

Non-QM Loans

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MORE APPROVALS, MORE CLIENTS, MORE CLOSINGS

Offer more paths to homeownership without the hassle of complex income documentation or strict conventional guidelines.

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Bank Statement Loans

Income & Employment Requirements (UWM)

At least one borrower must be self-employed, though non-self-employed borrowers can also qualify if this requirement is met. ^[4] Borrowers provide either 12 or 24 consecutive months of bank statements from the same account, and cannot submit tax returns or other income documents to remain eligible. ^[4] Business ownership must be at least 25%. ^[4]

Two Documentation Options

Option 1 – With Separate Business Account: Requires minimum 12 consecutive personal bank statements, 2 months of recent business bank statements, and evidence the business has been active for at least 2 years via CPA/tax preparer letter.

^[4] Comingling of personal and business receipts is not permitted. ^[4]

Option 2 – No Separate Business Account: For sole proprietors only. Requires 12 consecutive personal bank statements, proof of 100% business ownership via CPA letter or operating agreement, and a signed attestation that no separate business accounts exist. ^[4]

Income Calculation & Deposit Review

Qualifying income is calculated as the average of eligible deposits over 12 or 24 months. ^[4] Transfers between personal accounts, credit card refunds, and IRS refunds must be excluded. ^[4] Large deposits exceeding 50% of monthly income must be documented with a letter of explanation and must be consistent with the business profile. ^[4]

Reserve requirements and asset documentation

Reserve Requirements

Reserves must be sourced and seasoned for at least 60 days. ^[4] The amount required depends on loan size and occupancy:

Bank Statement Blue:

- Loans ≤ \$2,000,000: 6 months subject PITI(a) for all transactions ^[4]
- Loans \$2,000,001–\$3,000,000: 9 months for primary/second homes; 12 months for investment properties ^[4]

Bank Statement Orange:

- Loans < \$1,000,000: 6 months PITI(a)/ITI(a) `<CustomCitation index="5" url="https://thesource.uwm.com/search-guidelines/uwm-documents/underwriting/bankstatementorangeguidelines" />`
- Loans \$1,000,001–\$2,000,000: 9 months PITI(a)/ITI(a) ^[5]
- Loans > \$2,000,000: 12 months PITI(a)/ITI(a) ^[5]

Acceptable Reserve Sources

Liquid assets including checking/savings accounts, money market accounts, CDs, stocks, bonds, and mutual funds. ^[4] Publicly traded stocks/bonds/mutual funds can be used at 70% (Blue) or 100% (Orange). ^[4] ^[5]

Retirement accounts (IRA, 401(k), KEOGH, 403(b)) can be used, but only 60% of the balance for tax-deferred accounts to reflect taxes and penalties. ^[4]

Cash value life insurance (not face value) if verified and the borrower is the owner. ^[4]

Savings bonds at 100% of face value if mature; if not mature, use redeemable value. ^[4]

Ineligible Reserves

Gift funds, net proceeds from pending property sales, and 1031 exchange accounts cannot be used. ^[4]

Asset Documentation

Assets must be verified using a Verification of Deposit (VOD) covering two months, or two months of consecutive account statements showing opening and closing balances. ^[4] For brokerage accounts, two months of statements are required. ^[4] Asset verification cannot be more than 120 days old at closing. ^[4]

Down payment requirements and acceptable sources of funds

Down Payment Requirements

Down payment minimums vary by product:

Bank Statement Blue: Minimum 5% of the purchase price must come from the borrower's own funds. ^[4]

Bank Statement Orange, Yellow, and Pink: Minimum 3% of the purchase price from the borrower's own funds. ^[5] ^[7] ^[6]

Investor Flex: For LTVs > 75%, the borrower must contribute a minimum of 5% of the lower of the sales price or appraised value. For LTVs < 75%, there is no minimum borrower contribution. <CustomCitation index="8"

url="<https://thesource.uwm.com/search-guidelines/uwm-documents/underwriting/investorflexorangeguidelines>" />

Acceptable Sources of Funds

The following are acceptable for down payment and closing costs:

- Funds from checking, savings, money market, or certificate of deposit accounts ^[4]
- Gift or grant funds that do not require repayment ^[4]
- Proceeds from sale of personal assets (with verification) ^[4]
- Proceeds from loans secured by personal assets (like other real estate) ^[4]
- Proceeds from loans secured by financial assets (401(k), mutual funds) ^[4]
- Liquidated stock, retirement accounts, CDs, pensions, or savings plans ^[4]
- Proceeds from sale of other real estate ^[4]
- Funds from business accounts (with CPA documentation showing no negative impact) ^[4]
- Real estate sales commissions (after minimum down payment is met) ^[4]

Unacceptable Sources

- Gift funds requiring repayment ^[4]
- Cash-on-hand ^[4]
- Sweat equity (labor or materials provided by borrower) ^[4]
- Seller-funded program gifts ^[4]
- IOLTA (attorney trust account) funds ^[4]

Differences between Bank Statement products (Blue, Orange, Yellow, Pink)

Here's a comparison of the four Bank Statement products: ^[1]

Key Qualification Differences: (UWM)

Criteria	Blue	Orange	Pink
Max DTI	50%	55%	50%
Min FICO	620	660	660
Min Reserves	12 months	6 months	6 months
Max LTV	90%	90%	85%
Min Loan Amount	\$100,000	\$100,000	N/A
Max Loan Amount	\$3M	\$3.5M	\$3M

Notable Distinctions:

Orange stands out as the most flexible option—it allows the highest DTI (55%), has the lowest reserve requirement (6 months), and supports the highest loan amounts (\$3.5M). However, it requires a higher minimum FICO score (660).

Blue requires the longest reserves (12 months) and has a minimum loan amount requirement of \$100,000, but accepts borrowers with a 620 FICO score. It also offers 40-year fixed and interest-only options. ^[3]

Pink has the most restrictive LTV at 85% and no minimum loan amount requirement. It also requires 12 months of consecutive bank statements. ^[1]

Yellow offers 30-year, 40-year, and 40-year interest-only options, similar to Blue and Orange. ^[2]

Income & Employment Requirements (Other than UWM, LenderMac, etc.)

Bank Statement Loans

For self-employed borrowers who have difficulty documenting income through tax returns.

- 12 or 24 Months Bank Statements
- 10% Expense Ratio with CPA Letter (50% default)
- Purchase up to 90% LTV
- Rate & Term up to 85% LTV

DSCR Loan Program

DSCR Loan Program (UWM)

UWM's Investor Flex is our exclusive Debt Service Coverage Ratio (DSCR) loan program designed for real estate investors. We offer four distinct loan options—Yellow, Orange, Pink, and Blue—that allow borrowers to qualify using the property's prospective rental income rather than their personal income. [\[4\]](#)

The Four Investor Flex Products:

Yellow - Our most flexible option with the highest DTI allowance and longest loan terms available (30-year, 40-year, and 40-year interest-only). [\[6\]](#)

Orange - Offers competitive terms with strong loan amount capacity up to \$3.5M. [\[4\]](#)

Pink - Designed for borrowers with specific rental scenarios, requiring 12 months of consecutive bank statements. [\[5\]](#)

Blue - Our most recent offering (updated April 9, 2025) with flexible DSCR requirements starting at 0.80 for certain scenarios, minimum loan amount of \$50,000, and maximum loan sizes up to \$3M for purchase/rate-and-term refinances. [\[7\]](#)

Key Program Features:

All Investor Flex loans are business purpose loans exempt from ATR, QM, and HPML requirements. Borrowers must provide a signed certification stating the property will be leased and that neither the borrower nor family members will occupy it. [\[4\]](#)

The DSCR is calculated by dividing gross rental income by the property's housing expenses (PITI or ITI depending on the product). Three rental scenarios are supported: long-term leases, unleased properties, and short-term rentals (Airbnb/VRBO). [\[8\]](#)

What are the specific DSCR and LTV requirements for each Investor Flex product?

Here's a detailed breakdown of the DSCR and LTV requirements for each Investor Flex product:

30-Year Fixed Products:

Product	Minimum DSCR
Blue	≥ 0.80
Orange	≥ 0.00
Pink	≥ 1.00
Yellow	≥ 0.00

[4]

Important Variations by Loan Size & Transaction Type:

Blue (Updated April 9, 2025) offers more flexibility with tiered requirements. For purchase/rate-and-term refinances on 1-4 unit properties:

- Max loan \$3M: DSCR ≥ 1.00 at 80% LTV (700 FICO), or ≥ 1.20 at 70% LTV (660 FICO)
- Max loan \$1.5M: DSCR ≥ 0.80 at 70% LTV (680 FICO)
- Cash-out refinances: Max \$2.5M with DSCR ≥ 1.00 at 75% LTV ^[7]

Orange has tiered LTV based on DSCR and FICO. For example, at max loan \$2M:

- DSCR ≥ 1.00: 75% LTV (720 FICO), 70% LTV (700 FICO), 65% LTV (680 FICO)
- DSCR ≥ 0.75: 65% LTV (700 FICO)
- DSCR ≥ 0.00: 65% LTV (740 FICO) ^[9]

Pink allows up to 80% LTV for purchase/rate-and-term at max \$3M with DSCR ≥ 1.00 (700 FICO), or 75% LTV with DSCR ≥ 1.00 (680 FICO). Cash-out refinances max \$2.5M at 75% LTV. ^[10]

Yellow offers the most flexibility with DSCR ≥ 1.00 at 80% LTV (680 FICO) for max \$2M loans, or < 1.00 DSCR at 70% LTV (680 FICO).
<https://thesource.uwm.com/search-guidelines/uwm-documents/secondary/investorflex30yearand40yearmatrixyellow> />

Special Scenarios:

- **Short-term rentals (Orange):** Max LTV drops to 70% with minimum DSCR 1.00
- **Unleased properties (Blue):** 75% market rent used for DSCR calculation vs. 100% for other products

DSCR Loan Program (Other than UWM, LenderMac, etc.)

DSCR Loans Designed for Real Estate Investors

Empower your investor clients with a Debt Service Coverage Ratio (DSCR) loan — a flexible, business purpose solution designed for purchasing or refinancing investment properties. Qualification is based on the property's cash flow, not the borrower's personal income, making it the go-to option for savvy real estate investors.

- DSCR Ratio = 100% of the property's gross rental income ÷ qualifying PITIA
 - Use Market Rent (Form 1007/1025) or an existing lease — if rent exceeds Market Rent by no more than 125%
 - Qualifying PITIA is calculated based on Note Rate.
 - For Interest Only, qualifying PITIA is based on Interest Only payment (ITIA).
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Highlights

- Multiple ADU Allowed
 - FTHB/Investor Allowed W/O VOR
 - No Title Seasoning for Cash-Out Refinance
 - ≥ 0.500 Min. DSCR Ratio
 - 1-Month VOD/Bank Statement (No Sourcing)
 - Loan Amounts up to \$3.5MM
 - 640 Min FICO
 - Purchase/R&T up to 80% LTV
 - Cash-Out up to 75% LTV (proceeds used for reserves)
 - 30 Year Fixed, 10 Year I/O Available
 - 100% Gift Funds Allowed
 - Vest in Corp. or LLC
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Business Purpose Loans

- Investment Properties Only
- Close in LLC or Corporation
- Licensing Not Required in Most States

View State Exemptions:

<https://lendermac.com/license-disclosure/>

1099-Only Loans

Designed for freelancers and independent contractors who do not receive regular pay stubs or a W-2.

- 1 Year 1099
- P&L/Tax Returns are NOT required
- 10% Expense Factor

Foreign National

Flexible income option for international clients

- Loan Amounts up to \$3MM
- Purchase/R&T up to 70% LTV
- Cash-Out up to 60% LTV

Foreign National

- F-1 Visa Allowed
- Loan Amounts up to \$1.5MM
- Purchase/R&T up to 70% LTV
- Cash-Out up to 60% LTV

WVOE or Profit & Loss (P&L) Loans

A simpler approach to income verification for the self-employed.

- No Pay Stubs, W-2s, 4506-C or Tax Returns
- 12 or 24-Month P&L
- Endorsed by CPA / EA / CTEC / PTIN

Non-QM 2nd Mortgages Home Equity

Homeowners can access their home equity with EquityMAC, a Non-QM Closed-End 2nd Mortgage. This option lets borrowers tap into a lump sum of equity while keeping their first mortgage intact. Unlike a HELOC, a closed-end 2nd mortgage offers fixed terms, competitive rates, and predictable payments. Perfect for debt consolidation, major expenses, or investment opportunities, this product allows several income documentation options for qualification such as Debt Service Coverage Ratio (DSCR), Bank Statements, P&L Statement, Written VOE, 1099, and Full Doc.

HIGHLIGHTS

- Minimum FICO 660
- Loan Amounts up to \$750k
- Minimum Loan Amount \$75K
- Primary CLTV up to 80%
- Second Home CLTV up to 75%
- Investment CLTV up to 70%
- DTI up to 50%
- Multiple Income Doc Types
- Minimum DSCR > 1
- Multiple ADUs
- 20 & 30-Yr Interest Only Options
- 10, 15, 20, & 30 Year FRM

