

## 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

### STEP 1

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

**Lien Information**

Search for First Lien (selected) | Search for Second Lien | Search for HELOC Second Lien

1st Mtg Loan Amt (Base): 95000 | 2nd Mtg Loan Amt: 0 | HELOC Line Amt: 0 | HELOC Drawn Amt: 0

**Loan Information**

Price/Estimated Value: 250000 | Appraisal Amount: 250000 | Loan Purpose: Purchase

LTV: 38.00 | CLTV New: | HCLTV: | Enter Fee Buyout, if applicable

Waive Escrows: No | Impounds are not required if the loan is not a HPML | Fee Buyout: -- None Selected --

### 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

**Borrower Information**

Borrower First Name: | Borrower Last Name: | FICO: 0

Citizenship: U.S. Citizen | First Time Home Buyer: No | Non-Occupant Coborrower: No

Income Documentation: Verified | Asset Documentation: Verified | Employment Documentation: Verified

Properties Financed: 1 | Self Employed: No | DTI Ratio: | Months of Reserves: 36

Should always be "Yes" for bank statement products

Does not apply to NonQM products Leave as 'verified'

Enter "0" for DSCR products

### STEP 3

Occupancy should always be Investment for DSCR products

**Property Information**

Occupancy: Primary Residence | Property Type: Single Family

State: Alabama (AL) | County: -- None Selected --

Number of Units: 1 Unit | Number of Stories: 1

Property Zip: |

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

**First Lien Search Criteria**

Loan Type:  Conforming  Non-Conforming  FHA  VA  USDA

Loan Term(s):  30 Yr  25 Yr  20 Yr  15 Yr  10 Yr  40 Yr

Amortization Type(s):  Fixed  ARM  ARM Hybrid  ARM Interest Only

ARM Fixed Term(s):  3 Yr  5 Yr  7 Yr  10 Yr Max: 3

Product Type(s):  All  Standard  Affordable: Home Possible/Ready  HARP  HUD Specialty

Expanded Guidelines - Alt Prime

Desired Price:

Automated U/W System:  Not Specified

FHA Case # Assigned:  On or after: 2023

Reduced MI:  No

Desired Rate:

Buydown:  None

Prepay Options:  No Prepay

Desired Lock Period:

Enccompass Milestone:

Borrower Pays MI (if required):  Yes  No

Interest Only:  No  Yes

Loan Submitted:

Doesn't apply to NonQM Leave as is

Must select ALL of the highlighted information to get NonQM products for pricing. If one is not selected, you will not get a NonQM program under Eligible or Ineligible products. **Select 40 year if you're doing an Interest Only on Full Doc or Bank Statement program**

**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:**
  - **Full Doc** - Tax Returns or W-2s and paystubs
  - **Full Doc with Asset Utilization** – Tax Returns or W-2s and Paystubs with 6 months asset statements
  - **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

**Non-QM Only**

Mtg Lates x30 (12 Mos) [0]    Mtg Lates x60 (12 Mos) [0]    Mtg Lates x90 (12 Mos) [0]    Mtg Lates x120 (12 Mos) [0]

Mtg Lates x30 (13-24 Mos) [0]    Mtg Lates x60 (13-24 Mos) [0]    Mtg Lates x90 (13-24 Mos) [0]    Mtg Lates x120 (13-24 Mos) [0]

Income Verification Type: Investor - DSCR (selected)

Bankruptcy Type: None

Housing Event Type: None

**DSCR: 1.07**

Bankruptcy Outcome: Not Applicable

Bankruptcy Seasoning: Not Applicable

Unique Property: No

Buttons: Save As Prospect, Historical Search, Submit (with red arrow)

**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.**

**Pipeline Options**

Loan Status:  Prospect

Date Range: From: 04-01-2023 To: 05-19-2023

Filter by LO: [Dropdown]

Search Text: [Input]

Action: Filter Pipeline

Loan #	Borrower (LNF)	Product	Loan Amt	Loan Amt (Total)	Rate	Price	Lock	Status	Edit
.			\$	\$457,500				Prospect	Select
.	FHA 2 unit, 525000			\$515,490				Prospect	NEW
.	duplex DSCR,			\$420,000				Prospect	NEW
.			\$	\$1,059,000				Prospect	NEW

Page: 1 of 1 | First Previous | Next Last | Go To Selected | Loans Per page: 5 - 10 - 15 - 20 - 25 - 30

**STEP 6**

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

The screenshot shows a product listing for "NonQM 1099 110 30 Yr Fixed I/O - EG - NEW". Below the product name, there is a section titled "Disqualifiers:" with a list of four reasons. A red arrow points from a callout box to the product name. The callout box contains the text: "Click on Name to expand disqualifier reason(s)".

**Disqualifiers:**

1. Interest Only is No
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 Job Aid	Michael Clary