The ONE Lender

Bank Statement 101
August 2026 Broker Webinar

LoanStreamWholesale.com 800.760.1833

WEBINAR HOSTS

Jenny Beck
Director of Learning and Development

Shaun Dennison
EVP Non-QM Lending

Intended for Mortgage/Real Estate Professionals

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August Specials

Non-QM Select & Core Pricing Improvement

- 25 BPS on Non-QM (includes Closed End Seconds and DSCR 5-8)

Government (FHA, VA & USDA) Pricing Improvements

- 25 BPS on FHA, VA & USDA
  - FICO 620+ Non-Select Standard & High Balance
  - Excludes DPA and CalHFA
- 12.5 BPS on FHA, VA & USDA Select
  - Includes Select Standard & High Balance
  - Includes FHA Streamlines and VA IRRRLs

Closed End Seconds Specials: eligible only in conjunction with LoanStream first liens. See our Closed Ends Seconds matrix for details. Loans originated in US Territories and the following states are ineligible: MI NJ, NY, TN, TX, WV. Restrictions apply. Contact your account Executive for details. Important to note that a Closed-End Second Mortgage may typically have a higher interest rate than the first lien mortgage. June Special Offers valid for loans locked between 8/1/2026 and 8/31/2026. All offers are subject to change without prior notice. Rate and price improvements are applicable only to qualifying loan programs and borrowers, and not all applicants will qualify. Specials cannot be combined with any other offer or price exception unless explicitly stated. Terms, restrictions, and conditions apply. This is not a commitment to lend. Loans may qualify for additional price improvement with Select Specials as indicated on our Prime and Non-QM Rate sheets. LoanStream is not affiliated with or acting on behalf of or at the direction of the Federal Housing Administration, Veterans Administration, or the Federal Government.

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New to bank statements or just looking for a refresher?

Today session we will break down what you need to know to help analyze statements, spot red flags and common mistakes and avoid the gotcha's!

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BANK STATEMENT 101: A Beginner's Guide

UNDERSTANDING BANK STATEMENTS

What makes bank statement loans different from conventional income analysis?

- Why Non-QM Borrowers user bank statements
- Common borrower profiles
- Personal vs. Business statements
- Why tax returns don’t always tell the full story

ANALYZING BANK STATEMENTS

When you receive 12 or 24 months of bank statements, where do you start?

- Read the Self-Employed business narrative
- Verify all pages are included in submitted statements
- Look for deposit consistency – Frequency and Amount
- Identifying business income
- Spotting transfers
- Reviewing beginning and ending balances

CALCULATING QUALIFYING INCOME

What deposits count toward qualifying income?

- Gross deposits
- Eligible deposits
- Business revenue
- Expense factors
- CPA letters
- Average monthly income

COMMON MISTAKES

What are the most common mistakes you see newer underwriters make?

- Counting transfers as income
- Business on 1003 does not match business on bank statements
- Using incomplete statements
- No tax preparer due diligence (license verification)
- Ignoring declining income
- Not addressing deposit gaps/inconsistencies
- Deposit verbiage vs industry
- Income duplication – using personal and business statements

RED FLAGS

What makes you stop and investigate further?

- Large unexplained deposits
- Cash-heavy business deposits
- NSFs
- Transfers from personal accounts (owner re-funding business)
- Altered statements (names, deposits and/or beginning and ending balances)
- Round-dollar deposits
- Negative daily ending balances
- No online presence – can't find the business

THE GOTCHA'S

What are some of the issues that seem small but can derail a loan?

- Key word deposit disqualifiers
  - Refund
  - Loan
  - Advance
  - Draw
  - Disbursement
  - Transfer
- Knowing exact employee count, time in business and ownership %
- Monthly income vs Assets (reserves) not in line
- Undisclosed debt payments in the "withdrawals"
- Lack of Entity due diligence up front – i.e. Secretary of State shows entity "dissolved"

PERSONAL VS BUSINESS STATEMENTS

When would you prefer one over the other?

- Advantages
- Challenges
- Business expense factors
- Co-mingled funds
- Sole proprietors

DOCUMENTATION

What documentation makes your job easier?

- Tax Preparer letter
- P&L statement
- Business License
- Corporate Documents
- Secretary of State
- Website
- Invoices
- Detailed/Correct Self-Employed narrative – Tell the story

FRAUD AWARENESS

What fraud indicators have you actually encountered?

- Bank Statement calculation software – fraud detection
- Bank statement alterations
  - Misspellings
  - Faunt variance
  - “Math not mathing”
- Fake websites
  - Domain name – doesn’t match legitimate site
  - Business in existence 5 years but domain registered 2 months ago
  - Poor quality content
    - Spelling errors
    - Broken links
    - Generic stock photos

BEST PRACTICES

If you could give one piece of advice to a new underwriter, what would it be?

- Follow the money
- Trust but verify
- Never assume
- Document your thought process
- Ask questions early
- Review every page

LIGHTNIING ROUND Q&A

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Thank You

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