

NON-QM LOANS

1099 INCOME

Designed for your independent contractors/gig workers whose tax returns don't provide an accurate picture of the income they earn.



First National Bank
of America

HIGHLIGHTS

- ✓ LTV up to 85%
- ✓ DTI up to 60%
- ✓ 12 Months income history
- ✓ No tax returns needed

DOCUMENTATION REQUIRED

1099's covering the last calendar year accompanied by an expense ratio from an appropriate preparer with a statement attesting to accuracy along with a 3rd party questionnaire on borrower's business.

BASIC REQUIREMENTS

- 3rd Party questionnaire must include:
 - » The NAICS code for the borrower's business must be included on the 3rd party questionnaire
 - » A description of the borrower's business and methods for receiving payments
 - » Explanation for specific expenses not applicable to the borrower's business
- The expense ratio must not be unusual for the industry described
- If questionnaire is not received directly from the preparer, a verbal verification will be done

CALCULATION FORMULA

Calculate income using income stated on 1099 multiplied by the expense ratio. Subtract expense ratio from stated income and divide by 12 to get the borrower's monthly income.