POLYGON RESEARCH

WHITE PAPER

UNLOCKING NON-QM MARKET INTELLIGENCE

A Data-Driven Approach Using HMDAVision®

December 2025 | Updated January 2026
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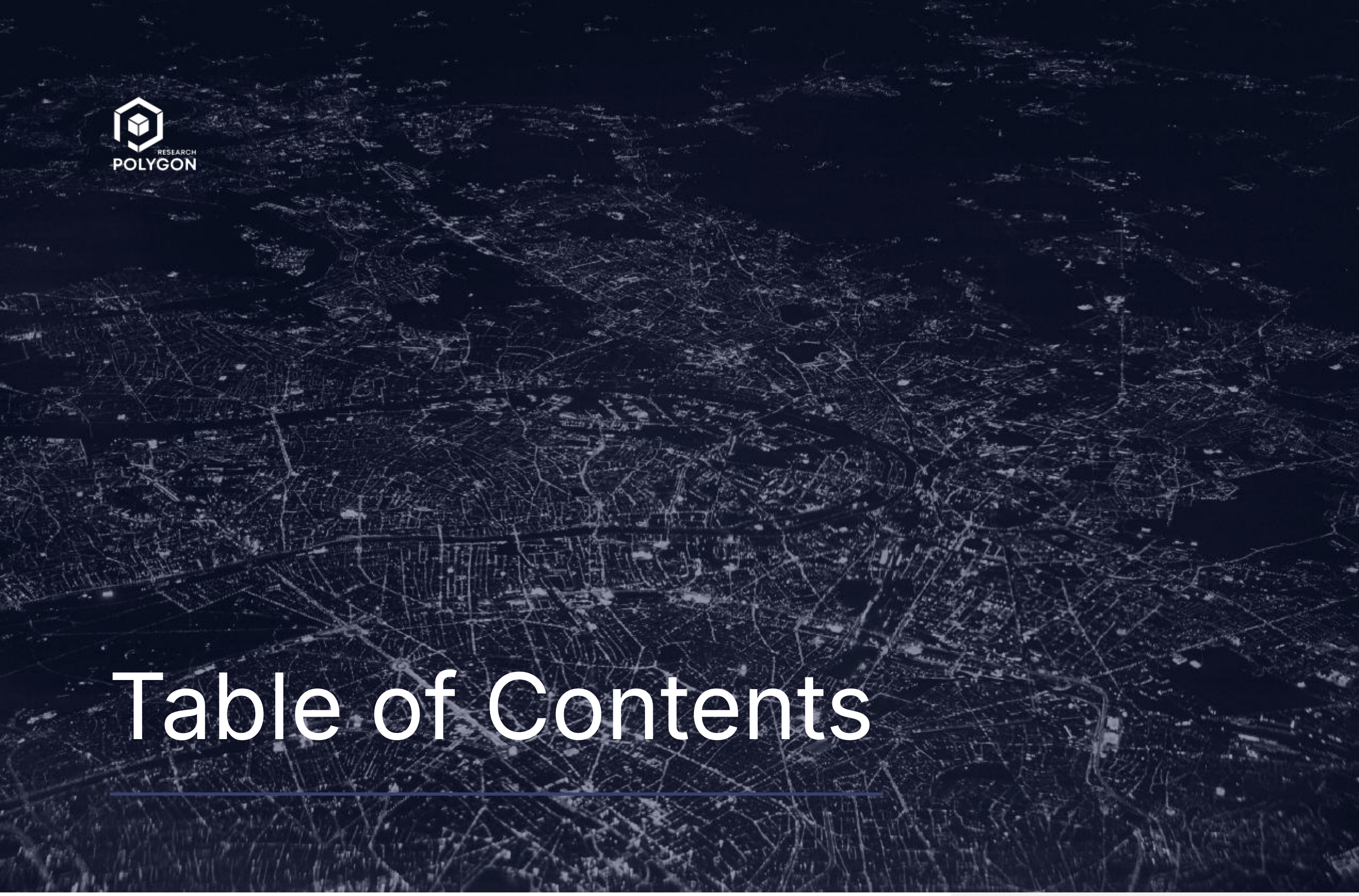

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Executive Summary

Polygon Research introduces a transparent, reproducible, loan-level methodology for classifying HMDA Loan/Application Register (LAR) records from 2018 through 2024 as Qualified Mortgage (QM), Non-Qualified Mortgage (Non-QM), or Out of Scope. The approach integrates all relevant elements of the Ability-to-Repay/Qualified Mortgage (ATR/QM) framework, including annualized pricing and cost thresholds and product-feature restrictions, while leveraging the expanded loan-level attributes available since the 2018 HMDA regime. It is deliberately conservative where the public data are privacy-modified or partially exempt, and it is designed for market intelligence rather than legal determinations. The methodology operates at annual (calendar-year) granularity, with explicit assumptions for the transition years: we treat 2021 as a year in which creditors could apply either the legacy DTI-based General QM or the optional price-based General QM, and we treat 2022 as a year under mandatory price-based General QM with the Temporary GSE Patch considered expired for the entire year.

HMDAVision operationalizes this framework with loan-level transparency, surfacing local market dynamics by geography, lender, product, lien status, and channel. The result is a practical and defensible lens for lenders, investors, and policymakers seeking to identify Non-QM opportunities, understand pricing behaviors, and benchmark competitive positioning.

To represent the market reality of investor lending, business-purpose loans - including DSCR loans - are incorporated into the Non-QM category for analytical purposes and flagged distinctly, even though ATR/QM does not govern business-purpose credit. Open-end credit, such as HELOCs, and reverse mortgages are out of scope for QM analyses and are thus classified "Out of Scope". This clear separation ensures that the whitepaper provides a comprehensive market view without conflating regulatory contexts.

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Why QM Classification Matters

Qualified Mortgage standards are often viewed as a regulatory requirement, but in practice, the concept of “QM versus Non-QM” is far more complex, and sometimes confusing. Regulatory definitions are highly specific, while industry usage can be inconsistent. Many lenders advertise “Non-QM” products on their websites that don’t perfectly align with the technical rules. Analysts, on the other hand, often rely on blunt methods—such as attributing all Non-QM loans to private securitizers while ignoring loans kept in portfolio. Others attempt to infer market size from incomplete county recorder data, which can distort the picture even further.

This creates a challenge: **How can lenders truly understand market share, rankings, product mix, borrower profiles, and geographic trends in the Non-QM sector?**

Our answer is a methodology grounded in loan-level HMDA data within HMDAVision, combined with the precise technical definitions from CFPB regulations. By applying these rules consistently across millions of records, we provide a transparent, data-driven view of the Non-QM market - one that bridges the gap between regulatory compliance and strategic insight.

Introduction and Objective

Under Regulation Z's Ability-to-Repay/Qualified Mortgage (ATR/QM) framework, creditors must make a reasonable, good-faith determination of a consumer's ability to repay most closed-end residential mortgage loans. Loans that satisfy one of the Qualified Mortgage (QM) definitions receive specified liability protections, while ATR-covered loans that do not meet a QM definition are generally referred to as non-QM.

The General QM definition was amended in December 2020 to replace the former 43 percent DTI limit with price-based thresholds, with optional early compliance beginning March 1, 2021 and mandatory compliance beginning October 1, 2022; on that mandatory date, the Temporary GSE Patch expired. Because non-QM is defined residually—by what does not qualify—any empirical analysis of this market segment must be explicit and transparent about how it operationalizes the QM versus non-QM distinction.

HMDA does not include an explicit QM flag, but since 2018 it has reported richer loan-level attributes, including points and fees, origination charges, discount points, lender credits, interest rate, debt-to-income ratio, and several product-feature indicators, that enable a robust modeling of QM status at scale.

Polygon Research's objective is to provide a transparent, loan-level framework that models QM versus Non-QM across the HMDA universe and renders those classifications interpretable within local market contexts. Polygon Research uses this framework to allow users of HMDAVision to interactively and instantly analyze the Non-QM market segment.

The approach is intended for strategy, pricing, product design, and portfolio analytics; it is not a legal determination of QM status.

The Current State of Non-QM Intelligence: A Fragmented and Incomplete Picture

Until now, the current landscape of Non-QM analytics remains fragmented, with analysts relying primarily on three categories of sources: deal-level disclosures from Non-QM Residential Mortgage-Backed Securities (RMBS) issuance, sample or survey data from small segments of the market, and aggregate market estimates from rating-agency surveillance reports and news/vendor data.

RMBS data and performance commentaries from rating agencies provide collateral characteristics, delinquency trends, and credit-enhancement levels for securitized pools.

These sources can be helpful for understanding secondary-market execution and investor appetite, particularly as Non-QM continues to represent a growing share of non-agency issuance.

Aggregate origination-volume estimates from established data providers and industry associations offer broader market sizing and macroeconomic context.

However, these sources carry material limitations that constrain strategic decision-making.

- RMBS-centric data is inherently selection-biased, reflecting only the securitized portion of the market while excluding whole-loan portfolio retention by depository institutions, IMBs, and private funds.
- Deal-level disclosures are geographically coarse, obscuring the local and lender-specific dynamics that drive origination strategy.
- Aggregate reports frequently employ inconsistent Non-QM definitions, rely on sampled or extrapolated populations, and lack loan-level transparency into pricing spreads, points-and-fees structures, or prohibited-feature incidence, attributes that are decisive under the ATR/QM framework.

Critically, no public dataset has ever included an explicit QM flag, forcing analysts to apply ad-hoc, non-standardized inference rules that vary widely across firms and over time.

A New Standard:
Loan-Level Transparency from Public Data

In contrast, Polygon Research's HMDAVision delivers the industry's first transparent, reproducible, loan-level classification of the entire HMDA Loan/Application Register universe of 124+ mortgage applications and 67.12 million closed loans (2018–2024) into Qualified Mortgage (QM), Non-Qualified Mortgage (Non-QM), or Out of Scope.

By fully exploiting the expanded post-2018 HMDA fields - total points and fees, origination charges, discount points, lender credits, interest rate, debt-to-income ratio, and flags for balloon, interest-only, negative amortization, and other non-amortizing features - HMDAVision ingests the raw annual public LAR files, harmonizes enumerations across reporting vintages, and applies era-specific pricing and cost thresholds precisely aligned with the evolving General QM rule.

The result is a deterministic, auditable framework that operates at true loan-level granularity while remaining fully grounded in open data.

This approach eliminates the sampling bias, definitional drift, and geographic blindness of traditional sources, yielding deeper, more holistic intelligence across the entire origination continuum.

- **For RMBS strategy:** pre-securitization visibility into regional investor concentrations, pricing-threshold compliance, and risk-layering patterns that directly inform pool construction and credit-enhancement calibration.
- **For portfolio and origination strategy:** lender-by-lender, MSA-by-MSA, and product-by-product benchmarking of QM/Non-QM mix, enabling precise competitive positioning, risk-adjusted pricing, and targeted growth in high-opportunity corridors (e.g., investor-heavy and self-employed-heavy markets).
- **For enterprise risk and capital planning:** consistent, year-over-year comparable signals that reveal structural shifts in the primary market well ahead of their appearance in securitization pipelines.

By transforming the most comprehensive public mortgage dataset into a scalable and instant classification engine, HMDAVision establishes a new standard for Non-QM market intelligence: one that is transparent, conservative, and strategically actionable at every level of the mortgage ecosystem.

Methodology

Our goal is to provide a transparent, regulation-informed view of the Qualified Mortgage (QM) and non-QM market using only observable data fields. To do that, we implement a rules-based classification in HMDAVision that tracks the structure of the Ability-to-Repay/Qualified Mortgage (ATR/QM) framework in Regulation Z, and then translate those legal standards into reproducible analytics on loan-level data.

Two core principles guide the design:

Reg Z alignment. The logic explicitly follows the structure of §1026.43 (Minimum standards for transactions secured by a dwelling), including the General QM price-based test, points-and-fees limits, and the agency QM pathways recognized by the rule.

Analytic, not legal. Our “QM flag” is a Reg Z-informed analytic categorization, not a substitute for lender-side legal or compliance determinations. It is designed for market sizing, competitor analysis, and policy insight, not for loan-level legal conclusions.

Regulatory foundation

Our Non-QM definition methodology is anchored in TILA §129C (15 U.S.C. §1639c) – the statutory Ability-to-Repay requirement; and in 12 C.F.R. §1026.43 (Regulation Z) – which defines:

- The scope of covered transactions;
- General QM criteria, including product-feature restrictions;
- Price-based QM tests (APR vs. APOR, by loan-amount tier);
- Points-and-fees caps; and
- CFPB annual threshold rules – which update the relevant dollar thresholds each year using CPI-U and specify the current tiers for both the price-based test and the points-and-fees thresholds.

We encode these elements year-by-year so that a 2018 loan and a 2024 loan are classified against the correct thresholds for their application/origination period.

Defining the analytical universe

The first step is to identify the subset of loans where QM analysis is meaningful.

We approximate the Reg Z covered-transaction scope using loan-level data.

Included (analytic universe):

- Closed-end, dwelling-secured mortgages on 1- to 4-unit dwellings;
- Consumer-purpose credit (home purchase, refinance, and certain other purposes consistent with consumer intent);
- First-lien and subordinate-lien loans, with lien status observed.

Excluded (or flagged separately):

- HELOCs, reverse mortgages, and other explicitly excluded products;
- Short-term construction-phase loans (we proxy this using very short original terms, around 12 months);
- Properties with more than 4 units;
- Other loans where available data suggest primarily business, commercial, or agricultural purpose.

In parallel, we maintain a broader “market-usage” view recognizing that the industry often uses “non-QM” colloquially to describe certain cash-flow or investor products that may fall outside strict Reg Z coverage.

In January 2026, we expanded the definition to take Purchaser Type in consideration. Private securitizers and Other purchaser type were taken into consideration, assuming Non-QM loans are typically sold to private secutizers, for example. See next page for more details.

For analytical purposes, we keep that distinction clear: the primary QM flag is calibrated to the regulatory framework, and any broader segmentation is presented as a separate analytic lens, not as a legal classification.

DISCLAIMER

This QM classification is a Reg Z-informed analytic categorization, not a substitute for lender-side legal/compliance determinations.

Constructing the QM Flag

Within the covered universe, we apply a layered logic that mirrors the structure of Regulation Z.

At a high level, a loan is classified as QM in HMDAVision if it passes both:

- The product-feature and documentation requirements embedded in the rule (to the extent observable); and
- All year-relevant QM pathways (price-and fees test, agency, loan term and other loan features).

Because we are working with public data, we do not see every feature (for example, detailed documentation type).

Where data is unavailable, we take a conservative approach and do not add any assumptions or inferences to our QM determination.

Methodology Evolution and Ongoing Refinement - January 2026 Update

Polygon Research's Non-QM classification framework is designed to be transparent, conservative, and extensible. As HMDA data quality, regulatory interpretations, and observed market practices evolve, we periodically refine the analytical logic to improve precision while maintaining alignment with Regulation Z and preserving internal consistency over time.

Since the initial release of this framework in December 2025, we have refined the treatment of purchaser information to better reflect how Non-QM loans are executed and distributed in the secondary market. Specifically, all loans sold to private securitizers are classified as Non-QM for analytical purposes, reflecting their role as the primary execution channel for Non-QM securitization.

In addition, we refined the interpretation of the "Other" purchaser category in HMDA. Because this category aggregates materially different counterparties, we apply lender-type–specific logic. For independent mortgage banks (IMBs), loans sold to "Other" purchasers are treated as Non-QM, as this pathway commonly represents private capital execution outside of agency channels. For banks and credit unions, however, "Other" purchasers may include Federal Home Loan Banks and similar liquidity providers; accordingly, such loans are not automatically classified as Non-QM for depository institutions.

Finally, we have changed our assumptions about agency loans. First, we have made loan type the lever for flagging government loans as QM instead of purchased-by-Ginnie. Second, Fannie and Freddie loans are now automatically classified as QM, correcting a small amount of non-QM leakage.

These refinements increase measured Non-QM market size for certain lender segments—particularly IMBs—relative to the earlier version of the methodology. Importantly, this change does not modify the underlying ATR/QM regulatory logic. Rather, it improves market-intelligence accuracy by distinguishing regulatory classification from execution pathways that are observable in HMDA but require contextual interpretation.

Consistent with the principles outlined throughout this paper, all methodological changes are versioned, documented, and applied uniformly across the HMDA universe. This ensures comparability over time while allowing users to understand how lender type, purchaser behavior, and secondary-market structure shape observed Non-QM activity.

Limitations and interpretation

- **Rate spread vs. full APR.** As discussed above, using HMDAs rate spread as a proxy for APR–APOR is a practical necessity but may not be an exact replication of the regulatory calculation, particularly for ARMs.

- **The definition of total points and fees in Reg Z and HMDA may not match exactly.** Total Points and Fees has fairly narrow application in HMDA and is in an either/or reporting relationship with Total Loan Costs; full exploration of both fields is available in HMDAVision.

- **Business-purpose credit.** Section 1026.43 does not apply to an extension of credit primarily for a business, commercial, or agricultural purpose, even if it is secured by a dwelling. But industry marketing does not always follow this dividing line: a lot of DSCR / investor / fix-and-flip products are branded "non-QM". The Not for Business or Commercial filter is readily available to use in conjunction with the non-QM filter to perform analysis in the narrower scope of the regulation.

- **Other QM paths.** HMDA does not have fields for other QM paths like agency, small creditor portfolio, temporary balloon payment, and seasoned QMs. However, the logic in our QM flag in HMDAVision may overlap with these additional paths; for example: our QM flag's logic to set loans purchased by Ginnie Mae as QM.

- **Construction loans.**
  - Because HMDA does not include an explicit flag for the construction phase of a construction-to-permanent loan, our treatment of construction loans in the HMDAVision QM flag relies on a practical proxy using loan term. Under Regulation Z, the construction phase of 12 months or less is generally treated as temporary financing and is outside the scope of the ATR/QM rule; accordingly, such loans are neither "QM" nor "Non-QM", but out of scope.
  - The longer-term permanent financing that follows a construction phase is treated under our standard QM logic, but because HMDA does not perfectly distinguish between construction-only, construction-to-permanent, and other short-term products (such as certain bridge loans), users should interpret results involving very short-term loans with appropriate caution.

Because of these constraints, our QM flag should be read as a rigorous, transparent, and conservative approximation of the regulatory framework, suitable for benchmarking, market sizing, and policy analysis. It is not a replacement for loan-by-loan legal review or compliance determinations.

Validation Against Independent Market Benchmarks

Accurate Non-QM intelligence begins with regulatory fidelity.

HMDAVision evaluates every HMDA record against the complete, year-specific ATR/QM framework, eliminating the common misclassification of government-backed and agency-eligible loans that inflates or distorts every other market estimate.

Validation Sources Background

A rigorous, loan-level classification of the entire public HMDA universe has never previously existed. All prior estimates of QM vs. Non-QM market share, including those from rating agencies, trade associations, and data vendors, have relied on one or more of the following compromises:

- sampled subsets of originations.
- securitized-loan pools only.
- proprietary lender surveys with incomplete coverage.
- high-level proxy rules applied to aggregated data, such as simple DTI-only logic that ignores the full ATR/QM framework.
- directional signals by inferring activity from known lender relationships, they lack the quantifiable production statistics required for rigorous market sizing.

HMDAVision establishes a higher standard of precision by replacing these relationship-based indicators with a verified, loan-level classification engine.

As detailed in our validation benchmarks, we transform what others categorize as "invisible" into hard data—calculating a 9% Non-QM market share for 2024 by applying statutory ATR/QM logic to the entire 67-million-loan HMDA universe. This provides the auditable volume and strategic depth that purely inferred models fundamentally cannot deliver.

Because HMDAVision is the first implementation that evaluates every originated loan reported in HMDA (2018–2024) against the complete, year-appropriate regulatory tests, direct apples-to-apples comparisons with published industry figures do not exist.

Divergence from widely cited aggregates is therefore expected and, in fact, constitutes evidence of superior fidelity rather than error.

Looking at loan-level data analysis not only provides strategic insights, but it also uncovers patterns, that previously might have been misunderstood.

The four data sources in the Exhibit below describe different slices of the non-QM ecosystem. Polygon Research uses loan-level HMDA LAR and applies an explicit ATR/QM rule set to all funded loans at the census-tract level.

Data Provider	Data Source & Methodology	Non-QM Market Share*	Key Context & Nuance
Polygon Research	HMDA LAR loan-level Census-level analysis of all funded loans using specific ATR/QM rule logic.	9% based on # of closed loans 8.9% based on dollar volume	**The "Ground Truth"** Captures the "invisible" market of portfolio loans held by community banks that are never securitized. Transparent and inspectable data source - public HMDA LAR.
Cotality	Aggregated loan performance and deed recording data.	5%	Diverges somewhat from the Polygon/HMDA figure.
Optimal Blue	Product and Pricing Engine (PPE) Analysis of daily rate locks and originator search activity - from system data.	8% based on lock volume - the highest on record, July 2025.	Corroborates with Polygon/HMDA Non-QM share.
DBRS Morningstar	Tracking loans sold into private-label securitization trusts.	Non-QM RMBS $20.9B in Q3'2025 Total Non-QMRMBS of **$41 B in 2024**	Polygon Research calculated size of 2024 Non-QM Market (includes portfolio + RMBS): **$182 Billion**

* Updated 1/12/2026

On this basis, we estimate that roughly 9% of closed loans (8.9% by dollar volume) in 2024 are non-QM, capturing both securitized and portfolio loans – including the “invisible” holdings of community banks that never enter the capital markets.

Cotality, cited by NMN, using aggregated loan performance and deed-recording data, reports a 5% non-QM share, which is broadly consistent with the Polygon/HMDA estimate and supports the view that the funded non-QM market today is in the ~4–5% range.

Optimal Blue, by contrast, analyzes lock volume and product search activity in its PPE system and reports 8% non-QM share in July 2025 and call it "the highest on record", reflecting a narrower but more real-time view focused on the subset of lenders and loans passing through its platform.

DBRS Morningstar tracks only non-QM RMBS, reporting $41B of non-QM RMBS issuance in 2024. When mapped against Polygon Research’s estimate of a $182B 2024 non-QM market (portfolio + RMBS), the private label securitization represents a smaller portion.

Taken together, these comparisons support HMDA-based, ATR/QM-informed measurement as a legitimate and robust way to analyze the non-QM market. Polygon Research’s approach is grounded in a transparent, publicly available, loan-level dataset that covers all funded loans, including portfolio loans held on balance sheet and loans from smaller community banks that never appear in RMBS data or PPE systems.

The close alignment between Polygon’s 9% non-QM share and Optimal Blue's 8% estimate validates the level of our results for the funded market.

DBRS reports are answering different questions about pipeline mix and securitization flows rather than total funded production.

HMDAVision Analytics and Results

In this section, we share our insights from HMDAVision analysis of the Non-QM trends and patterns, based on the QM/Non-QM methodology discussed above. We provide five examples:

1. Size and High Level KPIs of the Non-QM Market
2. Non-QM - QM - Out of Scope market size and year-over-year change
3. Reasons/factors for Non-QM classification.
4. Example of mapping Non-QM originations at a metro area - Detroit MSA
5. Example of mapping of Lender Specific Non-QM originations by LMI tract to discover patterns and opportunities

Size and High-Level KPIs of the Non-QM Market & Non-QM - QM - Out of Scope market size and year-over-year change

Given our assumptions, following Regulation Z rules, and expanded in January 2026 to include purchaser type, our analysis resulted in a Non-QM market that consisted of 558,979 loans, or $182 Billion in 2024.

- **Average Non-QM Loan Amount:** $325,366
- **Average Non-QM Interest Rate**: 7.538%
- **Average Non-QM Applicant Income**: $277,371

Fig. 1: Non-QM Market Size in Number of Loans: 558,979 | $182 Billion

2024 Production: 6,180,901

YoY: 8.15%

2024 Rank	QM	Originations	YoY
-		**6,180,901**	**8.2%**
1	QM	4,229,807	9.0%
2	Out of Scope	1,392,115	3.4%
3	Non-QM	558,979	14.9%

Source: Polygon Vision - HMDAVision, Accessed 01/12/2026

Further exploration (e.g. breaking down of Out of Scope loans) is available interactively in HMDAVision®, a key market analytics tool in Polygon Vision suite.

With the expanded methodology applied, we observe an increase in Non-QM production volume, which corroborates with many industry news and other published insights from Optimal Blue and other entities.

It is important to note that origination data (HMDA) and securitization data (RMBS) often yield different results due to timing lags and aggregation pipelines.

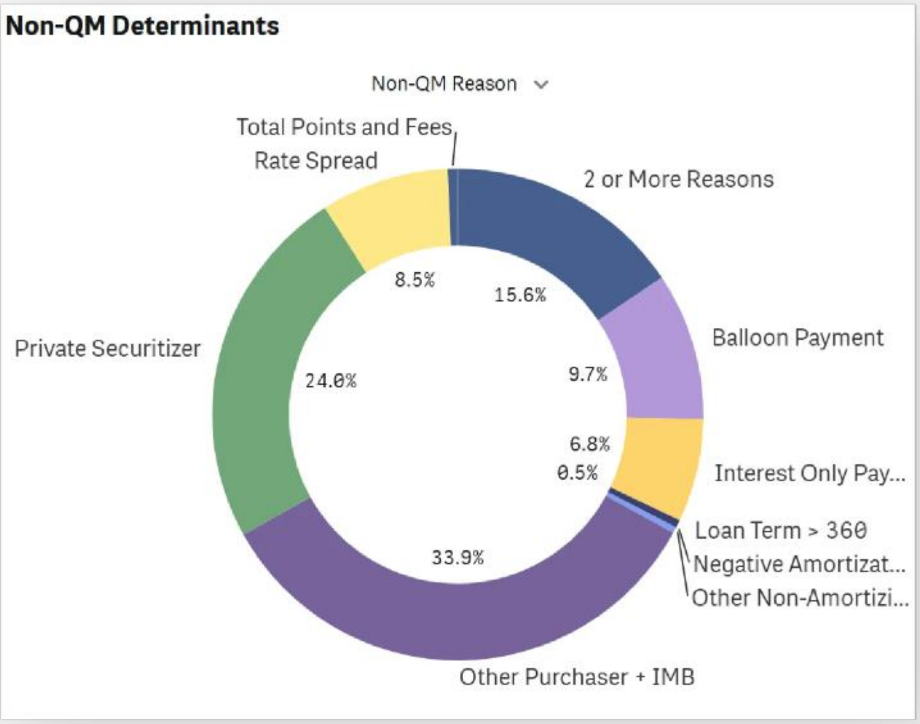
Our methodology captures the exact count of loans closed in 2024 that triggered Non-QM status under regulatory rules and that met the expanded criteria we discussed earlier.

This methodology implemented at the loan level in HMDAVision provides a precise view of the primary market's behavior, distinct from the liquidity trends visible in the secondary market.

Reasons/factors for Non-QM classification

Fig. 2 illustrates how we operationalize the ATR/QM rule set and purchaser type at the loan level and then make the results fully transparent.

Fig. 2: Non-QM Reason by Number of Loans in 2024 *(updated 01-12-2026)*



Source: Polygon Vision - HMDAVision, Accessed 12/06/2025

Each loan that has at least one of those reasons is flagged as Non-QM. In HMDAVision, each loan can be inspected to see if it has a single or multiple triggers for Non-QM designation.

The donut chart aggregates those reason codes across all 2024 Non-QM loans and shows that purchaser type dominates our baseline Non-QM universe, followed by 2 or more reasons (in HMDAVision this category expands to the granular detail, balloon payment features at 9.7% and elevated pricing (rate spread) at 8.5% of Non-QM loans).

Because this view is generated directly from loan-level HMDA LAR using explicit loan-level logic, HMDAVision users can perform powerful analytical tasks unique in mortgage analytics software:

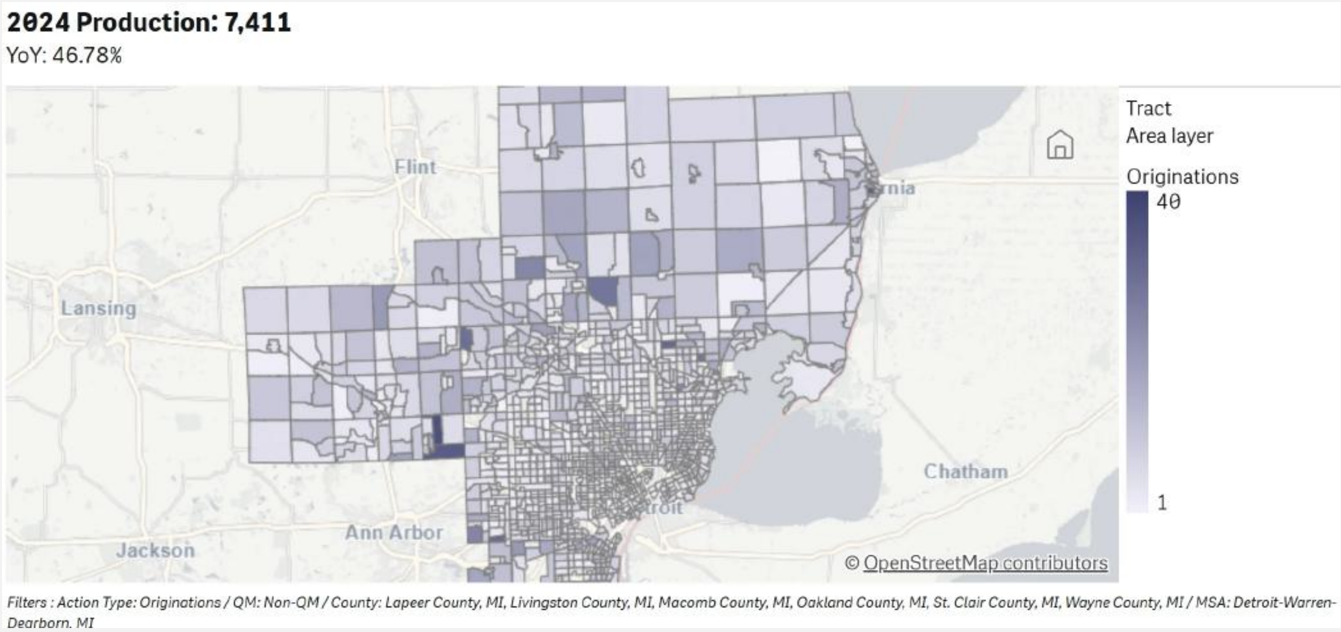
- Select individual Non-QM reasons and quantify how they contribute to Non-QM levels – alone, and in combination with other Non-QM reasons.
- Fig. 2 is a visual summary of a transparent methodology that can be audited, customized, and extended to any geography, lender, or borrower segment in HMDAVision.
- Having the Non-QM flag allows to drill down locally and size up the market at MSA, County, State, ZipCode, MMCT, etc. This local view is available not only for the most available year but over time - allowing lenders to forecast the market with great certainty.
- The Non-QM flag allows for ranking of Non-QM lenders and understanding what features they used, how product strategies differ or are the same in local market.
- We include a perspective from the Detroit MSA on the next page.

Example of mapping Non-QM originations at a metro area - Detroit MSA

Fig. 3 uses HMDAVision to map Non-QM production at the census-tract level for the Detroit–Warren–Dearborn MSA in 2024. Each shaded polygon represents a single census tract, with color intensity proportional to the number of Non-QM originations (from 1 up to 35 loans per tract in this example).

The filters at the bottom of the figure make the logic explicit: we restrict to 2024 originations, apply our ATR/QM-based Non-QM flag, and limit geography to the Detroit MSA counties (Livingston, Macomb, Oakland, St. Clair, and Wayne). In this view, the total Non-QM production in the metro is 3,195 loans, reflecting a year-over-year increase of roughly 43 percent.

Fig. 3: Detroit MSA Non-QM Market by Census Tract: 2024



Source: Polygon Vision - HMDAVision, Accessed 01/12/2026

This map illustrates the level of geographic precision enabled by our methodology. Because the Non-QM designation is calculated on every loan in the HMDA LAR, we can aggregate results to any spatial unit supported by the data - down from state and county all the way to individual census tracts.

Lenders, investors, and policymakers can immediately see where Non-QM lending is concentrated, how it overlaps with existing branch footprints or broker networks, and how patterns differ across suburban, exurban, and urban neighborhoods.

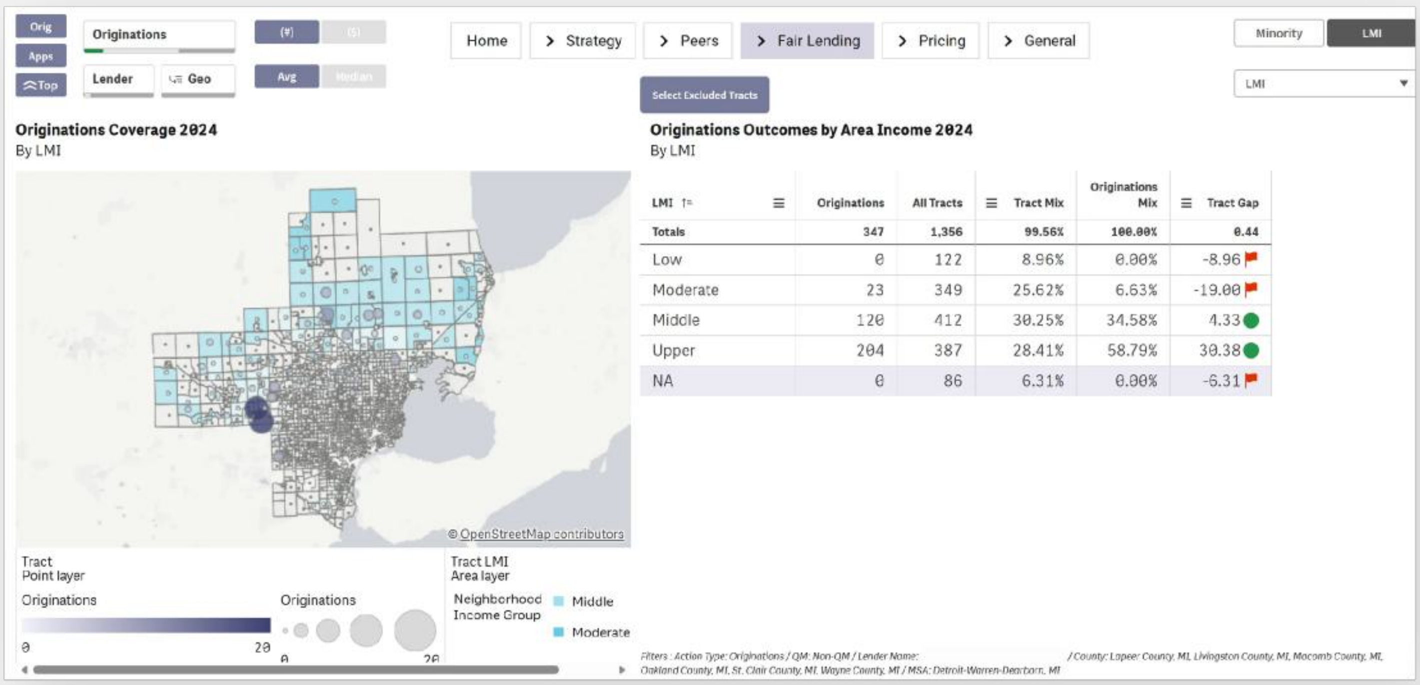
Users can further refine the map by layering borrower characteristics (e.g., income band, race/ethnicity, first-time homebuyer status), product features, or lender type, turning what is often a national-level talking point about "Non-QM" into a highly local, actionable view of risk and opportunity.

Example of mapping Lender-Specific Non-QM originations by LMI Tract - Detroit MSA

Fig. 4 illustrates how HMDAVision turns our Non-QM flag into an actionable fair-lending and strategy dashboard. In this view, we filter to Non-QM originations for a single lender in the Detroit MSA and overlay them on a tract-level map shaded by neighborhood income group (very low, low, moderate, middle, upper).

Each purple circle represents that lender's Non-QM loans in a tract, so users can immediately see where activity is clustered and where low- and moderate-income thinly served.

Fig. 4: Lender-Specific Non-QM Market Originations by LMI Tract: 2024



LMI	Originations	All Tracts	Tract Mix	Originations Mix	Tract Gap
Totals	347	1,356	99.56%	100.00%	0.44
Low	0	122	8.96%	0.00%	-8.96
Moderate	23	349	25.62%	6.63%	-19.00
Middle	120	412	30.25%	34.58%	4.33
Upper	204	387	28.41%	58.79%	30.38
NA	0	86	6.31%	0.00%	-6.31

Source: Polygon Vision - HMDAVision, Accessed 01/12/2026

On the right, the table quantifies these patterns by comparing the tract mix (the share of all tracts in each income tier) with the lender's originations mix (the share of its Non-QM loans in those same tiers) and calculating a "tract gap."

Negative gaps and red flags highlight LMI segments where the lender's Non-QM footprint lags the opportunity in the market, while positive gaps and green markers show relative strength.

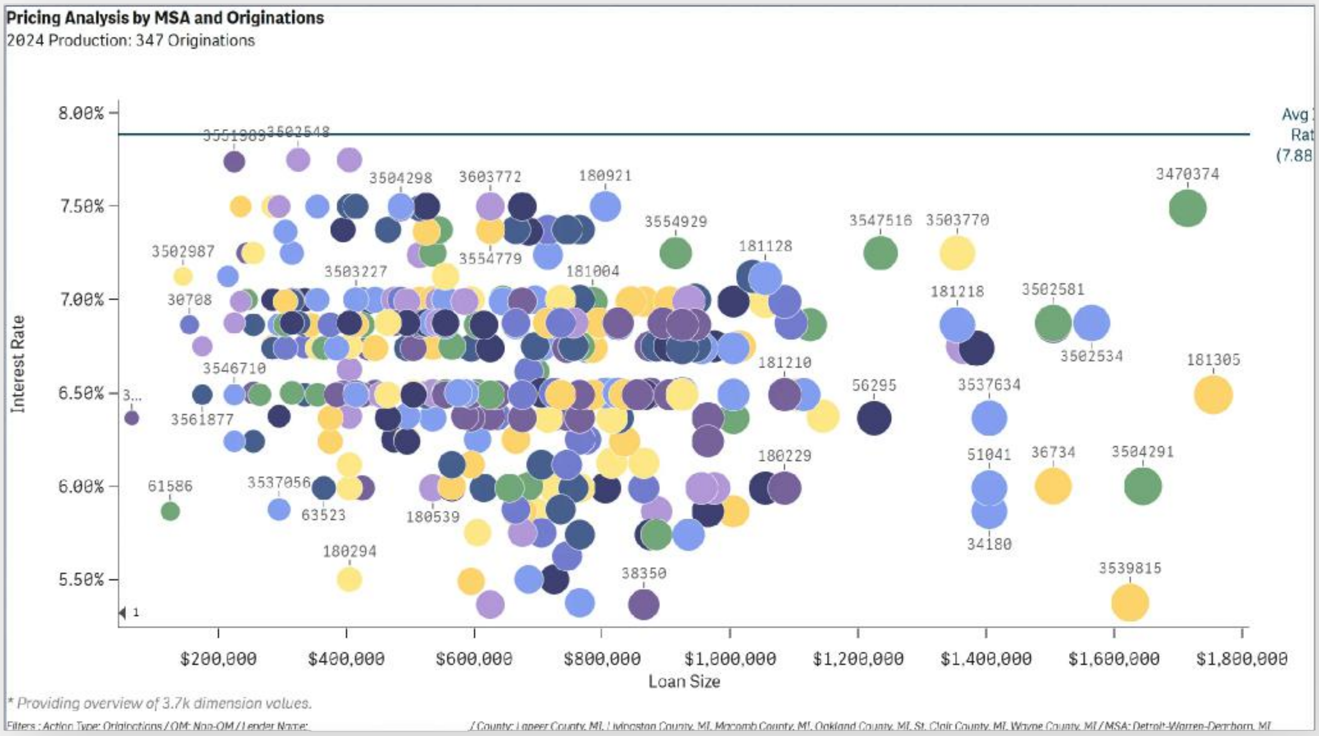
Together, the map and table provide a transparent and precise way to assess whether Non-QM products are reaching LMI communities, **supporting both business development (where to expand) and fair-lending oversight (where to ask "why not here?").**

Example of drilling to individual Non-QM loan of a specific lender- Detroit MSA

Fig. 5 illustrates how HMDAVision turns our Non-QM flag into actionable product insights. It plots all the Non-QM loans of our example lender in Detroit MSA on two axes - interest rate and loan amount. The dots represent individual loans. This allows us at a glance to spot clustering in particular quadrant of combination of interest rate and loan amount.

What it means for competitive intelligence, is that we can pick a specific Non-QM loan, a range of loans, or a segment like Non-QM features and examine our competitor pricing strategy.

Fig. 5: Lender-Specific Non-QM Loan Originations Distribution by Interest Rate and Loan Size



Source: Polygon Vision - HMDAVision, Accessed 01/12/2026

References & Acknowledgement

REFERENCE

Legislative/Statutory source

TILA §129C (15 U.S.C. § 1639c), title I of the Consumer Credit Protection Act,

Regulatory source

- 12 CFR Part 1026 - Truth in Lending (Regulation Z) - This is Title 12 of the Code of Federal Regulations, specifically:
  - Title 12 Chapter X Part 1026 Subpart E § 1026.43 - Its subparts have scope information, e.g. Subpart A.
  - Subpart E - Special Rules for Certain Home Mortgage Transactions is the heart of the definition, specifically:
  - § 1026.43 Minimum standards for transactions secured by a dwelling.
  - Located at each of the following:
    - https://www.ecfr.gov/current/title-12/chapter-X/part-1026/subpart-E/section-1026.43
    - https://www.govinfo.gov/content/pkg/CFR-2025-title12-vol9/pdf/CFR-2025-title12-vol9-sec1026-43.pdf
    - https://www.consumerfinance.gov/rules-policy/regulations/1026/43/
    - See also: https://www.consumerfinance.gov/rules-policy/regulations/1026/43/#43-_-Interp-2

ACKNOWLEDGEMENT

We are grateful to several industry colleagues who shared thoughtful perspectives on QM and Non-QM classification and its policy implications, specifically:

- Larry Fried, CEO, Recon360, LLC
- Cecilia Janson, Managing Director, BlueJ Strategies

Any remaining errors or omissions are solely the responsibility of Polygon Research.

ABOUT POLYGON RESEARCH

Polygon Research is a privately owned mortgage data-science company based in Washington, D.C., USA. Our work centers on connecting growth (marketing and sales), compliance (fair lending and CRA), and risk (prepayment, default, and climate-related analytics) in a single, unified, loan-level view of the U.S. mortgage market.

We unlock and model microdata from 20+ public datasets—including HMDA, Census ACS and ACS PUMS, FHA Single-Family, agency RMBS, Fannie Mae and Freddie Mac loan-level and MBS data, Ginnie Mae, NCUA and FDIC call reports, CPS/ASEC PUMS, the Survey of Consumer Finance (SCF), and selected macroeconomic sources—into web-based, interactive, self-service market-intelligence tools. Rather than providing raw data downloads, we deliver insights through dashboards that combine maps, charts, peer comparisons, and exportable reports.

Our platforms cover the entire U.S. mortgage market across all 50 states, the District of Columbia, more than 3,200 counties, and all census tracts and ZIP codes. We maintain more than 124 million HMDA loan records at loan-level granularity, alongside over 25 years of historical and complementary datasets. Crosswalks across time and geography allow for robust longitudinal and spatial analysis, while monthly, quarterly, and annual updates support timely decision-making.

Polygon Research's product suites are designed to support different parts of the mortgage value chain:

- **Polygon Vision** – a strategic market-intelligence suite that blends HMDA, Census, and branch data (HMDAVision, CensusVision, BranchVision) to support competitive market analysis, fair lending and CRA work, branch and channel strategy, and long-term planning.
- **Polygon Risk** – a prepayment and credit-performance suite for GSE and Ginnie Mae loans that quantifies and predicts Conditional Prepayment Rate (CPR) and Conditional Default Rate (CDR) at the loan, cohort, and seller level. It includes TerraVision, which integrates FEMA National Risk Index (NRI) hazard metrics with mortgage and demographic data to understand value at risk from environmental hazards.
- **Polygon Pulse** – a monthly updated suite focused on agency loan trends, pricing, and demographic shifts (MBS Pivot, CPS Pivot, FHA Pivot). It supports analysis of market size, volume forecasts, credit-box dynamics, first-time homebuyer activity, loan-level pricing adjustments, and niche segments such as condominium, cooperative, and manufactured housing markets.
- **Polygon Academy** – an on-demand education platform providing training and certification in mortgage data analytics, helping users build internal capacity to interpret and act on loan-level insights.

We serve IMBs, banks and credit unions, secondary market executives, government and investor-relations teams, marketing and strategy groups, fintech vendors, investors, consulting firms, mortgage brokers, compliance and risk teams, regulators, policy analysts, researchers, students, and interns. Across these audiences, a common need is the ability to perform comparative, loan-level analytics—for example, understanding borrower profiles, pricing and cost differences, channel and product mix, and fair-lending performance—without building and maintaining a large internal data infrastructure.

Our competitive advantage lies in fast, in-memory, loan-level modeling of complete datasets rather than samples or pre-aggregated summaries. This enables:

- Consistent, multi-year, multi-dataset views for strategic planning and benchmarking.
- Detailed borrower, product, and geographic segmentation for marketing and fair-lending analysis.
- Granular CPR/CDR and climate-risk overlays that link origination, performance, and environmental exposure.
- Interactive, collaborative reporting, allowing teams to drill down in real time, export findings, and share live dashboards internally and externally.

Polygon Research's data and methods support industry organizations and initiatives, including work with NAHREP's State of Hispanic Homeownership and Hispanic Wealth Project, Fannie Mae's Future Housing Leaders program, ACUMA Benchmark Reports, and Vetted VA's comparative intelligence and member reporting.

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About Polygon Research

Polygon Research is a privately owned mortgage data science firm located in Washington, DC. We unlock open data in housing finance. This means data pipelines, engineering, modeling, delivering is all on us. We save time and resources, so you can focus on asking questions, deriving instant insight, and building better, more resilient lending operations.

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