



A Complete Guide to **NON-QM** **MORTGAGE LOANS**

LEARN ABOUT NON-QM LOANS, THE BENEFITS,
REQUIREMENTS AND WHICH ONE IS BEST FOR YOU



PIONEER
MORTGAGE FUNDING INC.

GINA GLIDEWELL | NMLS #1751976

407-234-6644 | GINA@MORTGAGESBYGG.COM

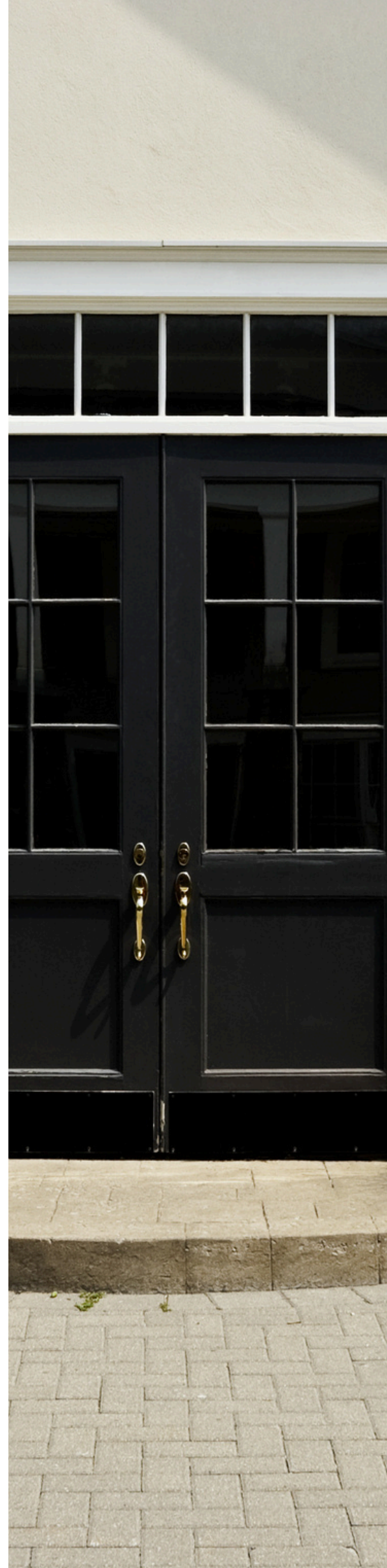
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PIONEER MORTGAGE FUNDING, INC - NMLS#1980

PMF, Inc. NMLS# 1980 is an Equal Housing Opportunity mortgage broker. Rates and terms vary depending on eligibility. Approval subject to review of information.

ALL ABOUT NON-QM LOANS

Pioneer Mortgage Funding, Inc. a Mortgage Brokerage offers a wide range of mortgage options to meet your financial needs and circumstances. Whether you're a Real Estate Investor, Business Owner, or Retired, if you're interested in purchasing a property or refinancing your mortgage but would like less traditional documentation, then a Non-QM loan may be right for you! I'm here to guide you through the process.





WHAT IS A NON-QM LOAN

A Non-QM loan, or a non-qualified mortgage, allows you to qualify based on alternative methods instead of the traditional income verification required for most loans.

Common examples include bank statements or using your assets as income. Because of the more flexible qualification requirements, Non-QM loans open real estate investment opportunities to a broader group of individuals.

Why Non-QM?

The biggest advantage to a Non-QM Loan is that it requires less documentation than Conforming loans, but the interest will be higher, and the down payment requirements are a little higher depending on the type of property.

BANK STATEMENT LOAN

Bank statement loans allow you to get a mortgage without the documents like tax returns and 1099s. These loans are also called "self-employed mortgages" or "alternative documentation loans." Bank statement loans can be used if you work for yourself or own a business.



What's Needed to Qualify?



- 12 to 24 months of personal or business bank statements showing reoccurring business deposits
- Two years' history of self-employment
- Credit scores typically 680 & up
- Documented liquid funds to cover several months of your mortgage payments
- Your business license
- A letter from your accountant (or the person who does your taxes)



DEBT COVERAGE SERVICE RATIO

The Debt Service Coverage Ratio (DSCR) measures how well a property's income can cover its debt payments. It is used by investors to qualify for loans based on the property's income, rather than the borrower's personal income.

The DSCR compares the property's Net Operating Income (NOI) to the amount needed to pay the mortgage. A higher DSCR means the property is generating more income relative to the debt it needs to repay.

In simple terms, DSCR shows if the property earns enough to pay its mortgage. Lenders use this ratio to determine how much they are willing to lend to an investor when they apply for a new loan or refinance.



What's Needed to Qualify?

- Proof of ownership of primary residence (will need mortgage, insurance, taxes, & HOA statements). Some lenders do not require this.
- Sufficient assets to cover down payment, closing costs, and reserves (if required).
- Credit scores typically 620 & up. (Higher the credit and down payment, the lower the interest rate.)
- The market rent needs to be higher than principal, interest, taxes, insurance, and HOA.

ASSET DEPLETION LOAN

An asset depletion mortgage is a loan where eligibility is based on the value of a borrower's assets, rather than their income from a job. No employment details are needed. Lenders add up the value of the borrower's qualifying assets and divide it by a number of months (usually 240 or 360 months but sometimes less depending on lender, the length of the loan) to calculate how much income the assets can provide.



What's Needed to Qualify?

- 12 months of checkings, savings, retirement, stock, or money market accounts
- Sufficient assets to cover income calculation, closing cost, and reserves
- Credit scores typically 680 & up
- The lender will use 70% of all retirement assets to calculate income.
- In order to use retirement assets, you must be 59 1/2 and older





1099 INCOME LOAN

A 1099 Income Loan is for self-employed borrowers who are 1099 workers. Many freelancers, contractors, gig workers, or other self-employed borrowers who receive W-9s cannot qualify for a mortgage under conventional guidelines. With this loan, you can use 2 years of 1099 earnings in lieu of tax returns to qualify for a mortgage.

What's Needed to Qualify

- Copy of most two years' 1099 documents
- Must be self-employed for minimum of one year if coming from w-2 in same line of work. If new to business, must be for two years
- Typically a credit score is no less than 680 with no recent derogatory credit.
- Minimum 10-20% down
- CPA confirming business and Profit & Loss Statement.



FOREIGN NATIONALS/ ITIN BORROWERS

Foreign nationals and ITIN borrowers can secure U.S. mortgages through specialized loan programs. These typically require a higher down payment (20–30%) and alternative credit verification, such as international credit reports or proof of on-time rent and utility payments.

ITIN mortgages cater to those without a Social Security Number, using tax returns, bank statements, and employment proof instead of traditional credit scores. While interest rates may be higher, these loans offer non-citizens a path to homeownership. Working with experienced lenders can help borrowers navigate the process and secure favorable terms.

What's Needed to Qualify

Foreign Nationals

- Passport & Visa (or proof of legal entry/status in the U.S.)
- Foreign or U.S. Bank Statements (typically 12–24 months)
- Proof of Income (foreign tax returns, pay stubs, or employer letter)
- International Credit Report (if available) or alternative credit references
- Proof of Assets (down payment funds, reserves, investment statements)

ITIN Borrowers

- Valid ITIN Number (issued by the IRS)
- Government-issued ID (passport, consular ID, or driver's license)
- U.S. Tax Returns (typically last 2 years)
- Bank Statements (12–24 months)
- Proof of Income (pay stubs, W-2s, 1099s, or employer letter)
- Utility Bills or Rental History (to verify creditworthiness)



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Mortgage Loan Originator

407-234-6644

gglidewell@pmfmortgage.com
gina@mortgagesbygg.com

www.mortgagesbygg.com



HEY, I'M GINA

As a dedicated Mortgage Broker based in Central Florida, my professional goal is to provide specialized services in order to make my clients' lives easier. Whether you're looking to buy your first home or invest in a property, I work closely with clients to help them understand their options and guide them toward finding a loan that meets their needs.

Let's Get Started!