

# CORRESPONDENT NanQ Overview



[www.LSCorrespondent.com](http://www.LSCorrespondent.com)

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# The ONE Lender Makes You the ONE to Call

- Nationwide footprint
- Loan Programs to help you stand out from the competition
- Competitive Rates and Programs, Exclusive Proprietary Programs
- The strength of a lender that's been around for over 30 years!



NanQ OVERVIEW

# AGENDA

- **Bank Statement**
- **DSCR**
- **Asset Utilization**
- **1099 Only**
- **VOE Only**
- **ITIN Borrower**
- **Foreign National**
- **Resources**
- **NanQ One Matrix**



# Bank Statement: 12- & 3-Month Programs

The LoanStream Bank Statement program is available to self-employed borrowers only and allows the use of bank statements to document qualifying income. **SG 8.6**

2 Years Self-Employment Required (25% or greater ownership)

## Program Highlights:

- Up To 90% LTV, Purchase
- Up to 85% LTV, Rate/Term
- Up To 80% LTV, Cash Out
- Min FICO 600
- Loan Amounts Up to \$4MM
- Couple With Asset Utilization for Extra Income
- Transfers From Business to Personal OK!
- Qualify Using:
  - Fixed Expense Factor Calculation
  - Third Party CPA Prepared P&L (only method for 3-month program)
  - Third Party Prepared Expense Statement

## Only have 1 Year of Self-Employment? Allowed with 12-Month Program. SG 8.6.7

- Max LTV 80%
- Min FICO 660
- A+ Credit Grade Only

*Refer to LSM NanQ Matrix and Seller Guide for additional details.*

# Bank Statements Types

**Personal bank statements** are statements that primarily contain a borrowers income deposits and **only** show payments for expenses directly related to the borrower's personal finance and other non-business-related activity.

- Use 100% of Deposits on Personal Statements **SG 8.6.4**

**Business bank statements** will contain credit and debit activity directly related to the business which they are associated with. This may include deposits for the business and business-related expenses like payroll or other capital expenses to run and maintain the business.

**Co-mingled bank statements** contains both personal and business activity. A personal bank statement may contain business related expenses. When they are used to qualify income and business-related transactions are identified it is considered 'comingling'. The personal bank statement method of income calculation can NO longer be used, and the business-related method must be used to qualify.

- Use Up To 85% of Deposits on Business and Co-Mingled Statements **SG 8.6.5**

# Bank Statement: EZ Qual Request Form



## LOANSTREAM MORTGAGE EZ QUAL REQUEST

Please complete all applicable fields and email this form and supporting documentation to [EZQUAL@LSMORTGAGE.COM](mailto:EZQUAL@LSMORTGAGE.COM).  
Please allow 24 hours for a response.

### I. CORRESPONDENT CONTACT INFORMATION

Company Name  Requester Name   
Requester Email  Requester Phone   
LoanStream Sales Executive

### II. APPLICANT INFORMATION

APPLICANT 1 FULL NAME  Last 4 Digits of SSN   
Business Name  Business Type   
Percent Ownership  Minimum 2 Years Self-employed ☐ Yes ☐ No

### III. INCOME ANALYSIS

Submit the following documentation for income analysis (self-employed only).

☐ 12 or ☐ 3 Months Bank Statements, which are ☐ Personal or ☐ Business or ☐ Co-mingled  
☐ Product or ☐ Service business Number of Employees/Contractors

### IV. LOAN STRUCTURE DESK

Submit the following additional information if you need assistance with credit grade and loan structuring.

☐ 2 Years Tax Returns ☐ Credit Report(s)  
☐ Assets ☐ Lease Agreements (DSCR/No-ratio Loans)  
☐ Business Narrative ☐

### V. EXCEPTION REQUEST

If applicable, let us know if you are requesting a guideline exception and explain those details here.

### VI. CORRESPONDENT COMMENTS

Please share any information you believe will help us structure your loan, including any compensating factors, credit LOE, etc., so we may better serve you.

### VII. LOANSTREAM MORTGAGE RESPONSE

- EZ Qual Request Form: Send to [EZQUAL@lsmortgage.com](mailto:EZQUAL@lsmortgage.com)
- Located on LSM Client Portal in the Documents Tab
- Allow 24 hours for a response



# DSCR – Debt Service Coverage Ratio

Our DSCR program uses the investment property income to qualify the transaction and is available to investors on investment properties to hold for business purposes. **SG 8.8**

DSCR Ratio Calculation: **Rent (or Gross Market Rent)/ PITIA or ITIA = DSCR Ratio**

DSCR Credit Grades:

- DSCR Select – Min 1.25 Ratio
- DSCR Standard – Min 1:1 Ratio; 1.20 Ratio required if LTV >80%
- DSCR No Ratio - <1:1 down to .75 Ratio

## Program Parameters:

1 – 4 Family Properties and Condominiums Permitted

85% LTV for Purchase, Rate & Term; 75% Max LTV for Cash-Out

Min FICO 620

Gift Funds Allowed with Restrictions

30- and 40-Year IO Allowed

No Limit on Financed Properties

Short Term Rentals Allowed

Inexperienced investors allowed if the following is met:

- Must have owned a residence for a minimum of 12 mo. within recent 12 months
  - DSCR Select/Standard (>1:1 ratio) – Max LTV 80% (R/T) 75% (C/O)
  - DSCR No Ratio (<1:1 ratio) – Max LTV 60% (R/T)
  - Cash-Out NOT ALLOWED on DSCR No-Ratio program for Inexperienced Investors

*Refer to LSM NanQ Matrix and Seller Guide for additional details.*



# Asset Utilization

The Asset Utilization loan program is an option to use the borrower's liquid assets to augment income for loan and product qualification purposes or to qualify entirely. **SG 8.7**

## Program Parameters:

- Available for Primary, 2nd Home, and Investment Properties
- Allowed with A+, A and B credit grades
- Up to 80% LTV - Purchase and Rate/Term
- Up to 75% - Cash Out
- Min FICO 600
- Min Loan Amount - \$125K
- Max Loan Amount - \$2MM
- Assets can be used for all income or blended income
- 100% of eligible assets must be verified and held in a US financial institution
- Qualify by dividing assets over 5 years (60 months)!

## Eligible Assets:

- Bank Deposits – Checking, Savings, Money Market – 100%
- Publicly Traded Stocks and Bonds – 90%
- Mutual Funds – 90%
- Retirement Accounts – 401K, IRA, SEP, KEOUGH – 80%(Must be fully vested)

*Refer to LSM NanQ Matrix and Seller Guide for additional details.*





# 1099 ONLY

When 1099 is the **only** source of income/employment and they have been at the same profession/job for at least 2 years, a **1099** can be used as their sole qualifying income documentation. **SG 8.5.6**

**NO** Tax Returns or Paystubs!

## Program Parameters:

- Allowed with A+, A and B credit grades
- Owner Occupied, Primary Residence only
- Min FICO 600
- DTI follows full doc guidelines – Max 50%
- Max LTV - 80% for all loan types
- Min Loan Amt 125K
- Max Loan Amount \$4MM

## What type of borrower benefits from the 1099 only program?

Borrowers who earn 100% commission or are Independent contractors, lawyers, doctors, and other service professionals.

*Refer to NanQ Matrix and Seller Guide for additional details.*



# VOE

When **W-2** is the borrower's **only** source of income/employment and they have been at the same profession/job for several years, a **Written VOE** can be used as their sole qualifying income documentation. **SG 8.5.5**

**NO** Tax Returns, W2's, 4506C, or Paystubs!

## Program Parameters:

- Allowed with A+, A, and B credit grades
- Owner Occupied, Primary Residence only
- Min FICO
  - A+ Grade: 660
  - A & B Grades: 620
- DTI follows full doc guidelines – Max 50%
- Max LTVs
  - 80% for Purchase or Rate and Term
  - 70% Cash-Out and FTHB
- Min Loan Amount 125K
- Max Loan Amount 4MM

## What type of borrower benefits from the VOE program?

A borrower who is a wage earner or in a service-based business where tip income makes up a substantial part of their income.

*Refer to LSM NanQ Matrix and Seller Guide for additional details.*

ITIN borrowers live in the US but have never been issued a US SSN. LoanStream offers ITIN loans for NonQM Full and Alt Doc Credit Grades A+ and A. **SG 4.4.4**

### Program Parameters:

#### Credit Grade A+

- Min FICO 660
- Max LTV up to 85%
- Primary, Second Home & Investment Properties
- Max Loan Amount
  - \$1.5MM  $\leq$  80% LTV
  - \$1M  $>$  80% LTV

#### Credit Grade A

- Min FICO 700
- Max LTV up to 80%
- Primary, Second Home, & Investment Properties
- Max Loan Amount 1.5MM

Allowed with DSCR Standard ONLY: Min 1:1 Ratio

#### Program Parameters:

- Min FICO 700
- Max LTV 75%
- Max Loan Amount \$1.5MM

*Refer to NanQ Matrix and Seller Guide for additional details.*





# ITIN & FOREIGN NATIONAL

## ITIN Income

### **NanQ Bank Statement:**

- 12 Mo Full Documentation
- 12 Mo Bank Statements

### **Additional Requirements:**

- ITIN issuance or Renewal letter required
- Personal Tax Returns are required and MUST reflect ITIN on all ITIN loans; unless Self-Employed Bank Statement Loan.
  - Recently amended returns are not allowed if income is higher than the original 1003. but will be accepted if the sole purpose were to add the ITIN
- Paystubs or W2's should NOT be submitted unless they show the ITIN; written VOE may be used instead.
- Seasonal Employment Unacceptable; Unemployment income is ineligible
- Photo ID required (must provide a min. of 2 of the following):
  - Consular ID Card, Non-US Drivers License, Passport from Country of Origin (even if expired), State issued ID, US Drivers License, US Visa (even if expired).

### **ITIN Ineligible Programs:**

- VOE Only
- 1099 Only
- P&L with 3 Mo Bank Statements

*Refer to NanQ Matrix and Seller Guide for additional details.*



# Foreign National

A Foreign National is a non-resident alien who is not authorized to live or work in the US or holds a work Visa that is indicative of temporary residency. The borrower must live and work in another country and be a legal resident of that same country. **SG 8.9**

## Program Parameters:

Allowed with **NonQM Full and Alt Doc** A+ or A Credit Grades

- Min FICO 700
- Max LTV 75% Purchase, R/T
- Max LTV 65% Cash-Out
- Max Loan Amount \$2MM
- Second and Investment ONLY

Allowed with **DSCR Standard Only**: Min 1:1 Ratio

- Min FICO 700
- Max LTV 75% Purchase, R/T
- Max LTV 65% C/O
- Max Loan Amount \$2MM
- Investment ONLY

*Refer to NanQ Matrix and Seller Guide for additional details.*



# Foreign National

## U.S. Credit

- Valid SSN
- Tradelines required: 3 reporting 12 mo. w/ 12 mo. activity or 2 reporting 24 mo. w/ 12 mo. activity. (Min 2 scores from all 3 repositories)

## Foreign Credit:

- Valid SSN and/or ITIN for credit to be pulled; 2-year review with NO derogatory history
- Any combination of the following is acceptable to meet requirements:
  - Tradelines via International Credit Report (if U.S. credit cannot be produced)
  - Tradelines via Credit Reference letters **SG 8.9.3**

## URLA:

- Must reflect 2-year housing history in country of origin or where they are legally residing.

*Refer to NanQ Matrix and Seller Guide for additional details.*





# Resources

## **LSM Correspondent Website (LSCorrespondent.com):**

- Programs Offered
- Resources
  - Marketing Tools
  - Webinars – Registration on On-Demand Recordings ← **Start HERE!**

## **LSM Client Portal:**

- Correspondent Resources
  - Correspondent Review Turn Times
- Documents
  - Correspondent Seller Guide
  - NanQ Matrix
  - EZQual Form – Bank Statement Income Calculation
  - Business Narrative Form – Bank Statement
  - NanQ Specific Documents
  - Ineligible Appraiser List
  - LSM UW Submission Form – Required on Non-Delegated Loans



# Contact Us

## **Client Service Team**

Ph: (833)311-0126

[LSMCorrespondent@LSMortgage.com](mailto:LSMCorrespondent@LSMortgage.com)

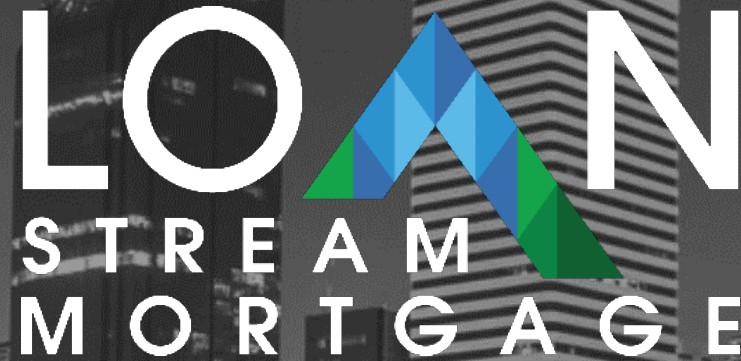


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