

# YOUR HOSTS



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**You're  
muted**



# DISCLAIMER

- This training is for Mortgage Professional Use Only
- Information contained within this training is subject to change

You will receive a link to the recording of the training, as well as a link to the presentation deck, tomorrow.

Watch for a follow up email from Zoom! 😊



**BANK STATEMENT  
INCOME SCENARIO  
TRAINING**



# AGENDA

Bank Statement Program Basics

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Types of Accounts

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Documentation

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Poll Questions & Scenarios

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How to Become an Approved Partner

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Q&A

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NonQM

## **Bank Statements**

A loan for self-employed borrowers who  
qualify utilizing cash flow analysis

# **Bank Statement Program**

The perfect product for a Self-Employed Borrower  
who finds it difficult to qualify traditionally.



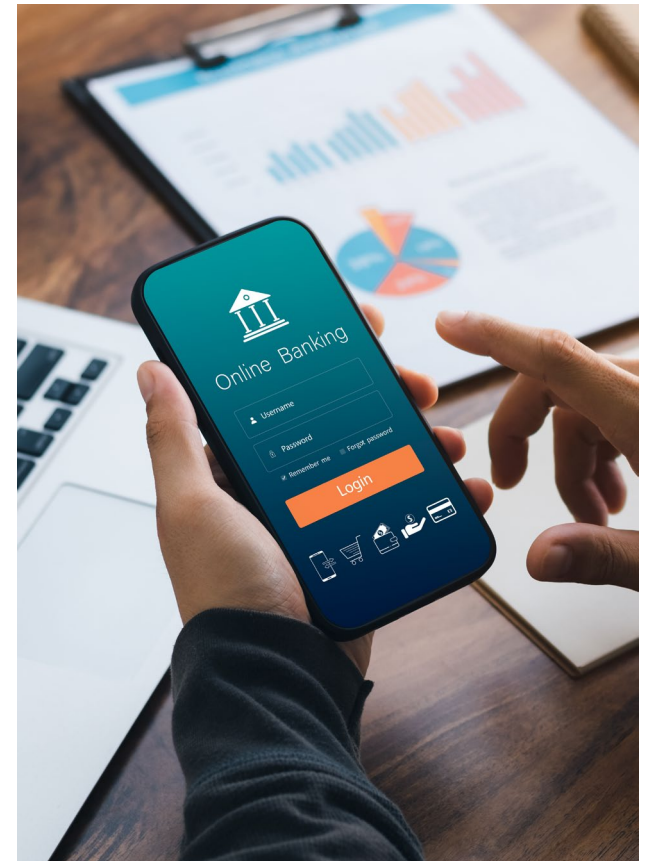
# Types of Accounts

## Personal Bank Statements

- Less than 100% ownership in business
- Use funds transferred from business account to personal for income calculation
- No expense factor required
- Provide 3 months business bank statements

## Business Bank Statements

- Use all applicable deposits in business account x percentage of ownership @ 50% expense factor
- Can also obtain a letter from a licensed tax professional to use lower expense factor



# Commingled Accounts

## What it is

- Borrower does not have separate business account
- Uses personal account for all business and personal transactions

## What it's not

- Account with multiple individuals

## Income Calculated

- Uses same calculation method as business bank statements



# Poll Question

If there are multiple individuals on the personal bank account, we cannot use the bank statements for income?

- True
- False





# Bank Statements with Multiple Individuals Listed

**Must obtain the following:**

- 100% access letter
- LOE explaining relationship, if they are associated with the business, if they contribute income to the account
- Documentation supporting company formation to support the individual has no ownership interest



# Documentation



12 Months Personal Bank Statements – Bank Statements will be reflected in a borrower's name



12 Months Business Bank Statements – Bank Statements will be reflected in the business name



12 Months Co-Mingled Bank Statements – Bank Statements will be reflected in the borrower's name



Please ***DO NOT*** Provide Tax Returns, or any forms related to tax returns such as the 4506C or 8821

# Poll Question

What is the minimum % of ownership required to qualify using the Bank Statement Program?

- 100% ownership
- 50% ownership
- 25% ownership





# Poll Question



What is the expense factor used when calculating income using the Bank Statement Program?

- 50% expense factor
- 25% expense factor
- 10% expense factor

# If a business is non-profit, we cannot use the Bank Statement Program?

- True
- False





# Scenario 1

Borrower owns Athletic Fundraising Company with 100% ownership for at least 10 years

***How do we determine the company is not considered a non-profit?***

***Based on this history of deposits, are we able to use this income?***

***What is the expense factor that must be used for this income?***

Monthly Deposits
\$0.00
\$23,279.51
\$30,898.59
\$31,394.81
\$103,940.19
\$47,925.63
\$84,445.00
\$19,816.53
\$22,310.14
\$39,271.57
\$41,627.50
\$26,754.19

# Scenario 2

Borrower is an Attorney with 100% ownership of the company for the last 3 years.

We received 12 months bank statements for this borrower indicating this as their monthly deposits.

***What are some reasons we would have to exclude deposits?***

**Total usable deposits is \$32,642.91/12 months = \$2720.24**

***Based on this history of deposits, are we able to use this income?***

		Usable Deposits
		\$0.00
		\$0.00
		\$1,886.47
		\$15,756.44
		\$0.00
		\$0.00
		\$15,000.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
Total Usable Deposits		\$32,642.91



# Poll Question

Income received via third-party payment processors such as Zelle/Venmo/PayPal, etc. are acceptable?

- Yes
- No



# Scenario 3

Borrower is 50% owner in a Maritime Vessel Retrieval Business for the past 5 years

Year	Month	Opening Balance	Ending Balance	Monthly Deposits	Disallowed Deposits (enter transfers, un			Usable Deposits
2024	December	\$ 45,876.07	\$ 240,379.54	\$388,811.31				\$388,811.31
2024	November	\$ 85,454.21	\$ 45,876.07	\$310,351.51	\$4,000.00	\$3,000.00		\$297,651.51
2024	October	\$ 11,281.64	\$ 85,454.21	\$149,505.93	\$2,000.00	\$0.23		\$50,000.00
2024	September	\$ 20,213.56	\$ 11,281.64	\$3,300.00	\$2,000.00			\$1,300.00
2024	August	\$ 26,924.47	\$ 20,213.56	\$8,000.00	\$8,000.00			\$0.00
2024	July	\$ 40,455.20	\$ 26,924.47	\$0.00				\$0.00
2024	June	\$ 49,808.08	\$ 40,455.20	\$1,299.63	\$1,200.00			\$99.63
2024	May	\$ 48,439.92	\$ 49,808.08	\$19,694.26				\$19,694.26
2024	April	\$ 15,329.50	\$ 48,439.92	\$55,000.00				\$55,000.00
2024	March	\$ 17,479.61	\$ 15,329.50	\$17,193.11				\$17,193.11
2024	February	\$ 36,948.79	\$ 17,479.61	\$16,216.47				\$16,216.47
2024	January	\$ 3,808.12	\$ 36,948.79	\$40,242.31	\$1,000.00	\$20,000.00		\$19,242.31

***Can documentation be provided to support the reason for the large deposits?***

***What is an option if 12 months Bank Statements are not showing consistent income?***



# Scenario 3

Year	Month	Opening Balance	Ending Balance	Monthly Deposits	Disallowed Deposits (enter transfers, un-			Usable Deposits
2024	December	\$ 45,876.07	\$ 240,379.54	\$388,811.31				\$388,811.31
2024	November	\$ 85,454.21	\$ 45,876.07	\$310,351.51	\$4,000.00	\$3,000.00		\$297,651.51
2024	October	\$ 11,281.64	\$ 85,454.21	\$149,505.93	\$2,000.00	\$0.23		\$50,000.00
2024	September	\$ 20,213.56	\$ 11,281.64	\$3,300.00	\$2,000.00			\$1,300.00
2024	August	\$ 26,924.47	\$ 20,213.56	\$8,000.00	\$8,000.00			\$0.00
2024	July	\$ 40,455.20	\$ 26,924.47	\$0.00				\$0.00
2024	June	\$ 49,808.08	\$ 40,455.20	\$1,299.63	\$1,200.00			\$99.63
2024	May	\$ 48,439.92	\$ 49,808.08	\$19,694.26				\$19,694.26
2024	April	\$ 15,329.50	\$ 48,439.92	\$55,000.00				\$55,000.00
2024	March	\$ 17,479.61	\$ 15,329.50	\$17,193.11				\$17,193.11
2024	February	\$ 36,948.79	\$ 17,479.61	\$16,216.47				\$16,216.47
2024	January	\$ 3,808.12	\$ 36,948.79	\$40,242.31	\$1,000.00	\$20,000.00		\$19,242.31
2023	December	\$ 14,392.82	\$ 3,808.12	\$25,000.00				\$25,000.00
2023	November	\$ 7,200.07	\$ 14,392.82	\$68,951.05	\$12,000.00	\$10,000.00		\$46,951.05
2023	October	\$ 7,262.07	\$ 7,200.07	\$25,000.00				\$25,000.00
2023	September	\$ 17,943.99	\$ 7,262.07	\$27,308.71				\$27,308.71
2023	August	\$ 38,612.35	\$ 17,943.99	\$43,092.20	\$15,000.00			\$28,092.20
2023	July	\$ 12,430.30	\$ 38,612.35	\$90,073.34	\$5,000.00			\$85,073.34
2023	June	\$ 58,344.63	\$ 12,430.30	\$39,484.65				\$39,484.65
2023	May	\$ 15,334.44	\$ 58,344.63	\$149,805.96	\$5,000.00	\$15,000.00		\$129,805.96
2023	April	\$ 4,380.21	\$ 15,334.44	\$35,000.00	\$10,000.00			\$25,000.00
2023	March	\$ 12,422.99	\$ 4,380.21	\$30,000.00	\$5,000.00			\$25,000.00
2023	February	\$ 15,729.46	\$ 12,422.99	\$27,885.80				\$27,885.80
2023	January	\$ 25,573.52	\$ 15,729.46	\$25,014.43	\$9.22	\$5.21		\$25,000.00
Number of Statements							Deposits	\$1,374,810.31

# Scenario 3

Borrower is 50% owner in a Maritime Vessel Retrieval Business for the past 5 years

*How would income for this borrower be calculated since he is 50% owner?*

**Total usable deposits of \$1,374,810.31 x 50% (ownership) = \$687,405.16 x 50% = \$343,702.58**

**Or \$1,374,810.31 x 25% = \$343,702.58**



# Scenario 4

Borrower is an independent contractor for Uber and has been doing this for a little over 1 year.

***Can a borrower qualify using the Bank Statement Program if they receive 1099 income as an independent contractor?***

***Since the borrower does not own the business, what documentation is required for a person who falls in this category?***

***In this case, the borrower has not been doing this for over 2 years – can we use this income?***



# Poll Question

Can a borrower qualify using the Bank Statement Program if they have NSF's showing on their Bank Statements?

- Yes
- No





# Poll Question



**There are 2 different scenarios when we will use an expense factor less than 50%.**

**What are those 2 scenarios?**

If a borrower has been self-employed for less than 2 years, they are able to qualify using the Bank Statement Program?

- True
- False





# How to Become an Approved Broker?

Our Website: [myndm.com](http://myndm.com)

## Get Approved

### STEP 01

Please complete these two forms, so we can create your logins.  
Once this is completed, you will be able to start submitting.

[Compensation Form](#)

[Contact Form](#)

Send Forms once complete to:  
[ApprovalDesk@myndm.com](mailto:ApprovalDesk@myndm.com)

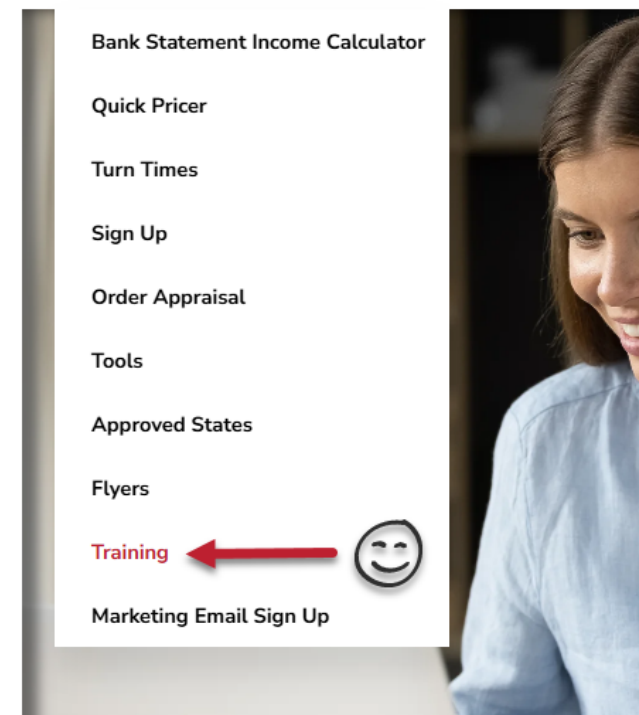
If your company wishes to complete our application by clicking on the button below. Thank you for considering Nations Direct Mortgage.

[Broker Package](#)

[Branch Addition Form](#)

[Express DSCR Addendum](#)

[Annual Recertification Agreement](#)



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**THANK YOU**