exception lending

Bank Statement Programs for Self-Employed Borrowers/Business Owners

Best for: self-employed borrowers who aggressively write off expenses to the point that using "net taxable income" does not yield enough income to qualify, even though gross earnings may be high

How do they work: These programs take the last 12 or 24 months of bank statements, add up all the deposits, and determine monthly "income" averages. These programs still use DTI to qualify, so income must be documented to use this program. Cash deposits and/or one time deposits (inheritances, sale of personal property) may be subtracted from the total deposits used to qualify. 24 months statements have better rates. We do have some other programs that use as few as 1-3 months of statements.

How are the rates?: usually about 1-1.5% higher than a traditional program, but borrowers can borrow significantly more by using this unique qualifying method. Available as ARM / interest only.

- Use either 100% of deposits to personal accounts, or a percentage of deposits to business accounts. Often 50% of business deposits, but low expense businesses such as consultants may be able to use a higher percentage of business account deposits.
- Rental property income can also be used, even if in a separate account, to offset rental expenses and improve qualifying income.
- Low downpayments are allowed. Borrowers are required to show reserves.
- If income is still not high enough to qualify, we have other options.

Documentation Needed for all borrowers:

- ☐ Photo ID
- ☐ Proof (CPA Letter or equivalent) to verify that the borrower has been self-employed for 2+ years
- ☐ 12 or 24 months of business OR personal statements. If you're not sure which will yield better usable income, you can supply both and we will analyze for you. 24 months= better rates
- ☐ Mortgage statement, property tax, insurance and leases for each property already owned
- ☐ NO tax returns or W2s required unless combining wage income with self-employed bank statements.
- ☐ If wage income is also being used, last 2 paystubs
- ☐ Last 2 statements from asset accounts being used for downpayment, closing costs & reserves
- ☐ Additional items may be required to show source of deposits into accounts

Ready to get started? Apply at **exceptionlending.com or email** jackie@exceptionlending.com

we are a specialty mortgage provider focused on complex loans that others don't offer

Real Estate Investor Loans | Self-employed borrowers | Bank Statement loans | Stated Income Unique Properties | Fix + Flip | Construction Completion | Imperfect Credit | Probate, trust and divorce buyouts Private money lending | Conventional | Agency | Jumbo | Portfolio

2 Embarcadero Center, 8th Floor, San Francisco CA 94111
Company NMLS 1823592 DRE 02086239 Individual NMLS 340022 CA DRE 01715957

equal housing lender