

CORE NQM - Bank Statement Program Guide

Last Updated: 03/07/23
v4.1



24 MONTHS PERSONAL BANK STATEMENTS

☐ 24 months personal bank statements (**Co-Mingled Not Permitted**)

☐ 2 months most recent business bank statements w/ activity supporting business operations & transfers to the personal account

☐ Business Narrative is not required

☐ P&L/Expense Statements are not required

☐ 100% of personal bank account deposits are used

☐ Minimum 20% Ownership required

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining income: **Last 12 months bank deposits may be used**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net personal bank depts

12 MONTHS PERSONAL BANK STATEMENTS

☐ 12 months personal bank statements (**Co-Mingled Not Permitted**)

☐ 2 months most recent business bank statements w/ activity supporting business operations & transfers to the personal account

☐ Business Narrative is not required

☐ P&L/Expense Statements are not required

☐ 100% of personal bank account deposits are used

☐ Minimum 25% Ownership required

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining Income: **NOT PERMITTED**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net personal bank depts

24 MONTHS BUSINESS BANK STATEMENTS

OPTION 1 (50% Expense Factor):

☐ 24 months business bank statements required

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining income: **Last 12 months bank deposits may be used**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net bank deposits multiplied by 50% Expense Factor

OPTION 2 (Expense Statement Letter):

☐ 24 months business bank statements required

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ "Expense Letter" (**minimum 10% expenses**) from CPA/accountant, IRS Enrolled Agent, or Licensed tax preparer acknowledging they prepared or reviewed & specify business expenses as a percent of the gross annual sales/revenue

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining income: **Last 12 months bank deposits may be used**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net bank deposits multiplied by the Expense Percentage

OPTION 3 (3rd Party Profit & Loss):

☐ 24 months business bank statements required

☐ 24 months P&L from a CPA/accountant, IRS Enrolled Agent, or Licensed tax preparer acknowledging they prepared or reviewed the P&L

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Expenses from the P&L may be added back to brws income:

- Depreciation • Depletion • Amortization/Casualty loss

☐ Declining income: **Last 12 months bank deposits may be used**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Net bank account deposits; **C)** Or the net Profit & Loss

12 MONTHS BUSINESS BANK STATEMENTS

OPTION 1 (50% Expense Factor):

☐ 12 months business bank statements required

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining Income: **NOT PERMITTED**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net bank deposits multiplied by 50% Expense Factor

OPTION 2 (Expense Statement Letter):

☐ 12 months business bank statements required

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ "Expense Letter" (**minimum 10% expenses**) from CPA/accountant, IRS Enrolled or Licensed tax preparer acknowledging they prepared or reviewed & specify business expenses as a percent of the gross annual sales/revenue

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

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☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Declining Income: **NOT PERMITTED**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or net bank deposits multiplied by the Expense Percentage

OPTION 3 (3rd Party Profit & Loss):

☐ 12 months business bank statements required

☐ 24 months P&L from a CPA/accountant, IRS Enrolled Agent, or Licensed tax preparer acknowledging they prepared or reviewed the P&L

☐ **Co-mingled bank statements:** Must be sole owner (Brw & spouse with combined 100% ownership is eligible)

☐ Borrower Prepared Business Narrative (optional)

☐ Minimum 25% Ownership required

NOTE: All other non-borrowing owners to provide letter acknowledging the transaction & brws access to the income account

☐ Verify % ownership from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter; **C)** Operating Agreement/ByLaws (or equivalent)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Expenses from the P&L may be added back to brws income:

- Depreciation • Depletion • Amortization/Casualty loss

☐ Declining Income: **NOT PERMITTED**

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Net bank account deposits; **C)** Or the net Profit & Loss

PROFIT-AND-LOSS ONLY

☐ Bank Statements are not required

☐ 12 or 24 months P&L prepared/signed by a CPA (proof of CPA current state license required), or IRS EA (proof EA currently active on IRS web site), CTEC (proof CTEC currently active on CTEC web site) dated within 30-days of the loan application

☐ The preparer must provide the percent % ownership AND must attest they have prepared the borrower’s most recent tax returns

☐ Expenses on the P&L must be reasonable for the industry. The UW may require additional information.

☐ Expenses from the P&L may be added back to brws income:

- Depreciation • Depletion • Amortization/Casualty loss

☐ **Minimum 50% Ownership required**

☐ Borrower Prepared Business Narrative (optional)

☐ Verify at least 2 years business existence from one or more of the following: **A)** Business License; **B)** CPA/Tax preparer letter.

NOTE: Verify the Business license if required by the state

☐ Qualifying income: Lower of the **A)** Initial 1003; **B)** Or the net income from the Profit & Loss divided by 12 or 24 months multiplied by the % ownership

DISCLAIMER: Excelerate Capital reserves the right, at Underwriter’s discretion, to require additional information. Documents provided from this form is not a commitment to lend. Loans are subject to Underwriting Approval.