

Reach Further With Non-Qualified Mortgages



 **CALIBER**
HOME LOANS
WHOLESALE LENDING

SMART SERIES



More Products More Flexibility More Closed Loans

Non-qualified mortgages (“Non-QMs”) are an increasingly top mortgage choice for more borrowers. Since no two homebuyers share the same financial make-up, it’s important that their needs are met with a home loan that puts them on the path toward their homeownership dreams. From investment properties and vacation homes to first-time homebuyers and repeat buyers, we’ve got your customers covered!

As a national mortgage lending and servicing organization, we offer a full suite of non-QM loans, Smart Series, designed specifically with non-traditional qualifying in mind. With options to finance above traditional loan amounts with more lenient guidelines, helping your customers reach their goals—with jumbo-sized loans—is that much easier.

Our Non-QMs

- Loan Amounts Up to \$3M
- Less-Than-Perfect Credit
- Alternative Income Documentation
- Lenient Qualifying Criteria

And More!

Non-Qualified Mortgages Created for the Non-Traditional Borrower

Non-QMs are designed for borrowers who may not meet the (stricter) criteria for traditional mortgages. Unlike FHA, VA, or Conventional loans, these mortgages are not backed or insured by government agencies—which makes qualifying criteria less restrictive and more lenient.



Who Can Benefit From Non-QMs?

A variety of borrowers, including:

- Self-employed borrowers
- Real estate investors
- Commission-based homebuyers
- Business owners
- Homebuyers with investments, trust funds large assets, or low reportable income
- Borrowers with high debt-to-income ratios
- Homebuyers with less-than-perfect credit



Introducing Smart Series Loans

Comprised of three key non-QM loan types, Caliber's Smart Series suite is here for homebuyers who fall just outside of traditional qualifying guidelines.



SmartSelf

Ideal for self-employed borrowers requiring the use of bank statements and/or asset amortization to qualify.



SmartEdge

Competitive financing solutions for borrowers who fall just outside of standard agency and prime jumbo programs due to a credit event or other isolated lapse in their credit performance.



SmartVest

Designed for experienced real estate investors seeking to purchase or refinance an investment property that is owned for business purposes.



Getting to Know SmartSelf

SmartSelf is a non-qualified mortgage option that's ideal loan for a self-employed borrower, or other business owners, who may not qualify for a mortgage using tax returns for income verification. It's designed to make it easier for business owners or other self-employed borrowers to qualify for home financing so they can achieve their homeownership dreams!

Did You Know?*

~30% of Americans are Self-Employed
44 Million Self-Employed Americans

The best part? Alternative income documentation to qualify for a mortgage!

Why SmartSelf?

- Higher debt-to-income ratio
- No tax returns or tax transcripts required
- Available for loan amounts up to \$3 million

Qualify for SmartSelf With:

Bank Statements • 1099s • Asset Evaluations

When Does SmartSelf Make Sense?

Self-employment has been on the rise for decades, now making up more than a quarter of Americans' incomes. From business owners and contractors to a growing gig economy, more borrowers are in need of mortgages built to work with their lifestyles, careers, and needs, so they can achieve their homeownership dreams.*

SmartSelf Scenarios

Scenarios below are fictional dramatizations of borrower stories

- 1** A self-employed borrower looking to go full doc with SmartSelf had a DTI ratio that exceeded our 50% max. The IRS tax payment plan was not initially included in the borrower's debt, which then caused the DTI to increase. With a DTI of 55%, we examined the rest of the file for compensating factors. The borrower had no late payments on their mortgage for 30+ months, a solid employment history, and post-closing reserves of \$85,000. We were able to grant an exception for this borrower.
- 2** A self-employed first-time homebuyer was looking to purchase a home with a loan amount more than \$1.5M (typically, we would not allow a borrower that has not had a mortgage over 3 years to finance a loan amount that size). The credit report showed he had a condo from 2015- 2017 with no late payments dating back to the 2015 purchase. He also had a \$1.8M mortgage with on-time payments from 2009-2015. The application showed \$621,000 in post-closing reserves, a 755 FICO, and stable employment since 2000. Since he had shown the ability to make mortgage payments on a loan size larger than \$1.5 M in the past and had other strong compensating factors, we approved an exception for the larger loan.

* Source: <https://quickbooks.intuit.com/content/dam/intuit/quickbooks/Gig-Economy-Self-Employment-Report-2019.pdf>



Getting to Know SmartEdge

For borrowers who fall just outside of strict jumbo loan guidelines, SmartEdge may be a perfect financing solution. What's different? Non-traditional features, flexible guidelines, and interest-only payments.

The best part? This is a great solution for borrowers who have had a credit event (like a bankruptcy, short sale, or foreclosure) in the past that prevents them from qualifying for conforming loans.

Why SmartEdge?

- Loan amounts up to \$3 million
- Alternative income qualifications
- Only 2-4-year wait time (seasoning) to apply after a derogatory credit event
- Asset amortization/depletion may be used to qualify

When Does SmartEdge Make Sense?

Borrowers Who Could Benefit:

- Trust fund inheritors
- Former athletes
- Someone who sold a business for a large profit
- Restricted stock owners
- And more!

SmartEdge Scenarios

(Scenarios below are fictional dramatizations of borrower stories)

- 1 A former professional athlete who invested the majority of his earnings in real estate was ready to apply for a jumbo-sized mortgage. After a financial crisis, he had to foreclose on one of the properties. After rebounding financially, he was happy to hear that although he experienced a foreclosure three years prior, he was able to qualify for SmartEdge and purchase a new million-dollar rental property.
- 2 A borrower sold a multi-million-dollar business, set up a trust fund for her family, and invested in stock. Because she has no reportable income from the last few years, she was unable to qualify for a jumbo loan to purchase a home. Instead, her assets were used to qualify her for her SmartEdge.



Did You Know?*

The Non-QM market share is projected to double in 2022!

* Source: <https://www.housingwire.com/articles/heres-what-brokers-should-know-about-non-qm-heading-into-2022/>

Getting to Know SmartVest



SmartVest is a non-qualified mortgage option that's ideal for experienced real estate investors who have complex finances, are growing large portfolios, or want to grow their income with investment (rental) properties.

Reasons to Choose SmartVest:

- Purchase additional investment portfolio inventory
- Option to access equity in a current portfolio of homes to buy more investment properties
- Use equity in current portfolio to upgrade or remodel existing portfolio properties
- Use the market rent (cash flow) from the subject property to qualify
- Less documentation required compared to a conventional loan
- No income documentation required

When Does SmartVest Make Sense?

Investment property financing with flexible guidelines could be the gateway for seasoned real estate investors to build out their portfolios and achieve their homeownership goals.

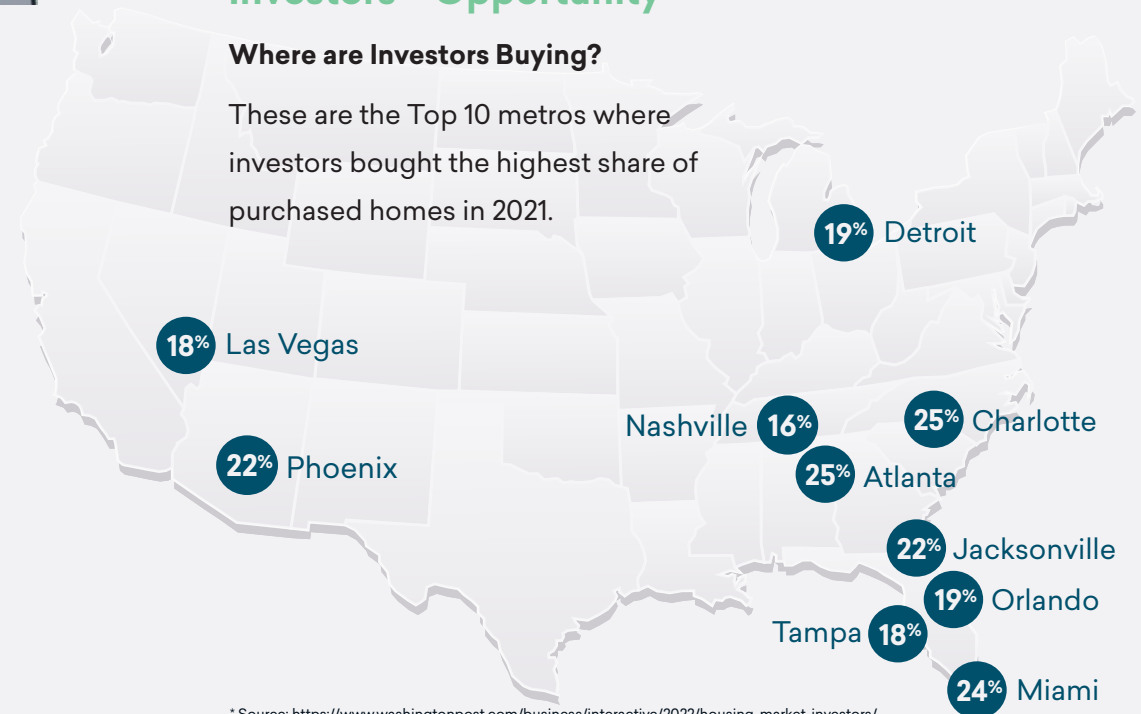
Did You Know?

18% of homes purchased in Q4 2021* were investment properties.

Investors = Opportunity

Where are Investors Buying?

These are the Top 10 metros where investors bought the highest share of purchased homes in 2021.



* Source: <https://www.washingtonpost.com/business/interactive/2022/housing-market-investors/>

SmartVest Scenarios

Scenarios below are fictional dramatizations of borrower stories

- 1 A borrower was looking to buy another property to expand her investment portfolio. The subject property was reviewed and verified to generate adequate rental income to cover the mortgage payment. Additionally, because she had a sizeable amount of money to put down and a 660 credit score, she met SmartVest's qualifying criteria. With this loan, she purchased another rental home (largely based on the appraisal) and can have the mortgage debt paid through the rental income it generates.
- 2 A borrower wanted to invest in another high-end rental property. After reviewing available financing options, he moved forward with SmartVest, mainly because he was able to access the equity in his current portfolio of homes to qualify and ultimately purchase the property. Compared to the other lending solutions used to finance rental properties, SmartVest was simple and easy—and required less documentation!



The Smart Series Goal:

Break Traditional Loan
Barriers To Fund More
Homeownership Dreams



SMART SERIES

What Does SMART Mean for You?

- S** Specifically tailored to your customer needs
- M** Making sense of the borrower's story
- A** Actively looking at compensating factors
- R** Reviving your previously lost deals
- T** Tried & true products that work

The soaring success of our Smart Series is made possible and backed by our seasoned loan consultants on the frontlines and our dedicated operations experts behind the scenes working to close loans quickly and smoothly. With our customer-first business philosophy, forward-thinking approach, and ever-expanding product lines, we're positioned to level up the mortgage experience for borrowers, real estate agents, and mortgage professionals not only in today's market, but for years to come.

