

Asset Dissipation – A Powerful Tool

Assets can provide a needed solution to borrower's whose residual income is short or when a borrower is short to close or needs funds to set up their LESA.

In Quantum Reverse the **Financials** section of the **Assets/Incomes** screen allows the user to enter the total value of an asset.

After entering the value, Quantum will calculate a monthly amount of imputed income.

For taxable assets, click the **Taxable** box. 15% is the default tax rate but can be changed.

If the loan is short to close, that amount will be subtracted from the asset's value.

Exclude from FA Calculation will remove the asset from income.

Financials	
Value:	50,000.00
- Funds Needed to Close:	\$7,512.89
Net Value:	\$42,487.11
Taxable: <input checked="" type="checkbox"/>	Tax Rate: 15.0%
Discounted Net Value:	\$34,987.11
Monthly Income	
Applied Monthly Income:	\$224.28
Exclude from FA Calculation: <input type="checkbox"/>	

Asset Dissipation FAQs

Q On purchase loans, how is asset dissipation counted?

A Anytime the asset is being used to close the loan, that asset (or the portion of that asset) cannot be dissipated.

Q Can I always count 100% of an asset for dissipation purposes?

A No, assets that are subject to taxes when they are liquidated, like Stocks and Bonds will only count at 85% of their value. Multiply the asset by 115% (you will get close but due to rounding you may need a little more!) to see how much you need.

Q Is Asset Dissipation considered a comp factor?

A No, asset dissipation is considered income, so all comp factors can still be used the same way as traditional income.

Q How do I document asset dissipation?

A Some assets receive quarterly statements, others receive monthly statements. To document the income, you will need the latest quarterly statement or last two-month's statements. Remember, you might have to get updated statements if a new month or quarter is available.

Q Does changing margins or rates effect the amount of assets that would need to be dissipated?

A It can since those changes may affect loan proceeds and therefore the amount of assets.

Where are the assets?

- Checking/Savings
- CDs
- Retirements Accounts (401k, 403b, IRA, Roth IRA)
- Brokerage Accounts