Income Series Part 1 – Calculating and Documenting Base Income

November 2016





Agenda

What we will cover

- ATR
- The Mortgage Application 1003
- Verifying Employment History
- Verifying Employment Income
 - Verification of Employment (1005)
 - Paystubs
 - W2's
 - Verbal Verification of Employment (VVOE)
 - 4506T
- Fannie Mae & Freddie Mac References
- Genworth Website
- Helpful tools



Ability-to-Repay (ATR) Rule

Key concepts of the rule:

- The creditor must make a reasonable and good faith determination that the consumer has the ability to repay the loan.
 - Mortgage borrowers must provide ample financial documentation; lenders must verify the documents.
 - In order to be approved for a particular home loan, the borrower must have sufficient income and assets to repay the loan.

The Mortgage Application 1003/65

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UNIFORM MORTGAGE DATA PROGRAM®





The GSEs Announce Future Updates to the URLA

December 8, 2015

Freddie Mac and Fannie Mae (the GSEs) are excited to announce we are revising and redesigning the Uniform Residential Loan Application (URLA) (Fannie Mae Form 1003 or Freddie Mac Form 63) and developing a corresponding standardized dataset, the Uniform Loan Application Dataset (ULAD). The revised URLA form will provide lenders and borrowers with greater clarity and an easier, more consumer-friendly loan application.

Given the mortgage industry's many changes over the years, along with the GSEs' changes to underwriting policies and eligibility requirements, the time is right to redesign the form to better address industry needs. The URLA redesign effort is a component of the Uniform Mortgage Data Program (UMDP), and align with the UMDP's focus on enhancing data quality, consistency, and clarity to strengthen the loan manufacturing process.

The GSEs have the following three objectives for the project:

- Update the URLA to collect information that is relevant and useful to the industry and provides lenders
 the information needed to make an underwriting decision;
- Redesign the format and layout of the URLA to make it more consumer friendly, enhance collection, and improve usability; and
- 3. Define a MISMO compliant dataset that supports the URLA.

A Revised URLA Form

The URLA is jointly owned by the GSEs and has not undergone a major revision for over 20 years. The GSEs are reorganizing the layout of the URLA form to make it more consumer-friendly and updating the terminology to make it easier for borrowers and industry stakeholders to understand. In addition, the GSEs are adding new data fields to support both the GSEs' and government requirements, such as those published by the Federal Housing Administration (FHA), the U.S. Department of Veteran Affairs (VA), the U.S. Department of Agriculture-Rural Development (USDA-RD), and the Consumer Financial Protection Bureau (CFPB).

Industry Feedback Is Important

The GSEs have collaborated with many industry stakeholders, including lenders, technology solution providers, mortgage insurers, trade associations, housing advocates, and consumer groups. In addition, the GSEs have conducted several usability studies with underwriters, mortgage processors, loan officers and, most importantly, consumers. These studies have helped us understand how applicants and lenders navigate and complete the form, identify areas of confusion, and determine elements of the form redesign that are working well or need additional work.

Summary of URLA Form Updates

Following are some of the updates being made to the URLA and corresponding ULAD:

- Removed a number of fields including (but not limited to) property legal description, automobile owned, year built, and net worth.
- Updated borrower contact information, such as cell phone number and email address.

December 201

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This communication relates to the Uniform Mortgage Data Program[®], an effort undertaken jointly by Fannie Mae and Freddie Mac at the direction of their regulator, the Federal Housing Finance Agency.

https://www.fanniemae.com/content/news/ulad-announcement-december-2015.pdf



Single-Family

Originating & Underwriting

Pricing & Execution

Delivering

Servicing

Training

Technology

Uniform Residential Loan Application

The GSEs redesigned the Uniform Residential Loan Application (URLA), developed a corresponding Uniform Loan Application Dataset (ULAD), and created a new Desktop Underwriter Specification. These documents support changes in mortgage industry credit, underwriting, eligibility policies, and regulatory requirements.



Related Links

Uniform Mortgage Data Program (UMDP) Guide Forms

Related Applications

Desktop Underwriter

URLA Announcements

URLA Implementation Guidance and Update | November 2016 new

AUS Specification for Desktop Underwriter and Dynamic URLA | September 2016

Show All

Getting Started with Redesigned URLA Form

URLA Fact Sheet
URLA Instructions

URLA Rendering Design Options

What's New

Important Redesigned URLA Implementation Guidance new

The GSEs have released implementation guidance and clarity around the effective date for the redesigned URLA (Fannie Mae Form 1003).

The Dynamic Redesigned URLA and DU Specification are Here

Sep 20, 2016

Nov 01, 2016

The GSEs announced the release of their AUS specifications updated to MISMO v3.4, along with the dynamic version of the redesigned URLA (Form 1003), as well as the URLA Spanish Translation Aid.

https://www.fanniemae.com/singlefamily/uniform-residential-loan-application

Genworth :: ...

To be completed by the Lender: Lender Loan No./Universal Loan Identifier	Agency Case No.		To be completed by the Lander: Lander Loan No./Universal Loan Identifier	Agency Case No.		
Uniform Residential L	oan Application		Uniform Residential Loan Application — Lender Loan Information			
Verify and complete the informat information as directed by your Len	ion on this application. If you are applying for this loan with others, each additi der.	onal Borrower must provide	This section is completed by your Lender.			
Section 1: Borrower II employment and other sources, 1a. Personal Information	To har commission to the Landar	Agency Case No	Community Property State All the state of the property State. The property is in a community property state.	Refinance Type Refinance Program O No Cash Out O Full Documentation O Limited Cash Out O Interest Rate Reduction O Cash Out O Streamlined without Appraisal		
Name (First, Middle, Last, Suffix)			Transaction Detail Conversion of Contract for Deed or Land Contract	O Other		
Alternate Names - List any names	Verify and complete the information on this application as directed by yo		Renovation Construction-Conversion/Construction-to-Permanent	Energy Improvement		
under which credit was previously re	Section 1: Borrower Information. This section asks about a semployment and other sources, such as retirement, that you want constitutions.		O Single-Closing O Two-Closing Construction/Improvement Costs \$	r		
O I am applying for individual cre	1a. Personal Information		Original Cost of Lat. 6	ential Loan Application — Continuation Sheet		
O I am applying for joint credit. To Each Borrower intends to apply	Name (First, Middle, Last, Suffix)	Social Security Number (or Individual Taxpaver Identification Number)	Project Type □ Condominium □ Coo	Use this continuation sheet if you need more space to complete the Uniform Residential Loan Application.		
Marital Status Deper		Date of Birth O.U.S. Citizen	Borrower Name (First, M.			
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OUnmarried* *Single, Divorced, Widowed, Civil Un		List Name(s) of Other Borrower(s) Applying for this Loa				
Reciprocal Beneficiary Relationship Current Address	O Lamp anniving the Joint credit. Total Number of Removers- Eacl	(First Middle Last Suffix)	Demographic Information Addendu	m. This section asks about your ethnicity, sex, and race.		
Street	Marita To be completed by the Lender: Lender Loan No./Universal Loan Identifier	Agency Case No.	Demographic Information of Borrower			
How Long at Current Address?	Osepi	rigancy case not.		are that all applicants are treated fairly and that the housing needs of communities		
If at Current Address for LESS th	ange official Residential Loan Application	— Unmarried Addendum		gage lending, federal law requires that we ask applicants for their demographic compliance with equal credit opportunity, fair housing, and home mortgage		
Street	Recipi		disclosure laws. You are not required to provide this informa	tion, but are encouraged to do so. The law provides that we may not discriminate		
How Long at Former Address?	Street For Borrower Selecting the Unmarried Status			to provide it. However, if you choose not to provide the information and you have us to note your ethnicity, sex, and race on the basis of visual observation or surname.		
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City	If at Ci necessary to determine how State property laws directly or indi		some or all of this information, select the applicable check b			
Military Service - Did you (or your If YES, check all that apply: Cun		nen the Borrower resides in a State that recognizes civil	Ethnicity	Race		
□Cun □Onli			☐ Hispanic or Latino ☐ Mexican ☐ Puerto Rican ☐ Cuban	☐ American Indian or Alaska Native – Enter name of enrolled or principal tribe:		
□ Sun	Mailin		Other Hispanic or Latino – Enter origin:	☐ Asian ☐ Chinese ☐ Filipino		
(In Commercial Internal Control	those of a legal spouse? NO OYES	no is not your legal spouse but who currently has real p	Examples: Argentinean, Colombian, Dominican, Nicara			
1b. Current Employment/Self El Employer or Business Name	Militai IFYES, Indicate the type of relationship and the Stat		Salvadoran, Spaniard, etc. ☐ Not Hispanic or Latino	Examples: Hmong, Laotian, Thai, Pakistani, Cambodian, etc.		
Address	civil union, domestic partnership, registered reciprocal be currently reside or where the property is located.	neficiary relationship, or other relationship recognized	☐ I do not wish to provide this information	☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander		
City	OCivil Union ODomestic Partnership ORegistered Re	eciprocal Beneficiary Relationship Other (explain)	Sex	☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan		
Position or Title	State:		Female	☐ Other Pacific Islander – Enter race:		
Start Date/(mm/yy How long in this line of work?		one () Gross Monthly Income	☐ Male ☐ I do not wish to provide this information	Examples: Fijian, Tongan, etc.		
Check if you are the Business	Address	Base \$	•	☐ I do not wish to provide this information		
Owner or Self-Employed (City St	ateZIpOverfine 5 Bonus 5				
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	Check if you are the Business OI have an ownership share of less than 25%		Was the race of the Borrower collected on the basis of visual			
	Owner or Self-Employed OI have an ownership share of 25% or more.	\$	The Demographic Information was provided through:			
	Uniform Residential Loan Application — Additional Borrower Freddin Mac Form 65 - Family Mac Form 1003		☐ Face-to-Face Interview (includes Electronic Media w/ Vide	o Component) Telephone Interview Fax or Mail Email or Internet		
	Freddie Mac Form 65 - Farrie Mae Form 1003 Revined 08/2016 - NOT FOR CURRENT USE					

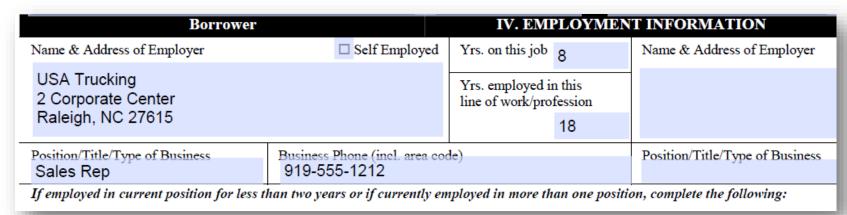
https://www.fanniemae.com/singlefamily/uniform-residential-loan-application



Verifying Employment History

Two year history is required on the 1003 for all applicants

- Spell out the full, complete business name and address.
- Correctly identify type of employment:
 - Does the borrower receive a W2 or 1099?
 - If the borrower owns 25% or more of the business, they are self-employed.
 - Note- A borrower may be self-employed and get a W2 from that business.
- Years on job and employed in line of work will be compared to job title and credit report.
- Title/Type of Business should convey enough information to:
 - Convey what duties the borrower performs.



Is the Borrower Self Employed?



Verifying Employment Income

What Not to Ask"How Much Do You Make?"

\$39,850!!





Verifying Employment Income

The Interview- Let's talk about how you get paid...

Do you Receive an Annual Salary?

Are you Paid by the Hour?

- If yes, what is your hourly rate?
- How many hours do you work per week?
 - Are your hours scheduled or per diem?
 - Do the amount of hours vary week-to-week?
 - Do you work year round or is your position seasonal?

Do you Receive any Commission Or Bonus Income?

• If yes, have you received it for the past two years? Has it declined? Do you expect to continue receiving it?

Income Calculation

Annual	Salary/ 12 months
Weekly- Every Week	Weekly Base x 52 / 12 months
Bi-Weekly- Every Two Weeks	Bi-Weekly Base x 26/ 12 months
Bi-Monthly- Twice a Month	Bi-Monthly Base x 2
Hourly- Per Hours Worked	Hourly Rate x # of Hours Per Week x 52/ 12 months
Pier Diem, Commissions, OT	Average over 24 month Period

Monthly Income

	V. MONTHLY INCOME AND COMBINED HOL					
Gross Monthly Income		Borrower		Co-Borrower		Total
Base Empl. Income*	\$	5,166.00	\$		\$	5,166.00
Overtime						0.00
Bonuses						0.00
Commissions		2,666.00				2,666.00
Dividends/Interest						0.00
Net Rental Income						0.00
Other (before completing, see the notice in "describe other income," below)						0.00
Total	\$	7,832.00	\$	0.00	\$	7,832.00

Self Employed income (25% or more ownership of business) would be entered as Base Income but the indicator must be checked in the employment section.



Verifying the Qualifying Income

A minimum history of two years of employment is recommended. However, in certain circumstances income that has been received for a shorter period of time may be acceptable. Each file is reviewed individually.

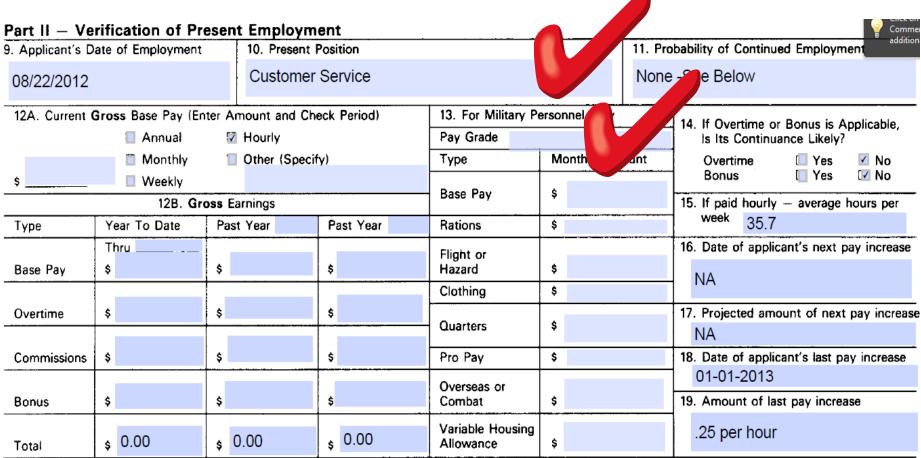
Base Pay (Salary and Hourly)

Obtain the following documents:

- A Completed Verification of Employment (Form 1005) or
- The Borrower's Recent Paystub & W-2 Forms (covering the most recent twoyear period). A 1005 may be required to document the income types included on the W2.
 - The paystub must be dated no earlier than 30 days prior to the initial loan application and it must include all y-t-d earnings.
 - They must be computer generated or typed by the employer.
- A Verbal Verification of Employment (VVOE)
- Fannie Mae & Freddie Mac require lenders to have each borrower (regardless of income source) complete and sign a separate IRS Form 4506-T at or before closing.



Verification of Employment-1005



20. Remarks (If employee was off work for any length of time, please indicate time period and reason)

Plant Schedule for Shutdown December 2014

Genworth

Written Verification of Employment-1005

VOE Reminders:

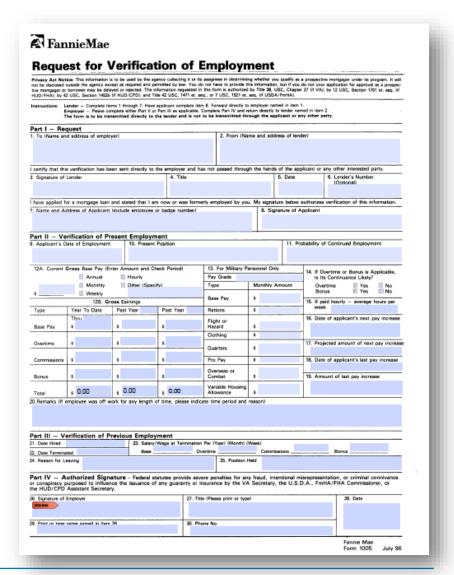
- Independently verify address to which you are sending
- Do not put "Attention to" on the form
- Forms should be signed, dated with signature and printed name of employer
- If faxed, note the origin of the faxed document-ls it coming from the employer?
- Income Consistent with application
- Is bonus, or overtime likely to continue? Probability of Continued Employment?
- Review for different handwriting styles, cross outs, white out or cutting and pasting
- Should it be handwritten?
- The VOE cannot be hand carried by the applicant NOR should it be mailed to a P.O. Box unless you have verified that that is the employer's protocol
- The VOE can be helpful in determining a trend of non-salaried income such as overtime or bonus
- The VOE may be critical explaining why the y-t-d appears inaccurate (medical leave, personal leave, recent pay increase...)
- Verify document does not expire prior to note date (Typically documents valid for four months)

VOE -1005

All of the information on Form 1005 must be legible.

The following fields are optional;

- #11- Probability
- #14- OT & Bonus
- #16- Date of next pay increase
- #17- Projected amount of next pay increase
- #18- Date of last pay increase
- #19 Amount of last pay increase
- #24- Part III- Previous Employment-Reason for leaving





Examining Pay Stubs

Reminders:

- The borrower's name and SSN# must be consistent with the application (Spelling, middle initial or a JR or III).
- Computer generated, if not the most recent tax return is required and/or a written voe
- If paid hourly, the number of hours must be noted on the paystub
- Dated within 30 days of application; If stale dated ask applicant for more recent stub.
- YTD income must be provided and should be consistent with monthly income.
- Note any commission, overtime, or bonus income-don't use if you don't need.
- Review for possible liabilities that may need to be included in your debt ratio (child support or alimony or IRS garnishment or a new loan take out).
- If automatically deposited, cross reference the income to the bank statement
- We are calculating income but also validating the document, does employer match back to application? To the W-2?



Examining W-2s

a Employee's SSN 300-50-1234	b	Employer ID No. (EIN) 2	7-1234567	OMB No. 1545-0008
C Employer's name, address, and ZIP code	 Wgs, tips, other compn 	2 Fed inc tax withheld	3 Social security wages	Form W-2
JOHN HOMEOWNER	5000.00	426.55	5000.00	Form VV-Z
ALWAYS WATCHING SECURITY INC.	4 SS tax withheld	5 Medicare wages & tips	6 Medicare tax withheld	Wage and
2 CORPORATE CT	310.00	5000.00	72.50	Tax
DALLAS TX 75432	7 Social security tips	8 Allocated tips	9	
				Statement
d Control No.	10 Depdnt care benefits	11 Nonqualified plans	12a	0045
				2015
€ Employee's name, address, and ZIP code Suff.	13	14 Other	12b	
	Statutory employee .			
JOHN HOMEOWNER			12c	Copy B To Be Filed with
7 GALLOPING HILL ROAD	Retirement plan			Employee's FEDERAL Tax Return
DALLAS TX 75432	· —		12d	This information is being furnished to the Internal
DALLAS IX /5432	Third-party sick pay			Revenue Service.
15 State Employer's state ID number 16 State wages, tips, etc	17 State income tax	18 Local wages, tips, etc	19 Local income tax	20 Locality name
		31-4-1		

Department of the Treasury - IRS



Examining W-2s

W-2 Reminders:

- Name and SSN# match application and also the pay stub
- Applicant's address should also match the 1003 and bank statement mailing address
- Should be the most recent one or two (if required)
- Is the ytd income consistent with monthly income, if not obtain explanation
- Employer addresses match application
- Employer ID# must be valid (XX-XXXXXX) is the proper format
- FICA and Medicare withholding based on wages can be checked
- You generally should NOT have the Employer's Copy or the Social Security Administration Copy!
- Review the document at application, don't just shove in the loan file
- Obtain tax transcripts to support income if needed



Verbal VOE (VVOE)



Form 90

Verbal Verification of Employment

Borrower name:	
Employer name:	
Employer contact:	
Employer contact title:	
Phone number:	
Third party source used to obtain the phone number:	
Dates of employment:	
Borrower's title:	
Borrower's current employment status:	
Additional information (If applicable):	
Verified by: Date:	
Title:	
Company:	
Date:	
	,
eddie Mac Single-Family Seller/Servicer Guide /15/15	Bulletin 2015-12 Page F90-1
Print Form	Reset Form

http://freddiemac.com/learn

Genworth

Verbal VOE (VVOE)

- The Lender must independently obtain a phone number and, if possible, the employer's address. Sources include:
 - Telephone Book
 - The Internet
 - Directory Assistance
 - The Applicable Licensing Bureau
- The Lender must contact the employer & confirm the borrower's current employment status within 10 business days prior to the note date.
 - If the employer confirms the borrower is on temporary leave, the borrower is considered "employed". See additional guidelines for use and calculation of qualifying income.
- Document the conversation & include the following:
 - Name & Title of the person who confirmed the employment.
 - Name & Title of the person who completed the verification for the employer.
 - Date of the call
 - The source of the phone number



Form 4506-T

Form 4506-T is an Internal Revenue Service (IRS) document that is used to retrieve past Federal tax returns, W-2, and 1099 transcripts that are on file with the IRS. The document gives permission for a third party to retrieve the tax payer's data.

The tax payer must sign and date the 4506-T. The form is good for 120 days. With the IRS 4506-T you can order 1040, 1120, 1065, W-2 and 1099 transcripts If you are requesting the transcripts & have received the borrower's tax returns please verify for any discrepancies!

Fannie Mae Guidelines

4506-T

Form must be signed only once during the application process

- The timing is at the lender's discretion but it must be signed on or before the closing of the mortgage loan
- The Lender must document the requirement to obtain an executed IRS Form 4506-T with the IRS in their written quality control (QC) plan
- The borrower may need to complete multiple forms for different types of returns
- If the form is executed prior to closing it must be used to validate the income documentation provided by the borrower and used in the underwriting process.

When completing lenders must

- Fill in as the recipient of the tax documents either its name or the name of the servicer, if servicing will be transferred within 120 days of the taxpayer signing the form;
- Indicate that the request is for documentation concerning the year or years for which the borrower's income was or will be used in underwriting the loan; and
- Date the form with the date on which the borrower signs the form (or ascertain that the borrower dates the form when he or she signs it)

Fannie Mae Selling Guide B3-3.1-06: Requirements and Uses of IRS Form 4506-T (06/30/2015)



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FAQs

Borrower Income Verification Policies

June 2015

This document addresses frequently asked questions about Fannie Mae's policies regarding verification of borrower income (*Selling Guide* B3-3), including updates in *Selling Guide* Announcement SEL-2014-16 and Announcement SEL-2015-07. For related information, refer to the IRS Form 4506-T Tips for Underwriting and Quality Control.

Q1. Why does Fannie Mae permit lenders to request specific or limited documentation from the IRS when executing IRS Form 4506-T (such as requesting only the transcript for forms W2 or 1099), rather than always requiring the full transcript of the borrower's personal income tax return (aka Form 1040)?

Federal tax returns are not required to verify income for a significant number of income types including salary/base pay, bonus and overtime, or for commission earnings that amount to less than 25% of total qualifying income. Tax returns are also not required for military income, social security disability, or retirement. These income types can be fully verified through more efficient means and less paper, such as paystubs and W2 forms.

Fannie Mae's requirements for documentation to be requested when executing the IRS Form 4508-T align with the income documentation required at origination. Only when the bornowe's federal income tax returns are required in the underwriting process, per the Selling Guide, would Fannie Mae require that Form 4508-T include a request for federal income tax return transcripts.

It would be a significant change to require all salaried borrowers to submit their full tax returns so that lenders could check whether each salaried borrower does or does not report other losses such as rental, hobby self-employment, or non-reimbursed employee expenses.

Q2. When does Fannie Mae require federal income tax returns to document income?

Fannie Mae requires that federal income tax returns be provided when one or more of the following income sources are being used to qualify:

- Commission earnings that amount to 25% or more of the borrower's total employment income;
- Employment by family member(s) or an interested party to the purchase transaction;
- Rental income from an investment property (if acquired prior to the most recent tax filing);
- Income from temporary or sporadic employment (for example, seasonal income);
- Income reported on IRS Form 1099 (for example, capital gains, royalties);
- Income earned from a foreign corporation or foreign government and paid in foreign currency;
- Income earned that cannot otherwise be verified by an independent and knowledgeable source;
- Income from interest and dividends;

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June 2015

Page 1 of 4

https://www.fanniemae.com/content/faq/borrower-income-verification-faqs.pdf



Freddie Mac's LPA Documentation Matrix

Loan Product Advisor SM Documentation Matrix



Use the following information as a reference for documenting your Loan Product Advisor loans. For complete documentation information and specific program eligibility requirements, refer to the Freddie Mac Single-Family Seller/Servicer Guide (Guide)

			INCOME AND EM
Topic	Streamlined Accept Documentation	Standard D	
Completing Liabilities Section of the Loan	Review the Mortgage application, credit report, b documentation for borrower liabilities. The liabilities		Topic
Application (Gulde Sections 4101.1(b) and 5401.2)	directly from the credit reports either manually or reports identify fewer than three open tradelines if any additional tradeline references exist. Addit as detailed under the Monthly Debt Payment sec	through an automated (except for Accept Mort ionally, must include ot	Calculation of stab monthly income ar asset qualification
Credit data for Loan Product Advisor Mortgages (Guide Sections 5203.1(h) and (l))	Obtain the same type of credit report for all borro Infile(s) or merged/joint merged obtained thro Infile(s), merged/joint merged, or RMCR obta Once you have selected a type of credit report, n All infiles for an individual borrower must be date reports in the file. All credit reports must be dated within 120 days I Construction and Renovation Mortgages, the Effi modification date for Seller-Owned Modified Mor Converted Mortgages or the date of the assumpt	ough Loan Product Advained outside of Loan Peview all reports of that d within 14 days of ead before, as applicable, the ective Date of Permane togages, the Conversion	sources (Gulde Sections 530 5305.1 and 5501.3)
Credit report inquiries within previous 120 days (Gulde Sections 5201.1(e) and 5202.6)	Determine if additional credit was granted. If add must be obtained and the debt must be consider the creditor or, if such a letter is unobtainable, a used to determine whether additional credit was	ed when qualifying the l signed statement from t	
Verification of Housing Debt (Guide Sections 5201.1, 5202.1, 5202.2, 5401.1, 5401.2 and 5101.9(c))	Direct verification of housing payment history is not required if all borrowers have a usable credit score. Third-party documentation to verify the payment amount is required if the credit report does not contain a required monthly payment.	Accept: Same as Str Caution (A-minus eli Streamlined Accept, w exception: If not adec Loan Product Advisor verify the payment his debt for the most recent	

Settlement/Closing Disclosure Statement (if mortgage or combinatio recently purchased), billing coupons, tax mortgages, the mortgag statement, insurance statement and, if delivery to Freddie Mac applicable, HOA/Condo statement. Caution (not A-minus the borrower has a hou Reminder: When application indicates verify both current and property owned free and clear, total monthly histories for the most re debt must include taxes, insurance, and HOA length of housing paym or Condo fees, as applicable. 12 months) in accordan 5202.2(b)and payment (housing or other) not re report

INCOME AND EMPLOYMENT DOCUMENTATION

Topic Calculation of stable monthly income and asset qualification sources (Gulde Sections 5301.1, 5305.1 and 5501.3)

Stable monthly income is the borrower's verified gross monthly income from all acceptable and verifiable sources that can reasonably be expected to continue for at least the next three years." In most instances, a two-year history of receiving income is required in order for the income to be considered stable and used for qualifying. When the Borrower has less than a two-year history of receiving income, the Seller must provide a written analysis to justify the determination that the income that is used to qualify the Borrower is stable.

- For each income and asset qualification source used to qualify the borrower, obtain the verifications and documentation described in the Guide, and maintain them in the Mortgage file. Both the source and amount must be determined to be stable.
- Provide a written analysis of the income used to qualify the borrower(s) on the Transmittal Summary or like document(s) in the Mortgage file. Sellers are required to use Guide Form 91. Income Analysis Form, or a comparable form to calculate self-employed and commission

*Determining continuance of income should focus on the borrower's past employment/selfemployment history, history of receipt of other income and the probability of continued consistent receipt. At a minimum, the determination must be based on the requirements in Guide Topic 5300. and any other documentation contained in the Mortgage file. For all income, the Seller may consider the income for qualifying the borrower provided the Seller does not have knowledge, information or documentation that contradicts a reasonable expectation of continuance or probability of consistent receipt over at least the next three years.

Loan Product Advisor^{8M} Documentation Matrix



Standard Documentation

INCOME AND EMPLOYMENT DOCUMENTATION

Topic	Streamlined Accept Documentation	Standard Documentation
IRS Form 4506-T	All borrowers whose income is used to qualify must	st sign IRS Form 4506-T (or an alter
(Gulde Section 5302.5)	acceptable to the IRS that authorizes the release	of comparable tax information) on the

Streamlined Accept Documentation

acceptable to the IRS that authorizes the release of comparable tax information) on the application date and again on the Note Date. If the 4506-T obtained on the application date is submitted to the IRS and transcripts are received back from the IRS. Seller is not required to obtain an additional borrower signed 4508-T.

Note: Vertical revision bars " | " are used in the margin of this quick reference to highlight new requirements and significant changes

July 2016 www.FreddieMac.com/learn/





mi.genworth.com





- Rate Express Rates & Comparisons Tool
- Guidelines
- Making Home Affordable
- Find My Rep

RATES & GUIDELINES

Access our mortgage insurance rates and get Genworth Mortgage Insurance Underwriting Guidelines at the click of a mouse.

Rate Cards

View and print our rates in Adobe PDF format.

Rate Express Rates and Comparisons Tool

Find rates and compare them fast! Use Rate Express online or on-the-go using our mobile app!

- . Find an MI Rate
- Compare MI Products
- . Compare MI to FHA
- . Get HARP info (online only)
- Rate Express (426K)
- Downloading Our Mobile App (268K)
- Mobile App User Guide (1,728K)

Guideline

View and print our mortgage insurance underwriting guidelines in Adobe PDF format... as a complete set or as you need them.

Making Home Affordable

Access the information and tools you need for submitting to Genworth under the Home Affordable Refinance Program and the Home Affordable Modification Program.

Order & Edit MI

Login to order online.

Email Address

Forgot Username?

Password

Forgot Password?

LOGIN



A NEW TO THE SITE?

Create a user account

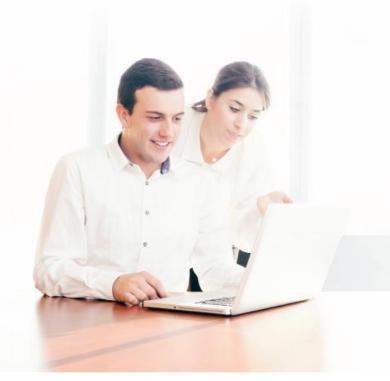
Introducing the Rate Express Mobile App

Watch a video about the making of the Rate Express mobile app for smartphone and tablet users and learn about its features and benefits.



Underwriting Guidelines

Genworth Mortgage Insurance underwritten by: Genworth Mortgage Insurance Corporation



Let's help someone buy a house today.





Genworth Resources

Add the Expertise of Genworth to Your Support Team

Genworth Mortgage Insurance is working to make sure you have the resources you need, when you need them. These seasoned professionals will help you with Genworth's expanding suite of mortgage insurance solutions and demonstrate why MI is a better way to buy a home in today's market. Easy to reach. Easy to work with, Every time.

Please address questions to one of Genworth's Expert Underwriters:



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Natalie Stokes. Regional Underwriter Manager for: AK, AZ, NM, CO & WY 800 866.8683, ext. 2066 (Phone) 800 799.7938 (Fax) natalie.stokes@genworth.com

To deliver a full package for underwriting, simply log on to mi.genworth.com, locate the appropriate underwriting section and select the applicable option for your file.

We look forward to serving you, and welcome any feedback that will help us make your loan submission process as fast and easy as possible.

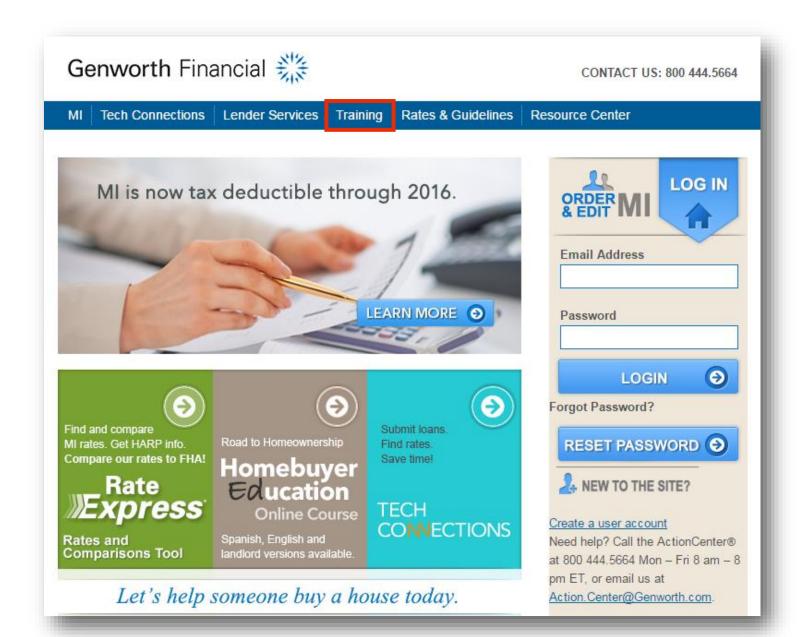
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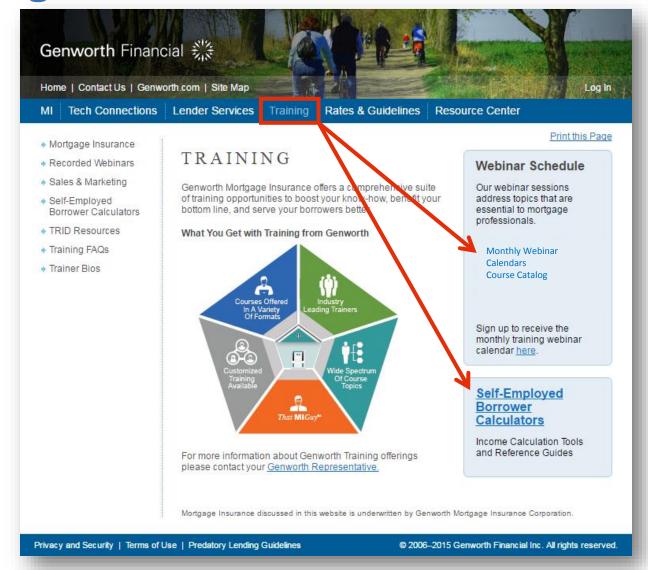
Genworth :::.

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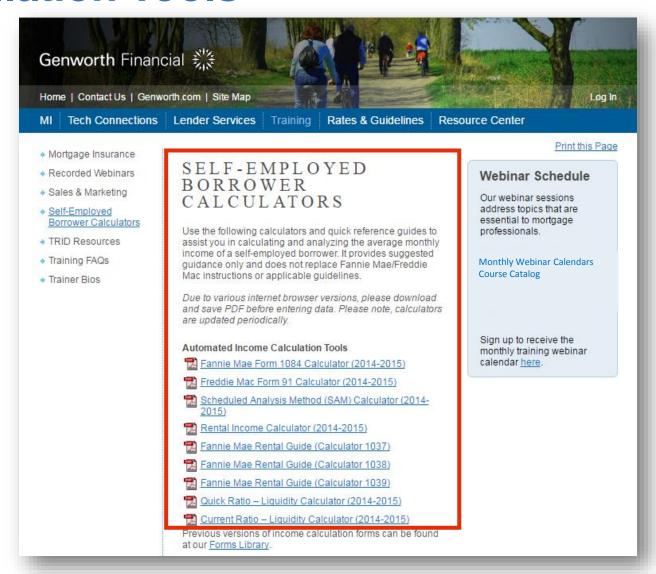




Training Tools and Information

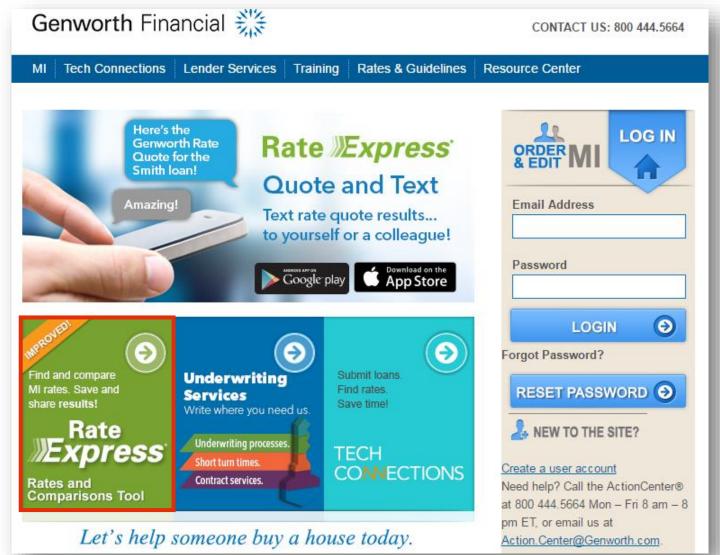


Calculation Tools





Genworth Rate Express® Updated!





Genworth Rate Express

Compare MI to FHA		HARP Info			
Scenario ID: FC022CCDA					
Your results:	Monthly Premium MI - Nonrefundable	FHA			
Premium Payment Type	ВРМІ	ВРМІ			
Interest Rate	4.000%	3.875%			
Loan Amount	\$200,000	\$200,000			
Upfront/Initial MI Rate	0.0000	0.0175			
Upfront/Initial MI Premium	\$0.00	\$3,500.00			
Total Loan Amount	\$200,000	\$203,500			
Monthly/Annual MI Rate	0.0041	0.0080			
Monthly MI Premium	\$68.33	\$133.33			
Order your preferred oremium MI now! Your totals:					
Total Monthly P&I and MI *	\$1,023.16	\$1,090.27			
Total MI Payment over 5 Years *	\$4,099.80	\$11,200.4 8			
MI Savings with Genworth	\$7,100.68				
Estimated # months until cancellation	105 or less	Never			

This calculator does not consider underwriting program acceptability. Contact our Loan Scenario Hotline Monday through Friday 8am-8pm EST. Call 800 444.5664, Option 6 or email us at Action.Center@Genworth.com with any questions.

Your inputs:

Loan Amount\$200,000StateMSRepresentative Credit Score760

LTV 95%-90.01%

Property Type Single Family

Loan Term 30 years

Loan Type Fixed Rate/Fixed Payment

Loan Purpose Purchase
Affordable Housing Program N/A
Coverage % 30%

AUS Results DU Approve/Eligible
Occupancy Primary Residence

 DTI
 38.00%

 Renewal
 Level

 Interest Rate
 4.000%

 FHA Interest Rate
 3.875%

Will Upfront MI Payment be FHA Only

Financed?

Special Features

NMLS ID

Email Address

Lender Loan Number



None

GENWORTH RESOURCES

ActionCenter®: 800 444.5664

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Your Genworth Account Executive or Manager



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