

# WELCOME!

SEPTEMBER 2025
MONTHLY BROKER WEBINAR

DSCR FUSION / NON-QM PROFESSIONAL



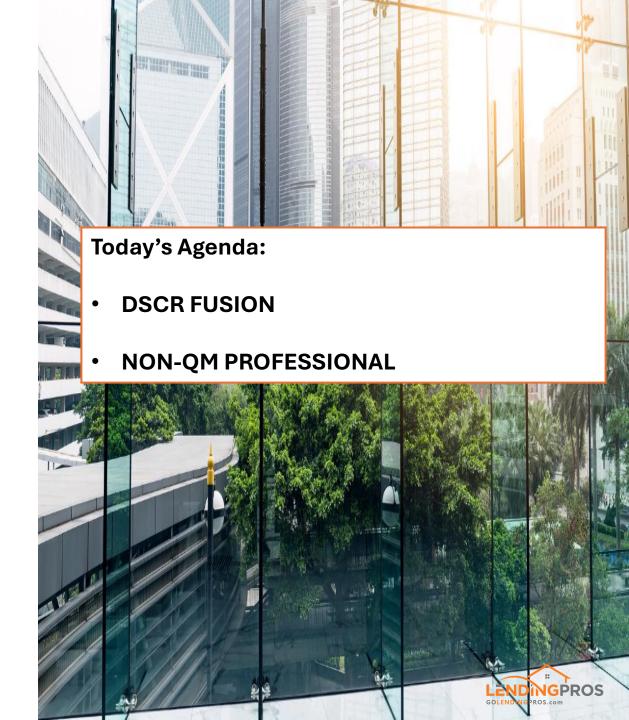
## **WEBINAR HOST**



Jenny Beck, Director of Learning and Development



Shaun Dennison, EVP Non-QM Lending



### SEPTEMBER SPECIALS!

### UP TO 87.5 BPS

### PRICE IMPROVEMENT

For Loans Locked September 1st - 30th, 2025



- 87.5 BPS (with Select) or 37.5 BPS (without) on all Non-QM Purchases
- **75 BPS** (with Select) or 25 BPS (without) on all Cash-Out and R&T Refi



#### **Prime Pricing Improvement Specials**

25 BPS Price Improvement on ALL FHA/VA (Excludes CalHFA, can be combined with SELECT)\*

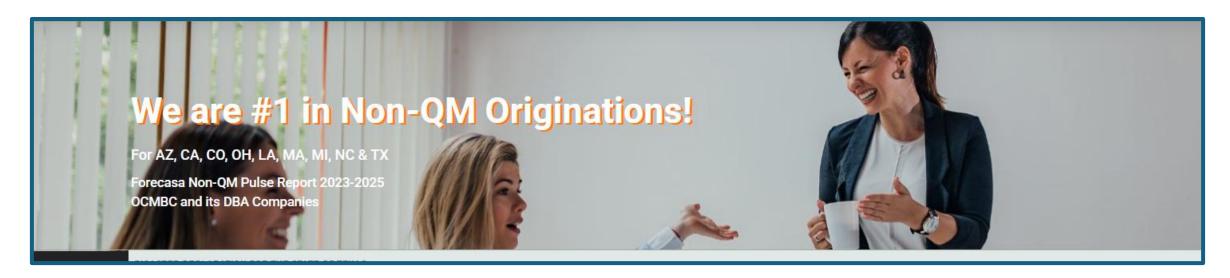
- 12.5 BPS on Conventional Non-Select
  -Excludes CalHFA, Not available with Select
- 47.5 BPS (with Select) or 12.5 BPS (without) on FHA/VA loans (Excludes CalHFA)
  - -Includes High Balance and DPA PRO
- **37.5 BPS** on all FHA/VA loans with 600 679 FICOs
  - -Includes High Balance and DPA PRO
  - -Excludes CalHFA, Not available with Select

\*Non-QM Specials do not include Jumbos, Seconds (Closed End or Stand alone). Price Improvements may require Select qualification to be eligible. Select price improvements on their own are noted on the daily rate sheet and are available without this special for qualifying loan submissions. Specials apply to all eligible Non-QM, FHA, VA loans, including standard/high balance, and DPA Programs excluding CalHFA DPA programs, HELOCs, and Jumbo Programs. Specials may not be combined with any other price improvement or special unless explicitly stated. Offers valid for loans locked between 9/1/2025 and 9/30/2025. All offers are subject to change without prior notice. Rate and price improvements are applicable only to qualifying loan programs and borrowers, and not all applicants will qualify. Specials cannot be combined with any other offer or price exception unless explicitly stated. Loans must meet the eligibility criteria outlined in the Prime and Non-QM programs to qualify for 'SELECT' pricing enhancements. Terms, restrictions, and conditions apply. This is not a commitment to lend. Loans may qualify for additional price improvement with Select Specials as indicated on our Prime and Non-QM Rate sheets. These specials, and their details may change at any time and are subject to the loan qualifying as 'Select'. LendingPros is not affiliated with or acting on behalf of or at the direction of the Federal Housing Administration, Veterans Administration, or the Federal Government.

# **Build Your Business with Non-QM!**

In 2024, Non-QM loans accounted for around 5% of total mortgage originations, according to CoreLogic, reflecting a steady rise in demand from borrowers who don't fit the mold of traditional financing. As of July 2025, NQM has grown to 8% (locks). Immense opportunity for growth!

Looking ahead, S&P Global predicts that in 2025, Non-QM loans will make up nearly 30% of non-agency mortgage-backed securities.\*





# **DSCR FUSION**



# DSCR FUSION (DSCR + ASSET UTILIZATION)

### Give your Sub1 DSCR LTV's a boost by fusing rental income with Asset Utilization!

The DSCR ratio is integrated with Asset Utilization, providing investors with the ability to leverage assets for investment property purchases or refinances.

- The following DSCR criteria applies:
  - The initial DSCR, without Asset Utilization, must comply with the Sub1 DSCR (.75 to .99) requirements
  - The final DSCR, blended with Asset Utilization, is required to be 1.15 DSCR (1.15 DSCR ratio is the minimum target). Borrower w/ sufficient personal assets will be rewarded with increased LTV's



# DSCR FUSION (DSCR + ASSET UTILIZATION)

### The following Asset Utilization criteria applies:

- Asset Utilization Calculation Policy:
  - Qualified monthly Asset Utilization is the total balance of eligible assets minus all funds used for down payment, closing costs and reserves divided by 60-months irrespective of the amortized term of the loan.

### **Example of Qualifying Asset Utilization for a 30-year loan:**

- > Savings Account balance is \$80,000 (\$80,000 useable toward the calculation)
- Stock Fund balance is \$20,000 (\$18,000 usable toward the calculation 10% haircut for investment account)
- Usable asset total is \$98,000 divided by 60 = \$1,633 available for asset utilization in conjunction with rental income to drive a higher DSCR ratio (1.15 is target).
- ➤ We will use this \$1633 in an example calculation on the following slide



### **DSCR CALCULATION**

DSCR Fusion is calculated by adding gross rents and Asset Utilization, then dividing by qualifying PITIA/ITIA (yes, if I/O, we will use the I/O payment in the DSCR calculation)

### **Example:**

- Purchase Money Transaction
- ➤ Monthly PITIA = \$7,650
- Estimated Monthly Market Rent (Form 1007) = \$7,500
- Existing Lease Monthly Rent = Not available
- Usable Assets = \$1,633

### **Ratio Calculation:**

Gross rental income + Qualifying Asset Utilization / PITIA (or ITIA) = Fusion DSCR (Ratio)

\*\*Initial DSCR: \$7,500/\$7,650 = .980 DSCR\*\*

\*\*Final FUSION DSCR: \$7,500 + \$1,633 = \$9,133/\$7,650 = 1.19 DSCR\*\*





## MATRIX AT A GLANCE...

	Effective Date:09/09/25   Revised: 09/09/25														Revised: 09/09/25										
NonQM Investor Programs																									
Non-Owner Occupied Investment Properties, 1-4 Units only																									
Select DSCR - Ratio 1.25						Core DSCR - Ratio 1.0			DSCR Fusion - DSCR + Asset Utilization			Sub1 DSCR - Ratio ≥ .75 - < 1.0					No Rat	io DSCR - F	Ratio < .75						
FICO to Max LTV/CLTV					FICO to Max LTV/CLTV			FICO to Max LTV/CLTV			FICO to Max LTV/CLTV							O to Max LTV							
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		Select DSCR				Core DSCR			DSCR Fusion				Sub1 DSCR				No Ratio DSCR								
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ĺ	Max LTV	2-4 Unit - NA			2-4 Unit - 80%			2-4 Unit - 60%																	
$\vdash$		Rural - NA				Rural - 65%			Rural - NA																
Min	Loan Amount	\$250,000				\$100,000			\$100,000				\$100,000				\$100,000								
	DSCR	1.25 min ratio				1.00 min ratio   > 80% 1.20 min ratio				Initial DSCR w/out Asset Utilization: ≥ 0.75 - ≤ 0.99 ratio Final DSCR w/Asset Utilization: ≥ 1.15				0.75 min ratio						No min ratio					



### **ADDITIONAL TID-BITS!**

#### **Good To Know!**

- 3 Months Bank Statements required for qualifying assets used in Fusion
- Standard Asset Utilization "haircuts" apply to asset balances
  - Remember Personal Assess only
  - Yes, we can use 401k/IRA @ 80%
- One borrower must be an EXPERIENCED investor
  - Own/manage rental property for 12 months in last 3 years
  - > Remaining borrowers can be inexperienced/FTHB
- Short-term rentals NOT allowed
- Priced same as "Sub 1" but with increased LTV's
  - Foreign National / ITIN / DACA are ineligible





# **NON-QM PROFESSIONAL**



# **NON-QM PROFESSIONAL-ELIGIBILITY**

For those Borrowers who have an Advanced Degree = Non-QM <u>Full & Alt Doc</u> price improvement +25bps Price Improvement (including "SELECT") for Qualified Loans!

- Primary Residence Only
- Purchase, Rate/Term and Cash-Out Refinance Allowed
  - 680 Min FICO
- Borrower must be <u>currently practicing full-time</u> in their profession
  - Copy of active license and/or degree required

#### **Doctors**

At least one borrower must possess one of the following active licenses and be currently practicing in their field:

Medical Doctor (MD)
Medical Fellos
Medical Resident (Educational License)
Doctor of Dental Medicine (DMD)
Doctor of Dental Surgery (DDS)
Doctor of Ophthalmology (MD)
Doctor of Optometry (OD)
Doctor of Osteopathy (DO)
Doctor of Pharmacy (PharmD)
Doctor of Podiatric Medicine (DPM)
Doctor of Veterinary Medicine (DVM)

#### **Professionals**

At least one borrower must possess a **postgraduate degree** in one of the following fields and have at least two years of current employment in that discipline:

Accounting Architecture Engineering Finance Legal



## MATRIX AT A GLANCE...

#### Select NonQM and Core NonQM

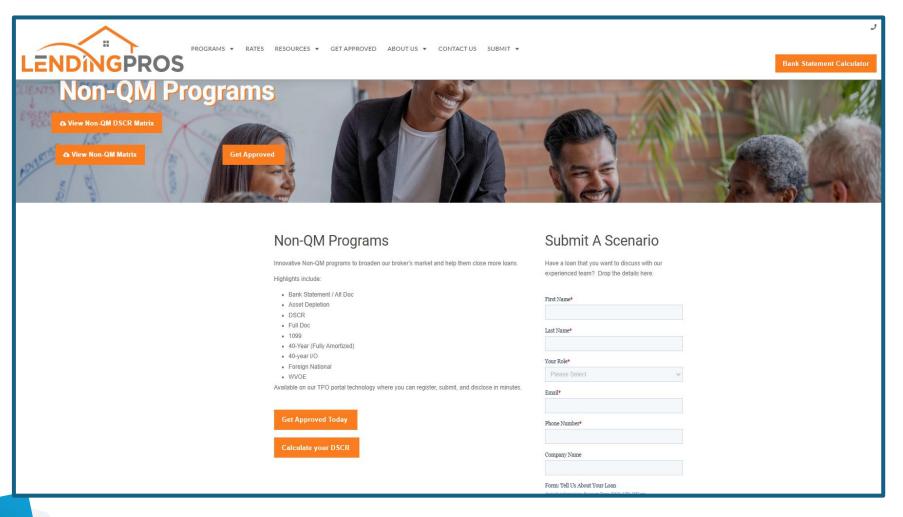
Income Types Include: Full Doc - 12, 24 months

Alt Doc - 1099, WVOE, Asset Utilization, Bank Statements, P&L with 3 mos Bank Stmt, P&L Only, One Yr Self-Employment, Assets as Blended Income

			Select NonQM			Core NonQM								
		FI	CO to Max LTV/CLTV			FICO to Max LTV/CLTV								
L	oan Amount	Credit Score	Purchase	Rate/Term	Cash-Out	L	oan Amount	Credit Score	Purchase	Rate/Term	Cash-Out			
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	1,000,000	680+	80%	80%	75%	\$	1,000,000	680+	85%	85%	80%			
		600+						600+	80%	80%	75%			
	_	720+	85%	80%	75%		_	720+	90%	85%	80%			
	1,500,000	700+	80%	80%	75%			700+	90%	85%	80%			
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							_	700+	50%	50%	45%			



### Resources on our Website!



#### Resources on our website!

- Matrices
- Rate Sheets
- Price your Non-QM
- > EZCalc/EZStructure
- Calculate your DSCR
- Webinar
  Recordings/Decks
- Marketing Material
- Get Approved
- Access to Portal
- > Forms
  - Business Narrative





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