

Expanded Programs

Process for Pricing and Submitting



Required Documentation

- For borrowers that are Self Employed you must complete the Self Employed Business Narrative Form.
- For Refinance loans you must complete the Benefit to Borrower Worksheet.
- For Condo's the HOA must complete the Condo Questionnaire
- For DSCR borrower must complete the Business Purpose & Occupancy Affidavit

These forms can be found here <https://gmfsagent.com/products-2/expanded-products/>

FORMS

 Business Purpose Occupancy Affidavit

 Expanded Products – Exception Request Form

 Non-Warrantable Condominium Project Questionnaire

 Benefit to Borrower Disclosure

 Self Employed Business Narrative Disclosure



Helpful hints when in OB

- In Optimal Blue, under Product Type(s), make sure to check the Expanded Guidelines box. Once this is checked the Expanded Guideline Eligibility and Pricing box will appear at the bottom of the page. Make sure to complete the “Income Verification Type” along with entire section as necessary. (see example on next slide)
- Other helpful hints when pricing in OB, see the highlighted boxes: Loan Type, AUS, Product Type, Income Verification Type
- Be sure to update the **Income Verification Type** to the correct doc type when pricing: Full Doc, DSCR, Asset Related Alt Doc or Bank Statements (Business or Personal, 12/24 months)



Optimal Blue

- Be sure to complete all highlighted sections before clicking submit
- Reminder to complete the “Expanded Guideline Eligibility and Pricing” section that accurately relates to your borrower

Loan Type: Conforming Non-Conforming FHA VA AKA/Bor. CHL USDA

Loan Term(s): 30 Yr 25 Yr 20 Yr 15 Yr 10 Yr 7 Yr 5 Yr 40 Yr 8 Yr 2 Yr
Max: 5
 Non-Standard Term: _____ Months

Amortization Type(s): Fixed ARM Balloon

ARM Fixed Term(s): 1 Mo 3 Mo 6 Mo 1 Yr 2 Yr 3 Yr 5 Yr 7 Yr 10 Yr Max: 3

Product Type(s): All Standard Affordable HARP New/Champion
 FHA/Bor. HUD Specialty ReverseMort Student Un-GD Ref USDA Streamline
 Expanded Guidelines

Desired Price: _____
 System: _____
 Name: _____
 FSA Case # Assigned: _____
 On or after 1/1/2002:

Desired Rate: _____
 Borrower Pays MI (if insured): Yes No

Desired Loan Period: _____
 Automated UOW System: Manual/Traditional

Interest Only: No Yes
 Prepayment Penalty: No Yes
 Required MI: No Yes

GMFS Service?: No Yes

Total Loan Amount

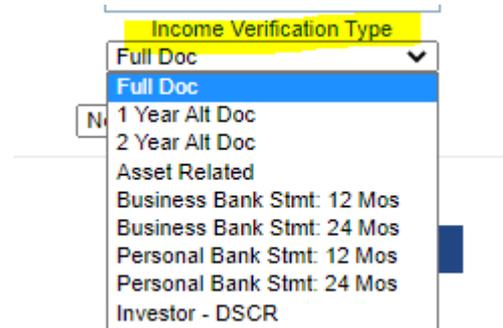
Acquisition Date: _____
 Disbursement Date: _____

Expanded Guideline Eligibility and Pricing (Not Evaluated for other Product Types)

Mtg Latex <90 (12 Mos)	Mtg Latex <90 (12 Mos)	Mtg Latex <90 (12 Mos)	Mtg Latex <100 (12 Mos)
Mtg Latex <90 (13-24 Mos)	Mtg Latex <90 (13-24 Mos)	Mtg Latex <90 (13-24 Mos)	Mtg Latex <100 (13-24 Mos)
Mtg Latex <90 (13-24 Mos)	Mtg Latex <90 (13-24 Mos)	Mtg Latex <90 (13-24 Mos)	Mtg Latex <100 (13-24 Mos)
Income Verification Type: <input checked="" type="checkbox"/> Full Doc	Borrower Type: _____	Borrower Outcome: _____	Borrower Sourcing: _____



- **Income Verification Type** will default to Full Doc, be sure to change accordingly when pricing in OB



NON-PRIME

- For the Non- Prime Product the additional fields need to be completed for accurate pricing and eligibility. Please complete the Mortgage Lates as well as the Bankruptcy information if the borrower has had one.

Expanded Guideline Eligibility and Pricing (Not Evaluated for other Product Types)

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 Full Doc	Bankruptcy Type None	Bankruptcy Outcome Not Applicable	Bankruptcy Seasoning Not Applicable
Housing Event Type None	Housing Event Seasoning Not Applicable	Unique Property No	



DSCR – Investor Only Program

14.6.1 DEBT-SERVICE COVERAGE RATIO

A Debt-Service Coverage Ratio (DSCR) must be calculated for the subject property. Market rent must be documented with FNMA Form 1007 or Form 1025, as applicable.

The minimum DSCR required for the program is **1.0**. The DSCR calculation is as follows:

$$\text{Debt-Service Coverage Ratio} = \text{Gross Income} / \text{Proposed [P]ITIA}^*$$

To calculate Gross Income, use the lower of the (a) executed lease agreement or (b) market rent from FNMA Form 1007 or Form 1025, as applicable. If the executed lease agreement reflects a higher monthly rent, it may be used in the calculation when evidence of receipt of the higher amount for the 3 most recent, consecutive months is provided.

**For interest-only loans, the DSCR calculation allows for the use of the interest-only payment including escrows.*



DSCR – cont.

- DSCR can be locked prior to the underwriting calculating the Ratio. A best practice recommendation is to select the 1% option until underwriting is complete for any borrowers who do not clearly exceed the 1.25% Ratio. This will allow you to secure the daily rates and you can do a change request to improve your rate if the borrowers ratio is better. There is about a 0.25% difference in Rate.

GMFS EG DSCR >=1.25 30 Yr (NOAPI.DSCR1.JUMBO.SR)

GMFS EG DSCR >=1.25 30 Yr Fixed I/O - EG (NOAPI.DSCR1.JUMBO.SR)

GMFS EG DSCR 1.00-1.24 30 Yr (NOAPI.DSCR2.JUMBO.SR)

GMFS EG DSCR 1.00-1.24 30 Yr Fixed I/O - EG (NOAPI.DSCR2.JUMBO.SR)

- You can view pricing in Optimal Blue by selecting Income Verification Type – “Investor – DSCR” in Optimal Blue

Expanded Guideline Eligibility and Pricing (Not Evaluated for other Product Types)

Mtg Lates x30 (12 Mos)	Mtg Lates x60 (12 Mos)	Mtg Lates x90 (12 Mos)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Mtg Lates x30 (13-24 Mos)	Mtg Lates x60 (13-24 Mos)	Mtg Lates x90 (13-24 Mos)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Income Verification Type	Bankruptcy Type	Bankruptcy Outcome
Investor - DSCR	None	Not Applicable
Housing Event Type	Housing Event Seasoning	Unique Property
None	Not Applicable	No

- Enter your DTI as Zero in Optimal Blue. This program does not use DTI



Interest Only Option

- GMFS now has a 40 year IO product. To get the option for the pricing in OB please make sure you select a Loan Term of 40 years AND the Interest Only “Yes” as shown below.
- This feature is available on both the Expanded Prime and Non-Prime Programs.

First Lien Search Criteria

Loan Type: Conforming Non-Conforming FHA VA Alt-A/Exp. Orig. USDA

Loan Term(s): 30 Yr 25 Yr 20 Yr 15 Yr 10 Yr 7 Yr 5 Yr 40 Yr 3 Yr 2 Yr
Max 3

Non-Standard Term Months

Amortization Type(s): Fixed ARM Balloon

ARM Fixed Term(s): 1 Mo 3 Mo 6 Mo 1 Yr 2 Yr 3 Yr 5 Yr 7 Yr 10 Yr Max 3

Exp. App. Level(s): N/A Level 1 Level 2 Level 3 Level 4 Level 5 Max 3

Product Type(s): All Standard Affordable HARP Hero/Champion
 FHA/Bond HUD Specialty Reno/Rehabs Student Ln CO Ref USDA Streamline
 Expanded Outlines

Desired Price:
Buydown: None FHA Case # Assigned On or after 1/1/2022

Desired Rate:
Borrower Pays MI (Required): Borrower Paid GMFS Service? No

Desired Lock Period:
Automated U/W System: Not Specified Return MI: No

Interest Only: Yes No
Prepayment Penalty: None



Prepayment Penalty

- To offer the best price available, GMFS now supports a Prepayment Penalty on Expanded Products. This feature is ONLY available for Investment Property Only
- Please make sure to select either 1 Year, 2 Year or 3 Year Prepayment Penalty when you are locking a loan in Optimal Blue

Desired Price <input type="text"/>	Desired Rate <input type="text"/>	Desired Lock Period <input type="text"/>	Interest Only No
Buydown None	Borrower Pays MI (if required) Yes	Automated U/W System Not Specified	Prepayment Penalty 2 Year
FHA Case # Assigned On or after 1/1/2022	GMFS Servicer? No		Reduced MI No

- Please Note – When you lock a loan with a prepayment penalty the loan will not Auto Lock. You need to exit the loan and remain out of the loan until the lock desk completes/ accepts your lock. You will receive an email when the lock is complete.



ARM Feature

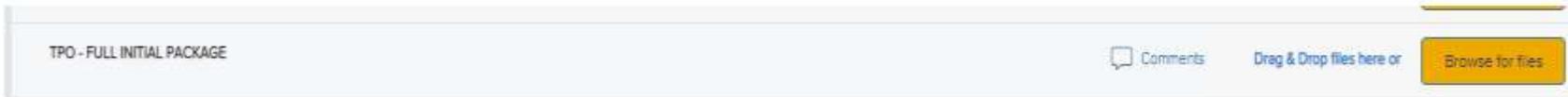
- GMFS is offering a new Expanded ARM loan -- the 5/6 SOFR ARM or the 5/6 SOFR IO ARM
- Please note that this has a different margin compared to your Agency or Standard Jumbo ARM

	5/6 ARM
Margin	5.00%
Caps	2/1/5
Index	SOFR 30D
Floor	5.00%



Submitting the Bank Statements for Review

1. Must register the loan
2. Upload the bank statements into TPO Connect
 - a. TPO-Full Initial Package



- b. The bank statements must be individually labeled and uploaded in PDF format with separate PDFs for each month of bank statements
3. Send an email to bankstatementproduct@gmfslending.com and let them know that the files are uploaded in the efolder. Subject of the email should be "re:[loan number][borrower name]"



Business / Personal Bank Statement Income Calculator Tool

- Expanded underwriter will return a detail analysis of the applicant's income, it is calculated using this tool and the underwriter will return information similar to below to the LO for your review.

QUALIFYING INCOME CALCULATION (complete all applicable yellow fields)																	
			CHOOSE CALCULATION OPTION		FIXED EXPENSE RATIO OF 50%												
			BORROWER'S OWNERSHIP PERCENTAGE (min 50%)		100.00%												
			OPTION #2: THIRD-PARTY EXPENSE STATEMENT				OPTION #3: FIXED EXPENSE RATIO OF 50%										
Monthly Income from Initial 1003							Monthly Income from Initial 1003										
Monthly Net Income from P&L(s)			\$0.00		Monthly Expense Statement Calculation				\$9,817.19								
Total Net Income from P&L(s)					Expense Statement Percentage												
Number of months on P&L(s)					Total Business Bank Statement Deposits				\$117,806.26								
Option #1 Qualifying Income (lower of Net P&L or 1003)			\$0.00		Option #2 Qualifying Income (lower of 1003 or Expense Calculation)				\$9,817.19								
Option #3 Qualifying Income (lower of 1003 or Fixed Expense Ratio Calculation)					Option #3 Qualifying Income (lower of 1003 or Fixed Expense Ratio Calculation)				\$4,908.59								
<p>STEP 2: INCOME VALIDATION (Option #1 only)</p>																	
Monthly Gross Revenue from P&L			\$0.00		<p>Comments:</p> <p>Keep in mind that the business bank statement review assumes 100% ownership. NSF's need to be explained, any single deposit that exceeds 50% of the monthly income needs to be documented, wire transfers must be explained and consistent with the business operations in the business narrative form, etc.</p> <p>NOTE: Large deposits exceeding 50% of the total monthly gross deposit average must be explained via LDE and be consistent with business profile, if included in Total Eligible Deposits. Sourcing required if LDE is insufficient. Final income subject to UW review.</p> <p>Removed the following deposits: All bank transfers; All IRS TREAS deposits -- not S/E income; All Amazon deposits -- not consistent.</p>				Total NSF's:		22						
Total Gross Revenue from P&L(s)																	
Total Number of months on P&L(s)																	
Monthly Business Bank Statement Deposits			\$9,817.19		<p>*1099s</p> <table border="1"> <thead> <tr> <th></th> <th>Most Recent Year</th> <th>Previous Year</th> </tr> </thead> <tbody> <tr> <td>Year:</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Most Recent Year	Previous Year	Year:					
	Most Recent Year	Previous Year															
Year:																	
Total Business Bank Statement Deposits			\$117,806.26														
Number of Months for Bank Statement Program			12														
Tolerance (tolerance must be ≥ 80% of P&L gross revenue)			0.00%														
<p>*HOW TO ENTER 1099s (see also Underwriting Guidelines Section 3.3)</p> <ul style="list-style-type: none"> - Enter 1099 amount under "Most Recent Year". - If using a 2nd 1099, enter that amount under "Previous Year". - Enter the remaining YTD bank statement data below. - Follow the same steps if using deposits from multiple accounts. - Enter "Number of Months" as the total sum of YTD statements plus the 1099 time period covered (12 or 24 months). 																	
ACCOUNT #1		BANK NAME			ACCOUNT NUMBER												
		HANCOCK WHITNEY CHECKING			XXXXXXXXXXXXXXXXXXXX1123												
Month	Date	NSFs	Monthly Deposits	Disallowed Deposits (enter transfers, unusual deposits, and one-time deposits as positive numbers)				Eligible Deposits									
1	8/31/2021	2	14,650.82	\$800.00	\$200.00	\$2000.00	\$1800.00			\$9,850.82							
2	9/30/2021	9	11,748.32	\$1000.00						\$10,748.32							
3	10/31/2021	0	14,122.48	\$500.00	\$1000.00	\$1000.00	\$1400.00			\$10,222.48							



Non-Warrantable Condos

- You must complete the Expanded Condo Questionnaire
 - gmfsagent.com> Product>Expanded Products >Forms [Expanded Condo Questionnaire](#)
 - Complete a custom questionnaire for each file and submit to:

Email: expandedprogram@gmfslending.com

Subject Line: Non Warrantable Condo Approval



Questions?

Email lockdesk@gmfslending.com for any questions regarding locks

Email expandedprogram@gmfslending.com for general product or underwriting questions

You can find a quick summary of the products and features
gmfsagent.com > Expanded Products > Tools >
[Expanded Suite of Products](#)

