

The Non-QM Investor Advantage Program

*Presented by
Nations Direct Mortgage*

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Investor Advantage

What is the Investor Advantage program?

The Investor Advantage Credit Grade is designed for investment, non-owner occupied loans that are designated for business purposes only. Proceeds of the loan are limited to the purchase, improvement, or maintenance of the subject property. Utilizing proceeds of the loan for personal, family, or household purposes is prohibited.

Investor Advantage

X NO Income

- Leave Employment and Income section Blank on the 1003

X NO Reserves

- No Reserve requirement for Purchase or Refinance loans

X NO Debt Coverage Ratio (DSCR)

- PITIA can be > the monthly gross rents

X NO Limitation on Financed Properties

- 10 or 100 financed properties = OK

X NO Prepayment Penalty

- Saves thousands of dollars for your customers

Investor Advantage

OK to Proceed:

- ✓ First Time Investor or Seasoned Investor
- ✓ Close in LLC, Partnership or Corporation
- ✓ Interest Only option available
- ✓ Vacant Properties Acceptable

Investor Advantage

- Investor Advantage has been specifically designed for real estate investors who do not use traditional real estate financing
- This is a collateral underwritten loan
- Income & Employment verification is not required
- Interest Only Options Available
- Credit scores as low as 620
- Max LTV for Purchase: 80% (with DSCR), 75% (No Ratio)
- Max LTV for Rate/Term: 80% (with DSCR), 75% (No Ratio)
- Max LTV for 2-4 Unit:75%
- Max LTV for Cashout:70%
- Cash Out Up to \$500K: Use Program LTV's

Investor Advantage Qualifications

Credit Score

- Credit Reports should be supplied for all borrowers and/or guarantors
- If two borrowers, the lower of the two middle credit scores will be used for Representative Loan Score

Ownership of Primary Residence

- All borrowers must provide proof they presently own their primary residence.
- NO EXCEPTIONS

Trade Lines

- 3 trade lines reporting for 12+ months, **OR**
- 2 trade lines reporting for 24+ months
- All with activity in the last 12 months

Investor Advantage Qualifications

Late Payments

- Mortgage History 1 X 30 (last 12 months, all mortgages)
- Consumer lates may not exceed 1X60 over prior 12 months; unlimited after 13 months

Employment / Income

- There is no employment verification or income analysis required
- There is no Debt-to-Income (DTI) or Debt Coverage Ratio (DSCR) requirement on No Ratio option

Documentation

- Full asset documentation is required for purchase transactions to evidence sufficient funds to close
- Assets must be sourced or seasoned for 60 days (when assets are required for closing)

Gift Funds

- Not permitted

Investor Advantage Qualifications

Reserves

- There is no reserve requirement

Appraisal

- Two (2) appraisals are required for loans > \$1,500,000
- A Clear Capital Collateral Desk Analysis (CDA) is required for all transactions (desk review)
- Must use NDM approved Appraisal Management Company list
- Appraisals are valid for 120 days and are not eligible for appraisal updates
- Subject property with a grading of C5 or C6 may be ineligible

Acceptable Forms of Vesting

- Individual, LLC, Partnerships & Corporations are acceptable forms of vesting

Investor Advantage Qualifications

Flips

- Not permitted. Seller must be on title for >180 days

First Time Investors

- A borrower who has not owned at least 1 investment property for at least 12 months anytime during the past 12 months; Max LTV 70%

Investor Advantage Qualifications

Lease Requirements on Refinance Transaction

- An executed lease with at least 3 months remaining is required. Month to month tenancy is acceptable with sufficient evidence (such as an extension letter). Please note the following:
 - 5% LTV reduction if subject if unleased or vacant
 - Lease term not to exceed 1 year

Cash-out refinances

- Proceeds of the loan are limited to the purchase, improvement, or maintenance the subject property
- Utilizing proceeds of the loan for personal, family, or household purposes is prohibited

Investor Advantage

We strongly suggest that the following sections of the 1003 not be completed:

- a. Section IV –Employment Information
- b. Section V –Monthly Income and Combined Housing Expense Information

Investor Advantage

Investors like to Invest!

- Ideal for Investors with multiple properties
- Use for Cash Out to buy more properties
- Property improvements on investment properties
- Protect Yourself –Close in LLC, Partnership or Corporation
- Simple –no documentation!
- No Income / No Employment / No Reserves / No DSCR
- Easy to close
- Close QUICKLY with minimal conditions!

Investor Advantage (Miscellaneous)

- Loan amounts \$100k-\$2M
- Foreclosure Seasoning 24 months
- Short sale/DIL seasoning 24 months
- Chapter 7/11/13 seasoning 24 months
- Debt Service Coverage Ratio Option (DSCR)
 - LTVs to 80%
 - 1.15%

Investor Advantage

Questions?

Coming Soon!

- 95% Jumbo No MI
 - Min Fico 720, \$1.5 Max L/A, 43% Max DTI
- Asset Qualifier
 - Min Fico 620, \$2M Max L/A, 80% LTV
- Self-Employed Premier Flex
 - 1 Yr Bank Statements, 50% DTI, 680 FICO
- One Day Out
 - 1 Day out RHE, Max 85% LTV, 660 Min Fico