Bank Statement

Last Updated: July 17, 2026

Silver Hill Capital

Agenda

- Correspondent Lending Structure
- Define Bank Statement
- Eligibility and Documentation
- Review available resources
- Q&A

Correspondent Lending Structure

Correspondent Lending

Lakeview

AGENCY PRODUCTS

- FNMA/FHLMC
- FHA
- HFA/Affordable Lending
- USDA
- VA

Silver Hill Capital

NON-AGENCY PRODUCTS

- Agency Investor Plus
- Bank Statement
- DSCR
- Jumbo AUS
- Jumbo ARMs
- Conforming (2nd Home/NOO)
- Medical Professionals (MedPro)

Correspondent Lending

Key Contacts	Lakeview	Silver Hill Capital
Client Services	clientservices@lakeview.com	clientservices@silverhillcap.com
Scenario Help Desk	underwritingquestions@lakeview.com	nonagency@silverhillcap.com
Loan Servicing	LoanCare, LLC originationsserviceroversightteam@lakeview.com	Rushmore Servicing bvcmservicing@silverhillcap.com
Client Manager Contacts	Regional Assignments See the Quick Reference Guide	nonagencyclientmgt@silverhillcap.com

Product Support

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@silverhillcap.com	Utilized for all pre-close questions and scenarios.
nonagencyclientmgt@silverhillcap.com	Utilized to answer your post-closing, pre-purchase questions regarding loan status, suspense conditions, escalations and rebuttals.

Define Bank Statement

Bank Statement

The Bank Statement product is designed to meet the needs of **Strong Credit** qualifying self-employed borrowers

Borrowers can use **12- or 24-months** worth of bank statements or

Borrowers can submit **2 years** worth of 1099s as their qualifying income

Benefits of the Bank Statement Product

Flexible Income Verification

Wider Accessibility

- Designed for those often excluded from traditional lending and provides an alternative path to homeownership

Potential for Higher Loan Limits

Flexible Terms

Program Highlights

- **Primary residence** (1-4 units), **Second home** (1 unit), and **Investment properties** (1-4 unit)
- Maximum Loan amount -
  $3 million on a primary residence, and **$2 million** on a second home or investment property
- Purchase, Rate and Term, and Cash-out options
- Manual Underwrite
- Minimum Fico is **660**
- Fixed Rate and Interest Only options available
- Non-warrantable condos are permitted
- Minimum loan amount - **$100,000**

Product Codes and Terms

30 Year Terms

- **PBF330** – 30 year fixed
- **PBF305** – 5 year I/O option
- **PBF310** – 10 year I/O option

40 Year Terms

- **PBF400** – 40 year fixed
- **PBF410** – 10 year I/O option

Eligibility and Documentation

Employment Type

Self-Employed

- Any borrower who has 25% or greater ownership in a business
- Must be self-employed with the same business for at least 2 consecutive years
- A CPA/Accountant/Tax Preparer letter required verifying self-employment
- At least one borrower must have 51% or more of their qualifying income from self-employment
- Confirmation that the business is currently operating must be provided

Non-Self-Employed

- Stable monthly income – 2 continuous years
- If less than 2 years, a written analysis to justify stable income is required
- High probability of continuing for at least 3 years
- Most recent 2 years worth of W-2 transcripts
- 4506-C for non self-employment must be signed at closing
- Gaps in employment greater than 30 days must be explained

Type of Bank Statement

Business or Personal Bank Statements

- Combination of personal and business bank statements is **NOT** permitted
- 12 or 24 consecutive months within 90 days of the note date
  - Loan amounts greater than **$2.5 million** require 24 months of bank statements

Percentage of self-employment

- Personal Bank Statements – minimum **25%**
- Business Bank Statements – minimum **50%**

Business Narrative Form – required when using business bank statements

CPA letter confirming percentage of ownership required

Tax returns/tax transcripts must not be included

Personal - Income Calculation

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

- **Note:**
  - If the personal account is jointly owned, and the joint owner is not an owner of the business, additional care must be taken to ensure that only eligible transfers from the business accounts or business deposits are utilized for qualifying purposes
  - Borrower must provide 2-months business bank statements
    - Business bank statement requirements must be followed for income calculation if 2-months business statements are not provided

Business - Income Calculation

Qualifying income is determined by the lower of the monthly net income stated on the initial Uniform Residential Loan Application (URLA) or one of the following methods:

1. Fixed Expense
   - Gross eligible deposits will be multiplied by a fixed 50% expense factor to determine a net deposit number and divide by 12 or 24 months
2. CPA/Accountant Preparer Statement
3. Profit and Loss Statement covering the same period as bank statements

Ineligible Deposits

Ineligible

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

Non-Sufficient Funds (NSFs)

- No more than **3 NSFs** are permitted within the last 12 months

- Overdraft Protection is permitted:
  - An overdraft is any occurrence whereby the account balance is overdrawn but is linked to another depository account or line of credit with the same financial institution
  - Such occurrences are not considered in the three-occurrence limit, as long as the account does not reflect a negative balance

- A satisfactory LOE is also required for NSFs and Overdrafts

1099 Income Options

1099 Income is permitted for individual(s) earning 100% commission or for independent contractors

1 or 2 years of 1099s or 1099 transcripts permitted using 10% expense factor

Qualifying income is the 12 or 24 monthly average from the total number of 1099s minus the **10%** expense factor

YTD documentation required to support the continued receipt of income from the same source

Credit Requirements

Attribute	Requirements
Housing History	• 1X30X12 – mortgage rating can be obtained from a credit report or VOM • 0X30X12 - VOR or 12-month rental history required for FTHB
Credit Events	• 4 years waiting period • Waiting periods down to 36 months permitted with 5% reduction to the LTV/CLTV and additional 6 months of reserves
Multiple Credit Events	• Not Allowed
Required # of Credit Scores	• All borrowers must have a minimum of two credit scores
Tradelines	• 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
- 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 the borrower has contributed **5%** of their own funds
  - May not be used to meet reserve requirements

Reserve Requirements

Loan Amount	# of Months
< $1,000,000	6
≤ $1,000,001 – $2,000,000	9
> $2,000,001	12

- Additional 1-4 unit financed REO – follow Fannie Mae selling guide for additional reserve requirements

- Borrowed funds, gift funds, and cash-out funds are not permitted to meet reserve requirements

Property Eligibility

Primary residence and investment properties – 1-4 units

Second homes – 1 unit

Maximum 20 acres

- Properties between 10 and 20 acres
  - Max land value of 35%
- Must be residential in nature – no income producing attributes

Warrantable and Non-Warrantable Condos – review the guidelines for more details

Cooperatives (Co-Ops)

- Follow Fannie Mae requirements
- No geographic restrictions
- Not allowed for investment properties

Appraisal Requirements

- **Appraisal Review:**
  - **Collateral Desktop Analysis (CDA)** from Clear Capital, or
  - **Consolidated Collateral Analysis (CCA XP)** from Consolidated Analytics, or
  - **RicherValues Oversight Report** or
  - **Collateral Underwriter (CU)** with a score of 2.5 or less in lieu of a CDA, CCA XP, or RicherValues Oversights
- **Two appraisals required for the following transactions:**
  - Purchase transaction with a loan amount > $2,000,000
  - Refinance transaction with a loan amount > $1,500,000
  - Property Flip
- **Appraisals must be completed by two independent companies**

Review of Available Resources

LakeviewCorrespondent.com

Questions?