

NonQM Pricing Job Aid

Broker Partners

Purpose

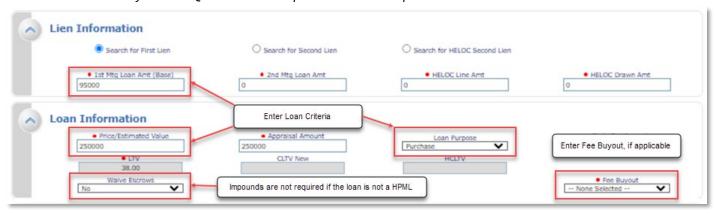
This job aid will walk you through the steps of pricing a NonQM loan, including but not limited to the Bank Statement product, DSCR product, 1099 and Full Doc NonQM products.

Instructions

Your Partner For Prosperity

STEP 1

Enter loan criteria for your NonQM borrower. Impounds are not required if the loan is not an HPML.



STEP 2

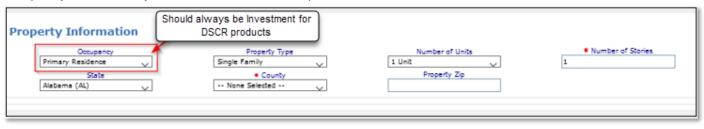
Enter loan product specific fields

- Self-Employment Should always be "Yes" for Bank Statement products
- DTI Ratio Enter 0 for DSCR products
- Income, Asset & Employment Documentation Not applicable for NonQM products



STEP 3

Occupancy should always be Investment for DSCR products





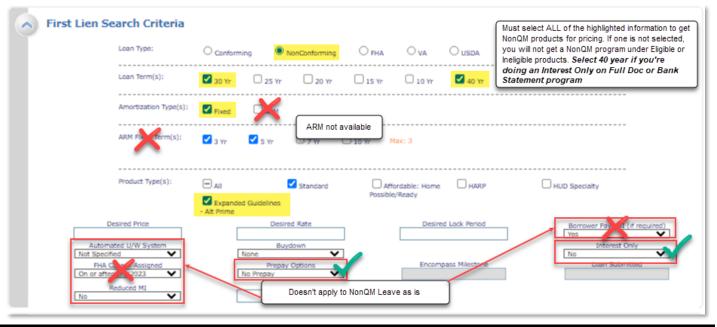




STEP 4

If the *highlighted criteria* are not completed correctly, "Eligible" or "Ineligible" NonQM products will not appear in pricing. Ensure these fields are correct.

- Loan Type Always select Non-Conforming
- **Loan Terms** 30 Yr and 40 Yr are the only available options (Select 40 year if you're doing an Interest Only on Full Doc or Bank Statement program)
- Amortization Type Fixed only
- ARM Fixed Terms ARM not available
- **Product Types** Always select Expanded Guidelines
- Automated U/W System, FHA Case # Assigned, Reduced MI & Borrower Pays MI not applicable on NonQM products. Leave as is
- Interest Only Select "Yes" if IO
- **Prepay Options** Investment properties will have a prepay option in applicable states, choose 0-5 years



STEP 5

Complete the following information, as applicable. If it is not applicable – leave as/is (listed as 0, None, or Not Applicable), then click Submit to view eligible programs.

Credit Events

- Mtg Lates, if applicable Enter number of lates under time frame
 - 30, 60, 90, 120 days within the last 12 months
 - 30, 60, 90, 120 days in the last 13-24 months
- Bankruptcy, if applicable
 - Bankruptcy Type
 - Bankruptcy Outcome
 - Bankruptcy Seasoning







Housing Event, if applicable

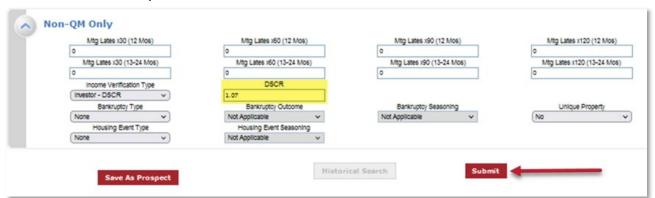
- Housing Event Type
- Housing Event Seasoning

• Income Verification Type:

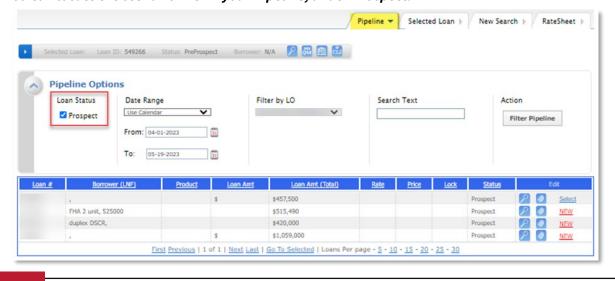
- o Full Doc Tax Returns or W-2s and paystubs
- o Full Doc with Asset Utilization Tax Returns or W-2s and Paystubs with 6 months asset statements
- o Investor DSCR Investment occupancies using subject properties rents for income
- Investor No Ratio Investment occupancies where rents does not exceed PITIA
- Personal Bank Stmt. (XX) Mos Self-Employed borrowers using personal banks statements for income
- Business Bank Stmt. (XX) Mos Self-Employed borrowers using business bank statements for income
- 1099 1 or 2 Year 1099 used for source of income

DSCR

 Enter actual DSCR percentage – the system will determine eligibility and pricing based on the information provided



Note: If you are logged into Loan Manager, you can 'Save As Prospect' to allow you to re-price the scenario in the future. You can locate the scenario within your Pipeline, under Prospect.





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STEP 6

If a product shows as "ineligible", click on the product name to show the disqualifier reason

NonQM 1099 110 30 Yr Fixed I/O - EG - NEW + Disqualifiers: Click on Name to expand 1. Interest Only is No disqualifier reason(s)

- 2. Income Verification Type is Business Bank Stmt: 12 Mos
- 3. 1st Mtg Loan Amt (Total) < 150000
- 4. Self Employed is No, And Income Verification Type is 12/24 Mo Bk Stmt

Version Control

Date	Version	Section Updated	Approved By
06/20/2023	2.0	Converted from Alt Prime Pricing Job Aid to NonQM Pricing	Michael Clary
		Job Aid	

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