

## Bulletin 23-52

### Enhancements and Updates to the Access (Non-QM) Program

Homebridge is making enhancements and updates to the Access (Non-QM) program as detailed below.

#### Investor Cash Flow (DSCR)

- The maximum loan amount restriction for an interest-only transaction has been removed when the LTV is 60% or less (previously capped at \$2,000,000 regardless of LTV)
- Loans submitted by an MLO who is not currently licensed in the subject property state:
  - The maximum LTV is 75% (previously no LTV restriction)
  - Iowa has been added as a restricted state for loans submitted by an unlicensed MLO (i.e. the property cannot be located in Iowa)

#### Bank Statement

- Maximum NSF's allowed have been **increased** as follows:
  - 12 month's bank statements: Maximum 6 instances within past 12 months (previously 3)
  - 24 month's bank statements: Maximum 12 instances within the past 24 months (previously 6)
- Income trend requirements have been improved as follow for 24 Month Bank Statements:
  - If eligible deposits have declined year over year up to 15%:
    - A 24 month average will be utilized (previously 5%)
  - **If eligible deposits have declined by > 15% up to 50% year over year:**
    - A 12 month average of the most recent years eligible deposits may be used (previously restricted up to a 15% decline)
  - **If eligible deposits have declined by > 50%:**
    - The loan is ineligible (previously ineligible with deposits that declined > 15%)

24 Month Bank Statements: Declining Deposit Trend Requirements	
Scenario	Requirement
If the eligible deposits declined year over year <b>up to 15%</b>	Utilize 24 month average
• If the eligible deposits decline by <b>&gt;15%</b> up to <b>50%</b> year over year	Utilize a 12 month average of the most recent years eligible deposits
If the eligible deposits decline year over year by <b>&gt; 50%</b>	The income is <b>ineligible</b>

#### P&L Only

- Removed the requirement for 2 months business bank statements to support the P&Ls

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## Foreign National Borrowers: Investor Cash Flow (DSCR) Only

- 75% LTV now available with \$2,000,00 loan amount, minimum 700 credit score, and minimum 1.15 DSCR
- 70% LTV now available with \$2,000,000 loan amount, minimum 700 credit score, and minimum 1.00 DSCR
- Borrowers without a U.S. credit score maximum 65% LTV
- Cash-out transactions with an LTV of 70.01% to 75% **cannot** use cash-out proceeds to satisfy reserve requirements

## General Enhancements

- Cash-out transactions (Full Doc, Bank Statement, 1099 Only, P&L Only, and ICF)
  - Unlimited cash-out now eligible with  $\leq 65\%$  LTV (previously 60%)
  - LTV  $> 65\%$  maximum cash-out proceeds \$1,000,000 (previously 60%) except ICF:
    - ICF Option: Maximum cash-out proceeds \$750,000 (previously \$500,000)
- Appraisal requirements have been enhanced as follows:
  - One full appraisal now required for loan amounts up to \$2,000,000 (previously \$1,500,00)
  - Two full appraisals now required for loan amounts  $> \$2,000,000$  (previously  $> 1,500,000$ )
- Non-warrantable condominium project requirements have been updated for the following
  - The restriction that the transaction can have only one non-warrantable feature has been **removed**
  - Reduced the presale requirement on new projects to 50% (previously 70%)
  - The topic has been re-formatted to provide more clarity
- Investment transactions secured by a property located in the state of New Jersey may now offer a prepayment penalty option **subject to the property closing in an LLC**
  - NJ PPP options are **ineligible** for transactions that are not closing in an LLC
  - Homebridge will provide a Guaranty Agreement in the closing documents which must be signed by the borrower
  - The loan documents will be required to be signed by the borrower as a managing member only, **not** as an individual on the Note, Security Instrument, and CD. The personal guarantor/borrower **will not** sign the Note, Security Instrument, or CD.

## General Updates

### Investment Property Cash-Out Transactions: All Documentation Options

- **All investment property** cash-out transactions require cash-out to be used for business purposes **ONLY**; **cash-out proceeds cannot include consolidation of personal consumer debt**
- Homebridge will require the borrower to sign a specific Affidavit at loan closing to confirm cash-out proceeds will be used for business purposes only.
  - The Affidavit will be required on Full Doc, Bank Statement, 1099 Only, and P & L Only Access investment cash-out transactions and Homebridge will include in the loan document package

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**NOTE:** The new Affidavit is **not required** on ICF transactions since the existing affidavit already includes language confirming proceeds are used for business purposes only

### **Transactions Closing in an LLC**

- Transactions closing in an LLC **will** have the debt reported on the borrower's individual credit report

The Access (Non-QM) program guidelines have been updated and posted on the Homebridge website at [www.HomebridgeWholesale.com](http://www.HomebridgeWholesale.com)

These updates apply immediately to both new submissions and pipeline transactions except as noted below:

- **Investment Cash-Out Clarification:**
  - Applies immediately to all files that are CTC and new submissions
- **NJ PPP Improvement:**
  - Applies immediately to pipeline transactions with a COC and new submissions
- **ICF Transactions: Unlicensed MLO New LTV Restriction**
  - Applies to loans locked on or after December 7, 2023

**NOTE:** Transactions taking advantage of improved LTVs will require manual locks. To request a manual lock, email the Homebridge lock desk at [locks@homebridge.com](mailto:locks@homebridge.com)

If you have any questions, please contact your Account Executive