A GUIDE FOR RETIREES, SAVERS & INVESTORS

ASSETS

QUALIFY ON WHAT YOU'VE SAVED, NOT WHAT YOU EARN

Your nest egg can be your income.

How asset utilization loans work, which accounts count, how your savings turn into qualifying income, and how to put together a file an underwriter can approve.



BRIAN MARCHAND
SR. LOAN CONSULTANT · NMLS #481563
(518) 396-7392 · brian.marchand@naf.com

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PLENTY SAVED, BUT NOT MUCH ON PAPER? READ THIS FIRST.

Some of my most financially secure clients have the hardest time qualifying for a mortgage. They've **retired early**, **sold a business** or **received an inheritance**. They have real money in the bank, but very little monthly income shows up on a tax return.

Most loans only count income you're paid. An asset utilization loan looks at **what you already have** and turns it into qualifying income on paper. You don't have to sell your investments or take a withdrawal to do it.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. Read this, then call me before you move any money around. Where your money sits, and for how long, matters.

Brian

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WHAT ASSET UTILIZATION IS

Your savings, turned into a monthly income figure.

Asset utilization, sometimes called **asset depletion**, takes your eligible savings and investments and divides them over a set number of months. The result is treated as **monthly income** for qualifying, just like a paycheck would be.

+	**ELIGIBLE ASSETS**	Bank, brokerage and retirement accounts, after any discounts
−	**DOWN PAYMENT & CLOSING COSTS**	Money you'll use for this purchase comes out first
−	**REQUIRED RESERVES**	Months of payments the program wants left in the bank
=	**ASSETS LEFT TO QUALIFY**	What's left is what gets turned into income
÷	**PROGRAM'S MONTHS**	A set number of months, which varies by program
=	**MONTHLY QUALIFYING INCOME**	Used in your debt-to-income ratio, like any other income

GOOD TO KNOW: This is a calculation, not a withdrawal plan. Your money stays where it is. The lender just needs to see that it's there, it's yours and you can get to it.

WHO ASSET UTILIZATION FITS

Built for people with more saved than earned.

Asset utilization is offered through some agency programs and many **Non-QM** programs, which follow their own guidelines instead of the standard Fannie Mae, Freddie Mac or FHA rules. The right version depends on how much you have, where it's held and what else you earn.

USUALLY A GOOD FIT

- You're retired, or retiring early
- You recently sold a business or property
- You received an inheritance or settlement
- Your income is mostly investment returns
- Your Social Security or pension alone doesn't qualify you
- You'd rather not sell investments to pay cash

KNOW GOING IN

- You'll need **substantial** liquid assets for the math to work
- Investment and retirement accounts are often **discounted**
- Non-QM rates are usually **higher** than conventional
- Down payment requirements may be **larger**
- Expect to show **several months** of statements
- Guidelines vary a lot from lender to lender

REAL TALK: If your Social Security, pension or retirement withdrawals already qualify you, a standard loan may get you a better rate. I'll run it every way before we pick a direction.

WHICH ASSETS COUNT

Not every dollar counts the same.

Lenders look at how **liquid** each account is, meaning how quickly and reliably it could be turned into cash. The more an account can swing in value, or the harder it is to reach, the more it may be discounted.

ASSET TYPE	HOW IT'S USUALLY COUNTED	WHAT TO KNOW
CHECKING, SAVINGS & MONEY MARKET	Usually at full value	The easiest to document and the most reliable
STOCKS, BONDS & MUTUAL FUNDS	Often at a percentage of the balance	The discount accounts for market swings
401(K), IRA & OTHER RETIREMENT	Often discounted, depending on your age and access	Early withdrawal penalties and taxes can reduce what counts
CDS & ANNUITIES	Varies by program	Surrender charges or lock-up periods matter
GENERALLY NOT COUNTED	Home equity, business assets, vehicles, collectibles	Margin-pledged or borrowed funds are usually excluded

ACCOUNTS HAVE TO BE IN YOUR NAME

Joint accounts with someone who isn't on the loan, trusts and business accounts each have their own rules. Some programs accept them with extra paperwork. Others don't. Let me look at how your accounts are titled before you apply.

HOW YOUR INCOME IS CALCULATED

From your account balances to a monthly qualifying number.

Here's how asset utilization can turn savings into qualifying income. Your balances, discounts and the program's number of months will be different. This just shows how the steps work.

Savings & money market (full value)	**$300,000**
Brokerage account, after discount	**$650,000**
Retirement accounts, after discount	**$250,000**
Total eligible assets	**$1,200,000**
Less: down payment & closing costs	**($150,000)**
Less: required reserves	**($50,000)**
Assets used to qualify	**$1,000,000**
MONTHLY INCOME (÷ 120 MONTHS, EXAMPLE)	**$8,333**

EXAMPLE ONLY. NOT AN OFFER OR A GUARANTEE OF QUALIFYING INCOME.

THE MONTHS VARY

Each program sets its own number. Fewer months means more monthly income from the same savings.

DISCOUNTS VARY

How much of your investment and retirement accounts counts depends on the program.

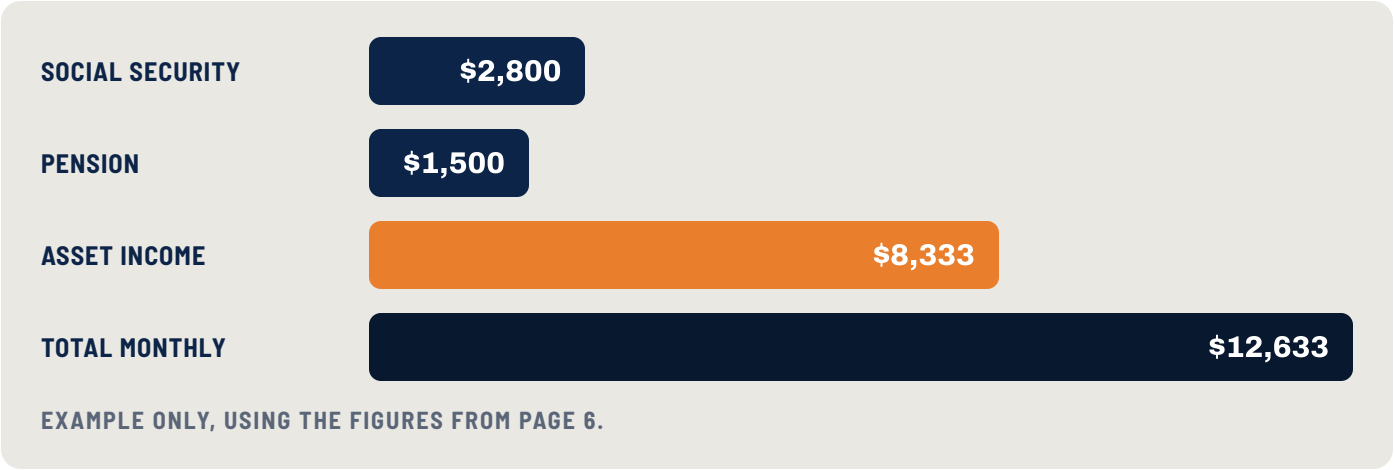
IT ADDS UP

Asset income can often be combined with Social Security, a pension or other income.

COMBINING WITH OTHER INCOME

Your savings don't have to do all the work.

Many programs let you **add asset income on top of** income you already receive. For a lot of retirees, Social Security and a pension cover part of the payment, and asset utilization covers the rest.



EXAMPLE ONLY, USING THE FIGURES FROM PAGE 6.

SOCIAL SECURITY & PENSIONS

Award letters and recent deposits document these. Some non-taxable income can be grossed up.

RETIREMENT WITHDRAWALS

If you already take regular distributions, those may count as income instead.

PART-TIME OR CONSULTING WORK

Usually needs a track record. Newer income may need more documentation.

RENTAL INCOME

Leases and tax returns can add rental income from properties you already own.

SEASONING & DOCUMENTATION

The money has to be yours, and it has to have been there a while.

Seasoning means how long your money has been sitting in an account. Underwriters want to see that funds are stable and not borrowed. That usually means **several months of complete statements** for every account you're counting.

COMPLETE STATEMENTS

Every page of every statement, including blank pages. Screenshots and summaries usually aren't enough.

LARGE DEPOSITS

Any deposit that doesn't fit your normal pattern will need a **paper trail** showing where it came from.

SALE OF A BUSINESS OR HOME

The closing statement or purchase agreement shows the proceeds are yours, even if they're recent.

INHERITANCE OR SETTLEMENT

Estate paperwork, a distribution letter or a settlement agreement documents where the money came from.

REAL TALK: Recently received money isn't a problem if it's well documented. Unexplained money is. Keep the paperwork from any big event, and call me before you consolidate accounts.

COMMON MISTAKES THAT DELAY APPROVAL

Most of these are easy to fix ahead of time.

1 MOVING MONEY RIGHT BEFORE
Consolidating accounts during the process creates a trail the underwriter has to follow.

2 CASHING OUT TOO EARLY
Selling investments before you need to can trigger taxes, and isn't usually required.

3 MISSING STATEMENT PAGES
Partial statements get sent back. Every page of every month is needed.

4 UNEXPLAINED DEPOSITS
Large deposits without paperwork can be left out of the calculation.

5 BORROWED OR PLEDGED FUNDS
Margin loans and pledged accounts usually can't be counted as your assets.

6 COUNTING THE SAME DOLLARS TWICE
Down payment money comes out before the income math. Plan for both.

7 ACCOUNT TITLING ISSUES
Joint, trust or business accounts may need extra paperwork, or may not count.

8 STARTING TOO LATE
Waiting until you're under contract leaves no time to fix anything.

REAL TALK: Almost every one of these is avoidable with a 15-minute conversation before you apply. That's the cheapest time to fix a problem.

YOUR SCORE AND DOWN PAYMENT WORK TOGETHER

Strong savings still have to fit the program's credit rules.

Every asset utilization program sets limits based on your **credit score** and your **loan-to-value (LTV)**, meaning how much you borrow compared to the home's value. In general, a lower score means a larger down payment, more reserves or fewer programs to choose from.

STRONG CREDIT, SOLID DOWN PAYMENT	The most program choices and the best pricing. Usually the smoothest path.
MIDDLE OF THE RANGE	Still plenty of options. Rate, down payment and reserves vary more from program to program.
SCORES ON THE EDGE	Fewer programs fit, and the down payment carries more weight. This is where shopping the file matters most.

WHEN YOUR FILE IS CLOSE, I DON'T GUESS

If your scores or assets are on the edge for a standard program, I send your file to our **scenario desk** with your statements and income documents. They look across programs to find the one that fits your savings, score and down payment.

GOOD TO KNOW: Minimum scores, asset discounts, months used and maximum LTVs change often and vary by program, so they aren't listed here. Ask me for current guidelines on your scenario.

KEEP YOUR INVESTMENTS WORKING

Buying a home doesn't have to mean cashing out.

Many people with significant savings assume they should pay cash, or sell investments for a large down payment. Sometimes that's right. But an asset utilization loan gives you **another option**: keep your money invested and finance the home instead.

	FINANCE WITH ASSET UTILIZATION	SELL INVESTMENTS TO PAY CASH
YOUR INVESTMENTS	Stay invested and can keep growing	Sold, and out of the market
TAXES	No sale, so generally no capital gains from it	Selling may trigger capital gains or withdrawal taxes
CASH ON HAND	More liquidity for emergencies and opportunities	Much of your savings is tied up in the house
MONTHLY COST	A mortgage payment	No mortgage payment

BRING YOUR FINANCIAL ADVISOR IN EARLY

The right choice depends on your taxes, your investment returns and your retirement plan. I'm happy to work alongside your CPA or financial advisor so the loan fits the bigger picture.

DOCUMENT CHECKLIST

Have these ready, and the process moves a lot faster.

- [ ] Recent statements for every account you're counting, all pages
- [ ] Social Security award letter, if applicable
- [ ] Pension or annuity award letter, if applicable
- [ ] Retirement account terms showing access to funds
- [ ] Paperwork for any large or unusual deposits
- [ ] Closing statement from a recent home or business sale
- [ ] Estate or settlement documents, if applicable
- [ ] Trust documents, if accounts are held in a trust
- [ ] Recent tax returns, if your program asks for them
- [ ] Government-issued photo ID

Every program is a little different. I'll give you the exact list for your scenario before you gather anything.



BRIAN MARCHAND
SR. LOAN CONSULTANT · NMLS #481563
(518) 396-7392 call or text
brian.marchand@naf.com
naf.com/brianmarchand

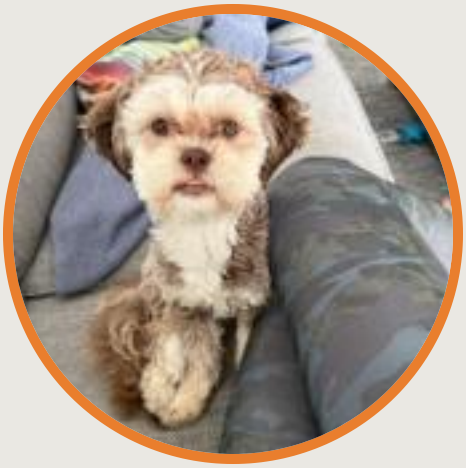
BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY

This guide is for educational purposes only and is not a loan commitment or guarantee of approval. All loans are subject to credit, asset, income, property and appraisal approval; not all applicants will qualify. Asset utilization (also called asset depletion) calculations, eligible asset types, discounts applied to investment and retirement accounts, the number of months used to calculate income, seasoning and documentation requirements, credit score minimums and loan-to-value limits vary by program and are determined at underwriting. Examples are illustrations only. Using assets to qualify does not require you to withdraw or liquidate them, and does not create actual income. Investment values fluctuate. Asset utilization and other Non-QM loans may carry higher interest rates, larger down payment requirements and different terms than agency or QM financing. Program availability and guidelines are subject to change without notice. Brian Marchand and New American Funding do not provide tax, legal or investment advice; consult your CPA, attorney or financial advisor. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

PENNY'S CORNER

A few words from our Chief Belly-Rub Officer.



PENNY SAYS

CHIEF BELLY-RUB OFFICER

Some of Dad's favorite people have saved for decades and still got told no because they don't get a paycheck anymore. That never sat right with me either. I have a whole stash of tennis balls and nobody asks for my pay stubs.

Don't move your money around before you talk to Dad. Leave it where it is. Like my toys. Exactly where I left them.

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Tips, updates and plenty of Penny.

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