

Bay Area Self-Employed Borrowers Turn to Bank Statement and DSCR Loans as Conventional Underwriting Leaves Many Behind

Non-QM lending is set to hit \$175B in 2026, driven in the East Bay by self-employed and investor buyers, says Walnut Creek mortgage broker Eric Rotner.

WALNUT CREEK, CA, UNITED STATES, August 21, 2026 /EINPresswire.com/ -- More Bay Area homebuyers are turning to bank statement, profit-and-loss, and DSCR loan programs to qualify for a mortgage, as conventional underwriting built around W-2s and tax returns increasingly fails to reflect how self-employed borrowers and real estate investors actually earn money. That's according to Eric Rotner, a mortgage broker and banker with [My Mortgage Ally](#) in Walnut Creek, operating under Cornerstone First Mortgage.

California's self-employment rate stands at 11.6 percent, above the national rate of 9.9 percent, according to the Public Policy Institute of California. Growth in professional services and business ownership across the Bay Area means a large share of local earners don't have a traditional paycheck to show a lender, even when their income is high.

Nationally, non-qualified mortgage (non-QM) lending, which covers bank statement, DSCR, and asset-based loan programs, is projected to reach \$175 billion in 2026, up from \$108 billion in 2025, according to Bank of America Securities data reported by HousingWire. DSCR and investor loans now make up roughly half of all non-QM volume.

"Most lenders still want two years of tax returns and a W-2, and that just doesn't work for a lot of people here," said Rotner. "Business owners, freelancers, and real estate investors in Walnut



Eric Rotner

Creek, Concord, Lafayette, Danville, and San Ramon are earning good money. They just don't earn it the way a conventional loan application expects. Bank statement and DSCR programs let us qualify them on what their business or their property actually brings in."

Rotner said he's seeing the steadiest local demand in three areas:

Self-employed buyers and refinance clients who qualify using 12 or 24 months of bank deposits or a profit-and-loss statement instead of tax returns.

Real estate investors who qualify a rental purchase based on the property's rental income through a DSCR loan, rather than their personal debt-to-income ratio.

Move-up buyers who use bridge or buy-before-you-sell financing to purchase their next home before their current one sells, without a contingent offer.

Under the Consumer Financial Protection Bureau's Ability-to-Repay rule, non-QM loans still must verify a borrower's ability to repay. They just do it through alternative documentation, such as bank deposits, business cash flow, or a property's income, instead of standard W-2 or tax return underwriting.

Rotner has worked in Bay Area mortgage lending for more than 25 years and operates as a broker-banker hybrid through Cornerstone First Mortgage, giving him access to both wholesale lender programs and in-house underwriting.

About My Mortgage Ally

My Mortgage Ally is the DBA of Eric Rotner (NMLS #338424), a mortgage broker and banker based in Walnut Creek, California, operating under Cornerstone First Mortgage, LLC (NMLS #173855). My Mortgage Ally serves buyers, homeowners, and real estate investors across Contra Costa County and the East Bay, with a focus on self-employed, non-QM, and investor lending. Equal Housing Opportunity. License information is available at nmlsconsumeraccess.org.

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