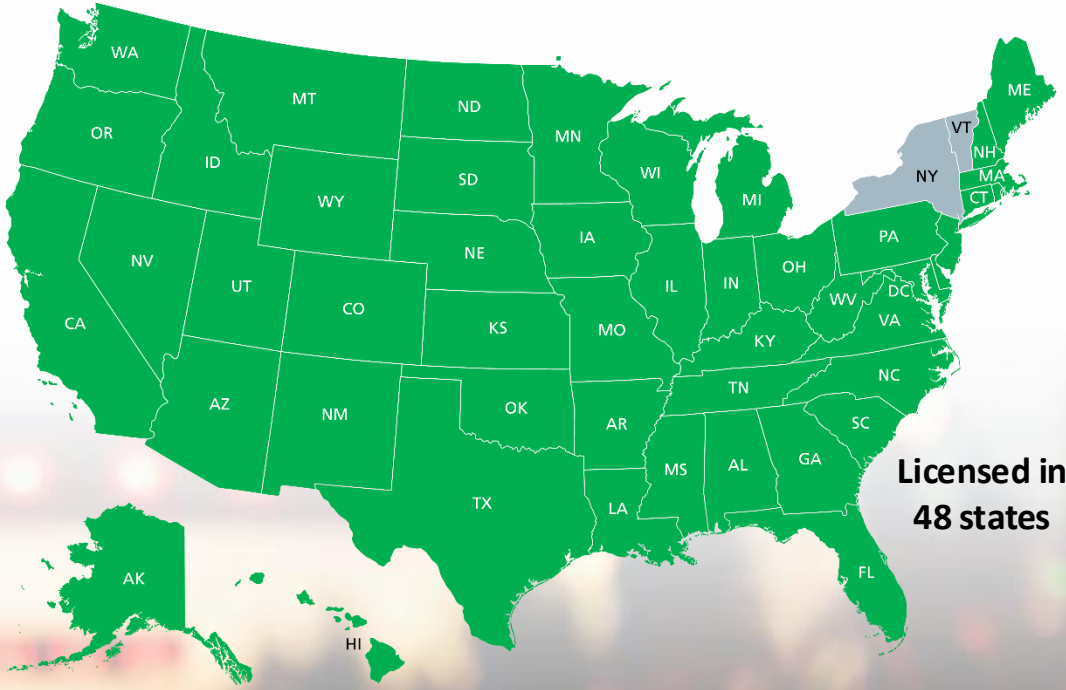
FORWARD
LENDING
WHEN PRIME FAILS, NON-QM PREVAILS
WEBINAR

FORWARD LENDING

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 in 48 states

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WEBINAR HOSTS

Jenny Beck, Director of Learning and Development

Shaun Dennison, EVP Non-QM Lending

Intended for Mortgage/Real Estate Professionals

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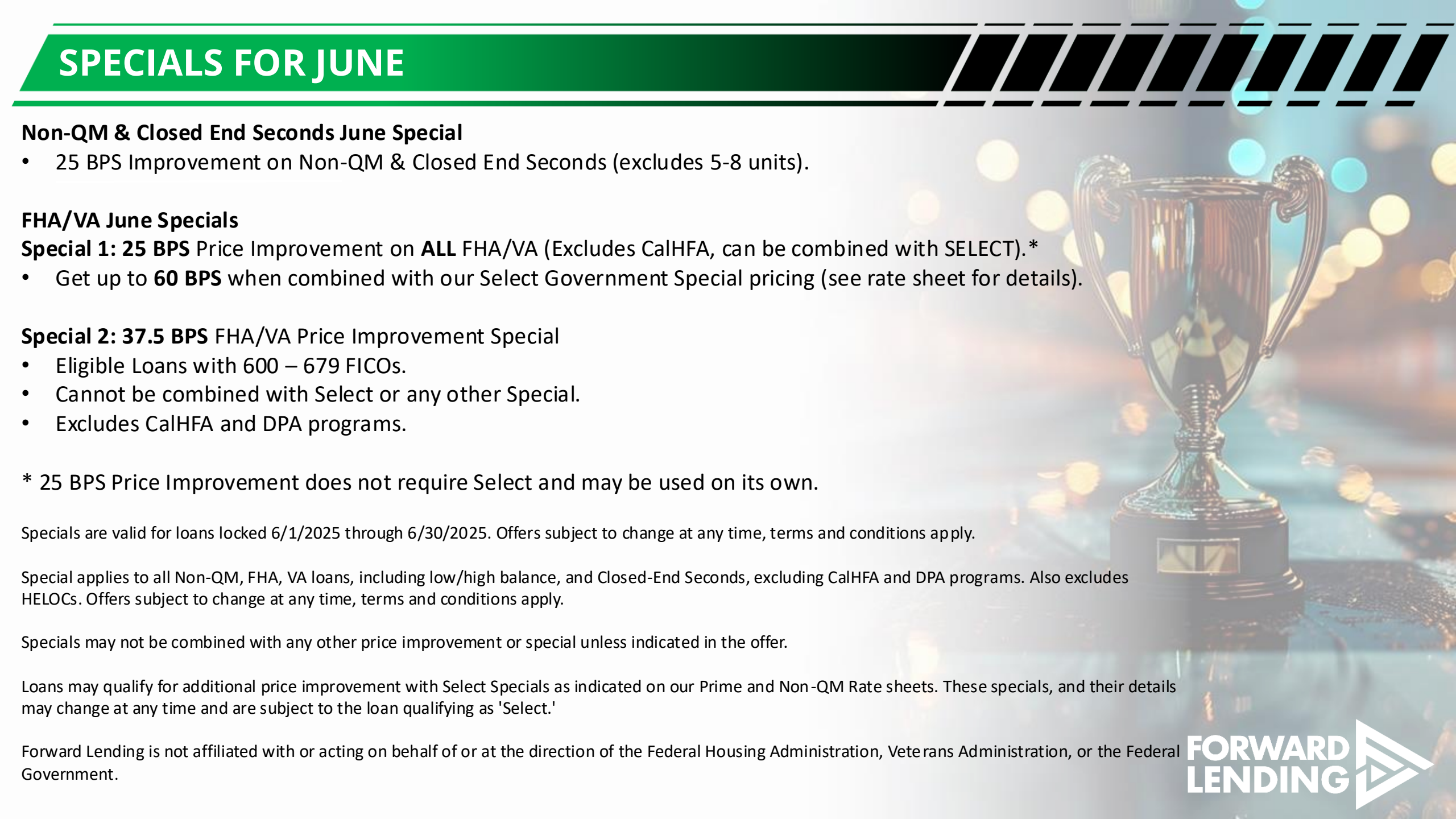
FREE TRAINING FOR TEAMS

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/

SPECIALS FOR JUNE



Non-QM & Closed End Seconds June Special

- 25 BPS Improvement on Non-QM & Closed End Seconds (excludes 5-8 units).

FHA/VA June Specials

Special 1: 25 BPS Price Improvement on **ALL** FHA/VA (Excludes CalHFA, can be combined with SELECT).*

- Get up to **60 BPS** when combined with our Select Government Special pricing (see rate sheet for details).

Special 2: 37.5 BPS FHA/VA Price Improvement Special

- Eligible Loans with 600 – 679 FICOs.
- Cannot be combined with Select or any other Special.
- Excludes CalHFA and DPA programs.

* 25 BPS Price Improvement does not require Select and may be used on its own.

Specials are valid for loans locked 6/1/2025 through 6/30/2025. Offers subject to change at any time, terms and conditions apply.

Special applies to all Non-QM, FHA, VA loans, including low/high balance, and Closed-End Seconds, excluding CalHFA and DPA programs. Also excludes HELOCs. Offers subject to change at any time, terms and conditions apply.

Specials may not be combined with any other price improvement or special unless indicated in the offer.

Loans may qualify for additional price improvement with Select Specials as indicated on our Prime and Non-QM Rate sheets. These specials, and their details may change at any time and are subject to the loan qualifying as 'Select.'

Forward Lending is not affiliated with or acting on behalf of or at the direction of the Federal Housing Administration, Veterans Administration, or the Federal Government.

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When Prime Fails, Non-QM Prevails!

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Non-QM in a Growing Market!

In 2024, Non-QM loans accounted for around 5% of total mortgage originations, according to CoreLogic, reflecting a steady rise in demand from borrowers who don't fit the mold of traditional financing.

Looking ahead, S&P Global predicts that in 2025, Non-QM loans will make up nearly 30% of non-agency mortgage-backed securities.*

Top Reasons PRIME Loans Get Denied!

- **Insufficient Credit history and/or Low FICO Score - unable to dip below 620 FICO, automated risk assessment may need additional tradelines**
- **High Debt To Income Ratio - could cap at 43%, 45% or 50% all depends on automated risk assessment**
- **Insufficient Income and/or Documentation - inability to 'stack' income (think asset utilization), Tax returns don't represent true income picture/earning potential, unable to locate specific documents or extensive documentation required**
- **Inadequate or Unverified Assets - dependent on automated risk assessment - very little flexibility**
- **Recent Job Change or Employment Instability – complex employment history which may "lack stability", limited Self-Employment history**

Non-QM for the Save!

- **FICO as low as 600 + credit events down to “discharged” and the ability to apply “limited tradeline” guidelines to keep the file moving forward**

- **Debt To Income Ratio up to 55%!! NQM Alt Doc allowed up to 50% and Full Doc up to 55%! 40-year fixed term available. NON-STANDARD terms also available for ultimate flexibility for those borrowers wanting that 15-yr fixed.**

- **Insufficient/Unverifiable Income – Tax Returns a little too creative w/ too many “deductions”? Tired of searching for and uploading new income docs? Alt Doc: Bank Statement, P&L, WVOE, 1099, Blended Income: Asset Utilization. NQM = OPTIONS!!!**

- **Inadequate or unverified assets - ability to waive reserves OR use cash out as reserves, Gifts up to 100%, Gift of equity on DSCR (investment property/non-arms length), and only 1 month statement to verify. NQM = increased flexibility!!**

- **Recent Job Change, Employment Instability - One Year Self Employed /1099 and no tax returns needed! The ability to “tell the story” with narrative/documentation to support a creative income approach. Manual underwrites + detailed story telling are part of the flexibility in NQM.**

Highlights on the Matrix!

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Forward Lending NonQM Matrix

Effective Date: 04/17/25 | Revised: 04/17/25

Select NonQM and Core NonQM

Income Types Include: Full Doc - 12, 24 months
Alt Doc - 1099, WVOE, Asset Utilization, Bank Statements, P&L with 3 mos Bank Stmt, One Yr Self-Employment, Assets as Blended Income

Select NonQM

FICO to Max LTV/CLTV

Loan Amount	Credit Score	Purchase	Rate/Term	Cash-Out
$ 1,000,000	700+	85%	80%	75%
	680+	80%	80%	75%
	600+			

Core NonQM

FICO to Max LTV/CLTV

Loan Amount	Credit Score	Purchase	Rate/Term	Cash-Out
$ 1,000,000	700+	90%	85%	80%
	680+	85%	85%	80%
	600+	80%	80%	75%

	Select NonQM	Core NonQM
Max LTV	Non-Owner Occupied - 75% 2nd Home - 75% Condo - 85% (FL Condo - 75%) Condo Non-Warrantable - NA (FL Condo - NA) 2 Unit - 80% | 3-4 Unit - 75% Rural - NA	Non-Owner Occupied - 85% 2nd Home - 85% Condo - 85% (FL Condo - 75%) Condo Non-Warrantable - 75% (FL Condo - 65%) 2 Unit - 85% | 3-4 Unit - 80% Rural - 70%
Min Loan Amount	$150,000	$125,000
Interest Only (IO)	Not Allowed	• 640 min FICO • 80% max LTV • Reserves based on IO payment
Housing History	0 x 30 x 24 Rent free not allowed	0 x 30 x 12 1 x 30 x 12: 5% LTV reduction, > $2.5M: 10% LTV reduction, $3.5M max LA 1 x 60 x 12 (must be 0 x 60 in most recent 6): 10% LTV reduction, > $2.5M: 15% LTV reduction, $3.0M max LA 1 x 30 x 6: 10% LTV reduction, > $2.5M: 20% LTV reduction
Credit Event (BK/SS/FC/DIL/CCC)	48 Months Multiple unrelated credit events not allowed	36 Months (12 mos seasoning on discharged BK 13 or CCC w/pay history allowed) 24 Months - 10% LTV reduction, $3.5 max LA (discharged BK 13 or CCC w/pay history allowed) 12 Months - 15% LTV reduction, $3.0 max LA (discharged BK 13 or CCC allowed)
DTI	45%	• 50% max, 45% max if ≥ 85% LTV (50-55% allowed w/restrictions, see product details below)
One Year Self-Employed	Not Allowed	• 80% max LTV • 75% max LTV - C/O • 660 min FICO • Income - Bank Statement only • 1 x 30 x 12 allowed
Asset Utilization	Not Allowed	• 80% max LTV • 75% max LTV - C/O • $2.0M max LA • 1 x 60 x 12 allowed
1099 Only	Not Allowed	• $3.0M max LA • 2 mos recent Bank Stmt • 1 x 60 x 12 allowed
WVOE Only	Not Allowed	• 620 min FICO • 80% Max LTV • 70% max LTV - C/O & FTHB • 0 x 30 x 12
ITIN	Not Allowed	• 660 min FICO • 85% max LTV • 80% max LTV - NOO • 75% max LTV - C/O • > 80% LTV - $1.0M max LA • $1.5M max LA • Full Doc & 12 mos Bank Stmt only • 0 x 30 x 12
Foreign National	Not Allowed	• 700 min FICO • 75% max LTV • 65% max LTV - C/O • $2.0M max LA • 12 mos min. reserves required • 0 x 30 x 12
DACA	Not Allowed	• 85% max LTV • 75% max LTV - C/O • 0 x 30 x 12
Reserves	• 6 months min, cash-out cannot be utilized • > $2.0M LA: 6 mos, cash-out cannot be utilized • > $3.0M LA: 12 mos, cash-out cannot be utilized 2 mos for each addtn'l financed property (based on subject property PITIA)	**OO & 2nd Home**: ≤ 75% LTV - no reserves, > 75% LTV - 3 mos, > 80% LTV - 6 mos **NOO**: ≤ 70% LTV - no reserves, > 70% LTV - 3 mos, > 80% LTV - 6 mos **All Occupancies**: Cash-out can be utilized • > $2.0M LA: 6 mos, cash-out cannot be utilized • > $3.0M LA: 12 mos, cash-out cannot be utilized 2 mos for each addtn'l financed property (based on subject property PITIA) *Additional 3 mos required with 1 x 60 x 12*

How Non-QM Can Save Non-QM, The Pivot!

EXAMPLES:

- **Blended asset approach to save an excessive (full / alt doc) DTI**
- **P&L comes to the rescue for a Bank Statement loan w/ excessive NSF's**
- **1yr self employed program saves a 1099'er without a 2yr 1099 history**
- **WVOE programs keeps that "K1 professional" from having to go full doc**
- **NQM full doc (flexibility) helps save a Jumbo submission that has:**
  - **low fico**
  - **high DTI**
  - **recent credit event**
  - **low reserves**
  - **mortgage lates**

DSCR vs PRIME NOO!

- **Does prime requiring tax returns got you down?**
- **Does the Schedule E income for that rental property not represent the true earning potential for that property?**
- **Is the rental calculation showing a loss due to specific income/deductions stated for decreased tax liability?**
- **Too many financed rental properties? Tired of documenting T/I/HOA for all those rentals?**
- **Do you hate the "vacancy factor" reductions?**

****GOOD – GO DSCR!! No employment, no income, no tax returns, no vacancy factor!**
JUST CASHFLOW using →

1) **Market rent 1007 (long term rent PURCHASE)**
2) **Air-DNA (short term rent PURCHASE)**
3) **Lease agreement (long term rent REFINANCE)**
4) **Receipt (short term rent REFINANCE)**

**** Non TRID – less disclosures and up to 85% LTV!****

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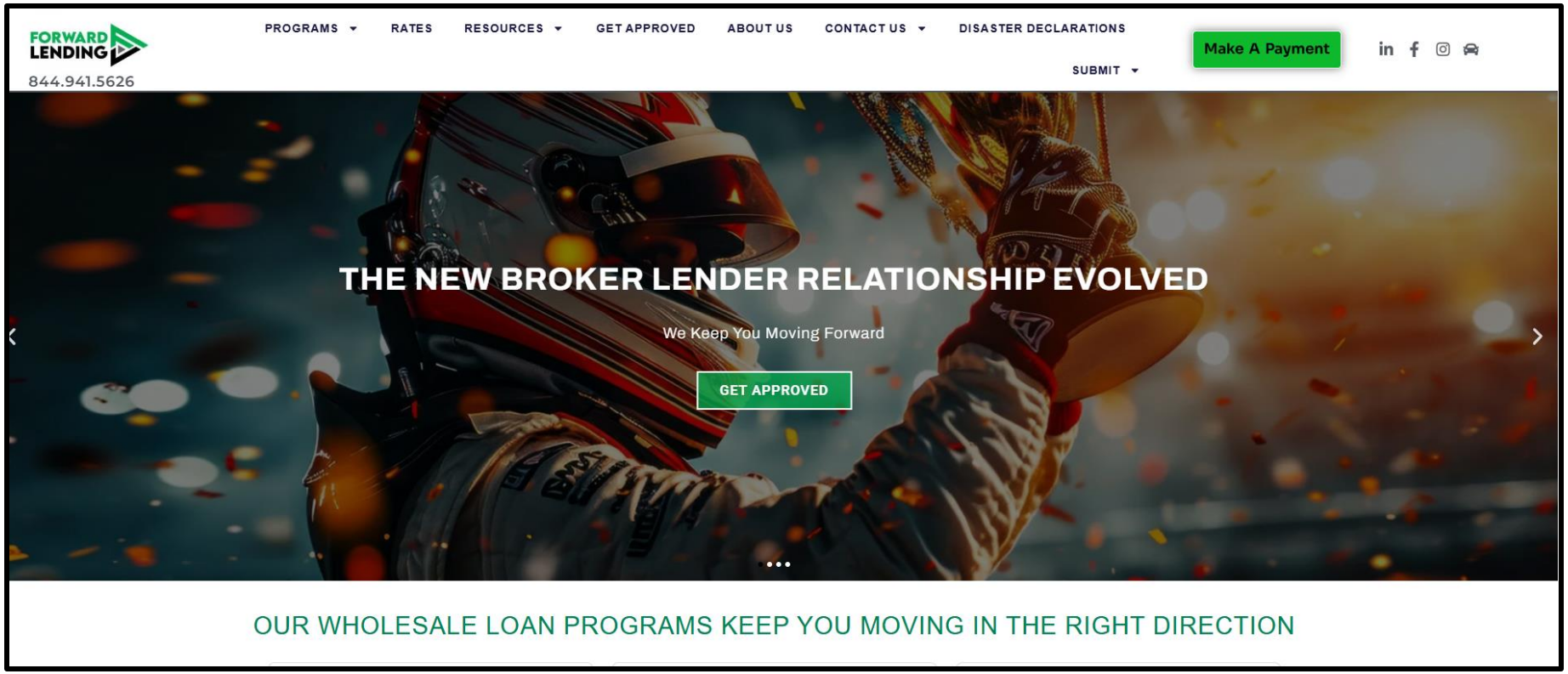
Don’t Forget the Details!

Clean Submissions, Give us the Detail, Utilize your Resources!

- EZStructure – scenarios and documentation review
- EZCalc Bank Statement Tool – Bank statement income “pre-qual”
- Additional resources/benefits
  - Calculators- DSCR Ratios
  - Optimizer tool - Boost LTV/Pricing with Compensating Factors
- Submission Form/Business Narrative
  - Tell the story
  - Take your time / detail and accuracy is crucial
  - Accurate business narrative and 1003 = keys to a smooth transaction

Resources on our Website



Resources on our website!

- Matrices
- Rate Sheets
- Price your Non-QM
- EZCalc/EZStructure
- Webinar Recordings/Decks
- Marketing Material
- Get Approved
- Access to Portal

CONTACT US

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WE KEEP YOU MOVING FORWARD

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