ADVANCIAL



UNIQUE INCOME SOLUTIONS

Mortgage loans are originated by Advancial Federal Credit Union NMLS #469500

EQUAL HOUSING LENDER

Federally Insured by NCUA

WHO BENEFITS FROM THIS LOAN PROGRAM?

- Don’t assume a loan has to be a higher-priced bank statement, DSCR, or some other form of alt-doc loan before having Advancial review the income!

- **Advancial has the ability to think outside the standard cash flow analysis box when calculating income from tax returns.**

  For example:
  - ✓ Borrowers with one-time expenses, Section 179 deductions, startup costs, SEP/IRA contributions, carryforward losses, and more may be added back into a personal or business tax return.



ALTERNATE INCOME SOURCES

- Alternate income sources such as RSUs, stock options, and deferred compensation, are also generally acceptable, with flexible calculations based on the borrower's personal scenario.

- Asset depletion can also be used to increase wage income, self-employment income, or other sources of income, or it can be used as a stand-alone income source to qualify.

- Boarder income from an ADU or multiple ADUs can be considered, including primary residences.

- Schedule C or other business income can generally be used for the subject property if there is some commercial activity on-site. Examples include homes with:
    - Wedding venues
    - Wineries
    - Pasture leases
    - Cell phone tower leases, etc.

Note that Schedule F (farming income) is excluded.



ADDITIONAL NICHE INCOME SOURCES

- **Cash-out proceeds** may also be used in the asset depletion calculator, making this a reverse mortgage alternative!
- Foster care income, state-funded adoption income, and parsonage income are also considered **and generally grossed up to 125% when nontaxable**.
- **W-2 wage earners transitioning to K1 partners are also considered** on a case-by-case basis before the first year's K1 tax return has been filed.
- **Non-occupant co-borrowers are allowed** for all loans including Jumbo cash-out loans with no ratio required for the occupant.
- **Rental income from a departing residence is allowed** with no active lease agreement, security deposit, or landlord history.



ADDITIONAL NICHE INCOME SOURCES

- **Immediate rental income is allowed for investment properties, including departing residences with no landlord history, lease, or earnest money deposits.** Income is calculated using 75% of the rental schedule or lease amount, whichever is less.
- A flexible approach is taken to note receivable income based on the borrower's personal scenario.
- **Alimony and child support may be excluded from income rather than added as a liability on the application,** allowing for more purchasing power.
- REO income appearing on a Form 1065 business tax return, with commingled personal mortgages appearing on credit, may be eligible for the standard Schedule E calculation on the application!



SHORT-TIME SELF EMPLOYED PROGRAM

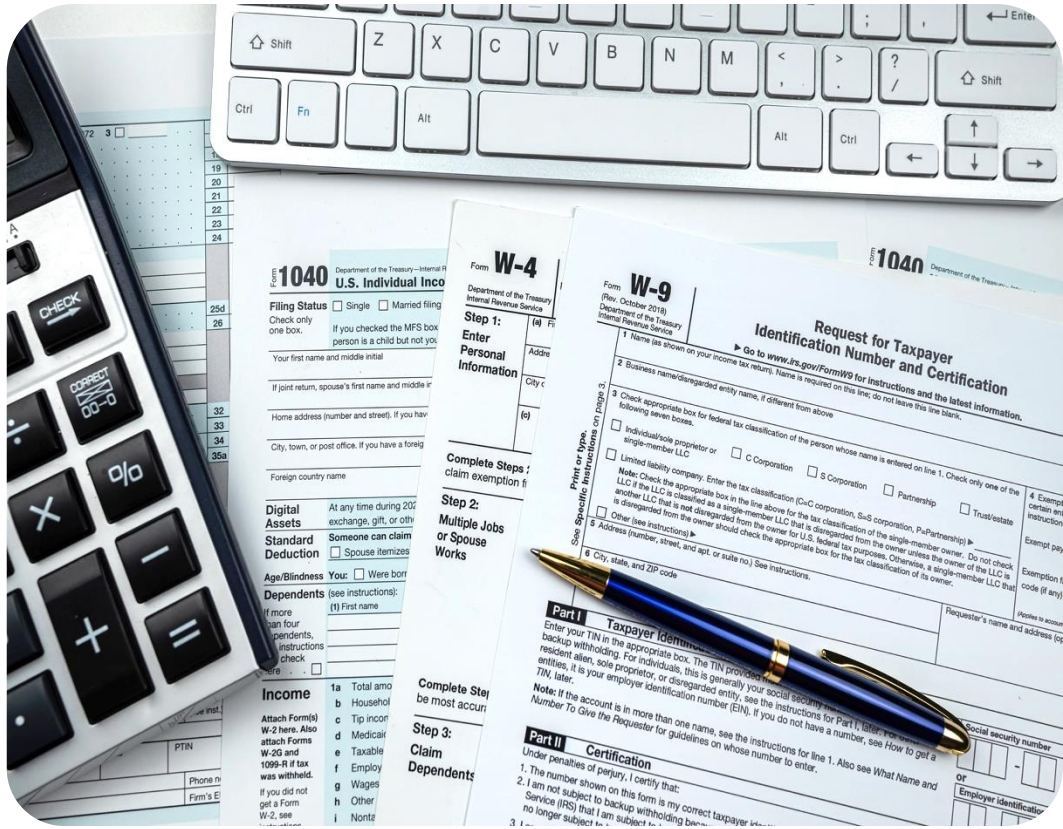
- **One-year tax return program may be used for borrowers who just started a business or who have an established business.**

- Borrowers who have a short history of receiving 1099 and K-1 income including multiple sources. Job gaps are also considered.

  - ✓ Example: A borrower working in the film industry who moves from studio to studio and/or project to project.

  - ✓ Borrowers with less than two years of experience in the same industry may be considered.

  - ✓ Recent transitions from W-2 employment to K-1 income may be considered. Example: A recent promotion to partner.





THANK YOU!

ADVANCIAL®