


Quick Reference Guide: Fannie Mae's Comparative Analysis Form (Form 1088)

Fannie Mae's Comparative Income Analysis Form (Form 1088) leads the lender through the calculation of percentage increases (or decreases) in gross income, expenses and taxable income, as well as taxable income trend.

This form can be used with any business return, including Sole Proprietor (IRS Form 1040, Schedule C, Partnership (IRS Form 1065), S-Corp (IRS Form 1120S) and Corporate (IRS Form 1120). The guide below shows the line numbers for each form where the information can be found

**Fannie Mae**

Comparative Income Analysis

Borrower Name

Company Name

General Instructions: This Form is to be used to compare the borrower's business over a period of years. Each term is defined as follows:

Gross Income: Gross receipts or Sales (-) Returns and Allowances
Expenses: Cost of goods sold (+) Total deductions
Taxable Income: from
IRS Form 1040, Schedule C = Net Profit or Loss (Sole Proprietorship)
IRS Form 1065 = Ordinary Income or Loss (Partnership)
IRS Form 1120(S) = Ordinary Income or Loss (S Corporation)
IRS Form 1120 = Taxable Income (Corporation)

Calculation Instructions: Determine year-to-year trends in gross income, expenses, and taxable income.

Gross Income
Step 1. Enter the gross income figure from each year's statement where indicated.
Step 2. Determine the percentage change in gross income from one year to the next by
(a) calculating the dollar difference between the two years, and then
(b) dividing the dollar difference by the previous year's gross income.
Enter the percentage of increase or decrease where indicated. Be sure to indicate a + (plus) or - (minus) sign.

Year

Year

Year

Gross Income 100%

100%

% Change (+) or (-) % change**

% change**

% change**

Expenses
Step 1. Enter the expense income figure from each year's statement where indicated.
Step 2. Determine what percentage expenses are of gross income by dividing the expense amount by gross income for each year. Enter the results where indicated.
Step 3. Determine the percentage change in expenses from one year to the next by
(a) calculating the dollar difference between the two years, and then
(b) dividing the dollar difference by the previous year's expenses.
Enter the percentage of increase and decrease where indicated. Be sure to indicate a + (plus) or - (minus) sign.

Year

Year

Year

Expenses %*

%*

%*

% Change (+) or (-) % change**

% change**

% change**

*The expenses and taxable income each period as a percentage of gross income for that period.
**The percentage change for each item from the previous period.

Form	2023, 2022, 2021 Line
Sched C	3
P/T	1c
S-Corp	1c
Corp	1c

Form	2023, 2022, 2021 Line
Sched C	4 + 28
P/T	2 + 21
S-Corp	2 + 21 , 2 + 20
Corp	2 + 27

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Taxable Income

Step 1. Enter the taxable income figure from each year's statement where indicated.

Step 2. Determine what percentage taxable income is of gross income by dividing the dollar amount of taxable income by the dollar amount of gross income. Enter the results where indicated.

Step 3. Determine the percentage change in taxable income from one year to the next by

- calculating the dollar difference between the two years, and then
- dividing the dollar difference by the previous year's taxable income.

Enter the percentage of increase or decrease where indicated. Be sure to indicate a + (plus) or - (minus)

Year	Year	Year
Taxable Income <input type="text"/>	Taxable Income <input type="text"/>	Taxable Income <input type="text"/>
% Change (+) or (-) % change** <input type="text"/>	% Change (+) or (-) % change** <input type="text"/>	% Change (+) or (-) % change** <input type="text"/>

The Taxable Income Trend is

Form	2023, 2022, 2021 Line
Sched C	31
P/T	22
S-Corp	21
Corp	30

Taxable Income