

MARKET OPPORTUNITIES AND OPERATIONS TRACK: Why the Non-Agency Market is a Must for Your Success

Monday, October 20, 2025

Moderator

Eloise Schmitz, CEO and Co-Founder, LoanNEX

Speakers

Steven Davids, SVP, Product Development & Non-QM Production, Northpointe Bank

Tom Davis, Chief Sales Officer, Deephaven Mortgage LLC

Tom Pearce, Chairman & CEO, MAXEX

Lisa Schreiber, SVP Correspondent Lending, eResi Capital

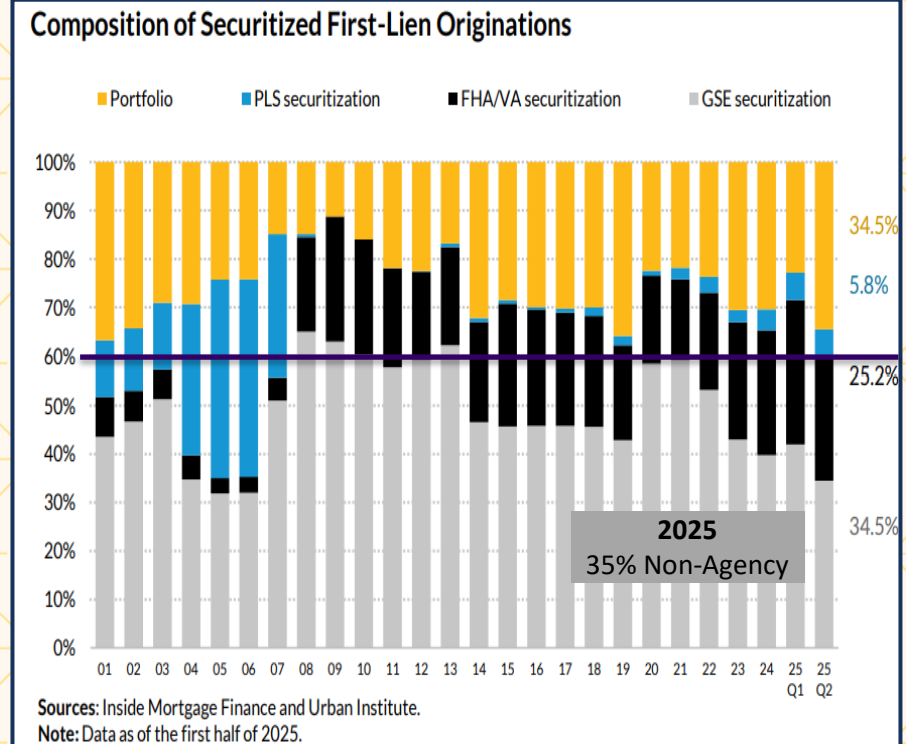
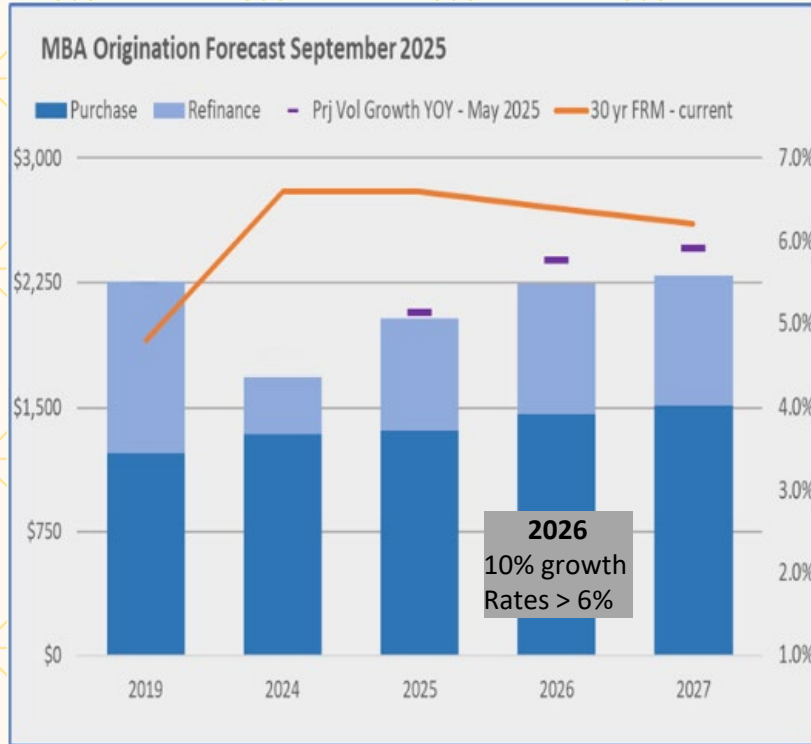
Max Slyusarchuk, CEO, A&D Mortgage

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Why the Non-Agency Market is a Must for Your Success

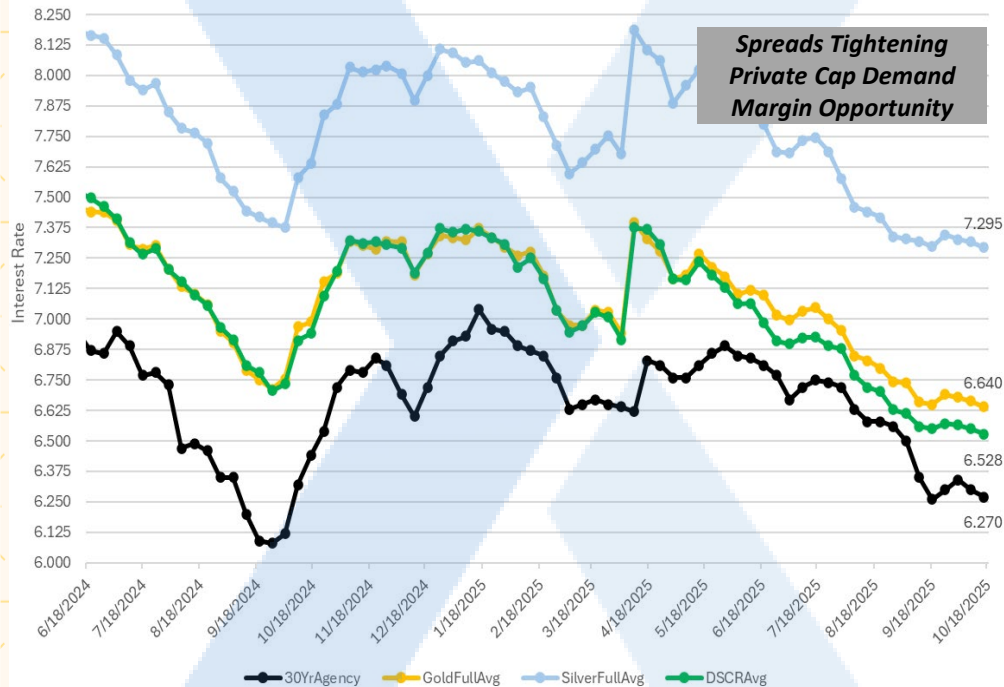
- **About 1/3 of total 1st Lien New Originations are Non-Agency**, including PMBS and portfolio holdings.
- **Non-QM is up 88% YTD** with Non-QM and 2nd Lien Loans representing the fastest growing segments
- **What is Non-QM and who does it serve?**
 - WHO: Self Employed Borrowers, Entrepreneurs, Investors, Strong Assets
 - Credit Profile: Bank portfolio type production with high FICO, low LTV and low DTI
 - Programs: Cash Flow: BKST/P&L/1099; Asset Utilization; DSCR;
 - Products: Interest Only, 30 year, ARM
- **Why Care Now?**
 - Competition - Market demand requires access to all options
 - Profitability – Increased Margins
 - Increased Production – Serve more borrowers
 - Retention –LOs & Customers, Referral Sources

State of the Market → Shifting Liquidity Sources



Non-Agency Trends *LoanNEX Index Data*

X Index Rates vs Agency 30yr Fixed (through 10/16/2025)



30-Year Fixed Rate Mortgage Average in the United States (Freddie Mac)
LoanNEX Loan Attributes: 500k, 65% LTV, Purchase, Single Family. FICO: Gold 740, DSCR 720, Silver 680

X Scenario Stats

Attribute Trends (As A % Of Total Scenarios)

	Q1 25	Q2 25	Q3 25
Purchase	57%	60%	56%
Refinance	43%	40%	44%
C/O Portion of Refi	67%	71%	68%
Full Doc	25%	17%	17%
Bank Statement	18%	22%	22%
DSCR	47%	50%	50%
Other	9%	10%	12%
Investment Prop	55%	57%	56%
FICO >= 720	67%	71%	71%
LTV >= 80%	8%	9%	9%
First Lien	98%	97%	96%
Second Lien	2%	3%	4%
HELOC Portion of 2nd	18%	13%	12%
Jumbo	33%	27%	27%
Avg Loan Size	\$738	\$673	\$664

Tips to be Successful With Non-Agency in 2025

Establish Good
Partnerships

*Lender/Investor
& Warehouse*

Create your
Non-QM Process
that fits your
Business

Leverage
Technology

Expand your
Marketing Reach

Say Yes to More Borrowers

Expand Margins

Attract and Retain Top MLOs

Expand Volume

Take-Aways to Drive Success Predictions for 2026