

# Assets as Income

There are times when borrowers have **plenty of money in the bank**, but, do not have employment or enough income for qualifying.

Q: Can they still obtain financing??

A: YES! There is an option available- We use ASSETS as INCOME!



## Some of the qualifying parameters are:

- Purchase and Rate and Term Transactions: To 80% LTV
- Cash-Out Refinance: To 60% LTV
- Minimum FICO Score: 720
- Primary Residence - 1 -2 units; Second Homes - 1 unit
- Minimum Asset Amounts Required
  - Purchase and Rate and Term refi: Lessor of 1 ½ times the loan amount or \$500,000
  - Cash-Out Refinance: \$500,000
- Asset “seasoning” is required- need history of managing the assets
- Types of Assets Used
  - Savings, Checking, CD - used at 100%
  - Stocks, Bonds, Mutual Funds - used at 70%
  - Only funds that can be withdrawn without penalty can be used
  - Asset to be used only once as income source

## Two options for Calculating ASSETS as INCOME

- Net Value of acceptable asset accounts DIVIDED by the term of the proposed new loan (total months)
- Utilize an annuity calculation to account for growth over time



**Contact a Loan Officer today to learn more about this program!**

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