

## Bulletin 24-01

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### Enhancements and Updates to Elite Access (Non-QM)

Homebridge is making significant improvements and minor updates to the Elite Access (Non-QM) program.

#### Overview

- Three new documentation options have been added:
  - **Investor Cash Flow** (highlights included below)
  - **1099 Only: 1 or 2 years** (see guides for complete details)
  - **P&L Only** (see guides for complete details)
- **NOTE:** Refer to [matrices](#) included on page 3 for credit score, LTV, loan amount details
- Maximum loan amount increased to \$3,000,000 (**all** documentation options – existing and new)
- Interest-only feature now eligible
  - **Full and Alt-Doc Options:** Maximum 80% LTV
  - **ICF Option:** Maximum 75% LTV
  - Minimum 680 credit score (ICF minimum 700 credit score)
  - FTHBs **ineligible** for IO feature
- Non-occupant co-borrowers allowed
- Tradeline requirements updated to allow two traditional tradelines with a 24 month credit history (current requirement is three traditional tradelines with 12 month history)
  - If the borrower's spouse is the only co-borrower on the loan, **only one borrower** is required to meet the above minimum tradeline requirement
- A 10% minimum borrower contribution is **no longer** required on **primary residence** transactions; 100% of funds required may come from a gift
- Mortgage/rental history has been updated to allow the following:
  - **Full Doc and Alt Doc Transactions:** 1x30 in previous 12 months with a maximum 80% LTV (previously 0x30x12)
  - **Investor Cash Flow Transactions:** 1x30 in previous 12 months with a maximum 75% LTV
- First time home buyers: The requirement that FTHB living rent-free to provide a 12- month history from prior to the rent-free period has been **removed**
- Non-warrantable condos now allowed
  - Maximum 75% LTV
- Delayed financing now available

- Bank Statement Option:
  - Borrowers using personal bank statements are no longer required to be qualified with just Uniform Expense Ratio method; all methods are eligible
  - The income trend topic 24 months bank statement has been updated as noted below:

24 Month Bank Statements: Declining Deposit Trend Requirements	
Scenario	Requirement
If the eligible deposits declined year over year by $\leq$ 15%	Utilize 24 month average
<ul style="list-style-type: none"> <li>• If the eligible deposits decline by <math>&gt;</math> 15% up to 50% year over year.</li> <li>• Borrower must provide an LOE explaining the reason for the decline and if the decline is expected to continue</li> </ul>	Utilize a 12 month average of the most recent years eligible <u>deposits</u> <b>NOTE:</b> Borrowers using P&L option to qualify, a revised P&L covering only the most recent 12-month period is required
If the eligible deposits decline year over year by $>$ 50%	The income is <b>ineligible</b>

### Investor Cash Flow Specific

- Maximum 80% LTV
- Maximum loan amount \$3,000,000
- Minimum loan amount \$100,000
- Minimum 700 credit score
- Minimum DSCR .80.  $<$  1.00 DSCR the following applies:
  - Maximum \$1,500,000 loan amount
  - IO not eligible
- Interest-only available subject to:
  - Maximum \$2,000,000 loan amount
  - Maximum 75% LTV
  - Minimum 1.00 DSCR required
- Unlicensed MLOs eligible with no LTV restriction
- Short-term rental income **not eligible**

### Updates

- Asset Depletion **renamed** to Asset Qualifier
  - Maximum LTV 75% (previously 80%)
  - IO feature eligible on primary residence transactions only
- Loan amounts  $<$  \$150,000 maximum 80% LTV (previously no limitation)
- Prepayment penalty no longer available in Kansas
- **P&L Only Option:** Maximum payment shock 100% regardless of DTI. Payment shock requirements apply to first time home buyers **and** non-first time home buyers:
  - Primary residence purchase **and** refinance transactions, **and**
  - Second home refinance transactions and investment property refinance transactions
- First time home buyers (FTHB) living rent-free are ineligible on investment properties (new)

**Updates (cont.)**

- Clarified that FTHB are eligible on primary residence transactions **only**; they are ineligible on second home and investment transactions

**New Documentation Option Matrices**

<b>Alt-Doc</b>												
<b>(Bank Statement, 1099 Only, and P&amp;L Only)</b>												
<b>1-4 Unit Primary, 1-Unit Second Home, 1-4 Unit Investment</b>												
<b>Purchase and Rate/Term Refinance</b>						<b>Cash-Out Refinance <sup>4</sup></b>						
<b>\$1,500,000 <sup>1,2</sup></b>						<b>\$1,500,000 <sup>1,2</sup></b>						
	Owner-Occupied	Second Home	Investment		Owner-Occupied	Second Home	Investment		Owner-Occupied	Second Home	Investment	
FICO <sup>7,8</sup>	LTV <sup>2,3,5,6,7,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	FICO <sup>7,8</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	FICO <sup>7,8</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	
740	85%	80%	80%	740	80%	80%	80%	740	80%	80%	80%	
720	85%	80%	75%	720	80%	80%	75%	720	80%	80%	75%	
700	80%	80%	75%	700	80%	80%	75%	700	80%	80%	75%	
680	80%	80%	75%	680	75%	75%	75%	680	75%	75%	75%	
660	70%	70%	70%	660	70%	70%	70%	660	70%	70%	70%	
<b>\$2,000,000 <sup>1,2</sup></b>						<b>\$2,000,000 <sup>1,2</sup></b>						
FICO <sup>7,8</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	FICO <sup>7,8</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	FICO <sup>7,8</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	LTV <sup>3,6,8,9</sup>	
740	80%	80%	80%	740	75%	75%	75%	740	75%	75%	75%	
720	80%	80%	75%	720	75%	75%	75%	720	75%	75%	75%	
700	80%	80%	75%	700	75%	75%	75%	700	75%	75%	75%	
680	80%	80%	75%	680	70%	70%	75%	680	70%	70%	75%	
660	70%	70%	70%	660	65%	65%	70%	660	65%	65%	70%	
<b>\$2,500,000 <sup>1,2</sup></b>						<b>\$2,500,000 <sup>1,2</sup></b>						
FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	
740	75%	75%	75%	740	75%	75%	75%	740	75%	75%	75%	
720	75%	75%	75%	720	75%	75%	75%	720	75%	75%	75%	
700	75%	75%	75%	700	75%	75%	75%	700	75%	75%	75%	
680	75%	75%	75%	680	70%	70%	75%	680	70%	70%	75%	
<b>\$3,000,000 <sup>1,2</sup></b>						<b>\$3,000,000 <sup>1,2</sup></b>						
FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	FICO <sup>8</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	LTV <sup>9</sup>	
740	75%	75%	75%	740	75%	75%	75%	740	75%	75%	75%	
720	75%	75%	75%	720	75%	75%	75%	720	75%	75%	75%	
700	75%	75%	75%	700	75%	75%	75%	700	75%	75%	75%	
680	75%	75%	75%	680	70%	70%	75%	680	70%	70%	75%	

<b>INVESTOR CASH FLOW</b>												
<b>1-4 Unit Investment Property</b>												
<b>INVESTMENT PROPERTY</b>						<b>INVESTMENT PROPERTY</b>						
<b>Minimum DSCR 1.00</b>						<b>Minimum DSCR .80</b>						
<b>\$1,500,000 <sup>1,2</sup></b>						<b>\$1,500,000 <sup>1,2</sup></b>						
	Purchase	Rate/Refi	Cash-Out <sup>3</sup>		Purchase	Rate/Refi	Cash-Out <sup>3</sup>		Purchase	Rate/Refi	Cash-Out <sup>3</sup>	
FICO	LTV <sup>2,4,5,6</sup>	LTV <sup>2,4,5,6</sup>	LTV <sup>2,4,5,6</sup>	FICO	LTV <sup>6</sup>	LTV <sup>6</sup>	LTV <sup>6</sup>	FICO	LTV	LTV	LTV	
740	80%	80%	75%	740	75%	75%	70%	740	N/A	N/A	N/A	
720	75%	75%	75%	720	75%	75%	70%	720	N/A	N/A	N/A	
700	75%	75%	75%	700	75%	75%	70%	700	N/A	N/A	N/A	
<b>\$2,000,000 <sup>1,2</sup></b>						<b>\$2,000,000</b>						
FICO	LTV <sup>5</sup>	LTV <sup>5</sup>	LTV <sup>5</sup>	FICO	LTV	LTV	LTV	FICO	LTV	LTV	LTV	
740	75%	75%	65%	740	N/A	N/A	N/A	740	N/A	N/A	N/A	
720	75%	75%	65%	720	N/A	N/A	N/A	720	N/A	N/A	N/A	
700	75%	75%	65%	700	N/A	N/A	N/A	700	N/A	N/A	N/A	
<b>\$2,500,000 <sup>1,2</sup></b>						<b>\$2,500,000</b>						
FICO	LTV <sup>5</sup>	LTV <sup>5</sup>	LTV <sup>5</sup>	FICO	LTV	LTV	LTV	FICO	LTV	LTV	LTV	
740	70%	70%	65%	740	N/A	N/A	N/A	740	N/A	N/A	N/A	
720	70%	70%	65%	720	N/A	N/A	N/A	720	N/A	N/A	N/A	
700	70%	70%	65%	700	N/A	N/A	N/A	700	N/A	N/A	N/A	
<b>\$3,000,000 <sup>1,2,5</sup></b>						<b>\$3,000,000</b>						
FICO	LTV <sup>5</sup>	LTV <sup>5</sup>	LTV <sup>5</sup>	FICO	LTV	LTV	LTV	FICO	LTV	LTV	LTV	
740	70%	70%	65%	740	N/A	N/A	N/A	740	N/A	N/A	N/A	
720	70%	70%	65%	720	N/A	N/A	N/A	720	N/A	N/A	N/A	
700	70%	70%	65%	700	N/A	N/A	N/A	700	N/A	N/A	N/A	

These updates are effective immediately and may be applied to new submissions and loans currently in the pipeline.

The updated Elite Access guidelines have been posted on the [Homebridge Wholesale](#) website.

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