



Bank Statement

Correspondent Channel

Last Updated: June 19, 2023

Course Objectives

Topics we will cover today:

- Value Proposition
- Program Highlights and Eligibility Features
- Income/Asset/Collateral Features



Value Proposition

- The bank statement product is specifically designed to meet the needs of Strong Credit qualifying self employed borrowers.
- The benefit being offered through this product is that the borrower's bank statements or their 1099s can be used in lieu of tax returns to calculate qualifying income
- The Bank Statement product is being offered through our delegated as well as non-delegated platforms.
- We make subject matter experts available from beginning to end to support a flawless execution.
 - Your credit teams will have access to a dedicated group to assist your credit teams with scenarios, single loan variances, and guideline expertise.
 - Nonagency@Bayview.com can be utilized for all **pre-close questions**, scenarios and Single Loan Variance (SLV) requests.
 - NonAgencyDD@Bayview.com can be utilized to answer your **post-closing, pre-purchase questions** regarding loan status, suspense conditions, escalations and rebuttals.
- Single loan variances are a part of the Non Agency Bank Statement platform:
 - Offering strong borrowers flexibility outside of the traditional guidelines.
 - Compensating factors are required in order to consider single loan variances.
 - Loans with single loans variances are typically stronger than loans that just meet guidelines.

Program Highlights

- Primary residence (1-4 units), second home (1 unit) and investment (1-4 unit) occupancy types
- Purchases, rate and term, and cash-out options
- Maximum loan amount - **\$3,000,000** on a primary residence; **\$2,000,000** on second home
- 30-year fixed and 40-year fixed rate terms available
- Interest-only options:
 - 30-year term with 5 or 10 year interest-only
 - 40-year term with 10 year interest-only
- Mortgage Insurance – not required
- Bank Statements – 12 or 24 month options utilizing either personal or business bank statements to calculate qualifying income
- 1099 Income Option Available
- Loan amounts greater than **\$2.5M** require two years of income documentation – via either 24 months bank statements or 2 years of 1099s
- Minimum Fico is – **660**
- Minimum loan amount - **\$100,000**
- Non-warrantable Condos permitted
- Manual Underwrite – AUS not permitted

Eligible Products and Terms

30 Year Terms

- **PBF330** – 30-Year Fixed
- **PBF305** – 5-Year I/O with loan fully amortizing over remaining 25 years
- **PBF310** – 10-Year I/O with loan fully amortizing over remaining 20 years

40 Year Terms

- **PBF400** – 40-Year Fixed
- **PBF410** – 10-Year I/O with loan fully amortizing over remaining 30 years

Program Eligibility Snapshot

Loan Characteristic	Requirement
Max LTV – Primary Purchase / Rate & Term	80% - 680 75% - 660
Max LTV – Primary Cash Out Refi	80% - 700 65% - 640
Max LTV – Second Home Purchase/RT	80% - 700
Max LTV – Second Home Cash Out	75% - 700
Max LTV – Investment Purchase/RT	75% - 680
Max LTV – Investment Cash Out	65% - 680
Interest Only	<ul style="list-style-type: none"> • Maximum 80% LTV/CLTV • Minimum 680 FICO • Qualify with fully amortized PITIA
DTI	<ul style="list-style-type: none"> • 49.99%
Payment Shock	<ul style="list-style-type: none"> • Maximum 350% • FTHB 250%
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • Must be a family member • Primary Residence – 1 unit only • 5% LTV/CLTV reduction
Maximum Cash-Out	<ul style="list-style-type: none"> • LTV ≥ 70%: \$250,000 • LTV > 50 & < 70: \$500,000 • LTV ≤ 50%: \$1,000,000
Residual Income	<ul style="list-style-type: none"> • \$2500

NON-AGENCY
Loan Products

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Income

Self-Employed

- Any borrower who has **25%** or greater ownership in a business is considered self-employed.
- Must be self-employed with the same business for at least 2 consecutive years.
- A CPA/accountant/tax preparer letter verifying self-employment & percentage of ownership is required.
- At least one borrower must have **51%** or more of their qualifying income from self-employment.
- Percentage of self-employment ownership
 - Personal Bank Statement Option: minimum **25%**
 - Business Bank Statement Option: minimum **50%**
- Confirmation that the business is currently operating must be provided.

Non Self-Employed

- Stable monthly income – 2 continuous years in the same line of work.
 - When the borrower has less than 2 years history, the lender must provide a written analysis to justify the determination that the income used is stable.
- High probability of continuing for at least 3 years.
- W-2 Transcripts for most recent 2 years required.
- 4506-C for non self-employment must be signed at closing.
- Gaps in Employment
 - Minimum of 2 years employment and income history. Gaps greater than 30 days must be explained.

Bank Statement Documentation

- Business or Personal Bank Statements
 - Combination of personal and business bank statements is not permitted.
 - Personal bank statements also require the most recent 3 months business statements be provided.
 - 12 or 24 consecutive months within 90 days of the Note date.
 - Loan amounts greater than **\$2,500,000** require 24 months bank statements.
- Business Narrative Form – required when using business bank statements and the 50% Fixed-Expense option to calculate qualifying income.
- CPA letter confirming percentage of ownership required.
- Tax returns/tax transcripts **must not be included** in the loan file.

Bank Statement Income Calculation Requirements

Personal Bank Statements

- Qualifying income is determined by the lower of the monthly net income stated on the initial Uniform Residential Loan Application or:
 - Total eligible deposits from the 24 or 12 months of personal statements divided by 12 or 24 months

Business Bank Statements

- Qualifying income is determined by the lower of the monthly net income stated on the initial Uniform Residential Loan Application, or one of the following methods:
- Option 1 – Fixed Expense
 - Gross eligible deposits will be multiplied by a fixed 50% expense factor to determine a net deposit number and divided by 12 or 24 months, dependent upon the number of bank statements provided
- Option 2 – CPA/Accountant Preparer Statement
- Option 3 – Profit & Loss covering the same period as bank statements

An underwriting bank statement calculation form must be utilized and made part of the loan file.

Ineligible Deposits

Unacceptable Deposits include, but are not limited to, the following:

- Cash advances from credit cards
- Income sources already taken into account
- Non business-related account transfers
- Tax refunds
- Product returns/credits
- Gift funds
- Credit line deposits/business financing
- Paycheck Protection Program (PPP) loans

1099 Income Option

- 1099 income is permitted for individual(s) earning 100% commission or for independent contractors
 - 1 year or 2 years of 1099s or 1099 transcript(s) permitted using a **10% Expense Factor**.
- Qualifying income is the 12 or 24 monthly average from the total number of 1099's minus the 10% Expense Factor.
- YTD documentation required to support the continued receipt of income from same source.

Non-Sufficient Funds (NSFs)

- With a satisfactory LOE, no more than 3 NSFs are permitted in the last 12 months.
- Overdraft Protection: An overdraft is any occurrence whereby the account balance goes negative but is linked to another depository account or line of credit with the same financial institution.
 - Such occurrences are not considered in the 3 occurrence limit described above provided the account does not reflect in a negative balance, the account shows a transfer from the other account, and the underwriter has no concerns over the viability of the business.
 - A satisfactory LOE is also required.

Credit

Attribute	Requirement
Mortgage History	<ul style="list-style-type: none"> • 0x30x12 <ul style="list-style-type: none"> • 1x30x12 permitted with a maximum of 80% LTV/CLTV • First time homebuyers must be able to document a satisfactory 12 month rental history – 0x30x12
Credit Event Seasoning (BK, foreclosure, short sale, DIL, NOD or Forbearance)	<ul style="list-style-type: none"> • 4 Years <ul style="list-style-type: none"> • Waiting periods down to 36 months permitted and must meet the below criteria: <ul style="list-style-type: none"> • LTV/CLTV must be 5% below product/program maximum • Additional six (6) months reserves required
Multiple Credit Events	<ul style="list-style-type: none"> • Not Allowed
Required # of Credit Scores	<ul style="list-style-type: none"> • All borrowers must have a minimum of two credit scores
Tradeline Requirements	<ul style="list-style-type: none"> • 2 tradelines open for 24 months and active within the most recent 12 months, or • 3 tradelines must be rated for 12 months

Asset Requirements

- Large deposits inconsistent or atypical with the demonstrated bank statement activity must be verified if using for down payment, reserves, or closing costs. Lender is responsible for verifying large deposits.
- Asset verification by a Fannie Mae-approved asset validation provider is allowed in lieu of 2 months statements provided by the borrower.
- Asset verification must provide 60 days of account activity and include all items normally indicated on bank statements.
- Eligible assets must be held in a U.S. account.
- Gift funds:
 - May be used once borrower has contributed **5%** of their own funds (not allowed for Investment properties)
 - LTVs > **80%** not permitted
 - May not be used to meet reserve requirements

Reserves

Occupancy	Loan Amount	# of Months of PITIA
Primary, Second Home & Investment Property	≤ \$1,000,000	6
	\$1,000,001 - \$2,000,000	9
	> \$2,000,000	12

- Additional 1-4 unit financed REO – follow Fannie Mae Selling Guide for additional reserve calculation requirements.
- Borrowed funds, gift funds, and cash-out are not permitted to meet reserve requirements.

Collateral

Property Eligibility

- Primary Residence and Investment properties – 1-4 units
- Second Homes – 1 unit
- Acreage
 - Maximum **40** acres
 - For properties **>10** acres and up to **40** acres
 - Max land value of **35%**
 - Properties must be residential in nature with no income-producing attributes.
 - For properties **> 20** acres – above requirements plus the following apply:
 - **10%** reduction to maximum LTV
- Condominiums – Warrantable
 - Follow Fannie Mae for review types, including Limited Review
- Condominiums – Non-Warrantable
 - Only 1 non-warrantable feature is allowed and LTV/CLTV must be **10%** below product/program maximum up to a maximum of **70%** LTV/CLTV
- Cooperatives (Co-ops)
 - Follow Fannie requirements
 - No geographic restrictions, but must have co-op comps
 - Not allowed for Investment properties

Appraisal Requirements

- Appraisal Review
 - A Collateral Underwriter (CU) score of **2.5** or less or a Collateral Desktop Analysis (CDA) ordered from Clear Capital is required for loans where only one full appraisal is required.
 - The below criteria apply when CU is used to meet appraisal review requirements.
 - Maximum **80%** LTV
 - Maximum loan amount of **\$1,500,000**
- Two appraisals required for the following transactions:
 - Purchase transaction with loan amount **> \$2,000,000**
 - Refinance transaction with loan amount **> \$1,500,000**
 - Appraisals must be completed by two independent companies.

Refer to the Bank Statement Product Matrix for complete appraisal criteria.

Single Loan Variances

We will consider Single Loan Variances to go outside of guidelines for loans with strong compensating factors.

- In order for us to consider a Single Loan Variance, the UW must securely submit the following:
 - 1008
 - 1003
 - Single Loan Variance form completed in full

Note: We are not currently able to have assets, income, or credit submitted with the documents.

- The Single Loan Variance typically takes **48 hours** for review.
- The Single Loan Variance may have a pricing adjustment for the variance.

Non-Delegated Portal



Questions? Call **855-253-8439** today



Non-Delegated Underwriting Portal

Delegated/Closed Loan Portal



HIGH QUALITY ALTERNATIVE LOAN OPTIONS

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Loan Products

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Correspondent Portal

1. **Loan Registration/Lock/Pricing**
 - Print confirmations for the loans
2. **Product Matrices and Resources – Bayview**
 - Bayview Product Matrices
3. **Seller Guides**
 - Special Products Seller Guide
4. **Reference Library**
 - Bayview Quick Reference Guide
 - Delivery checklist for Closing and Credit
 - Sample documents
5. **Training Resources**
 - Job Aids, Reference Guides, and Videos
 - 1:1 Training available through [Client Services](#)

Please note access to the site may be limited by your organization.

Follow your internal process for obtaining information on program details.

The screenshot shows the Correspondent Portal interface. On the left is a navigation menu with the following items: Main, Loan Registration/Lock/Pricing, Current Rate Sheet, (6033) BayView/Lakeview Closed Loan, - Deliver Loans / TDOCS, - Titanium ULDD/XML Upload, - Reporting, Announcements, Product Matrices and Resources - Bayview, Product Matrices and Resources - Lakeview, Product Matrices - Lakeview Affordable Lending, Product Matrices and Resources - Non-Delegated, Seller Guides, Exclusionary List, Reference Library, Training Resources, User Profile, and Logout. On the right, there are two main sections: 'Daily Turn Times' and 'Announcements'. The 'Daily Turn Times' section has a table with columns for loan type and initial review time. The 'Announcements' section has a table with columns for descriptions and dates. Red callouts with numbers 1 through 5 point to specific items: 1 points to 'Loan Registration/Lock/Pricing', 2 points to 'Product Matrices and Resources - Bayview', 3 points to 'Seller Guides', 4 points to 'Reference Library', and 5 points to 'Training Resources'.

	Initial Review
Conv/Gov't/HFA	3 Days
Jumbo	7 Days
Non-Agency	Coming Soc

Descriptions	
2022 All Announcements	
C2022-09 - HFA, NonAgency, Operational	
C2022-08 - Website Change and Tax Tran	
C2022-07 - Agency, DSCR, Jumbo and O	
C2022-06 - Home in Five and Agency Inv	
C2022-05 - Agency and DSCR Updates	
C2022-04 - AIP Expansion, Jumbo Update	
Reminders	
C2022-03 - Agency, VA, HFA, DSCR, Jum	
C2022-02- SC Enhancements, Hoosier H	
C2022-01 - Agency Updates	
2022 All Announcements	
2020 All Announcements	
2019 All Major Disaster Announcements	

Resources

- In the Correspondent online portal, under the **Training Resources** tab, step-by-step job aids are available detailing:
 - How to register, price, and lock loans
 - How to name, upload and deliver loans
- A video of this training is also posted for your reference.
- Refer to the delivery checklist and the Bayview Quick Reference Guide in the Correspondent online portal for all required documentation.
- For additional assistance on how to lock a loan, contact Client Services at 855-253-8439, option 3 or at ClientServices@BayviewLoans.com.

Contact Information - Delegated

General Program Rollout	Contact your internal Product Implementation Team or your Business Development Director.
Disclosures, Forms, or Conditions on Closed Loans	Contact NonAgencyDD@Bayview.com .
Pricing	Pricing and guidelines are available in most product and pricing engines. Contact your internal lock desk on how to access your pricing.
Pre-closing Program Guideline or Specific Scenario	Contact the Bayview Non-agency Scenario Desk at nonagency@bayview.com .
Locking or Delivering Loans	Contact Lakeview Client Services at 855-253-8439, option 3 or at clientservices@bayviewloans.com .

Contact Information – Non-Delegated

File Submission and Suspense Conditions	Non-Delegated Underwriting Portal Login.
Commitment Desk Information	NonDelCommitmentDesk@Bayview.com Or 855-253-8439, option 1.
Program Guideline or Specific Scenario	Contact the Bayview Non-agency Scenario Desk at nonagency@bayview.com or underwritingquestions@Bayview.com
Technical Support	Contact Lakeview Client Services at 855-253-8439, option 3 or at clientservices@bayviewloans.com .

A full-page background image of a sunset over a body of water. The sun is a bright yellow circle in the upper right, with its light reflecting as a shimmering path down the center of the dark blue water. A semi-transparent white rectangular box is centered horizontally across the middle of the image, containing the text "Any Questions?".

Any Questions?