

Stated Income Loans

August 2008

Although stated income loans for investment properties have become increasingly difficult to obtain, they do still exist.

The following guidelines are subject to change without prior notice.

Stated Income Verified Assets (SIVA)

- Amount of stated income must be deemed “reasonable” by the lender/underwriter as determined by employment, length of time in the same line of work, credit history and available assets
- Minimum credit score of 700 required for purchase and rate & term refinances (1-2 unit properties) and 720 for 3-4 unit properties
- Minimum credit score of 720 required for cash out refinances on 1-4 unit properties
- Debt to Income ratios (DTIs) are determined by each lenders automated underwriting engine and overall strength of the borrower
- Maximum loan-to-value (LTV) for purchases and refinances is 75% for 1-2 unit properties and 70% for 3-4 unit properties
- LTV maximums can vary if the property is located in a declining market (determined by individual lenders guidelines)
- Eligible properties include attached/detached SFR's, attached/detached PUD's, low rise warrantable condos and 2-4 units
- Stated income loans are available for W-2 wage earners and self employed borrowers; both require a minimum two year employment history in the same line of work
- Self employed borrowers must provide third party verification of the source of income such as a CPA letter
- Two year history of managing rental properties is required even if rental income is not used to qualify
- There is no seasoning requirement for rate & term refinances, however, cash out requires six months seasoning to refinance based on current appraised value

Stated Income Stated Assets (SISA)

- The same guidelines apply as stated income / verified assets (SIVA) except the minimum credit score requirement is 740 for all cash out refinances and all 3-4 unit properties. 1-2 unit purchases and rate & term refinances require a 720 minimum credit score.

To apply for a mortgage or discuss a particular scenario please email a brief description to info@reinusa.com.