



HOMEXPRESS
— MORTGAGE CORP. —

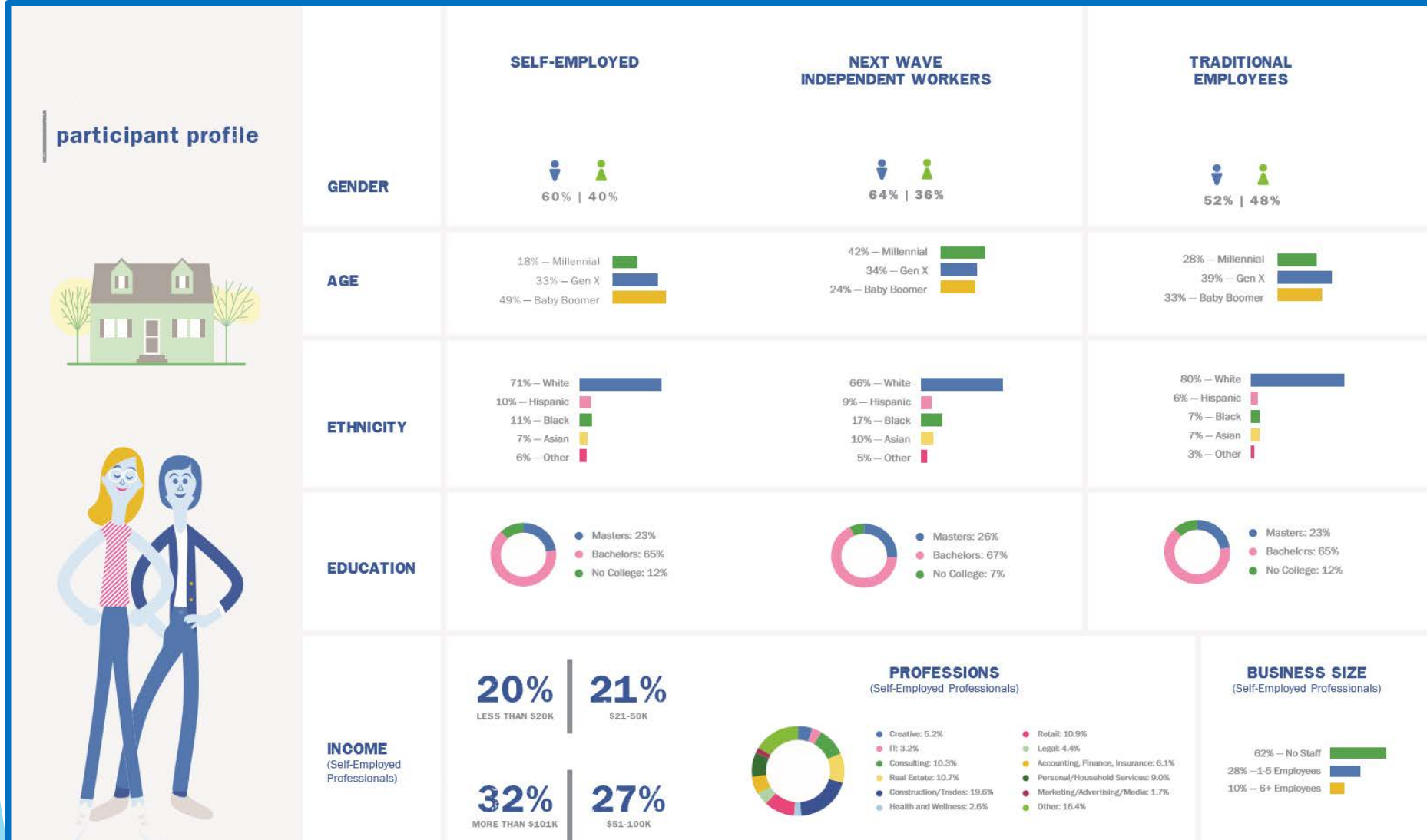
HOMEXPRESS MORTGAGE CORP.
WHO IS A NON-QM BORROWER?

Who is a Non-QM Borrower?

- ▶ Self-Employed borrowers that have excessive write-offs on their tax returns
- ▶ Borrowers that have liquid assets to help qualify
- ▶ Borrowers with recent or past life events
- ▶ Investor business purpose loans
- ▶ Unique circumstances

Self-Employed Workforce Projections

Currently, 15 million self-employed as of % of workforce
Estimated a total of 42 million by 2020



Average Credit Score Statistics

What is an average credit score these days?

700

According to Money Magazine, the average American's credit score has been increasing over the past few years, hitting a record 700 last year.*

FICO Score Calculation includes:

- ▶ 15% Length of Credit History
- ▶ 10% Mix of Debt
- ▶ 65% Payment History and Credit Utilization

Average Credit Score Statistics

Average Credit Score by Region

Region	Average Credit Score *
Northeast	676
South	657
Midwest	680
West	676

Average Credit Score by Income

Annual Income	Average Credit Score *
\$30,000 or Less	590
\$30,001-\$49,999	643
\$50,000-\$74,999	737

Average Credit Score Statistics

Average scores by age, as of April 2017*

18-29 year old: 652

30-39 year old: 671

40-49 year old: 685

50-59 year old: 709

Age 60+: 743

Self-Employed Borrowers

- ▶ Bank Statement Programs
 - ▶ 12 Month Personal Bank Statement Program
 - ▶ 24 Month Personal Bank Statement Program
 - ▶ 24 Month Business Bank Statement Program
 - ▶ Borrower prepared P&L
 - ▶ 3rd party expense factor letter

- ▶ Alternative Income Documentation
 - ▶ 1 Year Tax Return Program
 - ▶ Use Lease Agreements in Lieu of Schedule E's
 - ▶ 80% of the rents
 - ▶ Two cancelled checks supporting lease agreement required

Liquid Assets to Qualify

▶ Asset Assist

▶ Combine W2 or Bank Statement income with assets to qualify

▶ Acceptable Assets:

▶ Checking, Savings, Money Market Accounts= 100% of current value

▶ Stocks, Bonds, Mutual Funds = 90% of current value

▶ 401K, IRA= 70% of current value

▶ Account can't be in distribution

▶ Divide the total eligible assets (at the % noted above) by 120 months

▶ Add the asset income on 1003 as "Asset Depletion"

▶ CoreX Program Only

Liquid Assets to Qualify Cont...

- ▶ Asset Express
 - ▶ Liquid assets sufficient to cover the loan balance plus 5 years of tax and insurance along with consumer debt
 - ▶ Acceptable Assets:
 - ▶ Checking, Savings, Money Market Accounts= 100% of current value
 - ▶ Stocks, Bonds, Mutual Funds = 90% of current value
 - ▶ 401K, IRA= 70% of current value
 - ▶ No income or job is required on the 1003
 - ▶ Six months seasoning of assets required
 - ▶ PrimeX and CoreX Programs ONLY

Recent or Past Life Events

- ▶ Bankruptcy
 - ▶ Chapter 7- use discharge date or dismissal date
 - ▶ Programs available for 1 day out of BK
 - ▶ Discharge/Dismissal date used for credit grading
 - ▶ Chapter 13- use discharge date
 - ▶ Pre and Post petition payments paid as agreed
 - ▶ Chapter 13 plan can be paid off with the loan proceeds
 - ▶ Chapter 11- use discharge date
 - ▶ Can use filing date if borrowers exceed the secured/unsecured limits to file Chapter 13
 - ▶ Unsecured debt limits- \$394,725
 - ▶ Secured debt limits- \$1,184,200
 - ▶ These limits are adjusted every 3 years, next debt adjustment April 1, 2019
 - ▶ Pre and Post payments paid as agreed

Recent or Past Life Events

- ▶ Housing Events
 - ▶ Mortgage Delinquency
 - ▶ 30 day, 60 day, 90 day OK
 - ▶ Mortgage lates used in credit grading
 - ▶ Foreclosure
 - ▶ Use foreclosure settled date
 - ▶ 1 day out of foreclosure programs available
 - ▶ 120 lates considered a foreclosure
 - ▶ Short Sale
 - ▶ Use short sale/Deed in Lieu date
 - ▶ Short sale/Deed in Lieu superseded foreclosure
 - ▶ HomeX credit grading favorable for Short Sale/Deed in Lieu vs Foreclosure
- ▶ Low Credit Scores
 - ▶ Programs available for borrowers with credit scores as low as 500
 - ▶ Consumer lates do not affect credit grade
 - ▶ Debt consolidation loans to pay off debt

Investor Business Purpose Loans

- ▶ InvestorX- Full/Alt Doc
 - ▶ Qualify using Full or Alternative Documentation: Bank statements, Assets, lease agreements in lieu of Schedule E's
 - ▶ Scores down to 540
 - ▶ 6 month seasoning to use appraised value
 - ▶ Loans to \$1.5m
 - ▶ 75% max LTV for Purchase, rate & term, and cash out
 - ▶ No reserves required up to \$1m loan amount
 - ▶ Interest only available

Investor Business Purpose Loans

- ▶ InvestorX- DSCR Qualified
 - ▶ No Income verification required
 - ▶ Debt Service Coverage Ratio only
 - ▶ Loan available for loans with less than .75% DSCR
 - ▶ 600 minimum score
 - ▶ 6 month seasoning to use appraised value
 - ▶ No reserves required
 - ▶ Foreign National and Non-permanent resident alien available
 - ▶ Interest only available

Unique Circumstances

- ▶ Collateral
 - ▶ Non-Warrantable Condos
 - ▶ Short-term rentals: AirBnB, Homeaway
 - ▶ Flexible rural guidelines
 - ▶ Other:
 - ▶ Lease Options treated as refinance- use appraised value
 - ▶ 100% gift funds allowed
 - ▶ 100% gift of equity allowed

Why HomeXpress Mortgage

- ▶ Speed, Ease, and Convenience
- ▶ Fastest Turn Times in NON-QM Market
- ▶ Direct Access to our Underwriting Team
- ▶ Friendly and Courteous Operations Team
- ▶ Knowledgeable and Responsive Account Executives
- ▶ Seasoned and Experienced Account Executives
- ▶ Financial Strength through Seer Capital Management

Questions?

THANK YOU FOR ATTENDING!

Steve Cutter, Vice President of Sales and Marketing
scutter@homexmortgage.com

Follow us on Facebook and LinkedIn for company updates!

