

Standalone Digital HELOC – Debt Consolidation

The Standalone Digital HELOC allows a 50% DTI max. Borrowers that exceed 50% DTI, or that desire to consolidate debt, have the option to select tradelines to pay off during the completion of the Digital HELOC application.

Debt to Income (DTI)

- DTI is calculated twice before the borrower starts the Digital HELOC Application:
 - First, at the beginning of the Prequalification using MLO Inputs only.
 - Second, at the end of the Prequalification Application using API Verification that is available. (i.e. Soft Pull data including monthly debts, mortgage payment and score)

-MLO Input (Prequalification data entry)-

DTI

Total Household Income - Please include all sources of Income. This includes Rental, Social Security, Fixed Benefits, etc

Current Mortgage Payment Any other Monthly Debts

Annual Debts DTI

-Prequalification Processing (Before Invitation is delivered to borrower)-

Prequal comparison

<p>Your Inputs:</p> <p>Home Value: \$800,000.00</p> <p>FICO: 780 - 850</p> <p>Loan Balance: \$100,000.00</p> <p>Loan Amount: \$200,001.00</p> <p>Monthly Debt Load: \$900.00</p> <p>NFTYDoor Payment: \$1,813.34</p> <p>Annual Income BI: \$100,000.00</p>	<p>PreQual Results:</p> <p>Home Value: \$1,032,468.00</p> <p>FICO: 836</p> <p>Loan Balance: \$56,326.00</p> <p>Loan Amount: \$200,001.00</p> <p>Monthly Debt Load: \$1,092.00</p> <p>NFTYDoor Payment: \$1,813.34</p> <p>Annual Income BI: \$100,000.00</p>
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Offer Calculations:

DTI: 34.86%

CLTV: 24.83%

Interest Rate (\$200,001.00): 10.88%

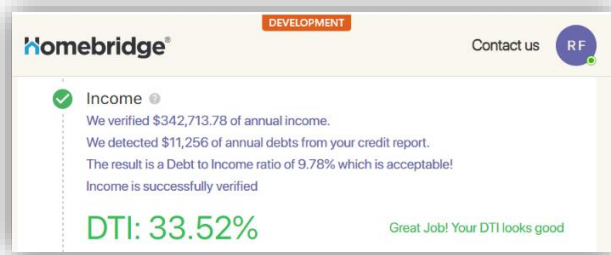
Min Offer: \$25,000.00

Max Offer : \$400,000.00

Debt to Income (DTI)

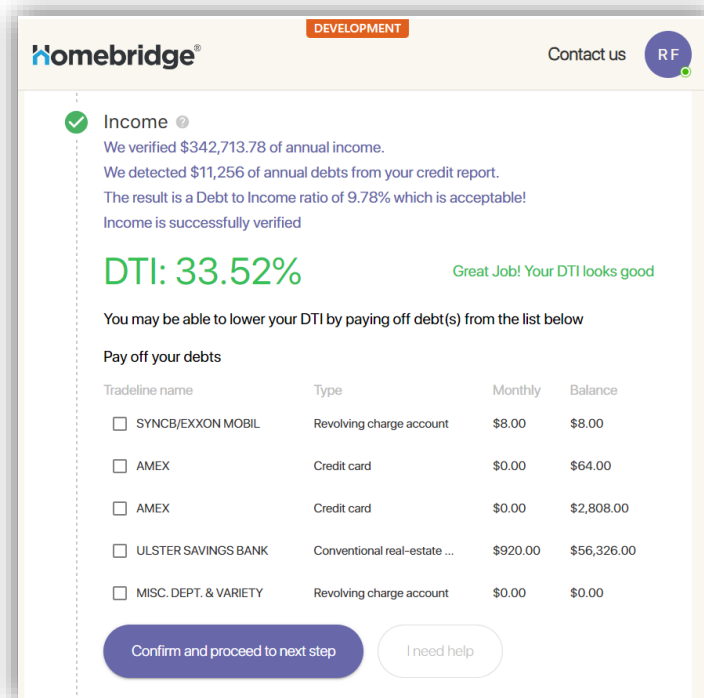
- DTI is calculated the third and final time as the borrower completes the Digital HELOC Application:
 - After the offer has been accepted, the borrower completes the Valuation API (as applicable), and the Income API using TWN or Plaid, CRA.
 - The final DTI calculation happens after verifications are complete (inclusive of hard pull, income calculation, and more).

-After Income and Credit Verifications (Borrower Application)-



- Once the hard credit pull is completed, the borrower is presented with the option to lower their DTI by paying off debt(s).
 - The borrower will click the selection box to the left of the tradeline they want to pay off with funds from the Digital HELOC. DTI will recalculate based on selection(s).
 - Once complete, the borrower will select, "**Confirm and Proceed to Next Step**"

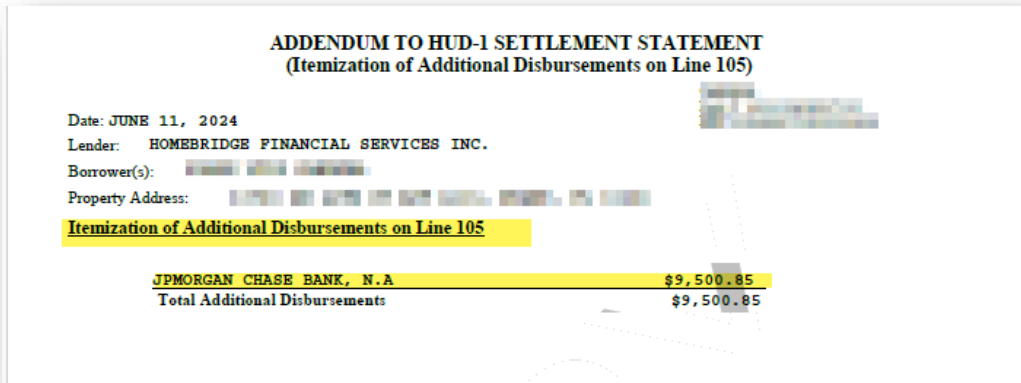
-Lower DTI by Paying Off Debt(s) from Tradelines-



Debt Consolidation and Itemized Disbursements

- The Addendum to the HUD-1 displays the itemized list of disbursement(s) based on the tradelines selected by the borrower for payoff.
- The itemized tradelines on the Addendum are paid with the proceeds of the Digital HELOC.

-Itemization of Additional Disbursements-



Note: The offer to pay off tradelines to lower the DTI will be presented as the borrower completes their Digital HELOC application only when the MLO selects **Debt Consolidation** as **Use of Proceeds**, or when the DTI exceeds 50% during the Prequalification prescreening process.

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Yes No

Use of Proceeds

Home Improvement

Home Improvement

Debt Consolidation

Other

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The Debt to Income is greater than 50%, however this application may be eligible for a debt consolidation. Dismiss

Total Household Income - Please include all sources of income. This includes Rental, Social Security, Fixed Benefits, etc

\$85,000

Current Mortgage Payment: \$800

Any other Monthly Debts: \$1,000

Annual Debts: \$43,360.08

DTI: 51.01%

The Debt to Income is greater than 50%, however this application may be eligible for a debt consolidation.

Use of Proceeds: Home Improvement