

Borrower(s) Name(s)	Loan Number
<input type="text"/>	<input type="text"/>
Property Address	
<input type="text"/>	



# Calculator and Quick Reference Guide: Form 92 Net Rental Income Calculations – Schedule E

Please use the following quick reference guide to assist you in completing Freddie Mac Form 92. This form is for suggested guidance and does not replace Freddie Mac instructions or applicable guidelines.

Note: For entries with the marker (+/-) type a '-' for entering a negative amount. Example: -12,345.67

## I. Net Rental Income from Schedule E1 (Subject 2- to 4-unit Primary Residence)

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E – Supplemental Income and Loss		2020	2019	NOTES
Subject Property Address: <input type="text"/>				
Rents received (Line 3)	+			
Less total expenses (Line 20)	-			
Insurance <sup>2</sup> (Line 9)	+			
Mortgage interest paid to banks, etc. <sup>2</sup> (Line 12)	+			
Taxes (real estate only) <sup>2,3</sup> (Line 16)	+			
Depreciation and/or depletion (Line 18)	+			
Homeowners association (HOA) dues (if specifically reported as an expense) <sup>2</sup> (Line 19)	+			
One time losses or non-cash deductions (e.g., casualty loss or amortization) if documented (Review Lines 5-19)	+			
Subtotal(s)		\$	\$	
Result: Net Rental Income (calculated to a monthly amount) <sup>4</sup> (Sum of subtotal(s) divided by number of applicable months = Net Rental Income)		\$ _____ / _____ = \$ _____		

<sup>1</sup>Refer to Section 5306.1(c)(i) for net rental income calculation requirements

<sup>2</sup>This expense, if added back, must be included in the monthly housing expense being used to establish the DTI ratio

<sup>3</sup>The taxes added back must represent only real estate taxes included in the monthly housing expense

<sup>4</sup>Establishing DTI ratio (Section 5306.1(d)): The monthly housing expense must be calculated without the use of rental income.  
The net rental income may be added to the stable monthly income

This calculator can be found at <https://EnactMI.com/self-employed-borrower-calculators>

## II. Net Rental Income from Schedule E<sup>1</sup> (Subject Investment Property)

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E – Supplemental Income and Loss		2020	2019	NOTES
Subject Property Address: _____				
Rents received (Line 3)	+			
Less total expenses (Line 20)	–			
Insurance <sup>2</sup> (Line 9)	+			
Mortgage interest paid to banks, etc. <sup>2</sup> (Line 12)	+			
Taxes (real estate only) <sup>2,3</sup> (Line 16)	+			
Depreciation and/or depletion (Line 18)	+			
HOA dues (if specifically reported as an expense) <sup>2</sup> (Line 19)	+			
One time losses or non-cash deductions (e.g., casualty loss or amortization) if documented (Review Lines 5-19)	+			
<b>Subtotal(s)</b>		\$	\$	
<i>Result: Net Rental Income (calculated to a monthly amount)<sup>4</sup> (Sum of subtotal(s)divided by number of applicable months = Net Rental Income)</i>		\$ _____ / _____ = \$ _____		

<sup>1</sup>Refer to Section 5306.1(c)(i) for net rental Income calculation requirements

<sup>2</sup>This expense, if added back, must be included in the monthly payment amount being used to establish the DTI ratio

<sup>3</sup>The taxes added back must represent only real estate taxes included in the monthly payment amount

<sup>4</sup>Establishing DTI ratio (Section 5306.1(d)): Subtract the monthly payment amount from the net rental income. If the result is positive, it may be added to income; if the result is negative, add it to the monthly liabilities

## III. Net Rental Income from Schedule E<sup>1,2</sup> (Non-subject investment property(s))

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E – Supplemental Income and Loss		2020	2019	2020	2019	2020	2019	NOTES
Property Address <sup>3</sup>		Property Address #1:		Property Address #2:		Property Address #3:		
Rents received (Line 3)	+							
Less total expenses (Line 20)	–							
Insurance <sup>4</sup> (Line 9)	+							
Mortgage interest paid to banks, etc. <sup>4</sup> (Line 12)	+							
Taxes (real estate only) <sup>4,5</sup> (Line 16)	+							
Depreciation and/or depletion (Line 18)	+							
HOA dues (if specifically reported as an expense) <sup>4</sup> (Line 19)	+							
One time losses or non-cash deductions (e.g., casualty loss or amortization) if documented (Review Lines 5-19)	+							
<b>Subtotals</b>		\$	\$	\$	\$	\$	\$	
<i>Result: Net Rental Income (calculated to a monthly amount)<sup>6</sup></i>		<i>(Subtotal / # of months) \$ _____ / _____ = \$ _____<sup>7</sup></i>		<i>(Subtotal / # of months) \$ _____ / _____ = \$ _____<sup>7</sup></i>		<i>(Subtotal / # of months) \$ _____ / _____ = \$ _____<sup>7</sup></i>		

<sup>1</sup>Refer to Section 5306.1(c)(i) for net rental Income calculation requirements

<sup>2</sup>Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 8825, regardless of Borrower's percentage of ownership interest in the business or whether the Borrower is personally obligated on the note

<sup>3</sup>Review rental properties on Schedule E against Uniform Residential Loan Application("URLA"). If properties are on the tax return(s) but not on the URLA, provide evidence the Borrower no longer owns the property

<sup>4</sup>This expense, if added back, must be included in the monthly payment amount used to establish the DTI ratio

<sup>5</sup>The taxes added back must represent only real estate taxes that are included in the monthly payment amount used to establish the DTI ratio

<sup>6</sup>Establishing DTI ratio (Section 5306.1(d)): Subtract the monthly payment amount from the net rental income. For one property, if the result is positive, add it to the income; if the result is negative, add it to the monthly liabilities. For multiple properties, subtract the monthly payment amount from the net rental income for each property. Combine the results and if the combined result is positive, add it to the income; if the combined result is negative, add it to the monthly liabilities.

<sup>7</sup>Net Rental Income= the sum of the subtotal(s) divided by the number of applicable months

IRS 1040 Schedule E <sup>1,2</sup> – Supplemental Income and Loss		2020	2019	2020	2019	2020	2019	NOTES
Property Address <sup>3</sup>		Property Address #4:		Property Address #5:		Property Address #6:		
Rents received (Line 3)	+							
Less total expenses (Line 20)	–							
Insurance <sup>4</sup> (Line 9)	+							
Mortgage interest paid to banks, etc. <sup>4</sup> (Line 12)	+							
Taxes (real estate only) <sup>4,5</sup> (Line 16)	+							
Depreciation and/or depletion (Line 18)	+							
HOA dues (if specifically reported as an expense) <sup>4</sup> (Line 19)	+							
One time losses or non-cash deductions (e.g., casualty loss or amortization) if documented (Review Lines 5–19)	+							
<b>Subtotals</b>		\$	\$	\$	\$	\$	\$	
<i>Result: Net Rental Income (calculated to a monthly amount)<sup>6</sup></i>		<i>(Subtotal / # of months)</i> \$ _____ / _____ = \$ _____ <sup>7</sup>		<i>(Subtotal / # of months)</i> \$ _____ / _____ = \$ _____ <sup>7</sup>		<i>(Subtotal / # of months)</i> \$ _____ / _____ = \$ _____ <sup>7</sup>		

<sup>1</sup>Refer to Section 5306.1(c)(i) for net rental Income calculation requirements

<sup>2</sup>Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 8825, regardless of Borrower's percentage of ownership interest in the business or whether the Borrower is personally obligated on the Note

<sup>3</sup>Review rental properties on Schedule E against URLA. If properties are on the tax return(s) but not on the URLA, provide evidence the Borrower no longer owns the property

<sup>4</sup>This expense, if added back, must be included in the monthly payment amount used to establish the DTI ratio

<sup>5</sup>The taxes added back must represent only real estate taxes that are included in the monthly payment amount used to establish the DTI ratio

<sup>6</sup>Establishing DTI ratio (Section 5306.1(d)): For multiple properties, subtract the monthly payment amount from the net rental income for each property. Combine the results and if the combined result is positive, add it to the income; if the combined result is negative, add it to the monthly liabilities

<sup>7</sup>Net Rental Income= the sum of the subtotal(s) divided by the number of applicable months

DTI Ratio Calculation for Multiple Non-Subject Investment Properties (Section 5306.1(d))			
Property	Monthly Net Rental Income	Less Monthly Payment Amount (Section 5401.2(a)(7))	Result (+) Positive / (–) Negative
Property #1	\$	\$	(+/-) \$
Property #2	\$	\$	(+/-) \$
Property #3	\$	\$	(+/-) \$
Property #4	\$	\$	(+/-) \$
Property #5	\$	\$	(+/-) \$
Property #6	\$	\$	(+/-) \$
Combined Result (positive, add to income; negative, add to liabilities)			(+/-) \$

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Enact mortgage insurers include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina.

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