

ASSETS AS INCOME

Sometimes, borrowers have plenty of money in the bank but don't show enough income. Now you can use their assets as income for DU-approved loans to help them get into the home of their dreams. Here's what your borrowers need to qualify:

Maximum LTV/CLTV/HCLTV (%)

- Purchases: 80%
- Rate/Term Refinance: 80%
- Cash-out Refinance: 60%

Minimum Credit Score

- 680 –719 FICO: Maximum 70% LTV
- 720+ FICO: Maximum 80% LTV

Occupancy/Number of Units Eligible:

- 1- and 2-unit Principal Residences (including condos and PUDs)
- Second homes

Income Calculation

- **Option #1:** Take the net value of the accounts divided by the term of the proposed loan (in months)
- **Option #2:** This option utilizes an annuity calculation to take into account growth over time
- Refer to the assets as income calculator for the results of both calculations

Other Requirements

- Conventional loans only, not offered on Government or Jumbo loans
- Must receive Approve/Eligible from DU (LP not allowed)
- All account holders must be borrowers on the loan
- Demand deposits, savings accounts or certificate of deposits will be calculated at 100% of the value
- Stocks, bonds, mutual funds, or U.S. savings bonds will be calculated at 70% of the value
- Only funds that can be withdrawn without penalty can be used
- Any account used for income cannot also be used as an additional income stream (e.g. dividends & interest or capital gains income)

Minimum Asset Amount

- Purchase & Rate/Term Refinance: the lesser of 1½ times the loan amount or \$500,000
- Cash-out Refinance: \$500,000

Asset Seasoning Requirement (history of managing these assets)

- Purchase & Rate/Term Refinance
 - 12 months with credit score >720
 - 24 months with credit score < 720
- Cash-out Refinance
 - 24 months

