INCOME GUIDE

Asset Depletion Guide

How lenders can turn savings and retirement accounts into qualifying income, which assets count under Fannie Mae's rules, how the math works, and how non-QM asset-based loans differ.

Reviewed November 18, 2026 against the sources listed at the end of this guide.

Who might consider asset depletion

"Asset depletion" (also called asset utilization or asset-based qualifying) lets a lender count part of your savings or investments as monthly income. It can help if you:

- Are retired, or about to retire, with significant savings but modest monthly income
- Recently sold a business or received a large severance or retirement distribution
- Have income that is hard to document but substantial liquid assets
- Want to buy without drawing down your accounts to show regular withdrawals

Two different paths

	Fannie Mae (conforming)	Non-QM asset-based loans
Who sets the rules	Fannie Mae Selling Guide B3-3.4-06	Each lender
Eligible assets	Limited to certain employment-related assets	Usually broader: checking, savings, brokerage, retirement and sometimes other assets
Transaction types	Purchase or limited cash-out refinance	Often purchase, refinance and cash-out
Property types	Principal residence or second home	Often includes investment property
Loan size	Up to conforming limits	Jumbo amounts are common

How Fannie Mae's version works

Eligible assets

Fannie Mae's section is called **Employment-Related Assets as Qualifying Income**, and it is narrower than many people expect. Eligible assets include:

- Retirement accounts such as a 401(k), IRA, SEP or Keogh, if you have unrestricted access without being in a qualifying employment relationship
- Lump-sum retirement or severance distributions

Assets that **don't** count under this section include stock options, non-vested stock, funds from an inheritance or the sale of real estate, and some others. Check the guide for the full list.

The calculation

1. Start with the value of the eligible assets.
2. Subtract the penalty, if any, that would apply if the account were completely distributed at the time of the calculation. (Fannie Mae's calculation doesn't include a separate deduction for income taxes.)
3. Subtract the money you will use for the down payment, closing costs and required reserves.
4. The result is your **net documented assets**. Divide it by the number of months in the loan term (360 for a 30-year loan).

Fannie Mae's own example uses $350,000 in net documented assets ÷ 360 = $972.22 a month of qualifying income.

Limits

- **Maximum loan-to-value:** 70%, or 80% if the owner of the assets used to qualify is at least 62 at closing. If an asset is jointly owned, all owners must be borrowers on the loan, and the borrower using the income must be at least 62
- **Transactions:** purchase or limited cash-out refinance
- **Property:** principal residence or second home

> **Hypothetical example.** Robert, 63, is retired with a $1,000,000 IRA. He has no early-withdrawal penalty at his age. He plans to use $300,000 from the IRA for his down payment, closing costs and reserves. Because he is over 62, a loan up to 80% of the price is possible.
>
> $1,000,000 − $300,000 = $700,000 in net documented assets ÷ 360 = **$1,944.44 a month** of qualifying income, which the lender adds to his Social Security and pension income.
>
> The figures are illustrations only. Withdrawals may be taxable, so talk with a tax advisor about your own plan.

How non-QM asset-based loans differ (common practice)

Non-QM lenders write their own rules. Common features include:

- **More types of assets:** bank and brokerage accounts, and retirement accounts, often counted at a discount for taxes and market risk
- **Different divisors:** some divide by the loan term, others by a shorter period, which produces more income per month
- **Asset-only qualifying:** some lenders let you qualify on assets alone, with no other income
- **Investment property and cash-out:** often allowed
- **Higher rates and larger down payments** than conforming loans

Because these terms vary so much, it pays to compare several lenders.

Things to keep in mind

- **Keep the money where it is.** You usually don't have to withdraw anything; the lender is measuring what you have.
- **Statements must be complete.** Lenders want every page, recent and consistent.
- **Large recent deposits** need to be explained and documented.
- **Talk to your tax advisor** about the tax impact of any withdrawals you plan.

What to gather

- [ ] Two to three months of complete statements for every account you want counted
- [ ] Statements showing your access to retirement funds and any withdrawal restrictions
- [ ] Documentation of any lump-sum or severance distribution
- [ ] Social Security award letter, pension statements and any other income documents
- [ ] Explanations for large recent deposits
- [ ] Your most recent tax return, if requested

Questions to ask

- Will you use Fannie Mae's rules or a non-QM asset-based program for me?
- Which of my accounts count, and at what percentage?
- What divisor will you use, and how much monthly income does that produce?
- What is the maximum loan-to-value for my age and property type?
- How do the rate and costs compare with a full-documentation loan?

Your next step

Tell us what you are trying to do and we will tell you, plainly, which options fit and what to gather. There is no cost to talk it through.

Start a free loan evaluation: journeymac.com/evaluation

Call: (626) 716-0585 **Email:** info@journeymac.com

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This guide is general education, not a loan offer, a rate quote or legal, tax or financial advice. Program rules change and lenders add their own requirements; confirm details for your situation before you act. Examples marked "hypothetical" are illustrations only.

Sources

Reviewed November 18, 2026. Program rules change; check the current version of each source.

1. Fannie Mae Selling Guide B3-3.4-06: Employment-related assets as qualifying income
   selling-guide.fanniemae.com/sel/b3-3.4-06/employment-related-assets-qualifying-income
2. CFPB: What is the ability-to-repay rule?
   www.consumerfinance.gov/ask-cfpb/what-is-an-ability-to-repay-rule-en-1787/
3. CFPB: Review your Loan Estimates
   www.consumerfinance.gov/owning-a-home/compare/review-loan-estimates