

Borrower(s) Name(s)

Loan Number

Property Address



# Calculator and Quick Reference Guide: Fannie Mae Cash Flow Analysis

Please use the following quick reference guide to assist you in completing Fannie Mae Form 1084. It provides suggested guidance only and does not replace Fannie Mae instructions or applicable guidelines.

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

IRS Form 1040 – Individual Income Tax Return		2025	2024	NOTES
1	W-2 Income from Self-Employment	+		
2	Schedule B – Interest and Ordinary Dividends			
	a. Interest Income from Self-Employment (Line 1)	+		
	b. Dividends from Self-Employment (Line 5)	+		
3	Schedule C – Profit or Loss from Business: Sole Proprietorship			
	a. Net Profit or Loss (Line 31)	+/-		
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-		
	c. Depletion (Line 12)	+		
	d. Depreciation (Line 13)	+		
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-		
	f. Business Use of Home (Line 30, Check applicable guidelines)	+		
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+		
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)			
	X Depreciation Rate (2025 - 33¢; 2024 - 30¢)			
	= Total Mileage Depreciation	+		
	Subtotal Schedule C	=		
4	Schedule D – Capital Gains and Losses			
	a. Recurring Capital Gains (from Self-Employment)	+		
5	Schedule E – Supplemental Income and Loss			
	Note: A lender may use Fannie Mae Rental Income Worksheets (Form 1037 or Form 1038) or a comparable form to calculate individual rental income (loss) reported on Schedule E.			
	a. Royalties Received (Line 4)	+		
	b. Total Expenses (Line 20)	-		
	c. Depletion (Line 18)	+		
	Subtotal Schedule E	=		
6	Schedule F – Profit or Loss from Farming			
	a. Net Farm Profit or Loss (Line 34)	+/-		
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-		
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-		
	d. Depreciation (Line 14)	+		
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+		
	f. Business Use of Home (Line 32, Check applicable guidelines)	+		
	Subtotal Schedule F	=		
	Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.			

## \*Partnership or S Corporation

A self-employed borrower's share of Partnership or S Corporation earnings may be considered provided that:

- The borrower can document ownership share (for example, the Schedule K-1); and
- The K-1 reflects a documented, stable history of receiving cash distributions of income consistent with the level of business income used to qualify; or lenders must verify the business has adequate liquidity to support the withdrawal of earnings.
- See liquidity calculators to aid in confirmation of adequate liquidity.

Note: See additional information on the fourth page of this calculator.

IRS Form 1065 – Partnership Income		2025	2024	NOTES	
7	Schedule K-1 Form 1065 – Partner's Share of Income	+/-		*See notes above  **Only add back the eligible "Other" deductions, such as Amortization or Casualty Loss.	
	a. Ordinary Income/Loss (Line 1)*Review for Distribution Line 19				
	b. Net Rental Real Estate; Other Net Income (Loss) (Lines 2, 3)*				
	c. Guaranteed Payments to Partner (Line 4c)	+			
8	Form 1065 – Adjustments to Business Cash Flow				
	a. Ordinary (Income) Loss from Other Partnerships (Line 4)	+/-		***Follow specific investor guidelines. Adjustments may not be required if there is evidence these roll over regularly, it is verified to be a line of credit or if the business has sufficient assets to cover the liability.	
	b. Nonrecurring Other (Income) or Loss (Lines 5, 6 & 7)	+/-			
	c. Depreciation (Line 16c, including 8825 Line 14)	+			
	d. Depletion (Line 17)	+			
	e. Amortization/Casualty (Review Attachment Related to (Line 21, Other deductions**))	+			
	f. Mortgages or Notes Payable in Less than 1 Year (Schedule L, Line 16d***)	-			
	g. Non-deductible Travel and Entertainment Expenses (Schedule M-1, Line 4b)	-			
	<b>Subtotal</b>	=			
	Percent Ownership (From Schedule K-1)		%	%	
	<b>Total Form 1065</b>	=			
	<b>Total Partnership Income</b>				

IRS Form 1120S – S Corporation Earnings		2025	2024	NOTES	
9	Schedule K-1 Form 1120S – Shareholder's Share of Income	+/-		*See notes above  **Only add back the eligible "Other" deductions, such as Amortization or Casualty Loss.	
	a. Ordinary Income (Loss) (Line 1)*Review for Distribution Line 16D				
	b. Net Rental Real Estate; Other Net Rental Income (Loss) (Lines 2, 3)*				
10	Form 1120S – Adjustments to Business Cash Flow				
	a. Nonrecurring Other (Income) Loss (Lines 4, 5)	+/-		***Follow specific investor guidelines. Adjustments may not be required if there is evidence these roll over regularly, it is verified to be a line of credit or if the business has sufficient assets to cover the liability.	
	b. Depreciation (Line 14, including 8825 Line 14)	+			
	c. Depletion (Line 15)	+			
	d. Amortization/Casualty Loss (Review Attachment Related to Line 20, Other deductions**)	+			
	e. Mortgages or Notes Payable in Less than 1 Year (Schedule L, Line 17d***)	-			
	f. Non-deductible Travel and Entertainment Expenses (Schedule M-1, Line 3b)	-			
	<b>Subtotal</b>	=			
	Percent Ownership (From Schedule K-1, Line G)		%		
	<b>Total Form 1120S</b>	=			
	<b>Total S-Corp Income</b>				

IRS Form 1120 – Regular Corporation	2025	2024	NOTES
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Corporation earnings may only be used when the borrower(s) own 100% of the corporation.

11	Form 1120 – Regular Corporation			
	a. Taxable Income (Line 30)	+/-		*Only add back the eligible "Other" deductions, such as Amortization or Casualty Loss.
	b. Total Tax (Line 31)	-		
	c. Nonrecurring (Gains) Losses (Lines 8, 9)	+/-		
	d. Nonrecurring Other (Income) Loss (Line 10)	+/-		
	e. Depreciation (Line 20)	+		
	f. Depletion (Line 21)	+		
	g. Amortization/Casualty Loss (Review Attachment Related to Line 26, Other deductions*)	+		
	h. Net Operating Loss and Special Deductions (Line 29c)	+		
	i. Mortgages or Notes Payable in Less than 1 Year (Schedule L, Line 17d**)	-		
	j. Non-deductible Travel and Entertainment Expenses (Schedule M-1, Line 5c)	-		
	<b>Subtotal</b>	=		
	Less: Dividends Paid to Borrower (Check Form 1040, Schedule B)	-		
	<b>Total Form 1120</b>	=		

**Grand Total**

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**Number of Months (enter number)**

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**Monthly Total**

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**Two Year Average**

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This reference sheet is suggested guidance and does not replace Fannie Mae instructions or applicable guidelines. Please check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

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## Guidance for documenting business liquidity

- If the Schedule K-1 reflects a documented, stable history of receiving cash distributions of income from the business consistent with the level of business income being used to qualify, then no further documentation of access to income or adequate business liquidity is required.
- If the Schedule K-1 does not reflect a documented, stable history of receiving cash distributions of income from the business consistent with the level of business income being used to qualify, then the lender must confirm adequate business liquidity.
- The lender may use discretion in selecting the method to confirm that the business has adequate liquidity to support the withdrawal of earnings. When business tax returns are provided, for example, the lender may calculate a ratio using a generally accepted formula that measures business liquidity by deriving the proportion of current assets available to meet current liabilities.
- Refer to the Enact Quick or Current Ratio Calculators for additional guidance.

Refer to Enact COVID P&L Review & Business Income Stability worksheet while COVID-19 underwriting policies are effective.

Year to Date Profit and Loss Statement			
When using or evaluating profit and loss statements, always consult all applicable guidelines, including lender, investor, GSE and, where applicable, federally mandated ability to repay requirements. Generally, the lender may use a profit and loss statement—audited or unaudited—for a self-employed borrower's business only to support its determination of the stability or continuance of the borrower's income. A typical profit and loss statement has a format similar to IRS Form 1040, Schedule C. Allowable addbacks include depreciation, depletion and other non-cash expenses as identified above.			
Year-to-Date Profit and Loss Statement			
Salary/Draw to Individual	-----	-----	-----
Net Profit	-----	X	% Ownership = -----
Total Allowable Addbacks	-----	X	% Ownership = -----
Year-to-Date Total	-----	-----	-----