

**FORWARD
LENDING**



www.ForwardLendingMtg.com

844.941.5626

Forward Lending

We Keep You Moving Forward

Speed, Quality, Service

Forward Lending provides Speed, Quality and Service. Our combination of wholesale loan products and wholesale loan rates in the industry surpass the competition. We understand our clients need loan programs that give you the competitive edge with your customers. With a variety of different home loan products and programs to choose from including unique, Non-QM loan portfolio products, there's no other place to look than *FORWARD*.

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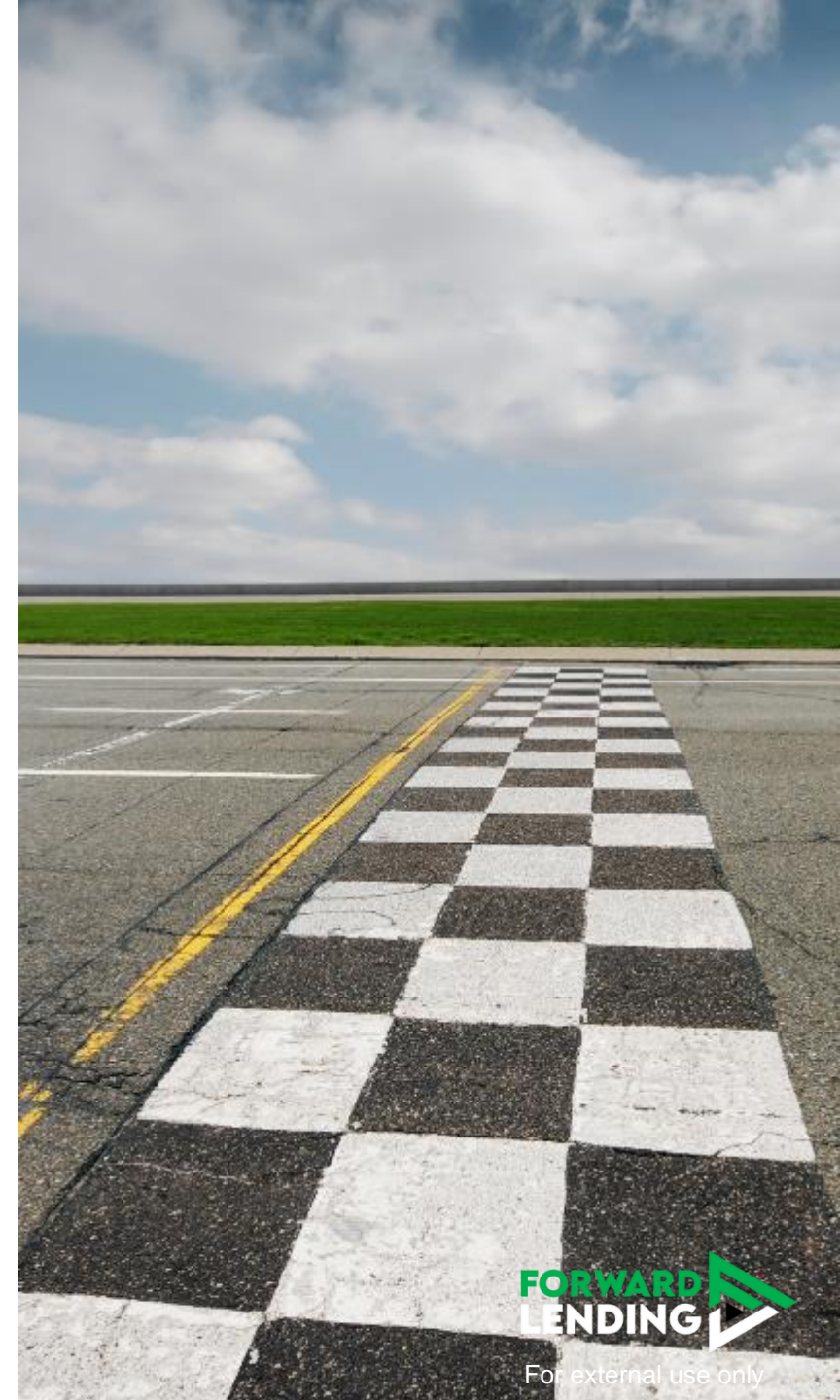
WEBINAR HOSTS



Jenny Beck, Director of Learning and Development



Will Fisher, EVP on Non-QM Lending



AGENDA

- Short Term Rentals
 - Income/Documentation
- DSCR General Overview
- ITIN
- Resources
- Questions?



MOVE AHEAD OF THE PACK WITH OUR SPECIALS

- Appraisal Credit
 - Get up to \$400 Appraisal Credit for new brokers
 - Available on all Programs
 - Good through March 31st, 2023
- FHA Finish Line Special!
 - 35 BPS Off FHA Price Improvement
 - Applies to Purchase, Refinance and Cash out
 - Conforming and High Balance loan limits
 - Good through March 31st, 2023



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THE TRACK

- Receive free training on one of the most powerful tools to help you close more loans, The Track.
- Learn how to submit, price, disclose your loan in minutes using our new TPO portal.
- Get an edge on the competition and expand your business at the same time with The Track.
- Schedule training now and reserve a spot for you and your team.
- Training available now!
<https://forwardlendingmtg.com/the-track/>



SHORT TERM RENTALS



What is a Short-Term Rental (STR)

- At Forward Lending we view a Short-Term Rental (STR) as a property that will not be rented out by any individual for long term use.
- Residences rented out on a monthly to yearly basis are considered long term rental.
- STR's are usually rented by a rental management company on a nightly, weekly or Seasonal basis.



GENERAL INFO (STR)

- General
 - No first-time investors
 - Declining market (value):
 - When a declining market is identified by the underwriter or listed on the appraisal, the max LTV is 65%
 - Declining market (rent):
 - When declining market rent is identified by the underwriter or listed on the appraisal, one of the following must occur:
 - Reduce the LTV to 65%; OR
 - Achieve a Minimum 1.25 DSCR Ratio

INCOME (STR)

- Income:
 - STR Income – Purchase and Refinance Transactions
 - Applies to all transactions using short-term rental income
 - A 5% LTV reduction applies to all loans qualified with short-term rental income
 - DSCR Calculation
 - Monthly Gross Rents based on a 12-month average to account for seasonality required
 - Refinance Transaction: 12 months (or 6 months minimum, if owned less than 12 months) used and averaged accordingly
 - Extraordinary Costs:
 - Use actual extraordinary costs (i.e., management fees, advertising, furnishing, cleaning) listed on the 3rd party management/rental statement; OR
 - Use the gross rents reduced by 20% to reflect extraordinary costs (i.e., management fees, advertising, furnishing, cleaning) associated with operating short-term rental property compared to non-short-term property, if actual not provided
 - NOTE: $(\text{Gross Rents} \times 0.80) \div \text{PITIA} = \text{DSCR}$

DOCUMENTATION (STR)

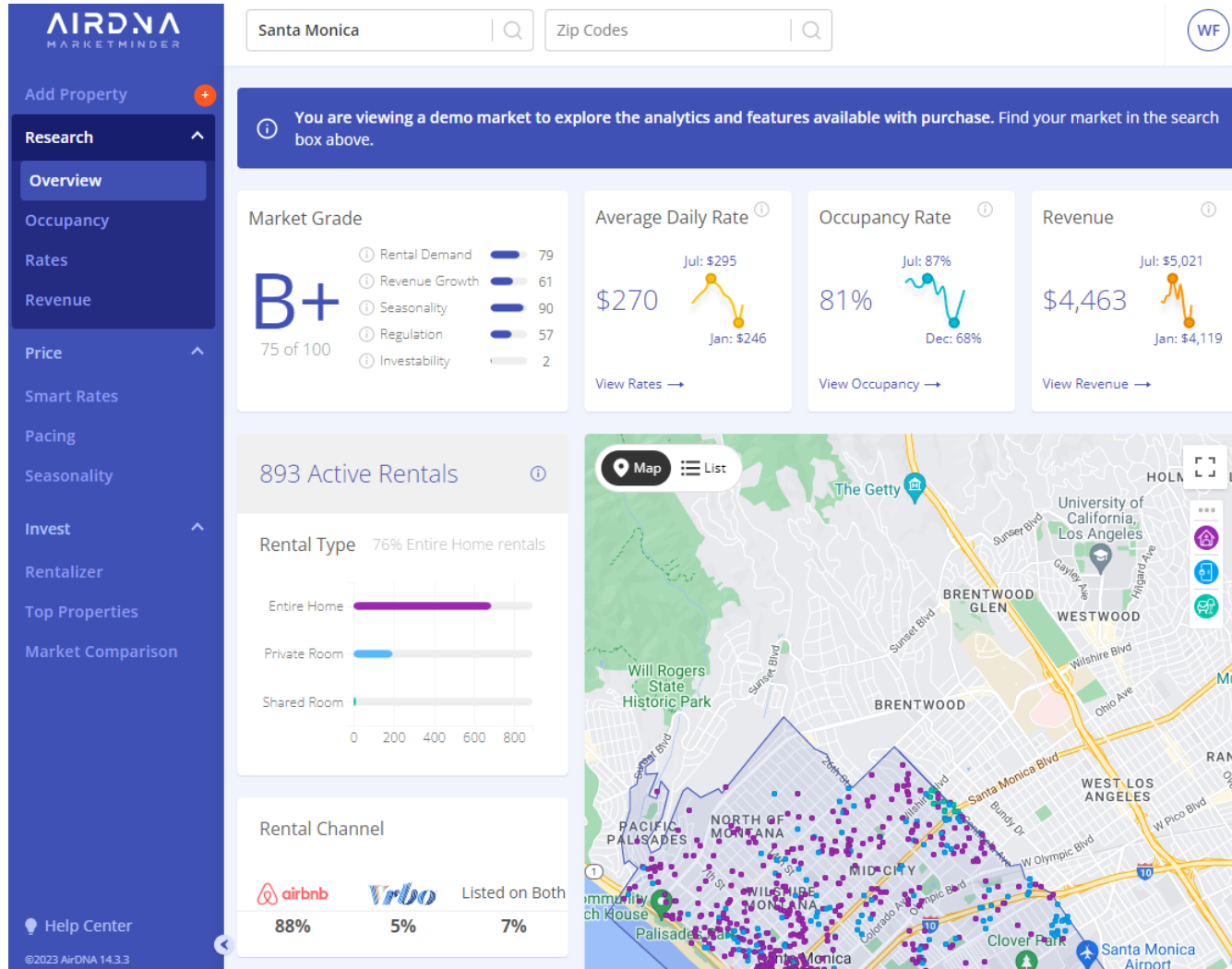
- Documentation:
 - For Refinance or Purchase
 - Form 1007 Single Family Comparable Rent Schedule/Form 1025 Small Residential Income Property Appraisal Report prepared by the appraiser reflecting long-term or short-term market rents.

And

- The Most recent 12-month rental history statement from the third-party rental/management service (may be provided by the seller if a purchase transaction)
 - Statement must identify the subject property/unit, rents collected for the previous 12 months and all vendor management fees
 - Any significant variance between the 1007/1025 prepared with short-term rental data and recently documented income may warrant further scrutinization by the underwriter

Continued.....

DOCUMENTATION (STR)



AirDNA Rent-a-lizer and Overview reports (must meet the following requirements):

- Rentalizer
 - Purchase transactions only
 - Forecast period must cover 12 months from Note date
 - Occupancy rate must be > 65%
 - Must have six (6) comparison properties
 - Must be within two (2) miles of the subject property
 - Must be similar in size, room count, amenities, availability, and occupancy
- Overview Report
 - Market grade by zip code
 - Must be B or greater
 - Income calculation (annual revenue ÷ 12)

DSCR & NO RATIO HIGHLIGHTS



DSCR & NO RATIO GENERAL HIGHLIGHTS

- LTV's Up to 85%
- FICO Down to 620 DSCR
- FICO Down to 640 DSCR No-Ratio
- Loan Amounts up to \$3.5M
- Terms 5/9, 7/6, 30 and 40 yr, IO Available on ALL Terms!
- Cash Out up to 80%



DSCR & NO RATIO GENERAL HIGHLIGHTS

- Cash in Hand
 - Up to \$2M cash in hand \leq to 65% LTV
 - Up to \$1M cash in hand \leq to 70% LTV
 - Up to \$500k cash in hand $>$ 70% LTV
- Gift Funds up to 100%
- Private Party VORs
 - LTV \leq 80% & \geq 660 FICO
 - LTV \leq 70% & \geq 600 FICO
- Reserves
 - \leq 65% LTV No Reserves
 - $>$ 65% 3 Months
- No-Ratio
 - Down to .75



ITIN HIGHLIGHTS

- Up to 85% LTV
- Down to a 660 FICO
- Private Party VOR OK!
- Alternative Tradelines OK, when one 12-month tradeline exists on credit
- NO green card or NPRA status requirement
- Owner Occ. Or Investment property
- Full doc, Bank Statements or DSCR
- Up to \$1.5M

Refer to the complete Matrix at: [Non-QM, Non-Conforming Loans – Forward Lending \(forwardlendingmtg.com\)](https://forwardlendingmtg.com)



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THANK YOU

FORWARD LENDING

WE KEEP YOU MOVING FORWARD



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