



Bulletin 18-40

Expanded Plus Updates

HomeBridge is updating the Expanded Plus programs as detailed below.

Expanded Plus

The Expanded Plus program is being updated as follows:

- Minimum credit score is now 620 (previously 660)
- **Alt-Doc 24 and Alt-Doc 12 Bank Statement Options:**
 - Personal Bank Statements: Clarified when using personal bank statements 100% of the eligible income may be used for qualifying
 - Business Bank Statements: Two options are now available to determine qualifying income; a P&L (**current**) or an Expense Statement (**new**):
 1. **Profit & Loss:** Clarified that when using a P&L 80% of the eligible deposits may be used for qualifying
 2. **Expense Statement:** The Expense Statement has been added as an additional option for determining eligible qualifying income as detailed below.
 - An Expense Statement prepared and signed by a third-party (CPA or licensed tax preparer) that specifies business expenses as a percentage of the gross annual sales/revenue is required (must be reasonable for the type of business)
 - The net income is determined by multiplying the total eligible deposits from the bank statements by the expense percentage provide on the Expense Statement prepared by the CPA/licensed tax preparer
- **Asset Depletion Option:**
 - Clarified stocks and bonds when used as an asset are limited to 70% of their value
- When using business funds, the following applies:
 - No more than 50% of business funds may be used for down payment and closing costs and any unused funds may be used to satisfy reserve requirements, **OR**
 - A CPA letter stating that the withdrawal/use of funds will not have a negative impact on the business is required if using > 50% of business funds
- Cash-out may be used to satisfy reserve requirements (previously ineligible)
- Clarified borrowers who own their property free and clear, and therefore have no mortgage payment, are considered to have met the 0x30 in previous 12 months mortgage history

The Expanded Plus guidelines have been updated with this information and posted on the HomeBridge website at www.HomeBridgeWholesale.com.

If you have any questions, please contact your Account Executive.