LENDSURE.COM

MASTERING NON-QM

THE ULTIMATE PLAYBOOK FOR EXPANDING YOUR BUSINESS WITH NON-QM LOANS.

LendSure MORTGAGE CORP.

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ABOUT LENDSURE MORTGAGE CORP.

YOUR NON-QM LOAN SPECIALIST

Headquartered in San Diego, California, LendSure Mortgage Corp. was founded in 2015 to help mortgage professionals better serve their clientele by offering a wider range of programs to meet their needs.

LendSure offers a comprehensive range of Non-QM loan programs for borrowers that don't fit conforming guidelines.

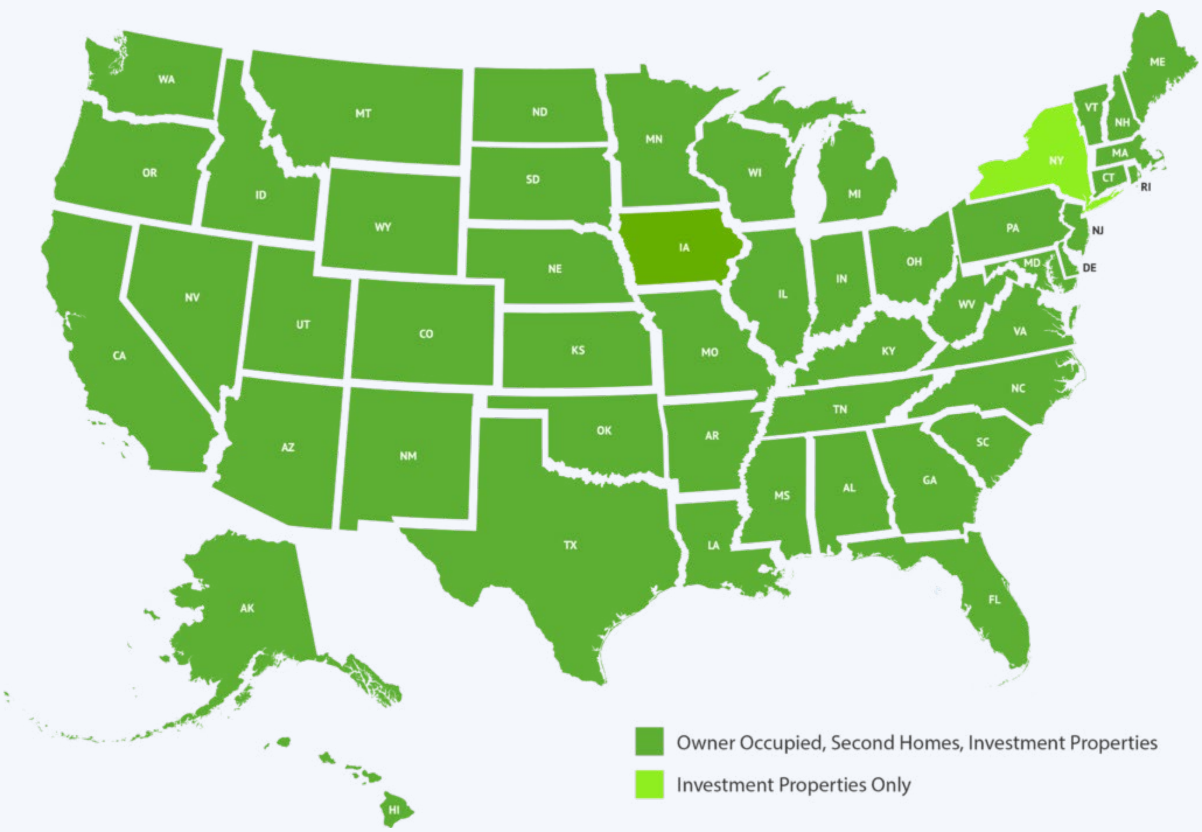
Our loan programs include:

- 12- and 24-Month Bank Statement Loans
- Just-Missed Agency (Alt-A)
- Property Investor Loans
- Foreign National Programs
- Bridge Loans
- Fix and Flip Loans
- Other Non-QM Programs

With the demand for Non-QM expected to skyrocket within the next couple of years, now is the perfect time for mortgage brokers to tap into this market and incorporate these programs into their product set to stay competitive.

The first step? Partnering with the right lender! LendSure's focus on hands-on customer service, common sense underwriting, and unsurpassed funding times has made it the go-to lender for Non-QM loan programs.

LENDING POSSIBILITIES IN ALL JURISDICTIONS



WHAT IS NON-QM?

If you're like typical mortgage professionals, you've been busy with conforming loans most of your career. In today's market, if Non-QM programs aren't part of your toolkit, now is a perfect time to consider new loan solutions for your clients.

Some strong credit borrowers don't fit into the traditional mortgage mold. When you partner with LendSure, you can offer innovative Non-QM loans with confidence. Trust us to handle all of the details so you can continue to provide outstanding solutions to your clients.

Non-QM loans - also referred to as non-qualified mortgages – allow creditworthy borrowers who don't fit the strict requirements of conforming mortgages to receive financing.

Borrowers in the Non-QM category include creditworthy borrowers such as:

- Business owners and self-employed investors
- Property investors
- Foreign nationals
- Borrowers purchasing non-warrantable condo or condotels
- Borrowers with multiple streams of income, including significant assets

This category of borrower relies on, but is not limited to, alternative income qualification such as:

- Bank Statements
- Assets
- Rental Property Cash Flow

THE GROWTH OF NON-QM

The Non-QM market experienced a substantial increase in 2021, with a total loan volume of $28.6 billion (S&P Global).

The growth in the Non-QM market can be attributed to the rising demand from various borrower segments. Self-employed individuals, borrowers relying on non-traditional sources of income, and those facing credit challenges or unique financial circumstances are among the key drivers of this expansion.

Notably, Fannie Mae and Freddie Mac have implemented significant changes in their lending policies, such as introducing condo questionnaires to determine warrantability and applying second home loan-level price adjustments (LLPAs). These adjustments reflect the evolving landscape of the mortgage market.

Looking ahead, the Non-QM market is expected to continue its growth trajectory in the coming years. Borrowers with non-traditional financial situations will continue to seek alternative mortgage options to fulfill their home financing needs, and here is where LendSure can help!

Conforming Loans vs. Non-QM Loans

Find More Ways to Say "Yes"

Conforming underwriting often ends with a no; our method of underwriting looks for reasons to say "yes". Designed for borrowers who don't meet the W2-only guidelines of Fannie Mae and Freddie Mac, LendSure's Non-QM loan programs help get deals done.

We offer borrowers with excellent credit highly competitive rates, unsurpassed funding times, and loan options that are not available through conforming lenders.

Conforming Loans	**Non-QM** Loans
Bound by Fannie and Freddie guidelines	Not bound by Fannie and Freddie guidelines
Heavily automated process	Individual review done by humans
Lengthy underwriting process	Pre-Underwriting typically done within 48 hours
Prone to reject borrowers	Find ways to say "yes"
Income typically verified via borrower's W2, recent pay stubs, and tax returns (personal and business) if applicable	Income documentation options include investor property cash flow, foreign income, personal/business bank statements, and a combination of income types
Increasing restrictions on condos	Less restrictions on condos, and will consider non-warrantable, including high-rise and condotels

INVESTMENT PROPERTY LOANS

To invest or not to invest? That is the question today's investors surely ask themselves every day as the investment property market is in a constant state of flux.

Fortunately for you and your mortgage business, investors are leaning more toward investing in 2023. Not only because real estate appreciates in value over time and can provide greater returns in the long run, but owning an investment property today offers borrowers a chance to earn passive income and boost their monthly income with a steady stream of cash flow.

There's a wide spectrum of borrowers in the real estate market. They each have unique needs and challenges. That's why we offer innovative solutions and common sense underwriting designed to provide your clients more options, great rates, and a smooth funding experience.

MARKET OPPORTUNITY

Property investors form a diverse community encompassing individuals with distinct requirements. It is crucial to actively listen and comprehend their specific needs in order to provide tailored programs that cater to their preferences effectively. To be successful in working with property investors, it's important to take a consultative approach to really understand their circumstances and goals. From there, you can advise on the best loan options for them.

Investor interest in real estate continues to grow. With property values increasing over time and the potential for high returns, owning an investment property not only offers growing wealth but also boosts monthly cash flow.

In the US, there are over 19 million rental properties, and about 70% are owned by individual investors according to Census Data. Vacation rental properties, such as Airbnb or VRBO rentals, and condotels can be another area of opportunity for investors, particularly in popular vacation destinations or cities with high tourism.

This presents a great chance to expand your borrower network and attract more investor clients.

SOURCING DEALS

In searching for property investors and real estate investors, you can leverage the power of Google, Facebook, LinkedIn and Twitter. You can use these platforms to find specific groups or individuals who are involved in property investment in your city.

Facebook can be particularly useful in this regard, as you can search for "Property Investors [your city name]" groups and start networking with members there. Engaging with these groups and individuals can open up opportunities for collaboration and knowledge sharing.

It's worth noting that many investors might be unaware of the various loan programs available to them. By connecting with them, you can empower borrowers by informing them about the multiple options they have when it comes to financing their investment properties.

When interacting with these groups, be cautious not to come on too strong with a "hard sell" approach. Listen to their conversations and advise on their concerns. It's important to be seen as a valuable member of the group as opposed to a vendor.

LENDSURE INVESTMENT LOAN PROGRAM HIGHLIGHTS

- Loan amounts up to $1.5MM
- Full Doc, Bank Statement, DSCR (Investor Cash Flow), Foreign National, and Fix and Flip loan options
- Loans on properties with up to eight units
- LTVs up to 85% and DTIs up to 50%
- No cap on the number of properties owned
- Up to 10 loans for any one investor (more with comp factors)
- Can close in an LLC or other entity
- Rate buy-down feature available
- 10/40 Fixed-Rate Interest-Only option to help maximize initial monthly cash flow

Landscape of Investment Financing Opportunities

Investors in residential real estate are likely to continue expanding their property portfolios. Brokers can enjoy growth in business and referrals through ongoing relationships with these investors. At LendSure, we are dedicated to empowering loan officers with reliable lending, highly competitive rates, unsurpassed funding times, great loan options, and superb customer service.

DSCR

Target Audience:

Multiple-property owners, focused on cash flow, minimal documentation.

Scenario:

Sally is an experienced investor with 12 properties. She's focused on maximizing cash flow – rent in, rent out. This program offers Sally hassle-free financing.

Program Highlights:

- Loans up to $1,500,000 (higher with compensating factors)
- Cash out up to $500,000
- No limit on number of properties owned, finance up to 10 properties for 1 investor
- Interest-only payments for 10 years with a 40-year term – great for qualification and cash flow

FULL DOC

Target Audience:

Interested in low rates, DTI is too tight for conventional financing.

Scenario:

Joe and Suzy have a primary residence but want to purchase investment homes in their neighborhood. They want the lowest rate and to maximize their DTI ratio. This program calculates their DTI ratio differently from Fannie/Freddie.

Program Highlights:

- DTI calculations done differently for borrowers with other rental properties
- Accept 1-year full docs

FOREIGN NATIONAL

Target Audience:

Foreign Nationals looking to purchase investment properties in the U.S.

Scenario:

Carlos lives in Mexico. He visits Los Angeles often and wants to add a couple of investment properties to his portfolio. He decides L.A. is a profitable market to invest in. This program positions him to get financing instead of paying cash.

Program Highlights:

- Income verification letter from employer or CPA accepted
- No tax returns required
- Foreign credit report allowed
- Foreign assets can be used as reserves

BANK STATEMENT LOANS

Target Audience:

Self-employed borrowers who use their bank statements to buy an investment property.

Scenario:

James owns real estate in Miami and wants to buy more investment properties there because condotels and non-warrantable condos are trending. This program caters to his unique needs as a self-employed borrower with great program options and commonsense underwriting.

Program Highlights:

- 12- and 24-month programs
- Loan amounts up to $2,000,000
- 100% owner of the business not required
- Business expense ratio as low as 10%

FIX AND FLIP

Target Audience:

Investors who intend to renovate a property and exit with the sale of the property or a refinance into a long-term rental loan.

Scenario:

Sarah, an aspiring Fix and Flip investor, sees an opportunity to renovate an older house in her neighborhood and flip it for a profit. This program allows her to purchase, renovate, and sell the property for a substantial profit.

Program Highlights:

- Decisions and term sheets are typically issued in hours, not days
- Any level of investor experience
- Credit scores as low as 660
- Non Owner-occupied up to four units
- Total loan amount is up to 85% of the total cost (maximum after repair value LTV 70%)
- 12-month loan term with Interest-only payments

Boost

(BRIDGE OPTION OFFERING SEAMLESS TRANSITION)

In a competitive real estate market, homebuyers need every advantage they can get.

LendSure's BOOST (Bridge Option Offering Seamless Transition), a next-level Bridge loan program, allows your clients to tap into their current home's equity, empowering them to make non-contingent offers and increase their chances of winning bidding wars.

BOOST pays off the existing mortgage and offers homebuyers a cash-out option to purchase a new property, all without monthly payments for up to twelve months. That gives borrowers time to improve, repair, and stage their previous property for the best possible sale price.

MARKET OPPORTUNITY

The potential for BOOST in today's market is vast and full of promise. Buyers and sellers are constantly seeking flexible and efficient solutions to facilitate property transactions.

BOOST offers a compelling solution. It allows buyers to access equity from their departure property without having to sell it immediately, enabling them to move forward with confidence and negotiate from a stronger position.

As the real estate sector evolves, the demand for bridge loan financing is expected to grow, catering to the needs of both buyers and sellers. BOOST is perfectly positioned to play a significant role in this expansion, opening up new avenues in real estate transactions.

SOURCING DEALS

To find clients looking for bridge loan financing solutions, you can employ several effective strategies:

First, you can start by searching for "For Sale" signs in your local area. This method allows brokers to directly target homeowners who are actively looking to sell their properties.

Additionally, you can utilize popular real estate platforms like Zillow or Realtor.com to gather key data and insights about properties and their owners. This information can help you identify potential leads and initiate meaningful conversations.

Another proactive approach is door knocking, which enables you to personally connect with potential borrowers and discuss their real estate needs.

Lastly, you can establish relationships with real estate agents who represent prospective clients. Collaborating with these agents can provide valuable referrals and insights into individuals who may be seeking this type of financing solution. By employing these strategies, you can effectively generate leads and expand your client base.

PROGRAM HIGHLIGHTS

- Non-contingent offers are very important in today's highly competitive real estate market
- Loan pays off the existing mortgage on departure property
- Provides equity used for down payment for the new home
- No monthly payments on the bridge financing
- The "No Payment" feature enables a qualifying DTI on the new home purchase
- Only available in conjunction with financing on the new purchase home
- Prequalification enables simultaneously opening of escrows so debt is not accumulated on the bridge while you shop —possible escrow discounts!

BOOST Bridge Financing Program

Boost by LendSure

Give your borrowers a competitive edge in a hot purchase market

Help your clients gain a competitive advantage with a Bridge Loan in a hot housing market. LendSure's BOOST (Bridge Option Offering Seamless Transition) equips buyers with the fast funding they need to close their next property successfully.

Boost Program Features

Up to **75% LTV**	on **$1MM to $1.5MM** for primary residence
Up to **65% LTV**	on **$1.5MM to $2MM** for primary residence
Up to **60% LTV**	on loan amounts up to **$1MM** for non-owner occupied or second home

Balloon payment due in **12* months** with **No Monthly Payments Required**

***6 months for investment properties**

Bridge financing only available in conjunction with **Financing on the New Home Purchase**

Bridge Loan **Scenario**

Current Departure Home

Home Value:	$1,000,000
LTV:	70%
Existing Mortgage:	- $300,000
Total Equity:	**$700,000**

1 Borrower found his dream home, which has a purchase price of $1.5MM. The borrower has $250K in liquid assets, and wants to keep the new mortgage to maximum $850K. His current home is worth $1MM.

Bridge Loan

Pay Off Existing Mortgage:	$300,000
Cash Out Equity:	$400,000
Loan Amount:	**$700,000**

2 LendSure's Bridge Financing Program would allow the borrower to use the equity in current home and get cash out for a down payment on the new home.

Financing on New Home

Purchase Price:	$1,500,000
Equity fron Bridge Loan:	-$400,000
Cash from Liquid Asset:	- $250,000
Total Loan Amount:	**$850,000**

3 No Monthly payments due on the bridge loan - single balloon payment due when the home is sold.

EMPOWER Your Borrowers

- Upgrade to new home **without selling current home first**
- Make **non-contingent offers**
- **Leverage equity** from current home
- Wait to **get best price** possible on sale of current home

NON-WARRANTABLE CONDO LOANS

Real estate agents today are facing more challenges securing condo deals for borrowers.

As housing affordability continues to challenge homebuyers, condos act as an important pressure valve. Condos and townhouses are generally less expensive than single-family homes, and that makes them an attractive option for first-time buyers.

There's a catch, though: Getting a mortgage for a condo can be quite challenging. Onerous rules from agency lenders create obstacles for borrowers – and many buyers simply opt to pay cash for their units.

Now you can stop turning away business and offer borrowers financing for their non-warrantable condos – all with the program options and service levels that you've come to expect from LendSure. Expand your Real estate agent network by offering these sought-after loan solutions.

MARKET OPPORTUNITY

Non-warrantable condos offer a significant market opportunity in the U.S. real estate industry. With countless individual condo units overseen by approximately 175,000 condo associations nationwide, the potential is vast (Community Associations Institute).

While condos and townhouses are affordable options for first-time buyers, non-warrantable condos come with added restrictions and financing challenges. LendSure specializes in simplifying the financing process for non-warrantable condo units, providing ample funding opportunities for buyers.

SOURCING DEALS

In the dynamic world of real estate, uncovering opportunities in non-warrantable condos requires a multifaceted approach. Engaging with condo associations and property management companies not only opens doors to valuable clients, but also provides a wealth of information on this unique segment of the market. Meanwhile, attending real estate events serves as a platform to connect with developers, investors, and industry stakeholders who may possess valuable insights and insider knowledge on non-warrantable condos.

However, the key to unlocking the true potential lies in collaboration with real estate attorneys specializing in condominium law. Their expertise can offer not only guidance but also potential referrals, paving the way to success in this exciting realm of real estate. Embrace these avenues, and you'll navigate the captivating world of non-warrantable condos with confidence and finesse.

PROGRAM HIGHLIGHTS

- Up to 50% commercial space permitted
- New construction permitted
- Allowed on DSCR / Investor Cash Flow, Foreign National, and Bank Statement Programs
- Purchase, Rate & Term Refi and Cash-Out Refinance available
- LTV as high as 80%
- Loan amounts as high as $3,000,000

CONDOTEL LOANS

From beachfront properties in Florida to mountain resorts in Colorado, condotels are a common form of property ownership in tourist areas.

Condo hotels are typically buildings developed and partially operated as hotels, usually in major cities and resorts areas. They enjoy all the amenities and services of the hotel, and when not in residence, investors can place their condo in the hotel's rental program. This property presents a lucrative opportunity for buyers, offering the potential to generate substantial additional revenue.

MARKET OPPORTUNITY

The market for condotel loans presents a lucrative opportunity, especially in sought-after destinations such as Aspen, Park City, Chicago, Fort Lauderdale, the Hawaiian Islands, Las Vegas, Miami, Myrtle Beach, New York City, and Orlando. These popular locations boast a vibrant real estate scene, attracting discerning buyers and investors.

For example, high-end units in prime South Florida locations command impressive prices, ranging from $800 to $900 per square foot (psf), with some exceptional properties even reaching $1,000 psf. In comparison, luxury beachfront condominiums without the hotel component typically sell for $500 to $600 psf (CCIM Institute). This stark price difference highlights the potential for significant returns on investment in condotel properties.

With their unique blend of luxury amenities, hotel services, and prime locations, condotels present an attractive proposition for both buyers and developers looking to capitalize on the growing demand for exclusive, high-value real estate offerings.

SOURCING DEALS

When it comes to exploring the world of condotel loans, there are a few strategies to keep in mind. First, engaging with condotel associations can be a fantastic way to connect with potential borrowers. These associations are often filled with individuals who have a keen interest in condotel properties, making them an excellent resource for finding interested borrowers.

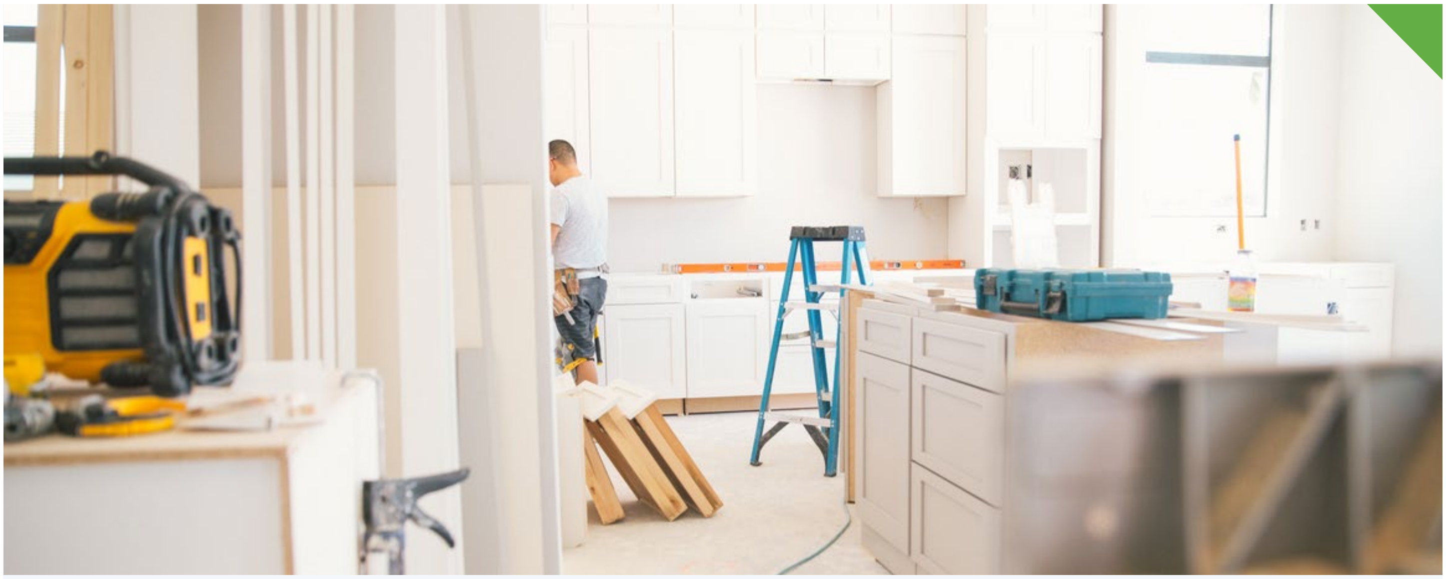
Second, collaborating with property management companies that specialize in handling condotel properties can be highly advantageous. These companies often have direct contact with condotel owners and can provide valuable referrals to interested borrowers.

Lastly, establishing referral partnerships with professionals such as real estate attorneys, and financial advisors can expand your network even further. These industry experts often come across individuals who express an interest in condotel loans, and by partnering with them, you can receive valuable borrower referrals.

By implementing these strategies, you can enhance your chances of connecting with potential borrowers and making the most of the condotel loan market.

PROGRAM HIGHLIGHTS

- Up to 75% LTV for Purchases
- Up to 70% LTV for R/T Refinance (740 minimum FICO)
- Up to 65% LTV for Cash-Out Refi (740 minimum FICO)
- Minimum FICO score 680
- Investment Property and Second Home Only
- Renter concentration OK up to 100%



FIX AND FLIP LOANS

A Fix and Flip loan allows borrowers to finance both the purchase of a property and the construction budget for renovations. They are designed for investors who are in the business of buying distressed homes, repairing them, and then either selling it or holding the property for rental income.

It's a short-term loan, so our investor Fix and Flip solutions are designed for entrepreneurs who intend to exit with the sale of the property or to refinance into a long-term rental loan. A Fix and Flip loan is a great alternative to hard-money loans.

MARKET OPPORTUNITY

The current real estate market presents a significant opportunity for brokers to find clients looking for Fix and Flip loans. As city dwellers seek refuge from urban pandemic life and shift their focus towards suburban living, flippers are capitalizing on this trend and reaping profits. The scarcity of available homes has motivated investors to purchase older or neglected properties, renovate them, and contribute to the growing supply of homes for sale.

In 2020, approximately 5.9% of home sales were attributed to these types of buyers, marking the second-highest percentage since 2012 (ATTOM). This surge in demand for Fix and Flip properties creates a prime opportunity for brokers to step in and provide tailored loan products specifically designed for flippers.

By offering financing solutions catered to their unique needs, brokers can establish themselves as valuable partners for investors seeking to maximize their returns in the Fix and Flip market.

SOURCING DEALS

If you want to find clients looking for Fix and Flip financing, here are some effective strategies to consider. First, leverage your existing real estate agents connections. Let them know that you have access to Fix and Flip loan solutions, as this can attract investors and clients interested in these types of properties.

Another valuable step is to join local investor clubs where you can network with potential partners and expand your reach in the industry. Attend trade shows related to real estate and construction to stay updated on market trends and connect with industry professionals. Utilize social media platforms like Facebook to join Fix and Flip groups, where you can engage with investors and share valuable insights. It's also beneficial to join online contractor groups or clubs and attend contractor meetings to establish relationships with reliable contractors.

Lastly, make use of foreclosure radar tools to identify distressed properties that could be attractive to Fix and Flip investors. By incorporating these strategies into your business approach, you can position yourself as a valuable resource for Fix and Flip opportunities and strengthen your presence in the broker market.

PROGRAM HIGHLIGHTS

- Investors with any level of experience are eligible for LendSure's Fix and Flip loans, although first-time investors will qualify for a lower loan-to-cost level.
- Decisions and term sheets typically issued in hours, not days
- FICO score: as low as 660
- Purchase loan amount: up to 85% of cost
- Construction loan amount: up to 100% of cost
- 12-month loan term with interest-only payments
- No EPO, PPP, income analysis, or DTI required!

LendSure Fix and Flip Program

Expand Your Loan Offerings "Tool Box"

Who are they?

Flippers are housing market investors who are profiting from the ability to purchase older derelict properties, fix them up, and either resell, or rent out these properties for passive income. These borrowers present a huge opportunity to grow your business - Investors don't usually stop with just one property. As they build their own portfolio, these borrowers may bring you a steady stream of business for years to come.

LendSure
Fix and Flip
Program

Loan Size
$150,000 to **$1M**

Financing Up to
100% of **Construction Cost**

Financing Up to
85% of **Purchase Price**

Total Loan Amount Up to
85% of the **Total Cost**
(maximum after repair value LTV 70%)

Credit Score as **Low** as
660

12-month Loan term
with **Interest-Only Payment**

Fix and Flip financing
is a tool you **NEED** to have in your tool bag to meet the ever growing needs of today's investors

5.9% of **home sales in 2020** were investors buying up older properties to fix and resell
Second highest percentage for any year since **2012**

This **Fix and Flip program** is designed for **investors** with any level of experience

Ease of submission
NO EPO's, PPP, DTI or income analysis needed

Decisions and term sheets are typically issued in **hours**, not days, providing an innovative opportunity for your borrowers to close **FAST**

BANK STATEMENT LOANS

Non-traditional borrowers – including business owners, the self-employed, and high-commission sales workers – have always struggled to document income in a way that satisfies the requirements of conforming loans. Savvy tax planning means that business owners should reduce their income via business expenses. But the approval process for a traditional mortgage doesn't accommodate this reality.

Bank-statement loans help self-employed borrowers qualify based on their actual income rather than the number that appears on their tax returns. At LendSure, we have the answers that can help you overcome those obstacles and say "yes" in these scenarios.

MARKET OPPORTUNITY

Brokers have an exceptional market opportunity to offer bank statement loans, particularly due to the surge of entrepreneurs and self-employed individuals that emerged during the pandemic.

The economic upheaval caused by the pandemic prompted many individuals to explore new avenues of income generation, leading to a significant increase in the number of self-employed borrowers. With more entrepreneurs venturing into business ownership or opting for self-employment, there is a pressing need for loan options that can accommodate their unique financial situations.

By adding bank statement loans to their loan offerings, brokers can effectively cater to this growing segment of clients who may not fit the traditional lending criteria. This strategic move allows brokers to capitalize on the demand for flexible loan solutions and establish themselves as valuable partners for self-employed individuals seeking financing support.

SOURCING DEALS

To find clients looking for bank statement loans, utilize these effective strategies. Start by reaching out to individuals in your network, as you may already work with clients who are self-employed. Attend local networking events that cater to business owners, allowing you to connect with potential clients face-to-face.

Consider printing postcards that highlights loan solutions for self-employed borrowers and distribute them to relevant audiences. Host webinars specifically for business owners, showcasing your expertise and attracting interested clients.

Make sure to join social media groups tailored to business owners and actively engage in discussions to network with these type of individuals. Lastly, become a member of community groups like Rotary Clubs, where you can connect with local entrepreneurs and create valuable connections.

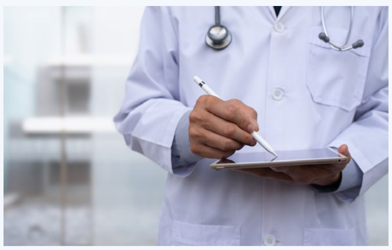
By implementing these strategies, you can successfully find clients who can benefit from bank statement loans.

PROGRAM HIGHLIGHTS

- Loan amounts up to $3MM
- Upfront evaluation of income – you don't have to submit a full file
- CPA Letter or P&L statements NOT required
- Borrower does not have to be 100% or even 50% owner of the business
- Multiple business bank accounts and/or personal accounts accepted
- Variable expense ratios as low as 10% and as high as 98%.
- FICO scores as low as 640
- 12-or 24-Month Bank Statements with W-2 + tip income option allowed

At LendSure, we understand that not all business owners manage their finances in the same way. When underwriting bank statement loans, we conduct thorough due diligence to account for various scenarios:

The Restaurant Owner:
Restaurant businesses often have separate bank accounts for cash receipts and credit card payments, as well as multiple locations. We review all relevant accounts to obtain a complete financial picture.



The Doctor:
Physicians may have different accounts for insurance reimbursements and patient payments. To ensure accurate assessment, we consider activity in all applicable accounts, especially in practices with multiple locations.

The Landlord/Artist/Musician Combo:
In cases where a married couple has separate bank accounts, such as one for rental income and another for business receipts (e.g., art and music), we request all necessary statements to evaluate their overall financial situation. This ensures fair consideration for mortgage qualification.

Our approach to bank statement loans involves diligent analysis that recognizes the diverse ways business owners manage their accounts, allowing us to make informed lending decisions.

FOREIGN NATIONAL LOANS

Foreign National Loans are an alternative non-QM mortgage solution for non-U.S. citizens who want to finance a second home or an investment property in the U.S. It's typically harder for these individuals to secure funding, but it's not impossible – especially if you're working with the right lender.

By adding Foreign National Loans to your business portfolio, you can also stand out from the competition and become a more trusted source for borrowers who require alternative financing options. You can play a crucial role in assisting these individuals who are often unaware of the existence of financing solutions tailored to their needs.

Foreign National lending doesn't have to be overly complex when you work with a trusted lender to guide you through the process. We do all the heavy lifting.

Foreign buyers do not need U.S. credit. They can expect to verify foreign credit via three active trade lines, each with a two-year history and foreign-based checking and savings accounts may count as trade lines.

Foreign National Loans are based on letters. Loan letters, credit letters and an income-verification letter from a certified public accountant in the borrower's home country are required.

With our team, you can work with a trusted lender to guide you through the Foreign National Loan process so loans fund on time and there's minimal hassle.

MARKET OPPORTUNITY

Foreign nationals spend billions every year on homes in the U.S. — and many of these affluent buyers pay cash, even if taking a mortgage would make more sense for their financial situations.

Whether they are purchasing an investment property or a second home, foreign-national borrowers can be an excellent source of new clients, and they often become repeat clients and great referral sources, too.

The market for homes in the U.S. attracts substantial investment from foreign nationals, amounting to billions of dollars annually. Surprisingly, many of these individuals tend to rely on cash transactions without being aware of the alternative financing options that are available to them. By offering specialized financing solutions for foreign nationals, you have the opportunity to tap into this lucrative market and assist these individuals in funding their properties in the U.S.

By providing guidance and access to financing options specifically tailored to their needs, you can not only cater to the growing demand but also help foreign nationals navigate the complexities of purchasing properties in a foreign country. This presents a unique chance to expand your business and establish yourself as a trusted resource in the realm of real estate finance for foreign nationals.

SOURCING DEALS

To find clients looking for foreign national loans, you can employ these strategies:

A. Utilize search engines and social media platforms like Google, Facebook, LinkedIn and Twitter to find:

- **a.** International real estate attorneys in [your town name here]
- **b.** International tax attorneys in [your town name here]
- **c.** Real estate agents for [nationality] buyers
- **d.** [Your town name here] CPA for foreign nationals
- **e.** Immigration lawyers in [your town name here]

B. Look for real estate listings in different languages

C. Connect with groups such as NAHREP (National Association of Hispanic Real Estate Professionals) or AREAA (Asian Real Estate Association of America)

By implementing these strategies, you can effectively reach and cater to clients seeking foreign national loans.

PROGRAM HIGHLIGHTS

- Income verification letter from employer or investor cash flow (DSCR)
- No tax returns required
- Foreign credit report allowed
- Highly competitive rates
- Unsurpassed funding times
- LTVs up to 75%
- Cash out up to $500,000
- Cash out may count towards reserves for LTVs up to 70%
- Only 30 days’ sourcing and seasoning of assets for LTVs up to 50%
- Various Visa types accepted (call your LendSure Account Executive for specifics)

Foreign National Program

Expertise to Fund Fast and with a Minimum of Hassle

Who are they?

A Foreign National is a non-resident alien who is not authorized to live or work in the U.S. or holds a work Visa indicative of a more temporary residency.

Bucket of Opportunity

$53.3 Billion
Dollar annual purchase volume during April 2022–March 2023

84,600
Foreign National buyers annually

15%
of those buy homes for $1,000,000 or more

$396,400
foreign buyer median purchase price - 3.2% higher than U.S. existing homes sold

Top 5 Foreign Buyers

APPROVED

13% China
$13.6 B

11% Mexico
$4.2 B

10% Canada
$6.6 B

7% India
$3.4 B

3% Colombia
$0.9 B

Hot Markets

23% Florida

12% California

12% Texas

4% North Carolina

4% New York

Source: 2023 Profile of International Transactions in U.S. Residential Real Estate

Foreign National Program

- Domestic credit score not required
- Up to 75% LTV with no MI
- Cash out to 65% LTV
- DSCR Program available
- Non-Warrantable Condos

How to Find Prospects?

1. International real estate attorneys in **[your town name here]**
2. International tax attorneys in **[your town name here]**
3. Immigration lawyers in **[your town name here]**
4. **[Your town name here]** CPA for foreign nationals
5. Real estate agents for **[nationality]** buyers

- Look for real estate listings in different languages
- Connect with groups such as nahrep AREAA

REVERSE 1031 EXCHANGE WITH BRIDGE LOAN

The Reverse 1031 Exchange with Bridge loan simplifies the process for real estate investors looking to expand their portfolios without facing immediate capital gains taxes.

This approach combines the tax benefits of a 1031 exchange—where investors can swap one investment property for another, without incurring immediate capital gains taxes—with the financial flexibility of a bridge loan. The bridge loan allows investors to access the equity from their current property to finance the purchase of a new one.

What makes this program particularly appealing is the ability for investors to move quickly on acquiring a new property without having to wait for their existing property to sell. In a competitive market, this speed can be crucial for securing valuable investment opportunities.

Investors also benefit from continuing to earn rental income on their original property while waiting for it to sell, without the burden of monthly bridge loan payments. This setup not only maintains a steady income stream but also offers the chance to improve the original property. By investing time in enhancements, investors can increase the property's value and potentially sell it for a higher price later on.

PROGRAM HIGHLIGHTS

Using LendSure's Bridge Program with a Reverse 1031 Exchange:

- Allows investors to push forward with the purchase of a replacement property without waiting to sell their original one.
- Prevents investors from missing out on potential opportunities that may not stay on the market for long.
- Enables property investors to keep collecting rent on the original property with no monthly loan payments on the bridge financing.
- Gives investors time to make improvements to the original property so they get the best possible price when they sell.
- A reverse exchange is subject to the same identification and exchange periods as a traditional 1031 exchange.

Reverse 1031 Exchange with Bridge Loan Program

A Smart Strategy for Property Investors

What is a 1031 Exchange?

It is a tax-deferred strategy that allows investors to swap investment properties without immediate capital gains taxes, optimizing real estate investments and portfolio growth.

A **Reverse 1031 Exchange** enables investors to buy the replacement property first, deferring capital gains taxes on the subsequent sale of their original investment property. LendSure's BOOST Bridge Financing complements this by allowing investors to tap into the equity of the original property to fund the purchase of the replacement one.

Benefits

Empower your borrowers with LendSure's Bridge Program with a Reverse 1031 Exchange:

- Investors can buy a replacement property without selling their original one first.
- Opportunity won't slip away as investors can act swiftly without market delays.
- Investors can collect rent from the original property with no monthly loan payments on the bridge financing.
- They can take time for improvements to the original property, ensuring the best sale price later on.

Reverse 1031 Exchange with Bridge Loan **Scenario**

1. **Current Home:** Investor identifies a $1M property in Lake Tahoe, California. They own a $930K investment property in Bozeman, Montana, and intend to sell it after the Lake Tahoe purchase to defer taxes through a reverse 1031 Exchange.
2. **Bridge Loan Acquisition:** Since funds from the sale of the original property aren't available yet, the investor secures a LendSure Bridge Loan. This loan allows them to access equity from their original property for the down payment on the new property.
3. **Financing on New Home:** With the Bridge Loan in hand, the investor closes the deal in Lake Tahoe, using the capital from the Montana property. Simultaneously, LendSure facilitates a purchase money loan for the new property.
4. **Closing:** After the Lake Tahoe purchase, the investor lists the Montana property. The sale must occur within 180 days of the Lake Tahoe purchase to fulfill the 1031 Exchange requirements, completing the process.

Property A – Departure Home
Bridge Loan

Home in Bozeman, Montana

Fair Market Value:	$930,000
Loan to Value:	60%
Loan Amount:	$558,000
Existing Liens:	$0
Loan Proceeds to Borrower:	**$558,000**

Property B – New Home
Purchase Loan

Home in Lake Tahoe, California

Purchase Price:	$1,000,000
Bridge Loan Proceeds:	$558,000
New Loan Amount:	**$442,000**
Loan to Value:	**44.2%**

The tax-related information contained herein should not be construed as tax or legal advice and should not be relied upon in making any business, legal or tax-related decisions. A proper evaluation of the benefits and risks associated with a particular transaction or tax return position often requires advice from a competent tax and/or legal advisor familiar with details of a specific transaction, objectives and the relevant facts. Involvement of a tax and/or legal advisor (or to seek such advice) in any significant real estate or business-related transaction is strongly recommended.

PROFIT AND LOSS (P&L) LOANS

Entrepreneurs, freelancers, and individuals with irregular incomes typically have trouble securing traditional mortgage funding.

Our Profit and Loss loan is a type of business loan designed specifically for self-employed individuals or business owners that may experience fluctuations in their income and revenue that may not be accurately reflected on their tax returns.

This approach enables borrowers to qualify based on their business's real financial performance, as demonstrated in their Profit and Loss statements. This is a more precise representation of a borrower's ability to repay the loan.

By utilizing the actual earnings and financial stability shown in P&L statements, we're making property ownership accessible to a broader range of borrowers.

PROGRAM HIGHLIGHTS

- Easy review with no bank statements required for loan amounts up to $1,000,000
- Loan amounts up to $1,500,000 with two months business bank statements
- LTV up to 80%, depending on borrower FICO score
- Cash-out up to $500,000 for LTV up to 65% and $350,000 for LTV up to 75%
- No self-employment questionnaire required
- The P&L must cover the most recent 12 months (dated within 60 days of closing date)
- Borrower must have been self-employed in the same business for 2 years, verified by one of the following: business license, letter from tax preparer, Secretary of State filing or equivalent
- Borrower must own a minimum of 50% of the business
- P&L must have been provided by a CPA, IRS Enrolled Agent, or California Tax Education Council

P&L vs Bank Statement Loans

Which loan option works best for your self-employed borrowers?

There are alternative solutions that are geared towards self-employed borrowers. With Profit and Loss (P&L) and Bank Statement loans, these borrowers can secure strong financing that makes sense for their specific financial needs. The best part? You can tap into this growing market and get the "yes" your clients have been waiting for.

Not sure which solution works best for your self-employed clients? Here's a quick breakdown of what you need to know about P&L and Bank Statement loan solutions:

Similarities

1. **Borrower Type:** Both Bank Statement and P&L loans are ideal for small-business owners and self-employed individuals
2. **Alternative Underwriting:** Both Bank Statement and P&L loans use alternative underwriting methods that provide borrowers with more options for funding.
3. **No Tax Returns Required:** By focusing on bank or income statements, these programs eliminate the need for providing tax returns.

Differences

Loan Program	Documents Needed	Eligibility	Review Process
PROFIT AND LOSS (P&L) LOANS	P&L Statements*	Must be at least 50% owner of the business. Self-employed for 2 years in the same business.	LendSure verifies a business's contribution to the borrower's income by examining the business's income, revenue trends, and profit margins.
BANK STATEMENT LOANS	12- or 24-month Bank Statements	Must be at least 25% owner of the business. Self-employed for 2 years in the same business.	LendSure evaluates the borrower's cash flow by analyzing inflows and outflows from bank accounts to gauge income consistency.

*P&L must be provided by a Certified Public Account, an IRS Enrolled Agent, or the California Tax Education Council. In addition:

1. Preparer must provide a copy of the current license.
2. The P&L must be signed both by provider and borrower.
3. The P&L must cover the most recent 12 months (dated within 60 days of closing date).
4. P&L preparer must certify they have analyzed the borrower's business financial statements during the preparation of the P&L.
5. P&L preparer must certify they have filed the borrower's most recent business and personal tax returns.
6. P&L preparer must also certify they are not related to the borrower or associated with the business.

OTHER NON-QM SOLUTIONS

The real estate market is growing as investors continue to expand and add to their portfolios.

As a solution provider, it's crucial that you partner with the right lender who can offer you a wide range of mortgage solutions that are tailored for different types of borrowers.

At LendSure, we are dedicated to empowering loan officers with reliable lending, highly competitive rates, unsurpassed funding times, great loan options, and superb customer service. Here are other Non-QM loan programs that can benefit you and your clients today:

1. **10-Year Interest-Only/ 40-Year Fixed-Rate**
   Homeowners and investors have an option to leverage their properties' equity and manage their monthly cash flow – all while locking in their rate for 40 years. This innovative interest-only loan program provides borrowers with the flexibility to make, during the first 10 years of the loan, low interest-only payments or fully amortized payments without penalties.

2. **Asset Depletion/Qualifier**
   Borrowers with great credit, but no steady monthly income, may be able to use their assets to qualify for a mortgage. Compared to asset depletion, LendSure's Asset Qualifier program essentially doubles the qualifying monthly income, since the draw period is only 5 years (qualifying assets / 60 months).

3. **Jumbo loans**
   LendSure's Jumbo loans offer more financing options for borrowers that don't fit the conforming mold. Plus, our team can provide you with extensive, common sense pre-qualification, usually within 24 hours. You can say "yes" with confidence, knowing that LendSure has minimized surprises down the road.

Loan Officers:
Tips to Originate More Business

As the mortgage lending space becomes increasingly competitive, it is vital to find ways to set yourself apart and be able to provide dynamic solutions to commonly faced challenges.

Become a bridge loan expert

Clients may lose out on a desired property if they need to wait on selling their current home first. LendSure's Bridge Financing Program will allow borrowers to access the equity in their current home in order to make an advantageous, non-contingent offer on the new property.

Loan Programs:
Investor Income Qualified, Investor Cash Flow and Fix and Flip Programs

Market to property investors

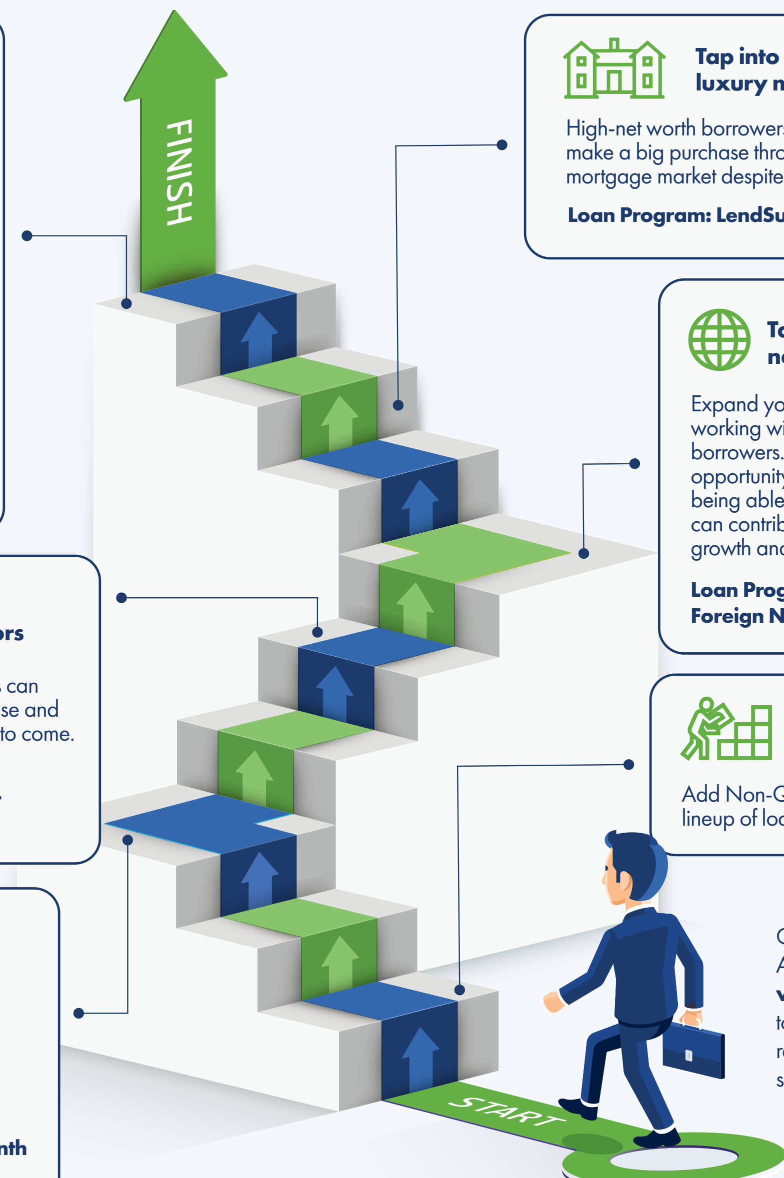
Working with property investors can bring a steady stream of purchase and refinance transactions for years to come.

Loan Program:
LendSure Expanded Investor (DSCR Investor Cash Flow)

Market to business owners

Bring in more self-employed borrowers with Non-QM loan options that cater to their needs.

Loan Program:
LendSure 2-, 12-, and 24-Month Bank Statement Programs



Tap into the luxury market

High-net worth borrowers may find it difficult to make a big purchase through the conforming mortgage market despite their ample funds.

Loan Program: LendSure Jumbo

Tap into the foreign national market

Expand your roster of clients by working with foreign national borrowers. There is big opportunity in the market and being able to offer a solution can contribute to business growth and referrals.

Loan Program: LendSure Foreign National Program

Expand your product line

Add Non-QM solutions to your lineup of loan program offerings.

Contact your LendSure Account Executive or visit **www.lendsure.com** to learn about LendSure's range of Non-QM loan solutions.

GET STARTED WITH US!

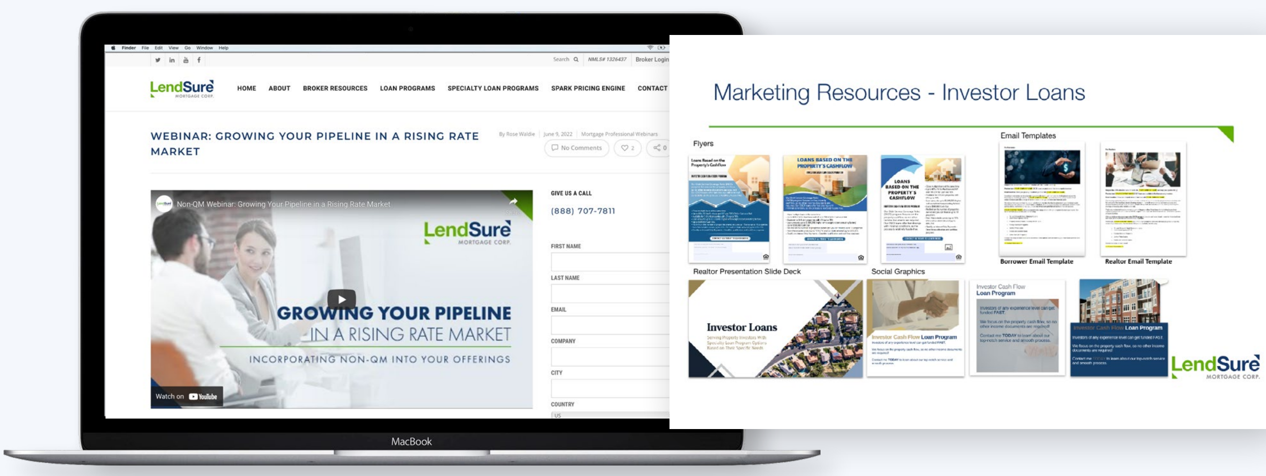
In today's mortgage market, every business opportunity is precious. That's why when LendSure issues an approval, you can count on that commitment — even in times of uncertainty. That's not something every lender can say in today's economic climate.

If you've experienced loan fallout, bring the loan to LendSure. Our team of experienced Account Executives will work with you to get your deal funded.

LOOKING FOR MORE WAYS TO HELP YOUR CLIENTS THROUGH NON-QM LOANS?

- Check out LendSure's **Broker Resources Page** on **www.lendsure.com** to continue learning. Here, you will find a collection of webinars and explainer videos to expand your knowledge.

- Unleash new opportunities with our **free Marketing Resources Kit**. Access professionally designed flyers, customizable email templates, presentation decks, social media graphics, and more. Connect with your LendSure Account Executive today to learn more.



EQUAL HOUSING LENDER

LendSure MORTGAGE CORP.