



SECOND MORTGAGE TRAINING FOR PARTNERS

For Mortgage Professional Use Only

YOUR HOSTS



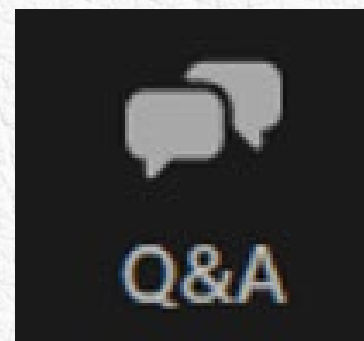
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**You're
muted**



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! 😊

AGENDA

Second Mortgage Program Options
Benefits
Program Basics / Enhancements
Ineligible Senior Liens
Guidelines & Compensation
Credit Score Reminder
Overview of New Income Options Available
AVM and Property Inspection Report
Loan Manager
How to Become an Approved Broker
Q&A

SECOND MORTGAGE PROGRAMS



BENEFITS



Purchase or Refi - perfect for borrowers
that need cash-out without refinancing
their low rate first



- CLTV's up to 90%
- Avoid Mortgage Insurance on Purchase Transaction, or
- Cash out for Home Improvement, Debt Consolidation, College Debt, etc.
- Current 1st Mortgage remains intact

NONQM SECOND PROGRAM BASICS

Current Features

Min Score 660

CLTVs to 90%

No Reserve Requirement

Primary, 2nd Home & NOO Accepted

Combined Loan Amounts to \$5 million

Full Doc and Bank Statement Options

1-4 Family Home

Fixed Rate, Fully Am, – 10, 15, 20 & 30 year

WHAT'S NEW

- Loan Amounts to \$750,000
- 1099 Product **NOW AVAILABLE**
- DSCR Product **NOW AVAILABLE** with a factor of 1.00 or greater (*Experienced Investors only*)
- AVM and Property Condition Inspection option instead of a Full Appraisal on loan amounts \leq \$400,000 and non-HMPL loans

WHAT'S NEW ON THE PREMIER

- Loan amounts to \$500,000
- Reduced Minimum FICO to 680
- Second Homes ***NOW AVAILABLE***
- Bank Statement Product ***NOW AVAILABLE***
- Expanded DTI to 50%
- AVM and Property Condition Inspection option instead of a Full Appraisal on loan amounts \leq \$250,000 and non-HPML loans

Current Features

- Superior Pricing for well qualified Full Doc borrowers
- Up to 80% CLTV

INELIGIBLE SENIOR LIENS

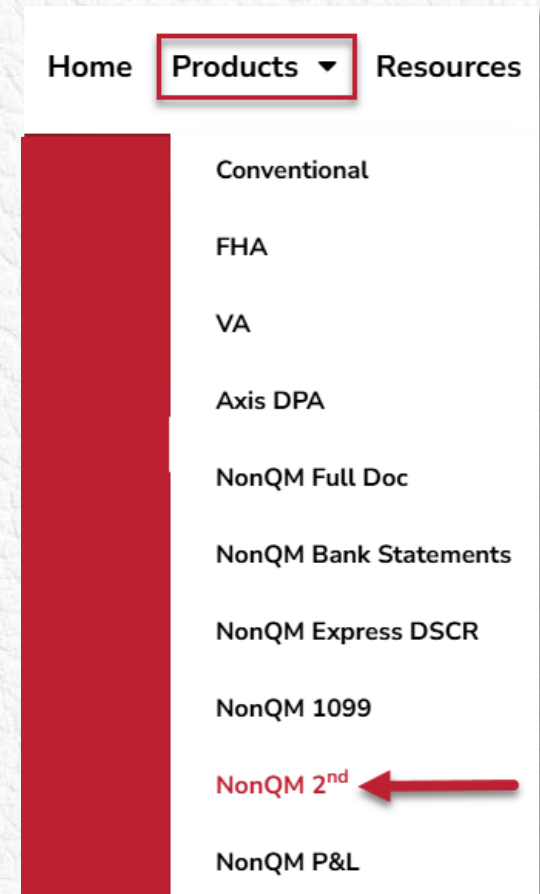
- First Mortgages that are not reporting on credit
- Negative amortization
- Reverse mortgages
- Loans that are held by a Private Party
- First Lien HELOC
- Land Contract; Construction Loans; Lease Options; Renovation Loans; Temporary Buydowns

INELIGIBLE SENIOR LIENS

NonQM Second	Premier Second
Loans in active forbearance or deferment are not permitted	No forbearance, repayment plans, or deferred balances in the last 7 years
Balloon loans where the balloon payment comes due during the amortization period of the loan	Loans with a balloon feature
FHA or VA first mortgage on a purchase with an NDM piggyback	Modification from original loan terms
1st Liens that are assumable by another party, <i>except for FHA and VA</i>	Terms greater than 30 years
CEMA Transactions	Borrower(s) on the 1st mortgage note must be the same as the borrower(s) on the 2nd mortgage note.
Cross Collateralized Loans or Blanket Loans	

GUIDELINES & COMPENSATION

- Matrix posted on our website under *Products > NonQM 2nd*
- No exceptions to guidelines
- Loan amount must be in increments of \$100
(e.g., loan amount of \$100,135 must be \$100,100 or \$100,200)
- Borrower paid compensation only
 - Primary & Second Home – cap of 3%
 - Investment Home – cap of 5%
- Prepayment penalty permitted in some states



Note: Some states have additional limitations with respect to second mortgages



Lowest of two scores or middle of three scores.

Qualifying score is the primary wage earner's representative score.

When borrowers are self-employed and have equal ownership of a business the lowest representative score of all borrowers is used.

This program is designed for borrowers who are paid on a 1099 basis and would benefit from alternative loan qualification methods

- Provide Most Recent 1 year or 2 years IRS Form 1099 with a 2-year history of receiving this type of income
- Borrower cannot have any ownership interest in the company providing 1099 income
- 1099 IRS Transcripts are required
- Documentation to support current receipt
- $1099 \text{ income} \text{ minus } 10\% \text{ expense factor} / 12 \text{ months} = \text{Qualifying income}$
- 1099 income that is not supported by documentation of current receipt cannot be used for qualification

DSCR Product available with a factor of 1.00 or greater ***(Experienced Investors only)***

Standalone cash out transactions only

DSCR loans with a prepayment penalty are not subject to the 6-month seasoning requirement for being previously listed

Minimum 1 year prepayment penalty required where allowable by state

Short-Term rental income accepted

Borrower must provide a 12-month housing history

Long-Term rental income qualifies with lower of the lease agreement or 1007

Income is calculated by the following:

- Use the lease(s) executed for the year and average over the most recent 12-month period
- If a property is vacant, use zero for that month in the average
- A comparable rent schedule (Form 1007) must support the income being used

Short-Term Rentals

- Gross monthly rent determined by last 12-months receipt of rental income
- Property must be currently and actively listed on a short-term site(s)

SHORT TERM LEASE/RENTALS ON DSCR PROGRAM

Bank Statement Product ***NOW AVAILABLE!***

- Guidelines are the same as they currently are for NonQM 2nds
- Only difference is this product requires a Business Narrative written by the borrower

Business Narrative Requirements

- Description of business operation
- Primary products and or services
- Who is the customer base
- Number of full-time employees
- Any other information that would help determine eligible deposits

AVM AND PROPERTY CONDITION INSPECTION

NonQM 2nd

AVM and Property Condition Inspection option instead of a Full Appraisal on ***loan amounts*** \leq ***\$400,000*** and non-HPML loans

Premier NonQM 2nd

AVM and Property Condition Inspection option instead of a Full Appraisal on ***loan amounts*** \leq ***\$250,000*** and non-HPML loans

The AVM/Property Condition Inspection can be ordered by the Broker using the Reggora system, when available **OR**
It can be ordered through one of the approved vendors: Clear Capital, Collateral Analytics or HouseCanary

LOAN MANAGER STANDALONE



URLA

Additional Information

Lender Loan Informati... ▾

Borrower Information ▾

Employment and Inco... ▾

Assets and Liabilities ▾

Real Estate

Loan and Property Inf... ▾

Information for Gover... ▾

URLA Continuation

PRODUCT PRICING &
LOCK

DOCUMENTS

CONDITIONS

DISCLOSURE TRACKING

URLA / Lender Loan Information

2nd Mortgage shows as Subordinate Lien

Save

Next

L3. Mortgage Loan Information

Mortgage Type Applied For

☒ Conventional

☐ FHA

Section of the Act

Select an Option ▾

☐ VA

VA Entitlement Amount

\$

VA Loan Code

Select an Option ▾

Funding Fee Exempt Status

Mortgage Lien Type

☐ First Lien

☒ Subordinate Lien

☐ Community Second

Lien Position

2 ▾

Terms of Loan

Purchase Price

\$190,000.00

Loan Amount

\$6,650.00

MIP / FF

MIP

LOAN MANAGER STANDALONE

MUST, MUST, MUST have 1st Mortgage properly linked to property

LOAN SUMMARY

URLA

Additional Information

Lender Loan Informati...

Borrower Information

Employment and Inco...

Assets and Liabilities

Real Estate

Loan and Property Inf...

Information for Gover...

URLA Continuation

URLA / Real Estate

Select Borrower Pair

▼

Save

Next

Mortgage Loans on this Property

☐ Does not apply

Creditor Name

WFHM - 1st TD (FHA loan mod)

Account Number


Mortgage Type

Select an Option ▼

Credit Limit if applicable

☐ To be paid off at or before closing


Link Liabilities

 **NATIONS DIRECT**
MORTGAGE


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
LOAN MANAGER CONCURRENT


**BOTH FIRST AND SECOND MORTGAGE APPLICATIONS MUST BE UPLOADED
TO LOAN MANAGER - SEPARATELY**


 URLA

Additional Information


Lender Loan Informati... 


Borrower Information 

Employment and Inco... 

Assets and Liabilities 

Real Estate

Loan and Property Inf... 

Information for Gover... 

URLA Continuation

PRODUCT PRICING & LOCK

DOCUMENTS

CONDITIONS


DISCLOSURE TRACKING

DUAL AUS

URLA / Lender Loan Information

1st Mortgage shows 2nd Mortgage amount in Section J

H. Total Due From Borrower(s) (Total of A thru G)


\$212,350.53 

Total Mortgage Loans

I. Loan Amount

\$186,558.00


Loan Excluding Financed MI (or Mortgage Insurance Equivalent)

\$183,350.00 


Financed Mortgage Insurance (or Mortgage Insurance Equivalent)

\$3,208.00

J. Other New Mortgage Loan on the Subject Property

\$6,650.00 

K. Total Mortgage Loans (Total of I and J)

\$193,208.00 


URLA / Lender Loan Information

2nd Mortgage shows 1st Mortgage amount in Section J

I. Loan Amount

\$6,650.00


Loan Excluding Financed MI (or Mortgage Insurance Equivalent)

\$6,650.00 


Financed Mortgage Insurance (or Mortgage Insurance Equivalent)

\$

J. Other New Mortgage Loan on the Subject Property

\$366,700.00 

K. Total Mortgage Loans (Total of I and J)

\$373,350.00 

LOAN MANAGER CONCURRENT

URLA

Additional Information

Lender Loan Informati...

Borrower Information

Employment and Inco...

Assets and Liabilities

Real Estate

Loan and Property Inf...

Information for Gover...

URLA Continuation

PRODUCT PRICING & LOCK

DOCUMENTS

CONDITIONS

DISCLOSURE TRACKING

DUAL AUS

LOAN ACTIONS

Order Credit

URLA / Loan and Property Information

Select Borrower Pair

SaveNext

Other New Mortgage Loans on the Property You are Buying or Refinancing

☐ Does not apply

i

Clearing fields without clicking the remove button will result in a blank record and may cause an AUS error.

Account Owner

Both

Creditor Name

Nations Direct Mortgage, LLC

Street Address

CityState

Select an Option

Zip Code

- Remove

Account Type

Mortgage

Monthly Principal and Interest

\$85.14

Loan Amount/HELOC Credit Limit

\$6,650.00

Amount Applied to Down Payment

\$6,650.00

☐ Payment Deferred for First Five Years

☒ Linked Piggyback Indicator

Lien Position

2

Maximum Principal and Interest Within 5 years

\$85.14


HELOC Initial DrawSource of Funds


Select an Option


☐ Affordable Loan


LOAN MANAGER CONCURRENT


***BOTH FIRST AND SECOND MORTGAGE APPLICATIONS MUST BE UPLOADED
TO LOAN MANAGER - SEPARATELY***


 **LOAN SUMMARY**

 URLA

 PRODUCT PRICING & LOCK

 DOCUMENTS

 CONDITIONS

 DISCLOSURE TRACKING

\$96,000.00

12.80% **89.50%/ 89.50%**

Base Loan Amount	MI, FF, MIP Financed
\$96,000.00	\$0.00
Primary Mortgage Total	Purpose of ReFi
\$575,469.00	CashOutOther

PRICING THE LOAN

Save As Prospect

Submit

Lien Information

☐ Search for First Lien

☒ Search for Second Lien

☐ Search for HELOC Second Lien

1 • 1st Mtg Loan Amt (Base)
265978

3 • 2nd Mtg Loan Amt
160000

• HELOC Line Amt
0

• HELOC Drawn Amt
0

- 1 1ST Mtg Loan Amt (Base) will auto fill based on the information provided
- 2 Click on Search for Second Lien
- 3 Enter 2nd Mortgage Loan Amt

How to Become an Approved Broker?

Our Website: 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

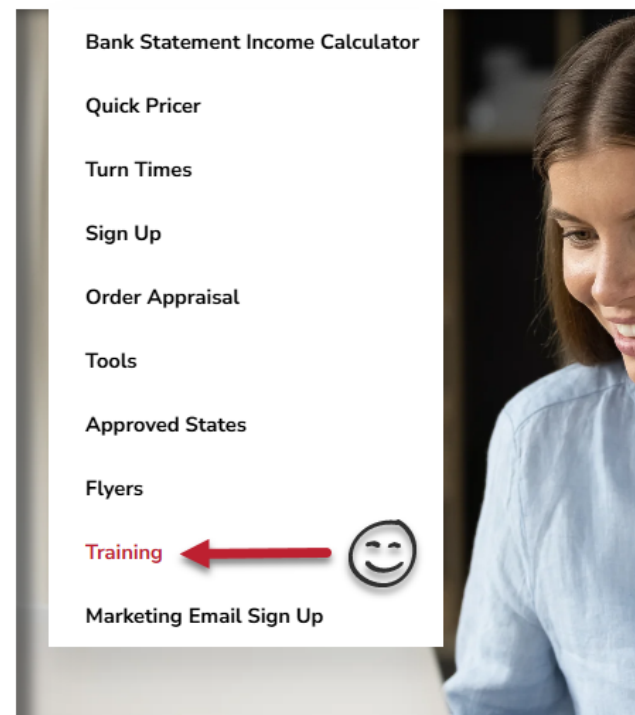
If your company wishes to become a Nations Direct Mortgage Broker, we welcome you to complete our application by clicking on the button below. Thank you for considering Nations Direct Mortgage.

[Broker Package](#)

[Branch Addition Form](#)

[Express DSCR Addendum](#)

[Annual Recertification Agreement](#)



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THANK YOU