



## ASSET DEPLETION PROGRAM



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# HOW THE PROGRAM WORKS

- Asset depletion is used to establish or increase monthly income using a borrower's assets
- Automated calculator uses a 5% rate of return on the assets **plus** a depletion schedule
- Asset depletion calculator can be found on the Advancial website at [www.advancialwholesale.com](http://www.advancialwholesale.com) under the Broker Resources section or contact your AE for a copy
- Retirement assets can be used for depletion even if the borrower is not yet of retirement age at 50% face value and at 100% value if at or over retirement age (59 ½). All other assets are used at 100% face value regardless of age or investment type.



# CALCULATOR EXAMPLE

Calculator example for 71 year old borrower purchasing a \$1,000,000.00 home

In this example, \$12,052.00 is the asset depletion income and this may be added to other income sources.

**Note: All accounts must be entered at 100% face value regardless of a borrower's age. If under 59 ½ the calculator will automatically adjust any IRA/401k funds.**



9/1/1950	Enter Borrower's Date of Birth
71.29	Borrower's Age
<b>Over 59.5</b>	Retirement Accounts Eligible at 100% of value due to borrower being over age 59.5
\$450,000	IRA
\$750,000	401k
\$0	Enter Description of Account
\$0	Enter Description of Account
<b>\$ 1,200,000</b>	<b>TOTAL RETIREMENT ACCOUNTS</b>
<b>\$ 1,200,000</b>	<b>TOTAL ELIGIBLE RETIREMENT ACCOUNTS (100% of value)</b>

**2: Record Borrower's Assets**

**Eligible liquid assets - Not eligible: equity in Real Estate, privately held stocks**

\$25,000	Checking accounts
\$50,000	Savings accounts
\$10,000	Money-market accounts
\$0	CDs
\$0	Publically Traded Stocks
\$0	Bonds
\$0	Mutual funds
\$0	Trusts
\$525,000	Other liquid asset <input type="checkbox"/> Brokerage account
\$0	Other liquid asset <input type="checkbox"/> Enter Description of Asset
\$0	Other liquid asset <input type="checkbox"/> Enter Description of Asset
\$0	Other liquid asset <input type="checkbox"/> Enter Description of Asset
\$0	Other liquid asset <input type="checkbox"/> Enter Description of Asset
<b>\$ 610,000</b>	<b>TOTAL ELIGIBLE LIQUID ASSETS</b>
<b>\$ 1,810,000</b>	<b>TOTAL ELIGIBLE ASSETS INCLUDING RETIREMENT ACCOUNTS</b>

**3: Enter Cash to Close, if applicable**

Purchase  
 Refinance

\$200,000	If cash to close is required, please enter amount.
<b>\$ 200,000</b>	<b>TOTAL DOWN PAYMENT</b>

**4: Calculate Income**

\$ 1,810,000	Total Eligible Assets
200,000	Total of Down Payment
<b>\$ 1,610,000</b>	<b>TOTAL ASSETS ELIGIBLE FOR ASSET DEPLETION</b>
16	Amortization (years) based on Borrower's age (Maximum of 30 years)
5%	Rate of Return
<b>\$ 12,052</b>	<b>MONTHLY INCOME USING ASSET DEPLETION</b>

# THE ADVANCIAL DIFFERENCE

- Loan sizes up to \$5 million
- Up to 80% LTV for owner occupied and 2nd homes including Non-Warrantable Condos, Co-ops, Condotels, and Cash Out – contact your AE for LTV details
- Investment properties allowed on all collateral types up to 75% LTV including cash out
- Up to 10 financed units and 15 total REO allowed including cash out . Some exceptions allowed
- Assets are used at 100% face value with no reduction for stocks, bonds, mutual funds, or other publically traded accounts
- Cash out proceeds can be used in the calculator as income
- Asset depletion can be combined with all other income sources



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# THE ADVANCIAL DIFFERENCE

- Advancial does not:
  - Require active depository relationship
  - Require pledged funds
  - Solicit the borrow to transfer assets

*This is a key benefit to generate leads from Financial Planners, Wealth Managers and Investment Planners*

- Only one appraisal required regardless of loan amount or amount of cash out
- Asset depletion can be used in conjunction with all other income sources such as W-2, self-employed, pension, Social Security, or rental income
- All specialty programs can be used in conjunction with asset depletion and all collateral types are allowed i.e.:

- |                              |                          |
|------------------------------|--------------------------|
| ✓ Multi Family and mixed use | ✓ Non-warrantable Condos |
| ✓ Hobby farms/acreage        | ✓ Co-ops                 |
| ✓ Work Visa/Expat            | ✓ Condotels              |
| ✓ No Credit / Limited Credit | ✓ Cash Out               |
| ✓ 2-4 family                 |                          |



# POINTS TO REMEMBER

- Assets generally must be held in U.S. account with some exceptions allowed
- Private investments, Notes Payable or Cryptocurrency typically cannot be used
- Funds held inside an annuity and cash value or life insurance typically cannot be used
- Trust assets can be used if the borrower has 100% unrestricted access to the funds and all trust documents and asset statements are provided
- Reserve requirement **is not** deducted from the assets when populating the calculator



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# TOP TEN REASONS TO USE ADVANCIAL

- 1** Federal Credit Union portfolio loan programs and rates
- 2** Common sense underwriting
- 3** No Investor overlays
- 4** Unlimited cash out refinance program
- 5** Streamlined work visa/ student visa /no U.S. credit program
- 6** Aggressive asset depletion program
- 7** All loan programs are typically interchangeable
- 8** All loans are pre-approved upfront prior to any appraisal order
- 9** 2 week rush closings available
- 10** Responsive Account Executives, Processors and Funders



# ASSET DEPLETION ARM PRODUCT FEATURES

- Max DTI 43%
- up to 80% LTV (contact your AE for details) up to \$2.5 million loan amount with reduced LTVs up to \$5 million
- 30 year amortization
- No prepayment penalties
- 2/2/6 caps, 1-year CMT Index, 3.0% Margin, Floor = Note Rate
- Qualify at the start rate on 7/1, 2% over on the 5/1 and 6% over on the 3/1
- Escrows generally required

