



GMFS Non QM Product Overview

Non-QM Programs

- GMFS Non-QM programs mirror our QM programs adjusting for attributes that are outside the QM definition and Appendix Q
- Ability to Repay (ATR) is required as well as a minimum residual income requirement
- Credit requirements do not deviate between QM and Non-QM, credit profile remains prime
- Reserves are double the requirement of our QM programs, strengthening the loan
- Full documentation is required
- GMFS's Choice Non-QM and Select Non-QM programs offer six features outside of Appendix Q/QM.

Features of Non-QM Programs

DTI over 43%

Asset Depletion

Investment Purchase
with No Lease

Departure Residence
with Payment Excluded

Gaps of Employment

Use of Income on
Short-Term Rental
without Lease

Non-QM Program Comparison

Eligibility Parameters	Prime Jumbo Select Non-QM	Expanded Prime Jumbo Choice Non-QM
Loan Types	20, 25, 30 year fixed	20, 25, 30 year fixed
Minimum Loan Amount	\$1 over conforming	\$1 over high balance
Maximum Loan Amount	\$2,000,000	\$2,000,000
Reserve Requirements	12-48 months	6-24 months
Minimum Credit score	680	680
Mortgage History	0x30 – 24 months	1x30 – 12 months 2x30 – 24 months
Rental History	0x30 – 12 months	1x30 – 12 months
Credit Event – Foreclosure, Bankruptcy, Short Sale, Deed-in-Lieu, Mortgage Settled for Less	7 years since event	4 years since event
Notice of Default (NOD), Loan Modification	7 years since event	2 years since event

Debt-to-Income (DTI) Ratios

Transaction	Select Non-QM	Choice Non-QM
LTVs over 80%	NA	NA
LTVs ≤ 80%	49.99%	49.99%
Non-Occupant Co-Borrower with Blended Ratios (Choice Only)	Not Allowed	43%
Self-Employment	49.99%	49.99%

Reserve Requirements

Attribute	Prime Jumbo Select Non-QM	Expanded Prime Jumbo Choice Non-QM
Primary	12-18 months	6-12 months
2 nd Home	24-48 months	12-24 months
Investment	24-36 months	12-18 Months
FTHB	12-18 months	12-15 months
Non-Occupant Co-Borrower	Not Allowed	Additional 6 months
Additional Financed REO (Up to 4)	Additional 6 months per financed property	Additional 6 months per financed property
Additional Financed REO (More than 4)	Not Allowed	Additional 6 months per financed property
Self-Employed Borrower	Additional 3 months	Additional 3 months
Liquid Reserves:	Primary: 3 months Second Home: 6 months Investment: 6 months	Primary: 3 months Second Home: 6 months Investment: 6 months

Features of Non-QM Programs

Debt Ratio over 43.00%

49.99% ≤ 80% LTV

Gaps of Employment

Exceptions considered under Non-QM where borrower has gap > 6 months with <6 months on current job

Asset Depletion

- ✓ Calculation different than FNMA or other investors
- ✓ Retirement vs Non-Retirement
- ✓ Reserves
- ✓ Income Stream vs Asset Depletion
- ✓ No business funds

Non-QM Departure Residence Feature

To Be Sold	To Be Rented
Letter of intent indicating departure residence will be listed for sale within 90 days. If already listed, copy of listing agreement required.	Letter of intent indicating departure residence will be rented within 90 days
Equity of 20% or more in departure residence documented w/ 2055 exterior or full appraisal. If property is listed for sale, lower of appraised value or current listing is used to determine 20% equity.	Equity of 20% or more in the departure residence documented w/ prior purchase price, AVM, BPO or 2055 exterior appraisal
Payment is excluded from DTI provided 20% equity is established	Rent calculation is 75% of market rent less departure residence PITIA <ul style="list-style-type: none"> • If rental calculation is negative, include the amount in the DTI • If rental calculation is positive, it may be used to offset the payment but not counted as positive income
Maximum LTV/CLTV on the subject transaction is 80%	Maximum LTV/CLTV on the subject transaction is 80%
Appraisal to indicate marketing time of the departing residence	Market rent survey by licensed appraiser on departure residence required
Reserves for the departure residence are based on the marketing time indicated on the departure residence appraisal <ul style="list-style-type: none"> • Marketing time is 6 months or less = 12 months PITIA • Marketing time is over 6 months = 24 months PITIA *If listed and on the market >6 months, 24 months PITIA is required	Required reserves for the departure residence = 9 months

Program Niches: Refinances

Rate & Term Refinance

- 1% Cash Back

Delayed Purchase Refinance

- Priced & Underwritten as Rate and Term

Cash-Out Refinances

- Texas 50(a)(6) now allowed on Select QM & Choice QM

Program Niches: DTI/Income

Restricted Stock Units (RSUs) and Stock Options

- Capped at 35% of Qualifying Income

Rental Income

- Two-year landlord history not required

Non-Occupant Co-Borrower with Blended Ratios / Assets (Choice QM)

Alimony Paid by Borrower

- Reduction to Income vs. Qualifying Obligation

Program Niches: Assets

General Requirements

Stock Accounts, Mutual Funds, and Bonds

- 100%; Two months statements required

Retirement Accounts (IRA, 401k)

Business Funds (Closing Costs, Down Payment, Reserves)

Gift Funds

Reserves - Non-Retirement (Select QM)

- 3 Months Primary Residence
- 6 Months Second Home
- 6 Months Investment Property

Program Niches: Condos

General Requirements

Limited Review for Attached Condos

Non-Warrantable Condo Features (Choice QM)

- Commercial Space
- Maximum Ownership by One Entity
- Presale
- Budget

Program Niches: Misc

of Financed Properties

- Up to 10
- Additional reserves required

Acreage

- Max of 20 acres

Exceptions

- Common sense flexibility
- Compelling compensating factors

Credit: Forbearance

Obtained (But Did Not Use)

- Eligible 6 months after the **END** of the forbearance period
- Borrower must have made all monthly payments
- Borrower did not utilize forbearance terms to skip any payments

Obtained (And Used)

- Treated as Credit Event
- Ineligible for Select QM for 7 years
- Ineligible for Choice QM for 4 years
- Ineligible for Select 90 QM

Exceptions & Make-sense Underwriting

Common Exceptions

- Credit Tradelines
- Credit Score
- Loan amount
- LTV/CLTV
- Unique Properties
- Lot size > 20 Acres
- Cash-Out > Max
- Non-Warrantable Condos

Ineligible Exceptions

- LTV/CLTV > Program Max
- Credit Score < Program Minimum
- Creative Income Calculations
- Multiple Credit Events
- Forbearance
- Furlough

Exception Process Details

Your Credit Team may contact their **GMFS Underwriter**



Your Underwriter submits exception request through the GMFS portal



Exceptions reviewed and decisioned within **24-48 hours**

A Program that Works

You control the process
and timeline

GMFS credit team is
responsive to your
credit team

GMFS is the ultimate
investor in credit, we
offer flexibility on the
loans we wish to
purchase