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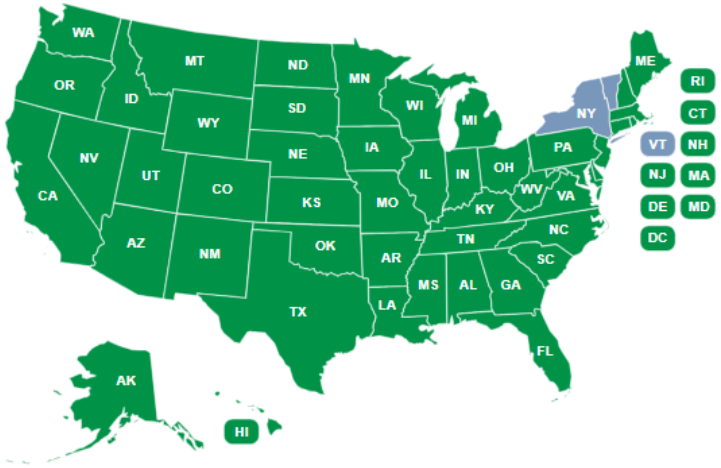
Forward Lending

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.*

Licensed States, US



Intended for Mortgage/Real Estate Professionals

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WEBINAR HOSTS

Jenny Beck, Director of Learning and Development

Shaun Dennison, EVP Non-QM Lending

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FREE TRAINING FOR TEAMS

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/

TAKE THE LEAD WITH APRIL SPECIALS!

April Special Highlights
Valid for loans locked 4/1 – 4/30, 2024

Prime Programs:
•25 BPS Price Improvement on FHA/VA loans 620+ FICO (excludes DPA and CalHFA)
Note: FHA/VA specials are in addition to and may be combined with Select. Excludes Down Payment Assistance DPA and CalHFA.

Non-QM Programs:
•25 BPS Price Improvement on all Non-QM loans (excludes Select)

Closed-End Seconds*:
•25 BPS Price Improvement on all Closed-End Seconds (including Select)
•State Special: 25 BPS Price Improvement on all Closed-End Seconds (excluding California) (can be combined with CES Special and Select)

Specials are valid for loans locked 4/1/2024 through 4/30/2024. Offers subject to change at anytime, terms and conditions apply. Restrictions apply. Contact your Account Executive to learn more.
**For Closed-End Seconds: Loans originated in US Territories and the following states are ineligible: AK, NY, TN, TX, VT, WV, WY. Restrictions apply. Important to note that a Closed-End Second Mortgage may typically have a higher interest rate than the first lien mortgage*

REV UP YOUR BUSINESS WITH NON-QM HOT TOPICS AND NICHES!

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HOT TOPICS

AGENDA:

- **ITIN**
- **Upgrade Credit with our Credit Upgrade**
- **1099 Program Enhancements**
- **B and C Grades**
- **Solving for elevated DTI using blended Asset Utilization**

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INS AND OUTS OF ITIN

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What is an ITIN?

An Individual Taxpayer Identification Number (ITIN) is a 9-digit number the Internal Revenue Service (IRS) issues to people filing a tax return who are not U.S. citizens and who do not have or are not eligible for a Social Security number. You can only use your ITIN for tax reporting purposes.

As of December 31, 2022, the IRS had issued 26 million ITINs since the program's inception (1996). As of this same time frame, there were more than 5.8 million active ITINs, and the IRS reported that almost 487,000 new ITINs were issued during Calendar Year 2022.

The opportunity:

- 85% LTV
- $1.5m loan amount
- FICO down to 660
- Primary and Investment properties (DSCR included)!!
- The understanding that an "incorrect SSN" may be on credit / paystubs / W2

What are we looking for..?

Eligibility:

- Loan file must contain a copy of the original ITIN letter issued by IRS
- Credit report must be pulled utilizing borrower's ITIN number issued by the IRS
- Must own Primary Residence for at least 12 months to be eligible for a Cash-Out Refinance or at least 6 months for a Rate & Term Refinance
- Heads up!! Non-Occupant Co-Borrowers are not allowed on an ITIN program

Income:

- 12-Month Full Documentation or 12 months Bank Statements only (24 months full doc or bank statements if required by the Underwriter)
- Personal tax returns are required and must reflect the ITIN on all ITIN loans unless Self Employed Bank Statement loan
    - Paystubs or W-2s should not be submitted unless they show the ITIN; a written VOE may be used instead

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Credit Requirements….

Credit:

- Borrowers must meet standard tradeline requirements. **Tradelines below MUST be reporting based on ITIN issued by IRS**.
  - At least three (3) tradelines reporting for a minimum of 12- months with activity in the last 12-months, or
  - At least two (2) tradelines reporting for a minimum of 24-months with activity in the last 12-months, or
  - At least 1 revolving tradeline reporting for 60 months with activity in the last 12 months and a verified 12-month housing history 0x30; or
  - At least 1 installment tradeline reporting for 36 months with activity in the last 12 months and a verified 12-month housing history ox30
- Borrowers who do not meet the standard tradeline requirements may be eligible when satisfying the reduced tradeline requirements listed below.
  - Non-traditional credit references include but are not limited to:
    - Auto and renter's insurance
    - Child-Care from a reputable and known entity (KinderCare, etc.)
    - Installment loan payments not listed on credit report s Lease payments for durable goods (i.e. auto)
    - Local store payments (department, furniture, appliances)
    - Non-payroll deducted medical and life insurance
    - Rent-to-own contracts (e.g. Rent-A-Center)
    - School tuition
    - Utilities (electricity, water, gas, phone, cable)
    - VOR/VOM reported on credit or, received directly from an institutional management company/servicing company that can be verified via third party sources; if none exist, then 24 months of consecutive cancelled checks/money orders is an acceptable alternative

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CREDIT UPGRADE

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Credit Upgrade- How it's Used…

A fast and simple way to identify key compensating factors to improve pricing for your borrower.

Select NQM					A+					A				B				C
FICO to Max LTV/CLTV					FICO to Max LTV/CLTV (Min 660 FICO)					FICO to Max LTV/CLTV (Min 600 FICO)				FICO to Max LTV/CLTV (Min 600 FICO)				(Min 600 FICO)
740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+	600+

Using standard compensating factors, you can upgrade your "B" to an "A" or your "A" to an "A+" w/ a point total of 6 on the compensating credit table. This is a Forward Lending niche!!

Scenario: Original credit grade is B due to 1x60x12 mortgage history. By meeting 6 total points using the table to the right, this borrower is now in an "A" pricing tier!

Note: Not available for DSCR, A+ to Select, C to a B

COMPENSATING CREDIT TABLE

The Borrower in this example has a credit grade of B, a 725 credit score, a DTI of 29, an LTV of 65% and her residual income is $4,500.

UPGRADE AREA	MEASUREMENT	POINTS TO ADD	PER EXAMPLE
ASSETS – RESERVES	12 Months	1	0
	24 Months	2	
	36 Months	3	
CREDIT SCORE	Higher than 720	1	1
	Higher than 750	2	
	Higher than 780	3	
INCOME – DTI	Under 40%	1	2
	Under 30%	2	
	Under 20%	3	
RESIDUAL INCOME	≥ $4,000	1	1
	≥ $6,000	2	
	≥ $10,000	3	
VALUE – LTV/CLTV	≤ 75%	1	2
	≤ 65%	2	
	≤ 55%	3	
		TOTAL POINTS	6

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1099 PROGRAM UPDATES

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1099 Expansion

Expanded to allow all occupancies!! (previously OO only)
Up to 90% LTV (previously capped at 80%)

NonQM "Select" and Grades

Full Doc / Alt Doc Purchase, R/T & C/O | Income Types Include: Full Doc - 12, 24 mos, Alt Doc - 1099, WVOE, Asset Utilization, Bank Statements, P&L with 3 mos Bank Stmt, One Yr Self-Employment, Assets as blended income.

	Select NQM					A+					A				B				C
	FICO to Max LTV/CLTV					FICO to Max LTV/CLTV *(Min 660 FICO)*					FICO to Max LTV/CLTV *(Min 600 FICO)*				FICO to Max LTV/CLTV *(Min 600 FICO)*				*(Min 600 FICO)*
Loan Amount	740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+	600+
$ 1,000,000	85%	85%	85%	80%		90%	90%	90%	85%	80%	85%	80%	80%	80%	80%	80%	80%	80%	70%
$ 1,500,000	85%	85%	80%	75%		90%	90%	90%	85%	80%	80%	80%	80%	75%	80%	75%	75%	75%	
$ 2,000,000	85%	80%	75%	75%		90%	90%	85%	80%	75%	75%	75%	75%		70%	65%	50%		
$ 2,500,000	80%	75%	75%	65%		80%	80%	80%	75%	70%	70%	70%			60%	50%			
$ 3,000,000	75%	75%	65%	60%		80%	80%	75%	70%	60%	65%	60%			50%				
$ 3,500,000						70%	70%	60%	60%	50%	50%								
$ 4,000,000						65%	60%	50%											
$ 5,000,000																			
Purchase	Max 85%					Max 90%					Max 85%				Max 80%				Max 70%
Rate & Term	Max 80%					Max 85%					Max 80%				Max 80%				Max 70%
Cash Out	• 5% LTV reduction from Max LTV • Max 75% *Refer to C/O Restrictions for details*					• 5% LTV reduction from Max LTV • Max 80% *Refer to C/O Restrictions for details*					• 5% LTV reduction from Max LTV • Max 75% *Refer to C/O Restrictions for details*				• 5% LTV reduction from Max LTV • Max 70% *Refer to C/O Restrictions for details*				Not allowed
Max LTV	Non-Owner Occupied - 75% 2nd Home - 75% Condo - 85% Condo Non-Warrantable - NA 2 Unit - 80% 3-4 Unit - 75% Rural - NA					Non-Owner Occupied - 85% 2nd Home - 85% Condo - 85% Condo Non-Warrantable - 75% 2 Unit - 85% 3-4 Unit - 80% Rural - 70%					Non-Owner Occupied - 80% 2nd Home - 80% Condo - 80% Condo Non-Warrantable - 75% 2-4 Unit - 80% Rural - 70%				Non-Owner Occupied - 75% 2nd Home - 75% Condo - 75% Condo Non-Warrantable - 70% 2-4 Unit - 75% Rural - 65%				NOO - NA 2nd Home - NA Condo - 65% Condo NW - NA 2-4 Unit - NA Rural - NA
Min Loan Amount	• Full Doc Min. 150K • Alt Doc Min. 150K					• Full Doc Min. 125K • Alt Doc Min. 125K					• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc: Not Allowed
Housing History	0 x 30 x 24 | Rent free not allowed					0 x 30 x 12					1 x 30 x 12				1 x 60 x 12				1 x 120 x 12
Credit Event (BK,SS,FC,DIL, CCC)	48 Months					36 Months (12 mos BK 13/CCC w/pay history allowed)					24 Months (Settled BK 13/CCC w/pay history allowed)				18 Months (Settled BK 13/SS/DIL/CCC allowed)				Settled
DTI *50-55% DTI see below* [1]	• Full Doc: Max 45% • Alt Doc: Max 45%					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV				• Full Doc: Max 50% • Alt Doc: Max 43%				• Full Doc: Max 50% • Alt Doc: Not allowed
One Year Self-Employed	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Min 660 FICO • Bank Stmt. Only					Not allowed				Not allowed				Not allowed
Asset Utilization	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Max $2m					Max 80% LTV - Pur & R/T • Max $2m				Max 80% LTV - Pur & R/T • Max $2m				Not allowed
1099 Only	Not allowed					• $3.0M Max LA • 2 Most Recent Bank Stmt					• $3.0M Max LA • 2 Most Recent Bank Stmt				• 2 Most Recent Bank Stmt				Not allowed
WVOE Only	Not allowed					• Max 80% LTV • Max 70% LTV - C/O & FTHB • Primary residence only					• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB •Primary residence only				• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB •Primary residence only				Not allowed
						• 660+ FICO • Max 85% LTV • $1.5M Max LA													

CREDIT GRADES B AND C

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CREDIT GRADES B AND C, Who is this for??

Do you have a credit challenged borrower with excessive mortgage lates or recent major credit events (BK, FC, SS..)?

Don't dismiss a credit report with a min FICO of 600 w/7x30 + 1x60 + 1x120 in the last 12 months…we potentially have a home for this borrower in our C grade!
This borrower can still obtain a purchase or R/T refi @ 70% LTV up to $1M!

Don't dismiss a credit report with a min FICO 600 w/ 1x60 + 3x30 + BK discharged/settled 18 months ago- we potentially have a home for this borrower in our B grade!
This borrower can still obtain a purchase or R/T refi up to 80% LTV @ $1M (75% LTV up to $1.5M, or a C/O up to 70%!)

	Select NQM					A+					A				B				C
	FICO to Max LTV/CLTV					FICO to Max LTV/CLTV (Min 660 FICO)					FICO to Max LTV/CLTV (Min 600 FICO)				FICO to Max LTV/CLTV (Min 600 FICO)				(Min 600 FICO)
Loan Amount	740+	720+	700+	680+	660+	740+	720+	700+	680+	660+	720+	680+	640+	600+	720+	680+	640+	600+	600+
$ 1,000,000	85%	85%	85%	80%		90%	90%	90%	85%	80%	85%	80%	80%	80%	80%	80%	80%	80%	70%
$ 1,500,000	85%	85%	80%	75%		90%	90%	90%	85%	80%	80%	80%	80%	75%	80%	75%	75%	75%	
$ 2,000,000	85%	80%	75%	75%		90%	90%	85%	80%	75%	75%	75%	75%		70%	65%	50%		
$ 2,500,000	80%	75%	75%	65%		80%	80%	80%	75%	70%	70%	70%			60%	50%			
$ 3,000,000	75%	75%	65%	60%		80%	80%	75%	70%	60%	65%	60%			50%				
$ 3,500,000						70%	70%	60%	60%	50%	50%								
$ 4,000,000						65%	60%	50%											
$ 5,000,000																			
Purchase	Max 85%					Max 90%					Max 85%				Max 80%				Max 70%
Rate & Term	Max 80%					Max 85%					Max 80%				Max 80%				Max 70%
Cash Out	• 5% LTV reduction from Max LTV • Max 75% *Refer to C/O Restrictions for details*					• 5% LTV reduction from Max LTV • Max 80% *Refer to C/O Restrictions for details*					• 5% LTV reduction from Max LTV • Max 75% *Refer to C/O Restrictions for details*				• 5% LTV reduction from Max LTV • Max 70% *Refer to C/O Restrictions for details*				Not allowed
Max LTV	Non-Owner Occupied - 75% 2nd Home - 75% Condo - 85% Condo Non-Warrantable - NA 2 Unit - 80% 3-4 Unit - 75% Rural - NA					Non-Owner Occupied - 85% 2nd Home - 85% Condo - 85% Condo Non-Warrantable - 75% 2 Unit - 85% 3-4 Unit - 80% Rural - 70%					Non-Owner Occupied - 80% 2nd Home - 80% Condo - 80% Condo Non-Warrantable - 75% 2-4 Unit - 80% Rural - 70%				Non-Owner Occupied - 75% 2nd Home - 75% Condo - 75% Condo Non-Warrantable - 70% 2-4 Unit - 75% Rural - 65%				NOO - NA 2nd Home - NA Condo - 65% Condo NW - NA 2-4 Unit - NA Rural - NA
Min Loan Amount	• Full Doc Min. 150K • Alt Doc Min. 150K					• Full Doc Min. 125K • Alt Doc Min. 125K					• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc Min. 125K				• Full Doc Min. 125K • Alt Doc: Not Allowed
Housing History	0 x 30 x 24 | Rent free not allowed					0 x 30 x 12					1 x 30 x 12				1 x 60 x 12				1 x 120 x 12
Credit Event (BK,SS,FC,DIL, CCC)	48 Months					36 Months (12 mos BK 13/CCC w/pay history allowed)					24 Months (Settled BK 13/CCC w/pay history allowed)				18 Months (Settled BK 13/SS/DIL/CCC allowed)				Settled
DTI *50-55% DTI see below[1]*	• Full Doc: Max 45% • Alt Doc: Max 45%					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV					• Full Doc: Max 50%, Max 45% if ≥ 85% LTV • Alt Doc: Max 50%, Max 45% if ≥ 85% LTV				• Full Doc: Max 50% • Alt Doc: Max 43%				• Full Doc: Max 50% • Alt Doc: Not allowed
One Year Self-Employed	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Min 660 FICO • Bank Stmt. Only					Not allowed				Not allowed				Not allowed
Asset Utilization	Not allowed					• Max 80% LTV • Max 75% LTV - C/O • Max $2m					Max 80% LTV - Pur & R/T • Max $2m				Max 80% LTV - Pur & R/T • Max $2m				Not allowed
1099 Only	Not allowed					• $3.0M Max LA • 2 Most Recent Bank Stmt					• $3.0M Max LA • 2 Most Recent Bank Stmt				• 2 Most Recent Bank Stmt				Not allowed
WVOE Only	Not allowed					• Max 80% LTV • Max 70% LTV - C/O & FTHB • Primary residence only					• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB •Primary residence only				• Min 620 FICO • Max 80% LTV • Max 70% LTV - C/O & FTHB •Primary residence only				Not allowed
ITIN	Not allowed					• 660+ FICO • Max 85% LTV • $1.5M Max LA • > 80% LTV $1M Max LA • NOO Max 80% LTV & Max 75% LTV - C/O • Full Doc & 12 mos Bank Stmt only					• 700+ FICO • Max 80% LTV - Pur • $1.5M Max LA • Full Doc & 12 mos Bank Stmt only				Not allowed				Not allowed
DACA	Not allowed					Max 85% LTV - Pur					Max 80% LTV - Pur				Max 75% LTV - Pur & R/T				Not allowed
Foreign National 2nd Home/NOO	Not allowed					• 700+ FICO • Max 75% LTV - Pur • 65% Max LTV - C/O • $2M Max LA • 12 mos min. reserves required					• 700+ FICO • Max 75% LTV - Pur & R/T • Max 65% LTV - C/O •$2M Max LA • 12 mos min. reserves required				Not allowed				Not allowed
Reserves	6 Months min, *cash-out cannot be utilized*					OO & 2nd Home: ≤ 75% LTV no reserves, > 75% 3 Mos, > 80% 6 Mos NOO: ≤ 70% LTV no reserves, > 70% 3 mos, > 80% 6 Mos All Occupancies: *Cash-out can be utilized*									OO & 2nd Home: ≤ 65% LTV no reserves, > 65% 3 Mos NOO: 3 Mos min, max $2.0M LA All Occupancies: *Cash-out can be utilized*				6 Months min, *cash-out can be utilized*

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USING BLENDED ASSET UTILIZATION

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High DTI- How to use blended Asset Utilization

Is your fixed income, W2 or Self-employed Full Doc/Bank Statement/Profit & Loss borrowers DTI too high?

Does your borrower have additional personal assets not being considered in qualification?

Let's put those assets to use and give your borrower additional income to reduce that excessive DTI..

Here's How →

Asset Utilization Calculation Policy
(for use with Blended Income or 100% Income Qualification)

Income listed in the employment section on the URLA will not be considered as the sole income calculation.

Qualifying asset monthly income is the total balance of assets eligible minus all funds used for down payment, closing costs and reserves divided by **60 months** irrespective of the amortized term of the loan.

Example of Asset Income for a 30-year loan:

- Savings account balance is $100,000 ($100,000 usable income)
- Stock Fund Balance is $100,000 ($90,000 useable income)
- Mutual Fund Balance is $10,000 ($9,000 usable income)
  - Total usable is $199,000/60 = $3,316.66 monthly income available for qualification

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