



# **GMFS Expanded Access**

# Expanded Access

## *Provides Solutions to Grow Your Business*

### EA PLUS

#### NEAR-PRIME

- Prior Credit Event (4+ yrs)
- Self Employed borrowers
- Asset Utilization
- All occupancy types

**90% Max LTV / 661 Min FICO**  
**100K - 2.5MM Loan Amount**  
**50% Max DTI**

### EA CORE

#### NON-PRIME

- Prior Credit Event (0-3+ yrs)
- Self Employed borrowers
- Asset Utilization
- All occupancy types
- Foreign National
- Non-Warrantable Condos

**90% Max LTV / 580 Min FICO**  
**100K - 3MM Loan Amount**  
**55% Max DTI**



## Prior Credit or Housing Events?



Peyton had a foreclosure settled in 2015 and would like to purchase a new home but despite improved credit to 700 are still ineligible for an agency loan due to seasoning requirements.

Using GMFS' EA Core the borrower was approved for \$400K loan at 5.75%!

*Buyer got their home and the LO closed the loan!*



# Prior Credit Event

## EA Plus :

- 661 Min FICO
- 90% Max LTV

## EA Core:

### Seasoned Event:

- 580 Min FICO
- 90% Max LTV

### Recent Event:

- 580 Min FICO
- 85% Max LTV

Borrowers who previously had a foreclosure, short sale, deed in lieu, NOD or loan mod qualify!

*As recent as 1 day out of settlement*

Program	Grade	12 Mo Housing Hist.	Housing Event	BK <sup>1,2</sup>
EA PLUS	No Credit Event Plus	0 x 30	48 Mo	48 Mo
EA CORE	*Seasoned Credit Event / *DLQ	0 X 60	36 Mo	24 Mo
	*Recent Credit Event / *Serious DLQ	0 X 90 <sup>3,4</sup>	Settled	12 Mo

<sup>1</sup>BK events include Chapter 7, 11, and 13

<sup>2</sup>Multiple BK filings per person are never permitted

<sup>3</sup>Housing history must be paid as agreed since housing event completion date

<sup>4</sup>Does not include delinquencies related to the credit event



# Challenged with self-employed borrowers?

The Millers own a local bakery which earns \$200K/yr with a credit score of 710. Due to their extensive use of tax deductions, they are unable to qualify for an agency loan.

**The Bank Statement program allowed them to qualify for a \$800K loan at 5.75%!**



*Terms herein are indicative only and are subject to change by GMFS without prior notice.*



# Self-Employed Borrowers

## Bank Statements

### EA PLUS:

- 680 Min FICO
- 85% Max LTV
- Up to \$2.5MM
- Up to 50 DTI

### EA CORE:

- 580 Min FICO
- 90% Max LTV
- Up to \$3MM
- Up to 55 DTI

**Primary, Second  
and Investor  
Homes**

**Cash-Out option**

- **Designed for the borrowers with good cash-flow but high deductions**
- **2-years self employment required** (*exceptions considered*)
- **Personal Bank Statements (12 or 24 Mo):**
  - People who have a personal and business account (separate books)
- **Business Bank Statements (12 or 24 Mo):**
  - Allows co-mingling between business/personal accounts
- **Tax Returns / 4506T NOT required**
- **Can be combined with other sources of income**
  - Allows for combination of wage earner & self employed borrowers
  - Allows for component sources of income like rent, alimony...
- **No CPA involvement**



# Bank Statements

## *Qualifying Income Options*

Personal Statements:		Business Statements:	
Lower of...		Option 1: Fixed Expense Ratio	Option 2: Earnings Summary
A	Average Monthly Deposits	Monthly net income from <u>Fixed Expense Ratio</u> <u>Calculation</u>	Monthly net income from <u>Earnings Summary</u>
OR			
B	Monthly income from initial signed 1003		





# Express Doc

Tip: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at [IRS.gov](https://www.irs.gov) and click on "Get a Tax Transcript..." under "Tools" or call 1-800-908-9945. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.

1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)

Jack is a licensed therapist who had surgery in 2016 forcing him to take a large amount of time off, therefore his income was much lower than normal in 2016.

He doesn't qualify for an agency loan because of the 2 year income average...

Fortunately, Express Doc allows us to focus only on Jack's 2017 income plus YTD Earnings Summary!

and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 10 business days

c **Record of Account**, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 10 business days . . . . . ☐

7 **Verification of Nonfiling**, which is proof from the IRS that you did not file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days . . . ☐

8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2011, filed in 2012, will likely not be available from the IRS until 2013. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 10 business days . . . ☐

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed





# Express Doc

## One-Year Tax Return plus YTD earnings

### EA PLUS:

- 680 Min FICO
- 85% Max LTV
- Up to 50 DTI
- Up to \$2.5MM

### EA CORE:

- 580 Min FICO
- 90% Max LTV
- Up to 55 DTI
- Up to \$3MM

**Primary, Second  
and Investor Homes**

**Cash-Out option**

### Documentation Needed:

- **W2 or 1099:**
  - One year W2's or 1099's & 4506-T W2 Transcripts
  - Most recent paystub including YTD (min 30 days) earnings
  - WVOE if using bonus, overtime, commission
  - Verbal VOE required within 10 days of closing
- **Self-Employed:**
  - 1-year personal & business tax returns
  - *Borrower prepared* YTD earnings summary – no CPA!
    - If covering 9 mo. + then 3 mo. bank statements required

**Self-Employed borrowers will be qualified on the lower of...**

- (A) Monthly average of the tax return plus the earnings summary
- OR**
- (B) Monthly net income from tax return times 115%



# Asset Utilization



Stacey recently sold her previous business for \$2MM and started a new business which is not yet profitable. While her current income doesn't qualify her for an Agency loan, she can use her financial assets to qualify with our program.

Using GMFS's asset utilization program, Stacey was approved for \$410K at 5.125%!



# Asset Utilization

*Allows borrowers to qualify with their financial assets*

## EA Plus

- Min FICO 661
- Max LTV 75%
- Up to 50% DTI
- Up to \$2.5MM

## EA Core

- Min FICO 580
- Max LTV 80%
- Up to 55% DTI
- Up to \$3MM

Primary & Second  
Homes

Purchase and R/T

- Designed for lower income, retired or non-working borrowers who need to use financial assets to qualify
- Eligible Assets:
  - Checking, Savings and Money Accounts (100%)
  - Stocks, Bonds and Mutual Funds (Core: 85%, Plus: 80%)
  - Vested Retirement Accounts (Core: 80%, Plus: 70%)
- Borrowers must have minimum of \$450K in net assets
- Assets must be seasoned 120 days (exceptions possible)
- GMFS income calculator available
- *Reserves not required!*
- *Priced and qualified as full doc!*



# Asset Utilization

*Allows borrowers to qualify with their financial assets*

## EA Plus

- Min FICO 661
- Max LTV 75%
- Up to 50% DTI
- Up to \$2.5MM

## EA Core

- Min FICO 580
- Max LTV 80%
- Up to 55% DTI
- Up to \$3MM

**Primary & Second  
Homes**

**Purchase and R/T**

Loan Amount: \$410,000 in EA Core

### Step 1: Calculate Qualified Assets

\$800,000 Checking/Savings (100%)	\$800,000
\$450,000 Stocks/Bonds (85%)	\$382,500
\$1,000,000 401K (70%)	\$800,000
<hr/>	
<b>A. Total Allowable Assets</b>	<b>\$1,982,500</b>

### Step 2: Subtract Loan Costs

Down Payment	\$136,666
Closing Costs	\$13,000
<hr/>	
<b>B. Total Loan Costs</b>	<b>\$149,666</b>

**Total Qualified Assets: A - B = \$1,832,834**

### Step 3: Requirements

1. Do they have >\$450K in Qualified Assets? Yes, \$1.8M.
2. Are the total qualified assets more than 1.25 times the loan amount (\$512,500) OR \$1MM (whichever is less)?

**YES! Only need \$512,500 and have \$1.8M**

### Qualifying Income =

$$\begin{aligned} &\text{Total qualified assets} / 120 \\ &\$1,832,834 / 120 = \$15,274 \end{aligned}$$



# Non-Warrantable Condos

*Don't overlook non-warrantable features!*

## Only EA Core

- Up to 55 DTI

**Primary: 80% LTV**

**Second & Investor:  
70% LTV**

**IO and Cash-Out**

**Min 12 mo reserves**

- **Commercial Use** – up to 55%
- **Investor Owned** – Up to 55% NOO
- **Reserves** - <10% replacement, maintenance, and/or deductible
- **Non-Material Litigation** – slip and fall/single unit complaints/3<sup>rd</sup> party claims with adequate reserves



# Appendix





# Personal Bank Statements, 12 Mo

## Step 1 - Borrower / Business Information

Borrower Name:	John Dem	Entity / Business Name:	Main Street Wallpaper
FICO:	700	Sell goods or offer services?	<i>Sells Goods</i>
LTV:	90	Does the business pay any employees or contractors?	<i>Yes</i>
% ownership of the business?	100%	Rent space? i.e. Office, warehouse, storefront etc.	<i>Yes</i>
Is your borrower using personal Bank statements? If yes....			<i>Yes</i>
<i>Does the borrower keep separate personal &amp; business bank accounts?</i>			<i>Yes</i>
<i>Are there any business expenses in their personal account?</i>			<i>No</i>



# Personal Bank Statements, 12 mos

## Step 2 - Bank Statements Analysis:

Business or Personal Account:	Personal	Are there transfers from other bank accounts?	No
# Mo Bank Statements:	12	Are there any NSF fees, overdraft fees, and/or overdraft transfers?	No
End date of most recent statement?	9/30/2018	Does your borrower have any large deposits (as defined by Fannie)?	Yes

### Most Recent 12 Months

Month	Total Deposits	Deposits <i>NOT</i> from business activity		Net Deposits
		\$	Description	
September-2018	\$27,512			\$ -
August-2018	\$23,010			\$ -
July-2018	\$27,555			\$ -
June-2018	\$30,100			\$ -
May-2018	\$19,500			\$ -
April-2018	\$71,000	\$35,000	Sold a boat	\$ \$36,000 -
March-2018	\$24,444			\$ -
February-2018	\$29,950	\$1,222	Insurance proceeds	\$ \$28,728 -
January-2018	\$24,000			\$ -
December-2017	\$31,250	\$3,500	Tax refund	\$ \$27,750 -
November-2017	\$22,010			\$ -
October-2017	\$21,000			\$ -

**TOTAL Deposits:**

\$351,331  
\$311,609

\$39,722

**TOTAL NET DEPOSITS: \$**

\$27,750 -



# Personal Bank Statements, 12 Mo - Results

## QUALIFYING INCOME:

The lower of:

(A) Monthly Income from Initial 1003:

**\$27,000**

(B) Average Monthly Deposits:

**\$25,967**

**Qualifying Income:**

**\$25,967**



# Business Bank Statements 24 Mo

## Step 1 - Borrower / Business Information

Borrower Name:	Meiomi Miller	Entity / Business Name:	Miller Marriage Counseling
FICO:	700	Sell goods or offer services?	<i>Offers Services</i>
LTV:	75	Does the business pay any employees or contractors?	<i>No</i>
% ownership of the business?	100%	Rent space? i.e. Office, warehouse, storefront etc.	<i>No</i>
Is your borrower using personal Bank statements? If yes....			<i>No</i>
Does the borrower keep separate personal & business bank accounts?			
Are there any business expenses in their personal account?			



# Business Bank Statements 24 Mo

## Step 2 - Bank Statements Analysis:

Business or Personal Account:	Business	Are there transfers from other bank accounts?	No
# Mo Bank Statements:	24	Are there any NSF fees, overdraft fees, and/or overdraft transfers?	No
End date of most recent statement?	9/30/2018	Does your borrower have any large deposits (as defined by Fannie)?	Yes

Most Recent 12 Months				
Month	Total Deposits	Deposits <i>NOT</i> from business activity		Net Deposits
		\$	Description	
September-2018	\$11,500			\$ 11,500
August-2018	\$9,500			\$ 9,500
July-2018	\$10,250			\$ 10,250
June-2018	\$10,500			\$ 10,500
May-2018	\$9,500			\$ 9,500
April-2018	\$8,250			\$ 8,250
March-2018	\$6,001	\$2,100	Ebay sale	\$ 3,901
February-2018	\$5,402			\$ 5,402
January-2018	\$7,250	\$1,950	Insurance proceeds	\$ 9,200
December-2017	\$5,985			\$ 5,985
November-2017	\$6,850	\$1,250	Tax refund	\$ 5,600
October-2017	\$7,225			\$ 7,225
TOTAL Deposits: \$		TOTAL NET DEPOSITS: \$		\$96,813
\$98,213				



# Business Bank Statements 24 Mo

Prior 12 Months (if applicable)					
Month	Total Deposits	Deposits <u>NOT</u> from business activity		Net Deposits	
		\$	Description		
September-2017	\$9,887			\$	\$9,887
August-2017	\$10,110			\$	\$10,110
July-2017	\$11,585			\$	\$11,585
June-2017	\$9,500			\$	\$9,500
May-2017	\$14,222			\$	\$14,222
April-2017	\$11,555			\$	\$11,555
March-2017	\$12,520			\$	\$12,520
February-2017	\$19,510			\$	\$19,510
January-2017	\$8,200			\$	\$8,200
December-2016	\$11,585			\$	\$11,585
November-2016	\$12,511			\$	\$12,511
October-2016	\$9,705			\$	\$9,705
TOTAL:		\$140,890		TOTAL NET DEPOSITS: \$	
				\$140,890	

TOTAL NET DEPOSITS: \$ \$237,703 -





# Business Bank Statements 24 Mo

## Option 1: EXPENSE FACTOR

Type of Business:

Offers Services

# of FTE/Contractors (does not include borrower)

0

Avg. Mo. Net Deposits:

\$ 9,904

Multiply by Expense Factor

\$ 7,923

Multiply % Ownership

\$ 7,923

# of FTE/Contractors

0

1-5

>5

Service Business (offers services)

Examples: Consulting, Accounting, Legal, Therapy, Counseling, Financial Planning, Insurance, Information Technology

20%

40%

60%

Product Business (sells goods)

Examples: Retail, Food Services/ Restaurant, Manufacturing, Contracting/ Construction

40%

60%

80%

### QUALIFYING INCOME:

The lower of:

(A) Monthly Income from Initial 1003:

\$10,000

(B) Monthly Expense Statement Calculation:  
(above)

\$ 7,923

Qualifying Income:

\$7,923

The business' expense ratio is 11%.

Please describe the business and comment why the expense ratio is deemed reasonable:

Licensed marriage counselor and works out of a home office. This is a home based business with no employees and no inventory.

Borrower Signature:

*Meiom Miller*



# Business Bank Statements, 24 Mo

Option 2: BORROWER PREPARED P&L or EARNINGS SUMMARY (ES) (same time period as deposits)	
Business receipts/gross income?	\$ 242,000
Please summarize the total business expenses...	
Cost of Goods/Materials	\$ -
Labor/ Wages (paid to others)	\$ -
Rent	\$ -
Auto/Truck/Insurance	\$ \$6,200
Other: Insurance	\$3,600
Other: Training	\$16,000
Other:	
Total Expenses:	\$ \$25,800
Net Income:	\$216,200
Net Income x % ownership:	\$ \$216,200
Monthly Net Income:	\$ \$9,008
Requirement: Gross Income (\$242,000) within 10% of Total Net Deposits(\$237,703):	YES
<b>QUALIFYING INCOME:</b>	
The lower of:	
(A) Monthly Income from Initial 1003:	\$10,000
(B) Monthly Net Income from P&L/ES (above):	\$ \$9,008
Qualifying Income:	\$9,008

The business' expense ratio is 11%.

Please describe the business and comment why the expense ratio is deemed reasonable:

Licensed marriage counselor and works out of a home office. The expense ratio is only 11 % which is reasonable for a home based business with no employees and no inventory.

Borrower Signature:

*Meiomi Miller*



# Prime Jumbo

*For borrowers with excellent credit, stable income and employment history; loan amounts exceeding Agency max*



## PRODUCT FEATURES

- 15/20/30 year Fixed
- 5/1, 7/1 and 10/1 ARMs
- QM Product
- Purchase, R/T Refi, & Cash-Out options
- Cash out - 70% LTV/CLTV to 720
  - Max cash out \$500M  $\leq$  65% LTV/CLTV
  - \$300M  $\geq$  65% LTV/CLTV



## TARGET BORROWER

- First Time Home Buyer
- Perm & Non-Permanent Resident Aliens
- Inter-Vivos Revocable Trusts



## PRIMARY RESIDENCE

- Max LTV/CLTV: 80%
- Min FICO: 700
- Max Loan Amt: \$2.5MM
- Max DTI: 43%



## SECOND HOME

- Max LTV/CLTV: 75%
- Min FICO: 700
- Max Loan Amt: \$2MM
- Max DTI: 40%



## FINANCIALS

- Credit events: None allowed in last 7 years
- Reserves: Min 6 months



# EA-Plus

*Designed for borrowers who fall just outside Prime Jumbo.*



## PRODUCT FEATURES

- Fixed: 30yr
- ARM: 5/1, 7/1
- NonQM, all ATR Compliant
- Loan Amounts: \$100M to \$2.5MM
- DTI up to 50% (700 FICO/80 LTV)
- Cash-Out options

## FINANCIALS



- No housing delinquencies in last 12 months
- 4yrs since FC/SS/DIL, Default Mod, NOD, 120+ days delinquent & BK
- 12/24 mo Personal & Business bank statements
- Express Doc (1-Year Tax Return)
- Reserves: Min 6 months



## PRIMARY RESIDENCE

- Max LTV/CLTV: 90%
- Min FICO: 661
- Max Loan Amt: \$2.5MM



## SECOND HOME

- Max LTV/CLTV: 80%
- Min FICO: 680
- Max Loan Amt: \$2MM



## INVESTOR RESIDENCE

- Max LTV/CLTV: 75%
- Min FICO: 680
- Max Loan Amt: \$1.5MM



# EA Core

*For borrowers with a recent credit event or who don't fit standard Agency, Govi or jumbo guidelines*



## PRODUCT FEATURES

- Fixed: 30yr
- ARM: 5/1, 7/1
- NonQM, all ATR Compliant
- Loan Amounts: \$100M to \$3MM
- DTI up to 55% (680 FICO)
- Cash-out options up to \$1MM
- Non-warrantable condo, FTHB, Foreign Nationals



## FINANCIALS

- Recent housing delinquencies, FC/SS/DIL, Default Mod, NOD, 120+ days delinquent & BK allowed
- 12/24 mo Personal & Business bank statements
- Express Doc (1-Year Tax Return)
- Asset utilization
- Reserves: Min 3 months



## PRIMARY RESIDENCE

- Max LTV/CLTV: 90%
- Min FICO: 580
- Max Loan Amt: \$3MM



## SECOND HOME

- Max LTV/CLTV: 80%
- Min FICO: 580
- Max Loan Amt: \$3MM



## INVESTOR RESIDENCE

- Max LTV/CLTV: 80%
- Min FICO: 580
- Max Loan Amt: \$3MM



For additional information please see:

[Expanded Access Plus Product Guide](#)

[Expanded Access Core Product Guide](#)

[Expanded Access Plus and Core Matrix](#)

