

## Lending Guidelines

# Near Prime Purchase Financing and Refinancing

Near Prime (B Lender) Purchase Financing and Refinancing (20% Down Payment or Up to 80% Equity) are usually optimal for those who have a hard time proving their income, recent credit issues, collections or judgements, over-usage of credit, own too many properties or don't have enough income to qualify



Financing & Refinancing



Bruised Credit

### Product Features

Property Type	N/A
Rate	Rates are slightly higher than A lenders
LTV	They can often go up to 80% of the value of the property, whereas most A lenders have sliding scales based on property values over \$1.5 million, requiring more than a 20% down payment for those homes
Term	<p>The standard term for these mortgages is 1-3 years, with most people opting for the 1 or 2-year term</p> <ul style="list-style-type: none"><li>This provides time to clean up your credit score or find long-term employment, ultimately boosting your income to qualify for an A lender and lower interest rates in the future</li></ul> <p>As most borrowers opt for a 1-2 year term, this means the rate offered will only be locked in for 1-2 years, which could be a disadvantage if rates are rising</p>
Fees	<ul style="list-style-type: none"><li>B lenders can have a lender fee of up to 1% of the mortgage amount. They also have a no-fee option in some cases</li><li>B lenders sometimes charge a renewal fee from \$300-\$2,000</li></ul>

### Qualifications

- B lenders use higher qualifying ratios than A lenders, allowing you to qualify for a larger mortgage.
- B lenders can rely on bank statements instead of your tax returns for income. This is helpful if you're self-employed, as tax returns often show deductions for expenses, which lower your net income.
- They allow for 2<sup>nd</sup> mortgages to be registered behind them, unlike most A lenders. This is helpful if you're short on money to close and need a 2<sup>nd</sup> mortgage to make up for the difference.
- They allow for the title to a property to be held in a corporation.
- They allow for blanket (Inter Alia) mortgages.
- They offer even more flexibility in terms of qualifying ratios if your down payment is over 35% or the equity in your home remains at 65% or below.
- They offer jumbo size loans for high-end properties that can be hard to qualify for with A lenders.

