

Borrower(s) Name(s)

Loan Number

Property Address



Calculator and Quick Reference Guide: Liquidity (Acid Test or Quick Ratio)

Please use the following calculator and quick reference guide to assist you in evaluating liquidity from business returns. It provides suggested guidance only and does not replace Lender, Investor or GSE instructions or applicable guidelines. Please note all lines referenced below are from the applicable business return’s Schedule L. If a Partnership did not complete a Schedule L (check Form 1065, Schedule B, Question 4 to verify one was not required), you cannot calculate liquidity from the tax form.

Liquidity (Acid Test or Quick Ratio)		2025	2024
1	Cash (P/Tship, S–C and Corp: Line 1d)		
2	Tradenotes/Accounts Receivable Without Bad Debt (P/Tship, S–C and Corp: Line 2b[d])		
3	US Government Obligations and/or Tax-Exempt Securities (Lines 4 and 5)*		
4	Other Current Assets (Other Marketable Securities; P/Tship, S–C and Corp: Line 6d)*		
5	Accounts Payable (P/Tship: Line 15d, S–C or Corp: Line 16d)		
6	Mortgages, Notes or Bonds Payable in Less Than 1 Year (P/Tship: Line 16d, S–C or Corp: Line 17d)		
7	Other Current Liabilities (P/Tship: Line 17d, S–C or Corp: Line 18d)		
Acid Test Ratio A result of one or greater is generally sufficient to confirm adequate business liquidity to support the withdrawal of earnings.			

*Check your lender/investor policy on whether to include Government Obligations, Tax-Exempt Securities and/or Other Marketable Securities.

Click green buttons to calculate result.
Please note: If Lines 5, 6 and 7 total zero, the calculator will show an error message, but the business is solvent.

Learn More About Training Opportunities

Enact Mortgage Insurance offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and serve your borrowers better. View all of our course offerings at EnactMI.com/course-catalog

Contact the Enact ActionCenter® at 800-444-5664 Monday through Friday from 8:00 a.m. to 8:00 p.m. ET if you have any questions.

Print Form

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Clear Form

Disclaimer

The Liquidity Calculator, provided by Enact Mortgage Insurance, assists in analyzing whether the borrower’s business may have the ability to meet immediate debt obligations with the cash or cash-equivalent assets available, using values from the business’s balance sheet. Schedule L of the business return and/or current balance sheet solvency is one of many indicators that should be considered when evaluating the current health of a business. This calculator provides suggested guidance only and does not replace Lender, Investor or GSE instructions or applicable guidelines.

IN NO EVENT SHALL ENACT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER WITH RESPECT TO THE USE OF THIS CALCULATOR.
This calculator can be found at <https://EnactMI.com/self-employed-borrower-calculators>.