$\square$

Property Address
$\square$

## Calculator and Quick Reference Guide: Form 91 Income Calculations

Please use the following quick reference guide to assist you in completing Freddie Mac Form 91. 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. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return

| 1 | W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S) |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Name of Business: |  |  |  |  |
|  | IRS Form 1040, Line 7 (Section 5304.1 (d)) ${ }^{1}$ (Review W-2 document.) (Page 2, Line 1) | + |  |  | ${ }^{1}$ Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable |
|  | Subtotal of W-2 Income From Self-employment |  | \$0.00 | \$0.00 |  |
| 2 | Schedule B - Interest and Ordinary Dividends |  | 2018 | 2017 | NOTES |
|  | Recurring interest income (Chapter 5305) (Line 2) | + |  |  |  |
|  | Recurring dividend income (Chapter 5305) (Line 6) | + |  |  |  |
|  | Dividend income from self-employment reported on IRS Form 1120 | - |  |  |  |
|  | Subtotal of Dividends and Interest |  | \$0.00 | \$0.00 |  |


| 3 | Schedule C - Profit or Loss from Business (Sole Proprietorship) (Chapter 5304) |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Name of Business \#1: |  |  |  |  |
|  | Net profit or loss (Line 31) | +/- |  |  |  |
|  | Non-recurring other income or loss, or expenses (Line 6) | +/- |  |  |  |
|  | Depletion (Line 12) | + |  |  |  |
|  | Depreciation - See three lines below for additional vehicle depreciation (Line 13) | + |  |  |  |
|  | Meals and entertainment exclusion (Line 24b) | - |  |  |  |
|  | Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V) | + |  |  |  |
|  | Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet) | + |  |  |  |
|  | Business Miles (Page 2, Part IV, Line 44a or Related 4562) |  |  |  |  |
|  | x Depreciation Rate (2017 and 2018-25¢) |  | \$ 0.25 | \$ 0.25 |  |
|  | = Total Mileage Depreciation | + | \$ 0.00 | \$ 0.00 |  |
|  | Subtotal from Schedule C, Business \#1 |  | \$ 0.00 | \$ 0.00 |  |


| 4 | Schedule C - Profit or Loss from Business (Sole Proprietorship) (Chapter 5304) |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Name of Business \#2: |  |  |  |  |
|  | Net profit or loss (Line 31) | +/- |  |  |  |
|  | Non-recurring other income or loss, or expenses (Line 6) | +/- |  |  |  |
|  | Depletion (Line 12) | + |  |  |  |
|  | Depreciation - See three lines below for additional vehicle depreciation (Line 13) | + |  |  |  |
|  | Meals and entertainment exclusion (Line 24b) | - |  |  |  |
|  | Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V) | + |  |  |  |
|  | Business use of home - Follow investor credit policy (Line 30, Form 8829 or the Simplified Method Worksheet) | + |  |  |  |
|  | Business Miles (Page 2, Part IV, Line 44a or Related 4562) |  |  |  |  |
|  | $\times$ Depreciation Rate (2017 and 2018-25¢) |  | \$ 0.25 | \$ 0.25 |  |
|  | = Total Mileage Depreciation | + | \$ 0.00 | \$ 0.00 |  |
|  | Subtotal from Schedule C, Business \#2 |  | \$ 0.00 | \$ 0.00 |  |
| 5 | Schedule D - Capital Gains and Losses (Chapter 5305) |  | 2018 | 2017 | NOTES |
|  | Recurring capital gains and/or losses | +/- |  |  |  |
|  | Subtotal from Schedule D, Capital Gains and Losses |  | \$0.00 | \$0.00 |  |
| 6 | Schedule E1 - Supplemental Income or Loss (Royalties) (Chapter 5305) |  | 2018 | 2017 | NOTES |
|  | Royalties received (Lines 4) | + |  |  | 'Refer to Form 92 for net rental income calculations using IRS |
|  | Total expenses (Line 20) | - |  |  | Schedule E |
|  | Depletion (Line 18) | + |  |  |  |
|  | Subtotal Schedule E, from Royalties |  | \$0.00 | \$0.00 |  |
| 7 | Schedule F - Profit or Loss from Farming (Chapter 5304) |  | 2018 | 2017 | NOTES |
|  | Net Farm Profit of Loss (Line 34) | +/- |  |  |  |
|  | Non-taxable portion of recurring cooperative \& CCC payments (Lines 3, 4, 6a-b) | + |  |  |  |
|  | Non-recurring other income or loss (Lines 5c and 8) | +/- |  |  |  |
|  | Depreciation (Line 14) | + |  |  |  |
|  | Amortization/Casualty loss/Depletion only if listed (Line 32) | + |  |  |  |
|  | Business use of home only if listed (Line 32) | + |  |  |  |
|  | Subtotal from Schedule F, Farming |  | \$ 0.00 | \$0.00 |  |
| Combined Total from IRS Form 1040 |  |  | \$ 0.00 | \$0.00 |  |

## II. Income Calculations from IRS Schedule K-1 and IRS form 1065

## 8. Partnership Income (Refer to Chapter 5304)

Name of Business: $\qquad$

| Partnership - Schedule K-1 (IRS Form 1065) | 2018 | 2017 |  |
| :--- | :--- | :--- | :--- | :--- |
| Ordinary business income or loss (Line 1) | $+/-$ |  |  |
| Net rental real estate income or loss (Lines 2 and 3) if verified <br> recurring | $+/-$ |  |  |
| Guaranteed payments (Line 4) | + |  |  |
| Subtotal from Schedule K-1 (IRS Form 1065) |  | $\$ 0.00$ | $\$ 0.00$ |


| Partnership Income from IRS Form 1065 |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: |
| Depreciation (IRS Form 1065) (Line 16c) | + |  |  | *Only add back the eligible |
| Depreciation (IRS Form 8825) (Guide Section 5304.1(d)) (Line 14) if applicable | + |  |  | Amortization or a non-recurring Casualty Loss. |
| Depletion (Line 17) | + |  |  | st analyze the terms |
| Amortization or casualty loss (Review attachment related to Line 20)* | + |  |  | of the mortgage and notes payable in less than one year and |
| Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 16d) ${ }^{\star *}$ | - |  |  | determine whether the income should be reduced by the debt when performing the income |
| Other non-recurring income or loss (Lines 4, 5, 6 and 7) | +/- |  |  | analysis. |
| Travel and entertainment exclusion (Schedule M-1, Line 4b) | - |  |  |  |
| Subtotal Prior to Application of Ownership Interest Percentage |  | \$ 0.00 | \$ 0.00 |  |
| Multiply by total percentage of ownership (on Schedule K-1) | X |  |  |  |
| Subtotal from IRS Form 1065 |  | \$ 0.00 | \$ 0.00 |  |
|  |  |  |  |  |
| Combined Total from Partnership |  | \$ 0.00 | \$ 0.00 |  |

## III. Income Calculations from IRS Schedule K-1 and IRS Form 1120S

## 9. S Corporation Income (Refer to Chapter 5304)

Name of Business: $\qquad$

| S Corporation Schedule K-1 (IRS Form 1120S) |  | 2018 | 2017 | NOTES |
| :--- | :--- | :--- | :--- | :--- |
| Ordinary business income or loss (Line 1) | $+/-$ |  |  |  |
| Net rental real estate income or loss (Lines 2 and 3) if verified <br> recurring | $+/-$ |  |  |  |
| Subtotal from Schedule K-1 (IRS Form 1120S) |  | $\$ 0.00$ | $\$ 0.00$ |  |


| S Corporation Income from IRS Form 1120S |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: |
| Depreciation (IRS Form 1120S) (Line 14) | + |  |  | *Only add back the eligible |
| Depreciation (IRS Form 8825) (Guide Section 5304.1(d)) (Line 14) if applicable | + |  |  | Amortization or a non-recurring Casualty Loss. |
| Depletion (Line 15) | + |  |  | eller must analyze the ter |
| Amortization or casualty loss (Review attachment related to Line 19)* | + |  |  | of the mortgage and notes payable in less than one year and |
| Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 17d)** | - |  |  | determine whether the income should be reduced by the debt when performing the income |
| Other non-recurring income or loss (Lines 4 and 5) | +/- |  |  | analysis. |
| Travel and entertainment exclusion (Schedule M-1, Line 3b) | - |  |  |  |
| Subtotal Prior to Application of Ownership Interest Percentage |  | \$ 0.00 | \$ 0.00 |  |
| Multiply by total percentage of ownership (on Schedule K -1) | x |  |  |  |
| Subtotal from IRS Form 1120S |  | \$ 0.00 | \$ 0.00 |  |
|  |  |  |  |  |
| Combined Total from S Corporation |  | \$ 0.00 | \$ 0.00 |  |

## IV. Income Calculations from IRS Form 1120

10. Corporation Income (Refer to Chapter 5304) Name of Business:

| Corporation Income from IRS Form 1120 |  | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: | :---: |
| Depreciation (Line 20) | + |  |  | *Only add back the eligible |
| Depletion (Line 21) | + |  |  | nortization or a non-recurring |
| Amortization or casualty loss (Review attachment related to Line 26)* | + |  |  | **Seller must analyze the terms |
| Net operating loss (Line 29c) | + |  |  | of the mortgage and notes |
| Taxable income or loss (Line 30) | +/- |  |  | determine whether the income |
| Total tax (Line 31) | - |  |  | when performing the income |
| Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 17d)** | - |  |  | analysis |
| Other non-recurring income or loss (Lines 8, 9 and 10) | +/- |  |  |  |
| Travel and entertainment exclusion (Schedule M-1, Line 5c) | - |  |  |  |
| Subtotal Prior to Application of Ownership Interest Percentage |  | \$0.00 | \$0.00 |  |
| Multiply by total percentage of ownership | x |  |  |  |
| Subtotal from IRS Form 1120 |  | \$0.00 | \$ 0.00 |  |
| Total from Corporation |  | \$0.00 | \$ 0.00 |  |

## V. SUMMARY OF INCOME FROM SELF-EMPLOYMENT

| IRS Form 1040 (Chapters 5304 and 5305) | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: |
| Subtotal of W-2 income from self-employment <br> (Business name: $\qquad$ ) | \$ 0.00 | \$ 0.00 |  |
| Subtotal from Schedule B-Interest and Ordinary Dividends | \$ 0.00 | \$ 0.00 |  |
| Subtotal from Schedule C-Profit or Loss from Business (Sole Proprietorship) <br> (Business \#1 name: $\qquad$ ) | \$ 0.00 | ${ }^{\$} 0.00$ |  |
| Subtotal from Schedule C-Profit or Loss from Business (Sole Proprietorship) <br> (Business \#2 name: $\qquad$ ) | \$ 0.00 | \$ 0.00 |  |
| Subtotal from Schedule D-Capital Gains and Losses | \$ 0.00 | \$ 0.00 |  |
| Subtotal from Schedule E-Supplemental Income or Loss (Royalties) | \$ 0.00 | \$ 0.00 |  |
| Subtotal from Schedule F-Profit or Loss from Farming | \$ 0.00 | \$ 0.00 |  |
| Combined Total from IRS Form 1040 | \$ 0.00 | \$ 0.00 |  |
| Partnership Income (Chapter 5304) | 2018 | 2017 | NOTES |
| Subtotal from Schedule K-1 (IRS Form 1065) | \$ 0.00 | \$ 0.00 |  |
| Subtotal from IRS Form 1065 | \$ 0.00 | \$ 0.00 |  |
| Combined Total from Partnership <br> (Business name: $\qquad$ | \$ 0.00 | \$0.00 |  |


| S Corporation Income (Chapter 5304) | 2018 | 2017 | NOTES |
| :---: | :---: | :---: | :---: |
| Subtotal from Schedule K -1 (IRS Form 1120S ) | \$ 0.00 | \$0.00 |  |
| Subtotal from IRS Form 1120 S | \$ 0.00 | \$0.00 |  |
| Combined Total from S Corporation <br> (Business name: $\qquad$ ) | \$ 0.00 | \$ 0.00 |  |
| Corporate Income from IRS Form 1120 (Chapter 5304) | 2018 | 2017 | NOTES |
| Subtotal from IRS Form 1120 | \$ 0.00 | \$0.00 |  |
| Total from Corporation <br> (Business name: $\qquad$ _) | \$ 0.00 | \$ 0.00 |  |
| Seller's Calculation of Stable Monthly Income | 2018 | 2017 | NOTES |
| Sum of combined subtotals | \$ 0.00 | \$ 0.00 |  |
| Total income for both years Comments: |  | . 00 |  |
| Divided by number of months ${ }^{1}$ |  |  |  |
| Total Stable Monthly Income ${ }^{2}$ | \$ | 0 | Click button to calculate result |
| Manually Input Data Below if Using a Different Total Income to Determine Stable Monthly Income |  |  | NOTES |
| Total Income Used to Determine Stable Monthly Income ${ }^{1}$ | \$ |  |  |
| Comments |  |  |  |
| Divided by number of months ${ }^{1}$ |  |  |  |
| Total Alternate Calculation ${ }^{2}$ | \$ | 0 | Click button to calculate result |

${ }^{1}$ Manual input: The Seller must determine the appropriate amount of income to use based on the requirements and guidance for the analysis and treatment of income for self-employed Borrowers as described in Chapters 5304 and 5305
${ }^{2}$ The Seller must determine that the total stable monthly income meets the requirements and guidance for the determination of stable monthly income in Topic 5300 . This includes, but is not limited to, business review and analysis requirements (Section 5304.1(d)) to support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the Borrower


This calculator can be found at https://new.mi.genworth.com/self-employed-borrower-calculators.

