

## 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

1099s 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.