

# USE ASSETS TO QUALIFY THROUGH ASSET UTILIZATION

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For **Flex Supreme**, Asset Utilization is allowed as the only sources of income (depletion).

For **Flex Select Prime and Foreign Nationals**, we can use assets two ways:

1. As a Supplemental Income Stream Along With the Borrower's Primary Source of Income to Lower the Borrower's DTI to Help Them Qualify
2. As the Sole Source of Income to Meet the Program's Requirements

For **Select Prime**, the maximum DTI is 50%, and if the borrower's DTI is greater, **then using eligible assets can reduce the DTI to make up the difference and qualify!** When used together with another primary income source, simply divide the eligible assets (total assets excluding funds to satisfy the down payment, closing costs and reserves requirements), and do one of the following:

- Divide Assets by **60 Months** to Derive Your Qualifying Income From Assets
- For **Select Prime Only**: If the DTI Before Using Assets Is  $\leq 60\%$  and the LTV is  $\leq 85\%$ , Divide the Eligible Assets by **36 Months**
- If **OO, up to 90% LTV** Is Permitted When Matrix Allows, Provided the DTI is  $\leq 60\%$  Without Using Assets for Income

When there is no other primary source of income besides the assets, then divide the eligible assets (total assets excluding funds to satisfy the down payment, closing costs and reserves requirements) by **60 months** to derive your qualifying income from assets.

## Programs Qualified for Asset Utilization:

- **Flex Supreme Alt Doc:**
  - Eligible Assets Divided by 84 to Determine a Monthly Income Stream
  - Assets Must Be Sourced and Seasoned for 6 Months
- **Flex Select Prime Full/Alt Doc:**
  - Eligible Assets Divided by 60 to Determine a Monthly Income Stream
    - If DTI Is  $\leq 60\%$  and Max 85% LTV Without Using Assets for Income, Divide Eligible Assets by 36 Months to Determine Qualifying Income
  - Purchase/Rate and Term:
    - Follow LTV Limits in Matrix for OO up to 85% LTV
    - Occupancy Restrictions for Second Home and NOO
    - OO up to 90% LTV Permitted When Matrix Allows Provided the DTI Is  $\leq 60\%$  Without Using Assets for Income
  - Cash Out:
    - Follow LTV Limits in the Matrix for OO
    - Occupancy Restrictions for Second Home and NOO
  - Assets Must Be Sourced and Seasoned for 4 Months
- **ITIN:**
  - Max 85% LTV for Full Doc or 80% for Alt Doc
  - Max Loan Amount \$2.5M
  - 60 Month Asset Amortization Regardless of DTI Prior to Use of Assets as Income
  - Assets Must Be Sourced and Seasoned for 4 Months
- **Flex Foreign National Full Doc (2 Years):**
  - Max 75% LTV
  - 60 Month Asset Amortization Regardless of DTI Prior to Use of Assets as Income
  - Assets Must Be Sourced and Seasoned for 4 Months



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