Million

ELIGIBLE ASSET SOURCES

- *Cash and cash equivalents: 100% of face value*
- *Marketable securities (excludes unvested RSUs and Stock Options): 80%*
- *Retirement funds: 70% unless applicant is of retirement age, then use 80%. If utilizing retirement account, document the ability to access funds*
 - *Cash surrender value of life insurance/annuity: 100%*
- *NOTE: The balance of any loans secured against financial assets being used for asset qualification will be netted against the asset's value before application of the discount*

ASSET CALCULATIONS

Method 1 | Mortgage Only: Total post-closing assets must meet 125% of the outstanding mortgage debt for which the Applicant has personal liability, including the proposed mortgage(s) on the subject property.

- Example: Subject loan amount is \$575,000.
- $\$575,000 \times 125\% = \$718,750$
- The borrower will need \$718,750 in addition to any required funds needed to close.

Method 2 | Simplified: Total post-closing assets must meet 120% of the proposed mortgage(s) on the subject property plus 30% of all other outstanding debt (mortgage and consumer).

- Example: Subject loan amount is \$500,000. The balance of all other revolving and installment debts total \$33,679.
- $\$500,000 \times 120\% = \$600,000$ | $\$33,679 \times 30\% = \$10,103.70$
- $\$600,000 + \$10,103.70 = \$610,103.70$.
- The borrower will need \$610,103.70 in addition to any required funds needed to close.

Method 3 | Traditional: Total post-closing assets must meet the sum of: 1) 100% of loan amount, 2) 60 months of total debt service (do not include subject property's PITIA or PITIA on rented properties with documented rental income), 3) 60 months of net rental losses on rental properties (do not include subject property's PITIA).

Rental Calculation (Method 3 Only): Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed \$0 for determining impact.

- Example, a property with a lease of \$1,600 and PITIA of \$1,500 would have \$300 per month added to debt service ($\$1,600 \times 75\% - \$1,500 = \$300$).



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