

**THE RATE ENVIRONMENT**

*Iran • Strait of Hormuz • What to Watch*

**RISK ON:** Middle East tensions spike  
**OIL:** Prices rise (Strait of Hormuz — 20% of global supply)  
**CPI:** Inflation expectations jump  
**10Y UST:** Yields climb — mortgage rates follow

**RISK OFF:** Tensions ease / diplomatic progress  
**OIL:** Falls — inflation expectations moderate  
**BONDS:** Buyers return — yields compress  
**TARGET:** 61.8% Fibonacci = 3.919% — then the 5s

**KEY LEVELS — 10Y UST**

Resistance: 4.588 (23.6% Fib)  
 Resistance: 4.332 (38.2% Fib — held twice)  
 Current: ~4.28 (R1 support zone)  
 Support: 4.207 / 4.177 (S1/S2)  
 Target: 3.919 (61.8% Fib)

**WHY WAITING COSTS MORE**

Seattle median home: \$1,406,177  
 5-yr forecast gain: +\$377,663 (+26.86%)  
 63-yr avg appreciation: 5.68%/yr  
*Price appreciation outpaces rate savings. Every time.*

**3 SOLUTIONS YOUR CLIENTS DON'T KNOW EXIST**

*Non-QM / Asset-Based Lending for High Net Worth*

**01 Bank Statement Loan**

Self-Employed / S-Corp Owners

12-24 months deposits qualify — no tax returns, no W2 penalty. Your client shows \$90K on their return but deposits \$380K/yr? We close them at \$1.2M.

**\$380K deposits → \$190K qualifying income**

**02 Asset Depletion**

Retirees / Fixed Income / High AUM

Liquid assets divided over loan term = qualifying income. \$3M portfolio at 70% LTV = \$5,800/mo qualifying income. No W2. No employment. Portfolio stays invested.

**\$3M AUM → \$5,800/mo qualifying income**

**03 Asset-Based Portfolio Loan**

Concentrated Positions / HNW Preservation

No liquidation. No capital gains trigger. In a real client case: Scenario 1 (cash purchase) cost \$105,000 in taxes & penalties. Scenario 2 (portfolio loan) cost \$25,000.

**\$80,000 saved — real client, real numbers**

**THE 3 CLIENT TRIGGERS — When You Hear These, I'm the Call to Make**

**TAX Tax Issue Client**

"I can't qualify because of my write-offs."

**Say to your client:**

"How open-minded are you to speaking with a lender who can help you take the maximum tax deduction AND still qualify for the home you want — without choosing between the two?"

**AUM Fixed Income / AUM Client**

"My retired client doesn't have enough income."

**Say to your client:**

"How open-minded are you to speaking with a lender who can qualify you using your portfolio — without liquidating a single dollar of it?"

**INV Real Estate Investor**

"They want to buy rentals but don't want to show income."

**Say to your client:**

"How open-minded are you to speaking with a lender who can help you acquire investment property without triggering a capital gains event or showing personal income?"

**SCENARIO 1: CASH PURCHASE**

Liquidate to buy outright

Realized Capital Gains	\$240,000
IRA Withdrawal (w/ 10% penalty)	\$240,000
Income Tax & Penalties	\$105,000
Financing Costs	—
<b>TOTAL COST</b>	<b>\$105,000</b>

**SCENARIO 2: PORTFOLIO LOAN**

McGinnis Team Asset-Based Loan

Realized Capital Gains	\$120,000
IRA Withdrawal	\$0
Income Tax	\$18,000
Financing Costs to Close	\$7,000
<b>TOTAL COST</b>	<b>\$25,000</b>

**INITIAL SAVINGS WITH THE PORTFOLIO LOAN:**

**\$80,000**

Client keeps more wealth invested. Retains flexibility. No forced IRA distributions. Option to pay down balance after reaching age 59.5.

**NON-QM DECODED — What Your Clients Are Actually Getting**

**NON-QM IS NOT...**

- X Subprime or predatory products
- X Bad credit / high-risk lending
- X 2008-style instruments
- X Only for desperate borrowers

**NON-QM IS...**

- ✓ Alternative income documentation for creditworthy borrowers
- ✓ Institutional-grade capital — \$900M raised from Wall Street
- ✓ Wall Street validated the credit quality and structure
- ✓ Most HNW clients already qualify — they just don't know it

**\$900M**

raised from Wall Street in one week

Ronald J. Leonhardt, Jr. | CEO, CrossCountry Mortgage

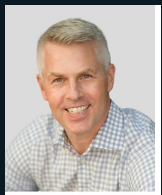
Expected: \$300-400M. Delivered: \$900M.

**What this means for your clients:**

Institutional-grade capital — not a fringe product.

Wall Street validated the credit quality and structure.

Most HNW clients already qualify. They just don't know it.



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