

CORRESPONDENT NanQ Overview



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

- 100% Owner of Company
- 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.
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
- 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

IO Allowed on certain products

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% or Max 75% for C/O
 - DSCR No Ratio (<1:1 ratio) – Max LTV 60%
 - 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

ITIN borrowers live in the US but have never been issued a US SSN. LoanStream offers ITIN loans for NonQM 12-month Full Doc, 12-month Bank Statement, and DSCR Standard programs. **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

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

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

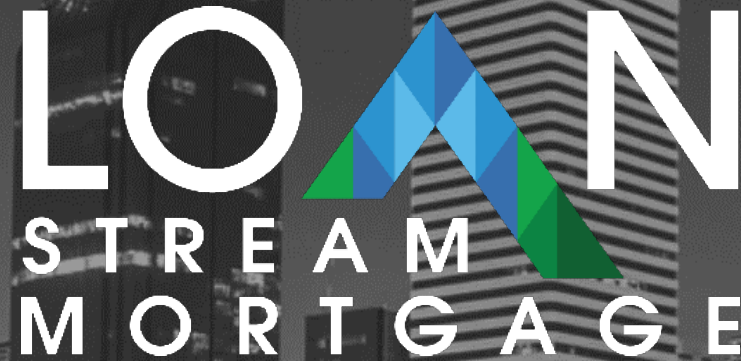
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THANK YOU



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