



NON-QM | MLBWHOLESALE
Making Lives Better



NON-QM LENDING

Unlocking Opportunities Beyond Agency Guidelines

A practical guide for loan officers ready to close more loans

Making Lives Better

www.MLBWholesale.com/non-qm

🏠 NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Service, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NV Division of Mortgage Lending, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER



Paul Sushereba

NON-QM DIVISION MANAGER

psushereba@mlbmortgage.com

937-422-9167

A little about me..

I joined MLB Wholesale because I was looking for a company that prioritizes transparency and ease for loan officers, especially in the non-QM space. With over 14 years in the mortgage industry, I've worked as a Loan Officer and in management, focusing on non-QM products like bank statement and DSCR loans. My goal is to help self-employed borrowers who don't fit the traditional lending models, drawing from my own experience of owning and selling two businesses.

I earned my MBA during the financial crash in 2009 and started in retail banking as a branch manager before transitioning to mortgage to pursue better opportunities. Over time, I've developed a strong understanding of what borrowers need when they don't fit the typical Fannie/Freddie mold.

I'm highly competitive, which has driven me to complete nine Ironman triathlons. I bring that same energy to my work, always aiming to be at the top of my field. Outside of work, I stay active with triathlons, woodworking, and Ham radio. I'm constantly looking for new ways to challenge myself, whether it's in my career or my personal life.



WHAT IS NON-QM & WHY IT MATTERS



Non-QM Defined

Loans that don't meet Fannie Mae / Freddie Mac / FHA guidelines — but are still safe, responsible, and creditworthy.



Close More Loans

Serve clients who are declined conventionally



Underserved Market

Millions of self-employed & investors need options



Not Subprime

Non-QM is a solution for creditworthy borrowers who simply don't fit the conventional box.



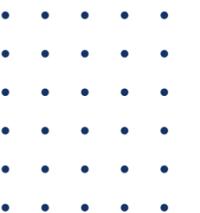
Become a True Advisor

Deepen relationships with referral partners



More than Just a Rate

Getting a loan at all is the value proposition





INCOME DOCUMENTATION PROGRAMS



Bank Statement Loans

12 or 24 Month

Self-employed with strong cash flow but low net income on taxes

- Business or personal statements accepted
- 50–80% of deposits = qualifying income
- Transfers & non-business deposits excluded
- Analysis available for Pre-approval

Ideal Borrower

Business owner, high cash flow, high write-offs



P&L Only Loans

CPA-Prepared

Self-employed with clean P&L but complex or unavailable tax returns

- CPA/PTIN-prepared P&L statement required
- Business must show profitability
- Tax Preparer attestation letter may be required
- No tax returns needed

Ideal Borrower

Business owner with profitable P&L but high tax deductions



1099 Income Loans

12 or 24 Month Average

Independent contractors & freelancers with no W-2

- 12 or 24-month 1099 average used
- No tax returns required
- Covers gig economy workers
- Consistent income stream preferred

Ideal Borrower

Freelancer, contractor, or consultant with steady 1099 history



ASSET UTILIZATION LOANS

How It Works

1. Total liquid assets are calculated
2. A "haircut" is applied for market volatility
3. Remaining amount ÷ 60 months = monthly qualifying income

When blended with other income as low as 36 months
No job, no income — just assets

Example Calculation

\$1,944,000 in liquid assets

\$1,620,000 (after 20% haircut)

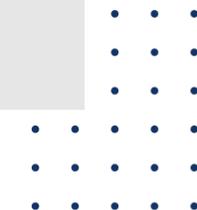
$\$1,620,000 \div 60 = \$27,000/\text{mo}$ qualifying income

The Real Estate Investor

- ✓ Checking & savings accounts
- ✓ Stocks & bonds
- ✓ Retirement accounts (401k, IRA)
- ✓ Brokerage accounts

Ideal Borrowers

-  **Retiree**
High assets, fixed or low income
-  **Investor**
Liquid portfolio, no W-2 income
-  **Executive**
Equity-rich, between jobs





DSCR LOANS — QUALIFYING THE PROPERTY, NOT THE BORROWER



How DSCR Works

- No personal income documentation required
- Property's rental income qualifies the loan
- **Gross Rent ÷ PITI = DSCR Ratio**
- PITI = Principal + Interest + Taxes + Insurance

The Formula

Gross Monthly Rent

PITI (Monthly)

= DSCR Ratio

\$2,500 rent ÷ \$2,000 PITI = 1.25 DSCR ✓

DSCR Ratio Guide

< 1.0

Rent < Mortgage
Compensating factors requires

1.0

Break-even
Rent covers mortgage exactly

≥ 1.25

Strong
Most lenders minimum



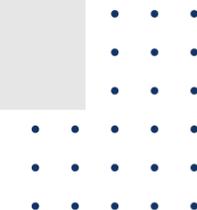
Conventional Roadblock

Investor with 6 financed properties —
DTI too high for another conventional loan



Non-QM Solution

DSCR loan qualifies on the new property's rent —
investor closes the deal





PROPERTY TYPE PRICING ADVANTAGES



Non-Warrantable Condos

12 or 24 Month

- Doesn't meet Fannie/Freddie project requirements
- High investor concentration, hotel-style condos, new developments
- Non-QM unlocks financing where conventional can't go

Conventional:
Ineligible

Non-QM:
Approved

Second Homes 0% LLPA

vs. Fannie Mae pricing adjustments

- No loan-level price adjustment on second homes
- Fannie Mae LLPA: up to 3.375% depending on LTV/credit
- Significant cost savings for the borrower



Investment Properties

Major LLPA Savings

- Fannie Mae LLPA on investment properties can exceed 3-4%+
- Non-QM pricing often more competitive on rate + cost
- No arbitrary property count restrictions
- DSCR + investment property = powerful combination

Non-QM often wins on total cost





MIXED INCOME & COMPLEX SCENARIOS

Conventional Underwriting Problem

Fannie/FHA requires consistent, documentable income from a single source. Mixed or variable income streams get denied or heavily discounted.

Non-QM Combines It All

-  **W-2 Income**
Full-time employment
 -  **Business Income**
Side business via bank statements
 -  **Rental Income**
Investment property cash flow
- = One Qualifying Income**

Consultant + Rental Owner

X Conventional
1099 income discounted;
rental income excluded

✓ Non-QM
1099 avg + rental
combined = qualifies

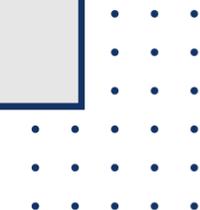
Restaurant Owner + W-2 Spouse

X Conventional
Business losses reduce
qualifying income

✓ Non-QM
Bank statements show
real cash flow; W-2
added on top

The Non-QM Advantage

Non-QM lenders evaluate the whole financial picture — not just one box on a form.





IDENTIFYING OPPORTUNITIES & KEY TAKEAWAYS

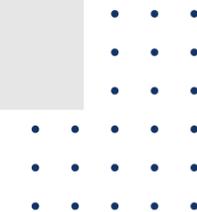
Spot the Non-QM Candidate

Ask these questions about every borrower:

-  **Self-employed or 1099?**
→ Bank Statement or P&L loan
-  **High assets, low income?**
→ Asset Utilization loan
-  **Real estate investor?**
→ DSCR loan
-  **Non-warrantable condo?**
→ Non-QM property financing
-  **Mixed income or high DTI?**
→ Combined Non-QM income programs

Key Takeaways

-  Non-QM is safe, responsible lending — not subprime
-  Close more loans by serving the underserved
-  Second homes & investment properties often price better
-  Become the advisor clients and partners call first
-  Every declined conventional is a Non-QM lead





MLBWHOLESALE
Making Lives Better

READY TO WIN MORE DEALS?



www.MLBWholesale.com

 (937) 422-9167



841 Mountain Ave, Suite 400, Springfield, NJ 07081

 NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Service, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NV Division of Mortgage Lending, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER