

# Mortgage Industry Sees Increased Use of Bank Statement Loans for Self-Employed Jumbo Borrowers

*Lenders expand alternative income documentation options as traditional tax return qualification becomes less representative for certain borrowers*

SALT LAKE CITY, UT, UNITED STATES, April 29, 2026 /EINPresswire.com/ -- A shift in mortgage underwriting practices is emerging as lenders expand the use of bank statement loans to qualify self-employed borrowers, particularly in the jumbo loan market. Industry professionals report that alternative income documentation is becoming more widely accepted as a method for evaluating borrower eligibility.



Steve Saxton is a Jumbo Loan Expert with over 27 years of Experience guiding homeowners

Traditionally, mortgage qualification has relied heavily on personal and business tax returns to determine income. However, for self-employed individuals, tax filings may not always reflect actual cash flow due to standard business deductions, depreciation, and other accounting strategies.

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*Steve Saxton / Jumbo Mortgage Expert*

As a result, lenders are increasingly incorporating bank statement analysis into their underwriting guidelines. These programs typically review 12 to 24 months of deposits and apply standardized expense ratios based on industry type and ownership structure to determine qualifying income.

According to [Steve Saxton](#), a mortgage professional specializing in [jumbo loans](#) and complex income structures, this shift reflects a broader adjustment in how lenders evaluate modern

income.

“Tax returns are designed for tax reporting purposes, not necessarily to reflect usable income for mortgage qualification,” said Saxton. “Bank statement programs allow lenders to evaluate cash flow more directly, which can provide a different perspective on a borrower’s financial position.”

Industry participants note that this trend is particularly relevant in higher loan amount segments, where self-employed borrowers are more common. In these cases, alternative documentation methods may provide additional flexibility when traditional qualification standards are difficult to meet.

Bank statement loan programs generally apply expense factors ranging from 10% to 50%, depending on the nature of the business, to estimate net income. This approach allows lenders to account for operational costs while still recognizing consistent deposit activity.

As competition increases within the non-qualified mortgage (non-QM) sector, lenders have continued to refine these programs, offering expanded guidelines and, in some cases, more competitive pricing structures.

Saxton noted that while these programs are becoming more accessible, [proper loan structuring](#) remains an important factor in successful approvals.

“These types of loans require a detailed review of income patterns and documentation,” Saxton said. “Working with lenders that understand how to evaluate bank statement income is an important part of the process.”

The growing use of alternative income documentation reflects broader changes in the workforce, as more borrowers generate income through self-employment, business ownership, or contract-based work arrangements.

As the mortgage industry continues to evolve, bank statement loans and similar programs are expected to remain a key option for borrowers whose financial profiles may not align with traditional documentation methods.

#### About Steve Saxton

Steve Saxton is a mortgage loan officer with over 25 years of experience specializing in jumbo loans, bank statement loans, and complex income strategies for self-employed borrowers. Known for structuring loans that traditional lenders cannot solve, he works with high-income professionals, business owners, and entrepreneurs to secure financing based on real cash flow rather than outdated qualification methods. Based in Utah, he educates clients nationwide with a focus on strategy-driven mortgage solutions.

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