The Webinar Will Be Starting Shortly

the Lender

Elizabeth Schermerhorn

Your NONI Webinar trainer
Non-Prime Product development, Building Sales teams, Educating Account Executives and Brokers in the NON-QM Sector is her strength
Going out and visiting brokers is her favorite part of her job!

Introduced Non-QM product lines to front line sales forces
Trained Agency/FHA AEs and brokers on Non-QM products and how to deal structure

Background:
Fieldstone Mortgage/New Century/New American Funding

Thank God your muted!

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WHO LEARNED TO NONI THIS YEAR?

- Brokers all over the country!
- Great revenue for a new Broker shop!
- Real Estate Mortgage Companies
- LLC’s

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WHAT DID NONI DO FOR OUR BROKERS IN 2019

- NONI Opened doors for our brokers with many referral sources and channels

- Real Estate Investors
- CPA's
- Fix and Flippers that choose to buy and hold after they are finished with rehab
- Probate Attorneys
- 1031 Exchange accommodators-

  1031 Accommodators are an excellent source of referral business for you! They have one job to do, make sure that 1031 exchange is closed on time

Many investors wait till last minute to close on their 1031 exchange which could cause major tax penalties! Be that Accommodators back up plan..

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A Year in Review

Noni's new Business Commercial Channel takes you to territories you have never marketed or funded loans in

KEY: Without your typical licensing requirements

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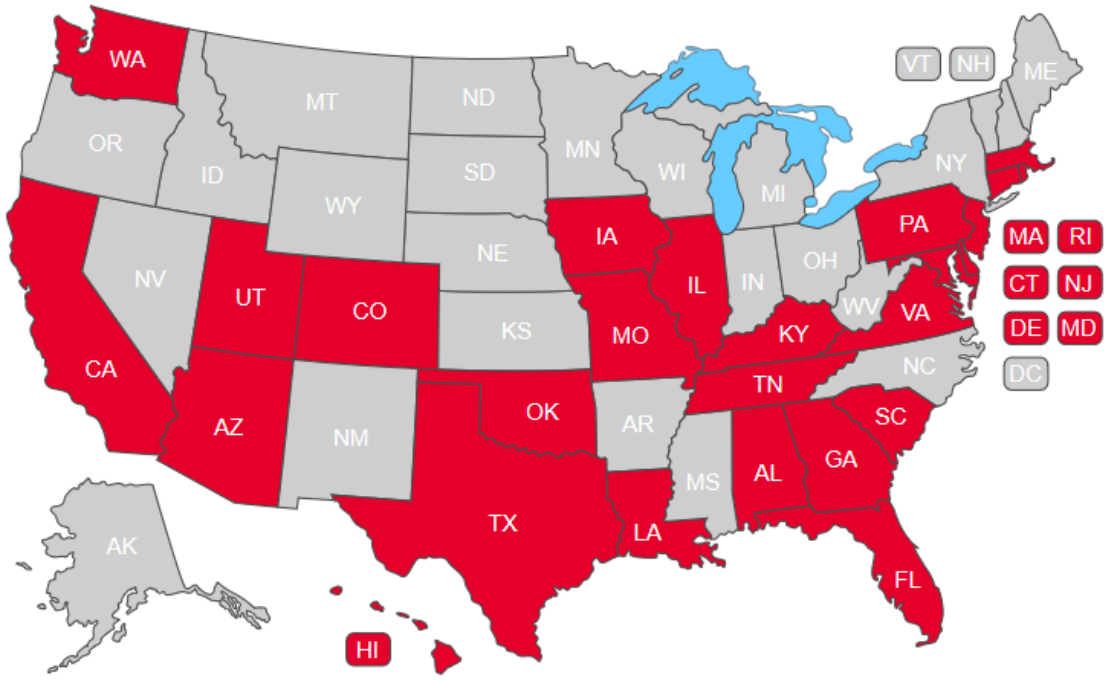
NONI OPENED UP 23 STATES WITH NO BROKER NMLS LICENSING REQUIRED

the NONI NATION

We are authorized to conduct Business Purpose Loans in:

Alabama | Arizona | California | Colorado | Connecticut | Delaware | Florida | Georgia | Hawaii | Illinois | Iowa | Kentucky | Louisiana | Maryland | Massachusetts | Missouri | New Jersey | Oklahoma | Pennsylvania | Rhode Island | South Carolina | Tennessee | Texas | Utah | Virginia | Washington



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WHAT DID NONI TEACH US ABOUT THE NON-OWNER MARKET OPPORTUNITY IN 2019

- There are approximately 16mm self employed Bank statement borrowers in the United States
- **More than 50% can use their W2 income and qualify traditionally**

- **NONI value proposition**
- Yet there are 24mm Non Owner 1-4 unit properties in the United States

Non-Owner market opportunity is larger

Investors buy/sell/refi more often/refi cash-out to buy more real estate–Giving you recurring revenue

A lot more recurring loans in Investor Channels

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NONI ACCOMPLISHMENTS IN 2019

NONI Paid out over $3.6 mm in commissions since roll out in May 2019!

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WHAT IS A NONI?

NO·NI™

/ no-nee /

noun

1. non owner no income
2. simple, innovative DSCR product available exclusively at theLender

- ❑ Designed for business purpose 1-4 unit commercial loans
  - No income or employment collected on the loan application
  - No 4506T, Transcripts, W2s, or Tax Returns
- ❑ Qualification is based on property cash-flow NOT borrower income
  - Rental income is taken from an existing lease or the rent survey from the appraisal and compared to the mortgage payment to determine debt coverage ratio – We take 100% of rents not 75%
  - Will use higher of rents off 1007 or rental agreement
- ❑ You've got a NONI when the rental income/(P)ITIA ≥ 1.0

Easiest NON-QM Loan in the market place

- Closings in 14 days or less/No income/No reserves/No TRID disclosures
- No waiting on ordering appraisal
- Rates in the 5% range
- Why clog your processing teams with Bank Statements when you can do a no income loan at a lower rate or same rate as a bank statement loan

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BEST NON-OWNER NO INCOME PRODUCT IN AMERICA

NON OWNER NO INCOME

THE BEST NON OWNER LOAN IN THE INDUSTRY

- **No Income Docs/No Reserves**
- **Gift Funds Allowed**
- **No Seasoning** on cash out or rate and term
- **No more TRID cures** for undisclosed fees
- **Ability to originate loans** in states across the country that you are not currently licensed (some restrictions may apply)
- **Simplified disclosure process** No more TRID/Intent to Proceed waiting periods
- **Ability to earn rebate credit on the front and on the back.** Yes! Earn both origination and lender credit on 1 loan
- **No LTV Restrictions** on 2-4 units
- **First Time Investors Allowed**
- **Up to 80% LTV** (min 640 fico)
- **As Low As 5.75% for a 5/1 ARM***
- **No Rate Or Pricing Adjustments** on Cash Out, Interest Only, Condo, Units

		the NONI		
		Investor Path 7		
			DSCR ≥ 1.00	
FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	$100,000-$1,500,000	0 months	80%	75%
	$1,500,001-$2,500,000		80%	70%
	$2,500,001-$3,500,000		65%	60%
640-679	$100,000-$1,500,000	0 months	80%	70%
	$1,500,001-$2,500,000		75%	65%
	$2,500,001-$3,500,000		60%	50%
620-639	$100,000-$1,500,000	0 months	70%	65%
	$1,500,001-$2,500,000		60%	50%
	$2,500,001-$3,500,000		55%	45%

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HOW WE SET THE BAR ON THE NONI IN 2019

- No TRID
- We qualify using the interest only payment – Remember we use ITIA- Not PITIA!
- We will use your borrowers lease; if higher than rent schedule, with proof of two months receipts.
- Higher LTVs on Purchases and units than the competition
- No hits in rate for property types
- Vacant properties still DSCR at 1.00%- at a 5.75% interest only rate with a good letter of explanation
- $2mm cash-out allowed
- No reserves required on purchases or cash-out with a DSCR of 1.00
- Higher Airbnb and VRBO rents acceptable on refinances with a simple 12 month ledger or printout for property manager-or VRBO website
- Closing Noni's in 14 days or less

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HOW TO CALCULATE A DSCR OF 1.00% WITH OUR CALCULATOR

Rate	5.75
Fix or Arm	Arm
IO Term	120
Term	360
Loan Amount	$ 1,289,500.00
Taxes	$ 647.00
Insurance	$ 99.00
HOA	$ 75.00

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Home of the NONI
Non Owner No Income

How much rent does my borrower need to NONI?

PITIA Payment	
ITIA Payment	$ 6,999.85

Instructions:

1) Input interest rate
2) Select Fixed Rate or ARM
3) If the loan is interest only, select the IO term (in months). If it is not interest only, select "0"
4) Input loan amount
5) Input Taxes (this would include Mello-Roos, if applicable)
6) Input Insurance
7) Input HOA (If applicable)

SINGLE FAMILY COMPARABLE RENT SCHEDULE

This form is intended to provide the appraiser with a familiar format to estimate the market rent of the subject property. Adjustments should be made only for items of significant difference between the comparables and the subject property.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	16592 Tiburon Pl Huntington Beach, CA 92649	3262 Falkland Cir Huntington Beach, CA 92649		4012 Ondine Cir Huntington Beach, CA 92649		4012 Morning Star Dr Huntington Beach, CA 92649	
Proximity to Subject		0.25 miles SE		0.82 miles E		0.81 miles E	
Date Lease Begins / Date Lease Expires	None / None	Available / Negotiable		04/08/18 / Yearly		04/14/2018 / Yearly	
Monthly Rental	If Currently Rented: $ 0	$ 7,200		$ 7,000		$ 8,500	
Less: Utilities / Furniture	$ 0 / 0	$ 0 / 400		$ 0 / 0		$ 0 / 0	
Adjusted Monthly Rent	$	$ 6,800		$ 7,000		$ 8,500	
Data Source	Inspection / Public Records	Inspection / CRMLS		Inspection / CRMLS		Inspection / CRMLS	
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(−)$ Adjust.	DESCRIPTION	+(−)$ Adjust.	DESCRIPTION	+(−)$ Adjust.
Rent Concessions		7200 / 0		7000 / 0		$500 / 0	
Location/View	B;Res;WtrFr / B;Res;Wtr	B;Res;WtrFr / B;Res;Wtr		B;Res;WtrFr / B;Res;Wtr		B;Res;WtrFr / B;Res;Wtr	
Design and Appeal	DT2;Traditional / Good	DT1;Traditional / Good		DT2;Traditional / Good		DT2;Traditional / Good	
Age/Condition	51 / C3	55 / Good		54 / Good		54 / Superior	-400
Above Grade Room Count (Total / Bdrms / Baths)	7 / 4 / 2.1	6 / 3 / 2	+75	6 / 3 / 3.1	0	7 / 4 / 3.1	-50
Gross Living Area	2,442 Sq. Ft.	1,800 Sq. Ft.	+38,500	2,305 Sq. Ft.	+8,200	3,313 Sq. Ft.	-52,300
Other (e.g., basement, etc.)	Osf	Osf		Osf		Osf	
Other:	Patio/Pch/Boat Dock Fau/G-2	Patio/Pch/Boat Dock Fau/G-2/Gardener	-50	Patio/Pch/Boat Dock Fau/Cac/G-2	-15	Patio/Pch/Boat Dock Fau/Cac/G-2	-15
Net Adj. (total)		☒ + ☐ −	$ 38,525	☒ + ☐ −	$ 8,185	☐ + ☒ −	$ -52,765
Indicated Monthly Market Rent			$ 45,325		$ 15,185		$ -44,265

Comments on market data, including the range of rents for single family properties, an estimate of vacancy for single family rental properties, the general trend of rents and vacancy, and support for the above adjustments. (Rent concessions should be adjusted to the market, not to the subject property.) The market data was derived from CRMLS, the subject's immediate market area. The rent ranch from $4,300.00 to $8,500.00 depending on the property's location, size, age, and quality. Vacancy is estimated to be at 3-5%. Comparable #3 was adjusted for superior condition, per MLS detail and drive - by inspection. Adjustments were calculated at: $.25 per sq.ft. for GLA and $50 for bedroom or bathroom count.
Rental comparable #1 furnished, month to month was rented back on 04/28/2018 for $7,900.00.

Final Reconciliation of Market Rent: The demand for rentals is remaining strong. All three rental comparables are similar to the subject property and as such would have the same appeal and marketability. The subject rent falls within the parameters of area norms and should be seen as reasonable. Due to the limited number of rental property activity in subject's immediate market area, the standard search for the comparable was expanded to 2 years back for similar location, living conditions and market characteristics. This is due to a limited number of similar characteristic comparable in the subject market area. All comparables in the body of this report are considered similar overall and best represent the current market.

I (WE) ESTIMATE THE MONTHLY MARKET RENT OF THE SUBJECT AS OF 08/02/2019 20 19 TO BE $ 7,000

Appraiser(s) SIGNATURE Mehdi Mashhoon
NAME Mehdi Matthew Mashhoon

Review Appraiser (If applicable) SIGNATURE
NAME

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NONI RATE SHEET AVAILABLE ON THELENDER WEBSITE

First time homebuyer not allowed on NONI

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theNONI (DSCR ≥ 1.0)

Effective 12/6/2019

			5/1 ARM PAR Pricing DSCR ≥ 1.00 25 Day Lock	
Loan Amount	Reserves	FICO	Purchase or R/T*	Cash-Out*
$100,000-$3,500,000*	0 months	680+	5.75%	
		640-679	6.25%	
		620-639	6.75%	

*See Matrix for restrictions and additional details regarding NJ PPP

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
1 Year Hard/2 Year Soft PPP	100
No PPP (RI & NJ* only)	99

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBD30AL05	Beacon DSCR 5/1 ARM
TBD30AL05IO	Beacon DSCR 5/1 ARM IO

BUBD ARM Only
2:1 Buy up
3:1 Buy down
Minimum Rate
5.5% ARM |6.25% Fix
Margin/Floor
6.00%
CAPS
2/2/5

Adjustments	LLRA
30 Year Fixed	+0.50%
1 Yr Hard/2 Yr Soft PPP	+0.25%
No PrePay RI & NJ* Only	+0.75%
Units	0.00%
Cash-out	0.00%
Condo	0.00%
FL Condo > 60% LTV	+0.25%
1x30x12	0.00%
5/1 ARM IO	0.00%
40 Day Lock	+0.10%

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NONI MATRICESAVAILABLE ON THELENDER WEBSITE

First time homebuyer not allowed on NONI

theLender — Investor Cash Flow Matrix

Email: lockdesk@theLender.com

Effective Date: 11/22/2019

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		Investor Path 7		
		DSCR ≥ 1.00		
FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	$100,000-$1,500,000	0 months	80%	75%
	$1,500,001-$2,500,000		80%	70%
	$2,500,001-$3,500,000		65%	60%
640-679	$100,000-$1,500,000	0 months	80%	70%
	$1,500,001-$2,500,000		75%	65%
	$2,500,001-$3,500,000		60%	50%
620-639	$100,000-$1,500,000	0 months	70%	65%
	$1,500,001-$2,500,000		60%	50%
	$2,500,001-$3,500,000		55%	45%

DSCR < 1.00

		Investor Path 8		
		DSCR < 1.00		
FICO	Loan Amount	Reserves	Purchase or R/T	Cash-Out
680+	$100,000-$1,500,000	6 months	75%	70%
	$1,500,001-$2,500,000	12 months	75%	65%
640-679	$100,000-$1,500,000	6 months	70%	65%
	$1,500,001-$2,500,000	12 months	70%	60%
620-639	$100,000-$1,500,000	6 months	70%	65%
	$1,500,001-$2,500,000	12 months	55%	45%

Products	Margin & Caps		I/O (Y/N)	IO Period	Final Maturity
5/1 Adjustable Rate (ARM)	6.00	2/2/5	N	NA	30 years
30 Year Fixed	NA	NA	N	NA	30 years
Interest Only: 5/1 Adj Rate (ARM)	6.00	2/2/5	Y	10 Years	30 Years

Interested Party Contributions/Seller Concessions		Residency
All LTVs	Max 2%	US Citizen, Perm/NonPerm Res. Alien & Foreign Nat'l
Eligible States		
AL, AZ, CA, CO, CT, DE, FL, GA, HI, IL**, KY, LA, MA, MO, MD, OK, NJ***, PA*, RI, SC, TN, TX***, UT, VA, WA		

***TX c/o refinance must vest as individual (no entities: LLC, Inter vivos trust, etc)

Guidelines Quick Reference			
ARM Index & Floor	Index: 1 year LIBOR | Floor = Margin	Impounds	Not required
Qualifying Rate	Note Rate	Appraisal	• No CS or C6 • 2 appraisals >$1.5MM • ARR/CDA req or CU risk score ≤ 2.5
Qualifying Payment	Full Amortization: PITIA based on note rate IO: Initial ITIA based on note rate	Min Sq. footage	600 sq feet
Assets	Sourced or seasoned 60 days (2 mos most recent bank statements req.)	Credit Score	•Must have 1 valid score; Take the Mid score when all 3 agency scores provided; lower of 2 if only 2; Lowest of all borrowers Representative score
Credit	Two (2) open and active tradelines, with at least one (1) seasoned for 24 months.	Compliance	• Points & Fees may not exceed 5%
Cash Out	Business purpose use ONLY		
Prepayment Penalty	6 months interest on 80% of the original principal balance (Standard Term = 3 years); ** Prepay Penalty allowed for loans closed in the name of Corporation or LLCs (personal guarantee required).	Option 1: • 3 yr Hard Prepay; can not sell or refi Option 2: • 1 yr Hard / 2 yr Soft PrePay: can not sell or refi in the 1st year, can sell but not refi in yrs 2-3	
	NJ*** PPP allowed when closing in an entity, otherwise PPP must be bought out when closing as an individual. RI- PPP not allowed. Must buyout PPP.		

Investor - Doc Options	
Investor Cash Flow	• Path 7: DSCR ≥ 1.0 • Path 8: Limited DSCR < 1.0

LTV Overlays	Max LTV
Non-Warrantable Condo	65%
Warrantable Condo	75%
2-4 Unit	No Restriction
Modular	65%
Foreign National: If no score use 680	65%
Florida Condo	70%

Additional Overlays	
Maximum Cash-Out	$2,000,000
1st Time Investor Min FICO (Path 7 Only)	680
1st Time Investor (Path 7 Only)	5% LTV reduction
Unleased Property (Refinance only) Does not apply to short term rentals	5% LTV reduction
Max Acreage	20
Max # of Financed Properties	Unlimited
Foreign National (No Venezuela)	12 Mos reserves Req.
Gift Funds allowed with 5% borrower funds	NO LTV reductions
100% Gift Funds	10% LTV reduction
NonArms Length Trans.	Not Eligible
C/O refi property listed in the last 6 months	10% LTV reduction
PA*- Min Loan Amount is $256,024 if title is held as Individual	
IL Cook County- Minimum Loan Amount is 250,001 and max rate 8%	

Credit	
Maximum Housing Lates	1x30x12
Minimum FC Seasoning months	36
Minimum SS/DIL Seasoning months	36
Minimum BK 7 Seasoning months	36
Minimum BK 13 Seasoning	36

Reserves (Path 8 Only)
• C/O proceeds can be used to meet reserves
• Gift funds cannot be used to meet reserves requirements
• Waived on R/T if: 0x30x12
• Reserves for IO based on Interest Only Payment

Home of the NONI — Non Owner No Income

What is a DSCR Loan? How do you qualify?

DSCR stands for Debt-Service-Coverage-Ratio. This means your loan is qualified based on the cash flow/ market rents of the subject property.
How do I qualify? Take your gross rents based off the lesser of market rents or lease agreement / by the PITIA (Full Am) or ITIA (Interest Only)

Full Amortization Example: If your DSCR ≥1.00 you've got a "NONI".	Interest Only Example: If your DSCR ≥1.00 you've got a "NONI".	Full Amortization Example: If your DSCR <1.00 you still have a loan just at a different price.	Interest Only Example: If your DSCR <1.00 you still have a loan just at a different price.
Gross Rents = $2000 / PITIA = $2000 = 1.00 DSCR	Gross Rents = $1500 / ITIA = $1500 = 1.00 DSCR	Gross Rents = $1500 / PITIA = $2000 = 0.75 DSCR	Gross Rents = $1200 / ITIA = $1500 = 0.80 DSCR

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WHAT DO YOU DO WHEN YOUR RENT DOESN'T COVER YOUR ITIA PAYMENT

Obstacle
Loan did not DSCR at 1.00%

Rate	5.75
Fix or Arm	Arm
IO Term	120
Term	360
Loan Amount	$ 1,345,000.00
Taxes	$ 647.00
Insurance	$ 99.00
HOA	$ 75.00

theLender
Home of the NONI
Non Owner No Income

How much rent does my borrower need to NONI?

PITIA Payment	
ITIA Payment	$ 7,265.79

SINGLE FAMILY COMPARABLE RENT SCHEDULE

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Proximity to Subject		0.25 miles SE	0.82 miles E	0.81 miles E
Date Lease Begins / Date Lease Expires	None / None	Available / Negotiable	04/08/18 / Yearly	04/14/2018 / Yearly
Monthly Rental	If Currently Rented: $ 0	$ 7,200	$ 7,000	$ 8,500
Less: Utilities / Furniture	$ 0 / 0	$ 0 / 400	$ 0 / 0	$ 0 / 0
Adjusted Monthly Rent	$	$ 6,800	$ 7,000	$ 8,500
Data Source	Inspection / Public Records	Inspection / CRMLS	Inspection / CRMLS	Inspection / CRMLS
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION / +(−)$ Adjust.	DESCRIPTION / +(−)$ Adjust.	DESCRIPTION / +(−)$ Adjust.
Rent Concessions		7200 / 0	7000 / 0	$500 / 0
Location/View	B;Res;WtrFr / B;Res;Wtr	B;Res;WtrFr / B;Res;Wtr	B;Res;WtrFr / B;Res;Wtr	B;Res;WtrFr / B;Res;Wtr
Design and Appeal	DT2;Traditional / Good	DT1;Traditional / Good	DT2;Traditional / Good	DT2;Traditional / Good
Age/Condition	51 / C3	55 / Good	54 / Good	54 / Superior / -400
Above Grade Room Count (Total / Bdrms / Baths)	7 / 4 / 2.1	6 / 3 / 2 / +75	6 / 3 / 3.1 / 0	7 / 4 / 3.1 / -50
Gross Living Area	2,442 Sq. Ft.	1,800 Sq. Ft. / +38,500	2,305 Sq. Ft. / +8,200	3,313 Sq. Ft. / -52,300
Other (e.g., basement, etc.)	0sf	0sf	0sf	0sf
Other:	Patio/Pch/Boat Dock Fau/G-2	Patio/Pch/Boat Dock Fau/G-2/Gardener / -50	Patio/Pch/Boat Dock Fau/Cac/G-2 / -15	Patio/Pch/Boat Dock Fau/Cac/G-2 / -15
Net Adj. (total)		☒ + ☐ − $ 38,525	☒ + ☐ − $ 8,185	☐ + ☒ − $ -52,765
Indicated Monthly Market Rent		$ 45,325	$ 15,185	$ -44,265

Comments on market data, including the range of rents for single family properties, an estimate of vacancy for single family rental properties, the general trend of rents and vacancy, and support for the above adjustments. (Rent concessions should be adjusted to the market, not to the subject property.) The market data was derived from CRMLS, the subject's immediate market area. The rent ranch from $4,300.00 to $8,500.00 depending on the property's location, size, age, and quality. Vacancy is estimated to be at 3-5%. Comparable #3 was adjusted for superior condition, per MLS detail and drive - by inspection. Adjustments were calculated at: $.25 per sq.ft. for GLA and $50 for bedroom or bathroom count.
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Obstacle
Loan did not DSCR at 1.00%

I (WE) ESTIMATE THE MONTHLY MARKET RENT OF THE SUBJECT AS OF 08/02/2019 20 19 TO BE $ 7,000

Appraiser(s) SIGNATURE Mehdi Mashhoon NAME Mehdi Matthew Mashhoon

Review Appraiser (If applicable) SIGNATURE NAME

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the DSCR < 1.00

First Time investors not allowed on this product
Must have ownership in a rental in last 36 months for 12 months

theLender — theDSCR < 1.00 — Effective 12/6/2019

Loan Amount	Reserves	FICO	5/1 ARM PAR Pricing DSCR < 1.00 25 Day Lock Purchase or R/T*	Cash-Out*
$100,000-$1,500,000*	6 months	680+	6.875%	
		640-679	7.375%	
		620-639	7.990%	
$1,500,001 - $2,500,000*	12 months	680+	6.875%	
		640-679	7.375%	
		620-639	7.990%	

*See Matrix for restrictions and additional details regarding NJ PPP

Prepay Penalty	
Prepay Penalty	Max Price
3 Year Hard PPP	101
1 Year Hard/2 Year Soft PPP	100
No PPP (RI & NJ* only)	99

Program Codes	
TBDFX30	Beacon DSCR 30 Yr Fixed
TBD30AL05	Beacon DSCR 5/1 ARM
TBD30AL05IO	Beacon DSCR 5/1 ARM IO

BUBD ARM Only
2:1 Buy up
3:1 Buy down
Minimum Rate
6.625% ARM |7.375% Fix
Margin/Floor
6.00%
CAPS
2/2/5

Adjustments	LLRA
30 Year Fixed	+0.50%
1 Yr Hard/2 Yr Soft PPP	+0.25%
No PP RI & NJ* Only	+0.75%
Non-CA	-0.25%
Units	0.00%
Cash-out	0.00%
Condo	0.00%
FL Condo > 60% LTV	+0.25%
1x30x12	0.00%
5/1 ARM IO	0.00%
40 Day Lock	+0.10%

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the NONI™

THIS LOAN ALMOST WENT TO A HARD MONEY LENDER AT A 7.99% RATE AT A 2 POINTS NONI SAVES THIS INVESTOR A LOT OF MONEY

Obstacle

Loan did not DSCR at 1.00%

Rate	5.75
Fix or Arm	Arm
IO Term	120
Term	360
Loan Amount	$ 1,345,000.00
Taxes	$ 647.00
Insurance	$ 99.00
HOA	$ 75.00

Fully Indexed	$ 12,922.31
Note Rate	$ 8,670.05
ITIA Payment	$ 7,265.79

Solution

Lowered rate

Buydown of .75 bps to 5.50% rate and loan met 1.00 DSCR

Rate	5.50
Fix or Arm	Arm
IO Term	120
Term	360
Loan Amount	$ 1,345,000.00
Taxes	$ 647.00
Insurance	$ 99.00
HOA	$ 75.00

Fully Indexed	$ 12,922.31
Note Rate	$ 8,457.76
ITIA Payment	$ 6,985.58

700 credit score
75% LTV-Cash-out refinance
Cash-out $700k
Allowed DSCR of 1.00% with a vacant property
Exception made due to strong LOE for Vacant property

SINGLE FAMILY COMPARABLE RENT SCHEDULE

This form is intended to provide the appraiser with a familiar format to estimate the market rent of the subject property. Adjustments should be made only for items of significant difference between the comparables and the subject property.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	16592 Tiburon Pl Huntington Beach, CA 92649	3262 Falkland Cir Huntington Beach, CA 92649		4012 Ondine Cir Huntington Beach, CA 92649		4012 Morning Star Dr Huntington Beach, CA 92649	
Proximity to Subject		0.25 miles SE		0.82 miles E		0.81 miles E	
Date Lease Begins / Date Lease Expires	None / None	Available / Negotiable		04/08/18 / Yearly		04/14/2018 / Yearly	
Monthly Rental	If Currently Rented: $ 0	$ 7,200		$ 7,000		$ 8,500	
Less: Utilities / Furniture	$ 0 / 0	$ 0 / 400		$ 0 / 0		$ 0 / 0	
Adjusted Monthly Rent	$	$ 6,800		$ 7,000		$ 8,500	
Data Source	Inspection / Public Records	Inspection / CRMLS		Inspection / CRMLS		Inspection / CRMLS	
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(−)$ Adjust.	DESCRIPTION	+(−)$ Adjust.	DESCRIPTION	+(−)$ Adjust.
Rent Concessions		7200 / 0		7000 / 0		8500 / 0	
Location/View	B;Res;WtrFr / B;Res;Wtr	B;Res;WtrFr / B;Res;Wtr		B;Res;WtrFr / B;Res;Wtr		B;Res;WtrFr / B;Res;Wtr	
Design and Appeal	DT2;Traditional / Good	DT1;Traditional / Good		DT2;Traditional / Good		DT2;Traditional / Good	
Age/Condition	51 / C3	55 / Good		54 / Good		54 / Superior	-400
Above Grade Room Count (Total / Bdrms / Baths)	7 / 4 / 2.1	6 / 3 / 2	+75	6 / 3 / 3.1	0	7 / 4 / 3.1	-50
Gross Living Area	2,442 Sq. Ft.	1,800 Sq. Ft.	+38,500	2,305 Sq. Ft.	+8,200	3,313 Sq. Ft.	-52,300
Other (e.g., basement, etc.)	0sf	0sf		0sf		0sf	
Other:	Patio/Pch/Boat Dock Fau/G-2	Patio/Pch/Boat Dock Fau/G-2/Gardener	-50	Patio/Pch/Boat Dock Fau/Cac/G-2	-15	Patio/Pch/Boat Dock Fau/Cac/G-2	-15
Net Adj. (total)		☒ + ☐ − $	38,525	☒ + ☐ − $	8,185	☐ + ☒ − $	-52,765
Indicated Monthly Market Rent		$	45,325	$	15,185	$	-44,265

Comments on market data, including the range of rents for single family properties, an estimate of vacancy for single family rental properties, the general trend of rents and vacancy, and support for the above adjustments. (Rent concessions should be adjusted to the market, not to the subject property.) The market data was derived from CRMLS, the subject's immediate market area. The rent ranch from $4,300.00 to $8,500.00 depending on the property's location, size, age, and quality. Vacancy is estimated to be at 3-5%. Comparable #3 was adjusted for superior condition, per MLS detail and drive - by inspection. Adjustments were calculated at: $.25 per sq.ft. for GLA and $50 for bedroom or bathroom count.
Rental comparable #1 furnished, month to month was rented back on 04/28/2018 for $7,900.00.

Final Reconciliation of Market Rent: The demand for rentals is remaining strong. All three rental comparables are similar to the subject property and as such would have the same appeal and marketability. The subject rent falls within the parameters of area norms and should be seen as reasonable. Due to the limited number of rental property activity in subject's immediate market area, the standard search for the comparable was expanded to 2 years back for similar location, living conditions and market characteristics. This is due to a limited number of similar characteristic comparable in the subject market area. All comparables in the body of this report are considered similar overall and best represent the current market.

I (WE) ESTIMATE THE MONTHLY MARKET RENT OF THE SUBJECT AS OF 08/02/2019 20 19 TO BE $ 7,000

Appraiser(s) SIGNATURE Mehdi Mashhoon NAME Mehdi Matthew Mashhoon

Review Appraiser (if applicable) SIGNATURE NAME

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NONI TAUGHT US TO CLOSE NONIS FASTER

One of our Account Executives closed a loan in 11 days

What is the key:

- Get your loan prequalified with your Account Executive
- Use the calculator to know if you NONI or if you don't
- Sell your borrower on rate/term and prepayment penalty
- Order your appraisal through one of our approved AMC's
- Do not skimp on having a processor assigned to a NONI file
- Have borrower sign business Purpose disclosures
- Follow submission checklist on submission form

- ☐ Fannie 3.2 uploaded and registered
- ☐ Business Purpose Submission form
- ☐ Credit Authorization (If lender is pulling credit)
- ☐ Business Purpose Acknowledgement and Disclosure
- ☐ Credit report within 60 days of submission
- ☐ Escrow Instructions and/or Prelim
- ☐ Purchase Contract (if applicable)
- ☐ Appraisal w/1007
- ☐ Lease Agreement or LOE for unleased (Refi Only)
- ☐ Settlement Statement
- ☐ Hazard Insurance
- ☐ Most recent 12 mo Mortgage / Rental History
- ☐ Payoff Demand (Refi Only)
- ☐ Verified Funds to Close (2 Months Bank Statements)
- ☐ Cash Out Letter
- ☐ HOA Cert(if applicable)

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UTILIZE NONIS TOOLBOX TO GET YOUR LOANS CLOSED IN 14 DAYS OR LESS

Rate		5.75
Fix or Arm	Arm	
IO Term		120
Term		360
Loan Amount	$	550,000.00
Taxes	$	650.00
Insurance	$	125.00
HOA	$	-

theLender
Home of the NONI
Non Owner No Income

How much rent does my borrower need to NONI?

PITIA Payment		
ITIA Payment	$	3,410.42

Instructions:

1) Input interest rate
2) Select Fixed Rate or ARM
3) If the loan is interest only, select the IO term (in months). If i
4) Input loan amount
5) Input Taxes (this would include Mello-Roos, if applicable)
6) Input Insurance
7) Input HOA (If applicable)

Step 1# Know if you NONI with calculator
Step #2 Sell borrower on terms -5 year Arm or fixed product
Step #3 Sell the 3 year hard Prepayment penalty or 1 year hard prepayment penalty
Step#4 Does borrower own a primary home?
Step #5 Has borrower owned a rental in last 3 years for 12 months?
Step #6 go to Noni toolbox and pull checklist
Step#7 order appraisal and send borrower business purpose disclosures in Toolbox

P.S. No primary home and first time investor-No Go! First time homebuyers not allowed on NONI product.

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LEARN HOW TO NONI WITH OUT HOLDUPS? FOLLOW OUR CHECKLIST

1. What is the LTV, FICO, Loan Amount and state of subject property?

2. Is this a purchase, cash-out or rate-term? On refinances we ask for the lease or a good LOE. If a refi, is the property occupied? If not, why not? There will be a 5% LTV reduction on vacant unless its an Airbnb/VRBO rental.

3. Has borrower owned a rental property for 12 months in the last 3 years. First time investors allowed (680 FICO and a 5% LTV reduction).

4. Do they own their primary residence? If not, it must make sense. They must have a documentable 12-month housing history or a 5% reduction

5. NALT not allowed. They cannot buy subject from a relative nor have relative as a tenant.

6. How vested is/will the property be vested? Individual or LLC?

LEARN HOW TO NONI WITH OUT HOLDUPS?

7. On a refinance, has the subject property been listed for sales or has it been listed in last 12 month? On a rate term, property cannot have been listed as of the application date. On a cash out, it cannot be listed at the time of application AND if it was listed in the 6 months prior to the application the max LTV will be reduce by 10%

8. Cash-out letter/purpose of cash out? Cannot be personal use! Cannot consolidate credit cards, pay IRS lien or remodel residence, etc.

9. Have they had any foreclosures, NODs, BKs, 1X120 in the past 3 years?

10. Max housing lates on all properties in past 12 months is 1X30. We need all mortgage rated (credit report or VOM is fine)

11.We have a standard 3 year hard PPP or a 1 year hard/2 year soft with a .25 LLPA.

12.We allow gift funds (no gift of equity) from family

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BUSINESS PURPOSE CHANNEL BRINGS BENEFITS TO BROKER COMPENSATION

A NONI IS A BUSINESS PURPOSE LOAN- ALLOWING FRONT AND BACK END COMPENSATION

YOU NOW CAN CHARGE ON THE FRONT END AND MAKE 1% YIELD SPREAD ON THE BACK END

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CALIFORNIA BROKER TESTIMONY

AE calls on a California Mortgage Broker to fish for NONI's

Broker is very clear sending all DSCR loans to a Competitor
Competitor quoted 5.25% rate versus our 5.75% DSCR.
Broker submits loan to them/lender does not share that the DSCR must be 1.25%/ loan gets declined and 3 weeks lost
Deal had to DSCR at 1.25% DSCR at competition

This competitor:

Cash-out Refinance
75% LTV
SFR
DSCR 1.00% 5.75% interest only
Loan amount $1,100,000.00
Broker charged 2 points + $22,000.00- NONI is a HERO!

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CALIFORNIA BROKER
FIRST LOAN EVER WITH THELENDER

Unique NONI

Loan amount $300k

Cash out-Refinance

Fico 650

LTV: 70%

Prop type: SFR

DSCR of 1.00%

6.75% 30 year fixed

Broker commission: 2% $6,000.00

Situation: Had a new lease showing higher rents than 1007. We used higher rents borrower supplied 2 months proof of receipt of higher rents

Broker could not document borrower's residential history-We did not decline loan we required 3 months reserves max LTV 70%

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ACCOUNT EXECUTIVE OUT OF PENNSYLVANIA

- Broker out of New Jersey and New York
- Broker had never done a DSCR loan at 80% LTV/units priced at 5.75%
- The Broker owner moonlights flipping properties and was looking for buy and hold money
- He took the time to train on our NONI and now has built a marketing plan in all 40 states
- Realized that with the NONI they could create a purchase money market No income/No reserves for Real Estate Investors with rates in the 5% range up to 80% LTV

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NONI BROUGHT BROKERS A NEW REVENUE CHANNEL

When NONI was released our amazing Account Executives started dialing thousands of brokers to share the news!

Many said “they didn’t do NONI Real estate investor business”

What are they saying now?

- Thanks to the NONI I have a new Cashflow channel that is not dependent on low Agency and Government rates. I now am marketing real estate investors
- NONI gave us free leads and free appraisals and I made $25k on one deal
- With NONI’s 5.75% Interest only product most my deals really DSCR at 1.00% on purchase money at 80% LTV

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WHAT DID WE ACCOMPLISH IN 2019

- NONI product created early 2019
- NONI product and training rolls out May 2019
- Super NONI brings brokers free leads and free appraisals on NONI Loans
- Webinars and broker training throughout the US
- Sept 2019 –New Business Purpose Channel created -TRID disclosures removed to speed up NONI funding process
- We opened up over 20 states without NMLS Licensing
- We open up NONI to NON NMLS Entities in many states through out the US
- Only California/Arizona/Utah requires NMLS Broker license

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What is a superNONI?

A superNONI is a preferred broker that receives the added benefits from having NONI in their corner. These benefits include:

- NONI leads provided by theLender
- Reduced U/W fee's for NONI's ($200 reduction)
- We pay for the Appraisal*
- Priority turn times for all NONI loans

Want to become a superNONI broker?

Fill out the application below and receive an approval in as little as 24hrs.

CONTACT INFORMATION

Your Name (required)

Your Email (required)

Your Phone (required)

Your Company (required)

Are you approved with theLender (Yes or No)

Contact us

www.theLender.com/superNONI

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WE LOOK FORWARD TO WORKING WITH YOU!

QUESTIONS?

For employment opportunities contact: inquiries@thelender.com

Contact your AE for more details, if you don't have an AE contact Mike McCarthy.

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