# SAM Form Part I - Personal Tax Returns

#### November 2019

#### YOU-CENTRIC SOLUTIONS THAT MATTER

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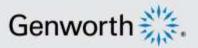


# **Lender Responsibility**

Investors (Fannie Mae, Freddie Mac, Private Investors) require it be determined that self-employed borrowers demonstrate the financial ability to repay the mortgage.

- History
- Income calculation
- Continuance / Stability of income

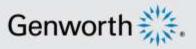
#### Session Covers Conventional Loans And Today's Session Reviews The Personal Tax Returns; Business Returns Are Reviewed In Part II



# Objective

# Learn to use the Schedule Analysis Form (SAM) form and calculate supportable self-employed borrower income from personal tax returns

- -W-2 wages from a business owned by the borrower
- Schedule B dividends and interest income
- Income from a Schedule C (Sole Proprietor)
- Consideration of Capital Gains & Losses Schedule D
- Net Rental Income from Schedule E



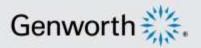
# **Self-Employment Fannie Mae**

Selling Guide Published March 6, 2019	B3-3.2-01: Underwriting Factors and Documentation for a Self-Employed Borrower (12/04/2018)
Guide Table of Contents	This topic contains general information on underwriting factors and documentation for a self-
	employed borrower, including: Overview >
	Factors to Consider for a Self-Employed Borrower >
	Length of Self Employment > Verification of Income >
	Analysis of Borrower's Personal Income >
	Analysis of Borrower's Business Income 🔉
	Use of Business Assets 🔰
	Income Verification for Self-Employed Co-Borrowers 🔉
	Verbal Verification of Employment >

#### Overview

When determining the appropriate qualifying income for a self-employed borrower, it is important to note that business income (specifically from a partnership or S corporation) reported on an individual IRS Form 1040 may not necessarily represent income that has actually been distributed to the borrower. The fundamental exercise, when conducting a self-employment income cash flow analysis, is to determine the amount of income that can be relied on by the borrower in qualifying for their personal mortgage obligation. When underwriting these borrowers, it is important to review business income distributions that have been made or could be made to these borrowers while maintaining the viability of the underlying business. This analysis includes assessing the stability of business income and the ability of the business to continue to generate sufficient income to enable these borrowers to meet their financial obligations.

https://www.fanniemae.com/content/guide/selling/b3/3.2/01.html



# **Self-Employment Fannie Mae**

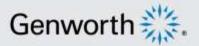
#### Factors to Consider for a Self-Employed Borrower

Any individual who has a 25% or greater ownership interest in a business is considered to be selfemployed.

The following factors must be analyzed before approving a mortgage for a self-employed borrower:

- · the stability of the borrower's income,
- the location and nature of the borrower's business,
- · the demand for the product or service offered by the business,
- · the financial strength of the business, and
- the ability of the business to continue generating and distributing sufficient income to enable the borrower to make the payments on the requested mortgage.

# Fannie Mae 2019 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (12/04/2018)



# **Self-Employment Fannie Mae**

#### Analysis of Borrower's Personal Income

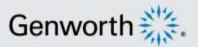
The lender must prepare a written evaluation of its analysis of a self-employed borrower's personal income, including the business income or loss, reported on the borrower's individual income tax returns. The purpose of this written analysis is to determine the amount of stable and continuous income that will be available to the borrower. This is not required when a borrower is qualified using only income that is not derived from self-employment and self-employment is a secondary and separate source of income (or loss). Examples of income not derived from self-employment include salary and retirement income.

The lender may use Form 1084 or any other type of cash flow analysis, including automated tools, that applies the same principles as Fannie Mae's form.

A copy of the written analysis must be included as part of any loan application package that the lender submits to Fannie Mae for a mortgage that is selected for a post-purchase quality control review.

The lender may use a Fannie Mae-approved vendor tool to complete the written analysis and calculate selfemployment income. The lender may receive representation and warranty enforcement relief of the calculated amount if certain requirements are met. See <u>A2-2.1-04</u>, <u>Limited Waiver and Enforcement Relief</u> <u>of Representations and Warranties for Mortgages Submitted to DU</u> and Fannie Mae's website for the list of <u>Approved Vendor Tools</u>.

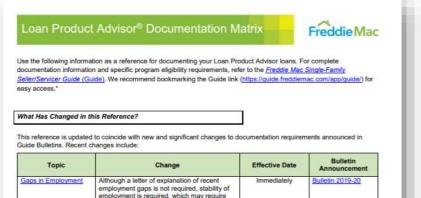
Fannie Mae 2019 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (12/04/2018)



# **Freddie Mac Documentation Matrix**

#### **Documentation Matrix**

- Assists in underwriting and documenting loans for Freddie Mac
- Lenders may have overlays
- Check specific program requirements
- Updated October 2019



Immediately

Immediately

Guide Chapter Link:

Bulletin 2019-20

Bulletin 2019-20

analysis of recent employment gaps. Revising requirements regarding use of funds,

benefit

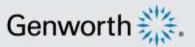
repayment and required terms of the EAH

This new chapter specifies acceptable uses of

the proceeds from a purchase as well as when a borrower may receive cash back.

				Chapter 4305	
		Monthly Housing Expense Calculation	Flood insurance and special assessments with more than 10 monthly payments	January 2, 2020 Bulletin 2	2019-20
Self-employment ndicator Guide Section 5304.1)	<ul> <li>A borrower who has an ownership interes</li> <li>Corporation is considered to be self-emptore</li> <li>to be a self-employed borrower.</li> <li>The Seller must indicate to Loan Product</li> <li>borrower meets Freddie Mac's definition</li> <li>cases where the self-employment incommonthly income for qualifying.</li> </ul>	bloyed. A borrower t Advisor that a bor of self-employed a le and/or loss is use	who is a sole-propriet rrower is self-employe as stated above. This i	or is considered d when the s required in all	
		significant changes.			_
		* The Guide on AllRegs	is the official electronic version of the Single-Fam	ily Seller/Servicer Guide.	

http://www.freddiemac.com/learn/pdfs/uw/docmatrix.pdf



Freddie Mac Learning

S

October 2019

Employer Assisted

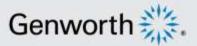
New Guide Chapter

4305 Purchase

Homeownership (EAH)

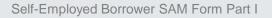
		Self-employed Income				
Documentation Requirements Guide Section 5304.1(h)	following required stability. Freddie Mac information <i>Note:</i> Effective Verification o Federal incor 12 months of Verification o - For partner business r - For sole p document	ddie Mac Form 91, Income Analysis Form, or an alternative form that provides the same				
	Sole	Business in existence ≥ 5 years <sup>1</sup> Obtain complete signed federal individual (Form 1040) income tax	Business in existence < 5 years Obtain complete signed federal individual (Form 1040) income tax			
		return for the most recent year.	returns for the most recent two years.			

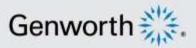
Page 14 of Matrix



Business in existence < 5 years Verify the number of years that the business has been in existence and obtain complete signed federal individual and S corporation (Form 1120S) income tax returns, including the Schedule K-1(s), Form 1125-E
business has been in existence and obtain complete signed federal individual and S corporation (Form 1120S) income tax returns, including
and W-s(s) if applicable, for the most recent two years.
Verify the number of years that the business has been in existence and obtain complete signed federal individual and Corporation (Form 1120) income tax returns, including Form 1125-E and W-2(s) as applicable, for the most recent two years.
C i F

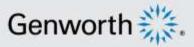
Page 15 of Matrix



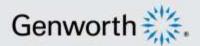


Self-employment disclosed on Form 65,	The Seller is not required to obtain any additional documentation or evaluate the income or loss from the self-employment for each borrower on the mortgage who:
Uniform Residential Loan Application (or other documentation),	<ul> <li>Has a primary source of income, other than self-employment, used for qualifying the mortgage (e.g., salaried income from regular employment), and</li> <li>Is self-employed and self-employment income is a secondary source of income.</li> </ul>
but not used to qualify (Guide Section	For each borrower on the mortgage who is self-employed and does not have another source of income that is used in qualifying the mortgage, the following requirements apply:
<u>5304.1(</u> e))	<ul> <li>The seller must obtain pages 1 and 2 of the borrower's federal individual tax returns, and the applicable schedules (e.g., Schedule C, Schedule E) to determine if there is a business loss that may have an impact on the stable monthly income. Refer to Guide Section 5302.4(b) for information about using IRS tax transcripts to meet certain portions of this requirement.</li> </ul>
	<ul> <li>If a business loss is reported and the borrower qualifies with the loss, then the Seller is not required to obtain any additional documentation relating to the business loss.</li> <li>If a business loss is reported and the borrower does not qualify with the loss, then the Seller must perform a business and income analysis to determine whether depreciation adjustments or other factors such as business closure or evidence of a one-time non-recurring event justify a reduction of the reported loss when calculating the stable monthly income. The Seller must obtain additional documentation needed to fully evaluate the loss and support the analysis (e.g. business tax returns (final or otherwise), evidence of a one-time non-recurring event).</li> <li>If the tax returns or other documentation in the mortgage file (e.g., IRS tax transcripts,</li> </ul>
	additional Schedule K-1s) reflect positive income from self-employment but that income is not used to qualify, additional documentation (e.g., complete business or federal individual income tax return(s)) is not required. The Loan Product Advisor self-employed indicator is not required when self-employed income is
	not used to qualify.

Page 15 of Matrix

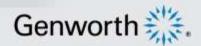


Торіс	Documentation Re	quirements (Streamlined and Standard Documentation Levels)
	Self-en	ployed Income (continued)
Verification of current existence of the business	Verification of the curren business is used as stab	t existence of the business is required when positive income from the le monthly income.
(Guide Section 5304.1(g))	party sources	ptable third party sources include, but are not limited to: Regulatory agency Phone directory Internet source (e.g., Better Business Bureau) Directory assistance Applicable licensing bureau ication of current existence of the business obtained verbally from an ptable third party source must be documented and include all the ving: Name and address of the business Name of individual and entity contacted to obtain the verification Date information verified Name and title of the individual who completed the verification for the Seller
	sources such • F • f • f • f • f • f • f • f • f	Seller may consider alternative sources if the above are not available, as: Preparer of the tax returns for the business (e.g., accountant), provided he preparer has an arm's length relationship with the borrower At least one months' business bank statement that supports the current existence of the business and the level and type of income and expenses reported on the business tax returns verification must be completed prior to the Delivery Date, but no more
		120 days prior to the Note Date
5 of Matrix		



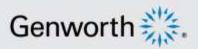
# Chapter 5304.1(d) Business and Income Analysis

Analysis	
Торіс	Requirements and guidance
Business and income analysis	Business review and analysis: The Seller's analysis of the business must support that the business has sufficient liquidity and is financially capable of producing stable monthly income for the Borrower.
	<ul> <li>The analysis must include a review of the business tax returns</li> </ul>
	The Seller's review must include, at a minimum, an analysis of gross receipts or sales, cost of goods sold and gross profits. All should be typical for the type of business and reflect consistent year over year trends. In addition, the business expenses should be reasonable for the type of business activity and level of business income. Business tenure should be considered.
	The Seller may determine that review and analysis of the business financial statements, business asset statements, and in the case of Partnerships and S corporations, an analysis of the historical cash distributions, is necessary to establish the financial and liquidity standing of the business. In addition, the Seller may calculate and consider the liquidity ratios of the business using generally accepted accounting practices when analyzing the liquidity of the business.

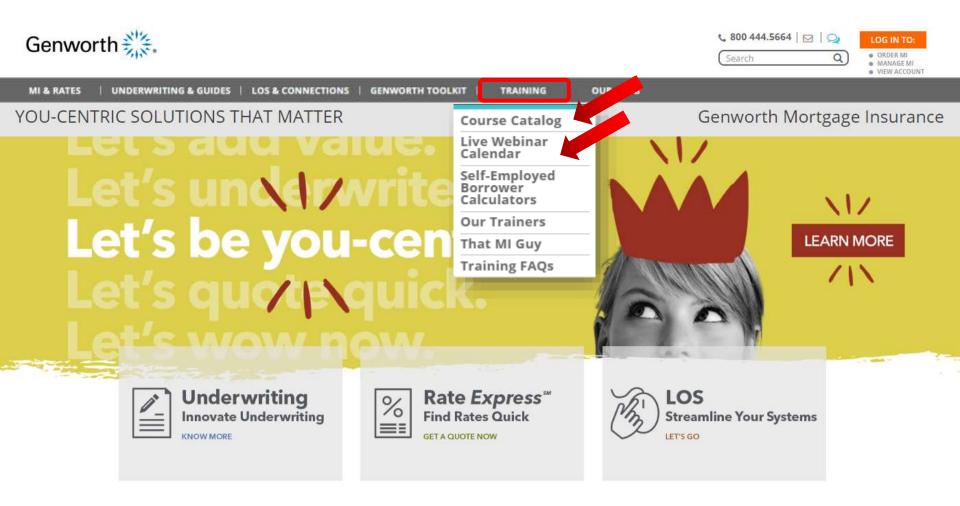


# Chapter 5304.1(d) Business and Income Analysis

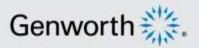
Business and income analysis	The Seller must analyze the tax returns and document the calculation of the Borrower's self-employed income on Form 91, Income Calculations, or a similar alternative form.
	Income fluctuation
	As part of the analysis, the Seller must consider whether the Borrower's self-employed income has increased or decreased over the previous two years when the Seller's analysis includes a review of documentation covering a history greater than one year
	<ul> <li>If the analysis reflects that the Borrower's income has significantly increased or decreased, the Seller must provide sufficient documentation and justification to support the determination that the income used to qualify the Borrower is stable and likely to continue for the next three years</li> </ul>
	It may be necessary to obtain additional years' tax returns when the Borrower's self-employment income fluctuates in order to determine the stability of the income



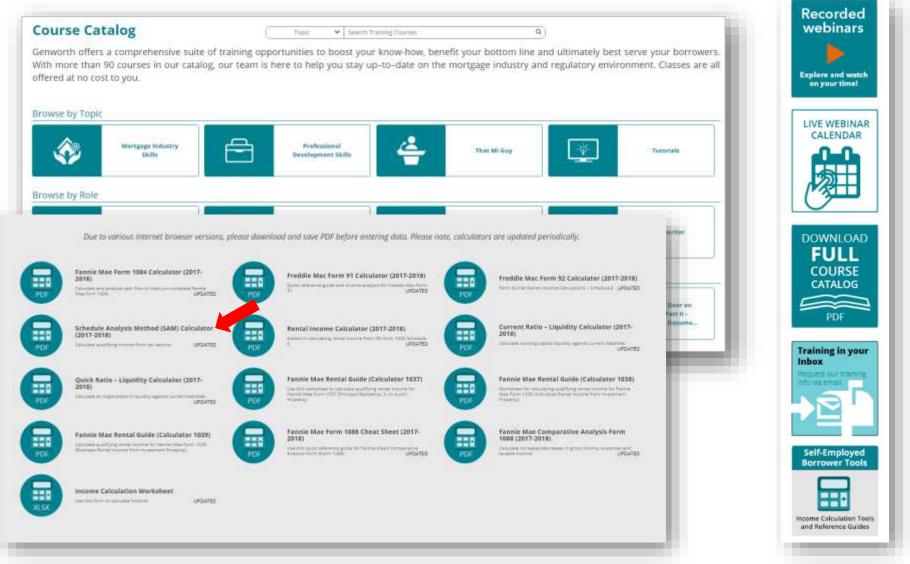
# **Training Tools and Information**



### www.mi.Genworth.com



# **Training Tools and Information**



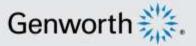
Borrower(s) Name(s)	Loan Number	Genworth
Property Address		

#### Schedule Analysis Method (SAM)

Please use the following calculator and quick reference guide to assist you in calculating qualifying income from tax returns. It provides suggested guidance only and does not replace Fannie Mae, Freddie Mac, Lender or Investor instructions or applicable guidelines.

Sci	nedule B - Interest and Dividends From Self Employment		2018	2017	NOTES
1	Recurring Interest Income (Line 1) or Line 2b (2018), Line 8a (2017)	+			
2	Recurring Dividend Income (Line 5) or Line 3b (2018), Line 9a (2017)	+			
	Schedule B Subtotal				
I Sc	hedule C - Sole Proprietorship	4	2018	2017	NOTES
3	Net Profit or Loss (Line 31)	+/-			
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-			
5	Depletion (Line 12)	+			
6	Depreciation (Line 13)	+			
7	Meal and Entertainment Exclusion (Line 24b)	- 1			-
8	Business Use of Home (Line 30, Form 8829)				
9	Business Miles, Page 2, Part IV (Line 44a or 4562)				
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)				
10b					
11	Amortization/Casuality Loss only if noted (Page 2, Part V)	+			
	Schedule C Subtotal				
11 5	chedule D - Capital Gains or Losses	14	2018	2017	NOTES
12	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-			*Verify no recurring losses that need to be considered.
	Schedule D Subtotal				Provide Contraction and Provide States and Addition
vs	chedule E - Supplemental Income and Loss*	1	2018	2017	NOTES
13	Royalty Income (Line 4)	+			*Rental income is calculated
14	Total Expenses (Line 20)	0			separately and not included with the SAM Form.
15	Depletion (Line 18)	+			
	Subtotal				
/ Sc	hedule F - Farm Income		2018	2017	NOTES
	Net Profit or Loss (Line 34)	+/-			
16					
	Non-Tax Portion Ongoing Co-op & CCC Pmts (Lines 3a-3b, 4a-4b, 6a-6b)	+/-			
16		+/-			

When Borrowers Own Multiple Partnerships, S Corps Or Corporations, Complete A Separate Worksheet For Each Business; Complete A Separate Worksheet For Each Borrower



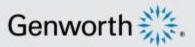
# **Does Borrower Own > 25% of a Business?**

Employer or Business Name	Phone ()	Gross Month	hly Income
Address		Base S	s/month
CityStateZip			\$/month
		Bonus S	s/month
Position or Title	Check if this statement applies:	Commission \$	s/month
Start Date / (mm/yyyy) How long in this line of work? Years Months	I am employed by a family member, property seller, real estate agent, or other party to the transaction.	Military Entitiements	5/month
Check if you are the Business OI have an ownership sha	Other 5	5/month	
Owner or Self-Employed OI have an ownership sha		TOTAL	5/month

Can checking the Self-employed Indicator to "Yes" increase the risk of the loan when evaluated by Desktop Underwriter<sup>®</sup>? What about Loan Product Advisor<sup>®</sup>?



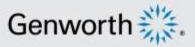




Self-Employed Borrower SAM Form Part I



# ANALYSIS OF THE SELF-EMPLOYED BORROWER CASE STUDY



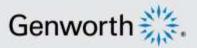
Self-Employed Borrower SAM Form Part I

# **The Case Study**

#### You will be working with John and Mary Homeowner who:

- Own a Schedule C business called Impressive Images (John)
- Have schedule B interest income earned from personal assets
- Have capital gain/loss activity reported on a Schedule D
- Own an existing rental property shown on a Schedule E
- \*Own 35% of an LLC called Dallas Designers (Mary)
  - Reported on a 1065 Partnership Return
  - Mary receives a K-1
- \*Own 100% of an S Corporation called Wellness World (John)
  - Income reported on 1120S Tax Return
  - Receives a K-1
  - John receives a W-2 Wage from the business (Wellness World)

#### \*Covered in part II



# **IRS Form 1040**

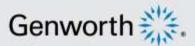
#### **Review for:**

- Name, Address, Social
- All pages and schedules
- Any Red Flags
- Most recent
- Signed?

Page 2

- Review Line 6 for indication Schedule 1

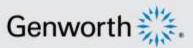
Form 1040	E 1040 Department of the Transity - Initianal Revenue Sanka [98] U.S. Individual Income Tax Return Filing status: Single X Merried filing jointy Married filing separately Head of household Qualifying widow(er)							this space.	
	Filing status: Your first name a John		riad filing jointly    Marriad filing separately    Head of household    Qualifying widow    Last name   HomeOwner				(er) Your social security number XXX - XX - XXXX		
<i>.</i>	Your standard deduction: Someone can claim you as a dependent You were born before January 2, 1964 You If joint return, spouse's first name and initial Mary HOMEOWNER					u are blind Spouse's social security numbe XXX - XX - XXXX			
ew for:	Spouse is blin Home address (r	umber and street). If you have a l	a separate return or	ou were dual-status a	ouse was born before Janu Jian	Apt. no.	or exer	er health car npt (see inst al Bection Ca	t.) ampaign
me, Address, Social	7 Galloping Hill Road City, tewn or post office, tate, and ZIP code. If you have a foreign address, attach Schedule 6. Dallas TX 75432 Dependent's gee instructions): (2) Social search number (3) Relationship to you					10	(see inst.) You Spou If more than four dependents, see inst. and ✓ here ► ( (4) ✓ if qualifies for (see inst.):		
pages and schedules	(1) Fint name			(2) Social security number	er (3) Relationship to you	Child tax	aedit C		
y Red Flags	Sign	nder penalties of penjury, I declare that	it I have examined this re	tum and accompanying	schedules and statements, and	to the best of my kr		salief, they are	a trua,
st recent	Joint ratum? See instructions. Keep a copy for	orract, and complete. Declaration of pr Your signature Spouse's signature. If a joint	raparar (othar than taxpo	yet) is based on all infor Date	mation of which preparer has an Your occupation OWTRET Spouse's occupation	y knowledge.	If the IPS sent PIN, enter it here (see inst.) If the IPS sent	you an Identity Protec	tity Protectic
ined?	Paid Preparer	Preparor's name	Proparor's si	gnature	owner PIN		PIN, onter it here (see inst.) rm's EIN	Check if:	
view Line 6 for indication of a	Use Only	Firm's name ► Self Firm's address ► rivacy Act, and Paperwork Red	-Prepared	ee separate instruc	Phon tions.	e no.	2	Form 1	1040 por
nedule 1	Form 1040 (2018)	1 Wages, salaries, tips, etc. 2a Tax-exempt interest.	Attach Form(s) W-2		b Taxable interest		1 2b		Paga 0,071. 3,473.
	W-2. Also attach Form(s) W-2G and 1090-R If tax was with/sid.	da RAs, pensions, and annuñe 5a Social security benefits .	. 5a		<ul> <li>b Ordinary divider</li> <li>b Taxable amount</li> <li>c Taxable amount</li> </ul>	t sos er i	3b 4b 5b		
	(Standard	6 Total income, Add lines 1 thro 7 Adjusted gross income, 1 subtract Schedule 1, line 1	If you have no adjust		2 210,563.	6; otherwise,	6	319	9,020. 7,031.
Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	210,563.		. [	6	324,	107.		14 267	1,259. 7,730.
	Head of     tousehold,     S19,000     Hryou checked	12 a Child tax cradit/cradit for oth 13 Subtract line 12 from line 14 Other taxes, Attach Scher	tt. If zero or less, en	Contraction of the second s	amount from Schedule 3 and ch	ock hare 🕨 🗌	12 13 14	52	2,834. 2,834. 0,191.
	any box under Standard deduction, see instructions.	15 Total tax. Add lines 13 and 16 Federal income tax withhe 17 Refundable credits: a EIC (	d 14 ald from Forms W-2 :	and 1099b Sch. 8812	o Form 8863	111	15 16	63	3,025. 2,732.
	neiuliu	Add any amount from Sch Add lines 16 and 17. These 19 If line 18 is more than line	se are your total pays 15, subtract line 15	from line 18. This is th			17 18 19	22	2,732.
	Direct deposit? See instructions	► b Routing number X ► d Account number X	x x x x x x x x x x x x x x x x x x x	x x x × ►	red, check here	Savings	20a		
	Amount You Owe	Amount of line 19 you want     Amount you owe. Subtra     Estimated tax penalty (see	ct line 18 from line 1	5. For datails on how			22	40	0,293.



# **Calculator and Quick Reference Guide**

#### Access your Quick Reference Guide SAM Form and YOUR Case Study

	er(s) Name(s) Loan Number			G	ienworth 💥
	alculator and Quick R chedule Analysis Meth				9:
	e use the following calculator and quick reference guide to ested guidance only and does not replace Fannie Mae, Free				
I Scł	nedule B - Interest and Dividends From Self Employment		2018	2017	NOTES
1	Recurring Interest Income (Line 1) or Line 2b (2018), Line 8a (2017)	+			
2	Recurring Dividend Income (Line 5) or Line 3b (2018), Line 9a (2017)	+			
2					



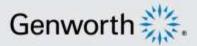
# 2018 Schedule B

# Don't use unless needed for qualifying

- Use ONLY if income is coming from SELF-EMPLOYMENT
- If borrower owns a US corporation that paid dividends, you must subtract out the dividends paid
- We are only reviewing a one year history, so we cannot use!

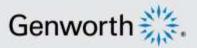
SCHEDULE B	i i	Interest and Ordinary Dividends	1	OMB No. 1545-0074	
(Form 1040)			1	2018	
Department of the Trea Internal Revenue Servi	esury ice (99)	<ul> <li>Go to www.irs.gov/Schedule8 for instructions and the latest information.</li> <li>Attach to Form 1040.</li> </ul>	Attachment Sequence No. 08		
Name(s) shown on ra	atum)		Yours	ocial security number	
John & Mary		-50-XXX-XX-			
Part I Interest	1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►	20000		
(See instructions		Community Bank	-	1,277.	
and the Instruction		American Credit Union		2,188.	
Form 1040, line 2b.)		Dallas Designers, LLC	-	8.	
nne 20.1 -					
Note: If you received a Form 1099-INT, Form 1099-OID, or			1		
substitute statement from a brokerage firm, list the firm's					
name as the payer and enter the total interest					
shown on that form.		· · · · · · · · · · · · · · · · · · ·			
iunit.	2	Add the amounts on line 1	2	3,473.	
	3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	-14 0.0-01.0-01-	
	4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 2b	4	3,473.	
	Note:	If line 4 is over \$1,500, you must complete Part III.		Amount	
Part II	5	List name of payer >			
Ordinary		<u></u>			
Dividends					
(See Instructions and the					
Instructions for Form 1040, line 3b.)			5		
Note: If you received a Form 1099-DIV or					
substitute statement from a brokerage firm, list the firm's					
name as the payer and enter					

Scł	nedule B - Interest and Dividends From Self Employment		2018	2017	NOTES	
1	Recurring Interest Income (Line 1) or Line 2b (2018) , Line 8a (2017)	+	0			
2	Recurring Dividend Income (Line 5) or Line 3b (2018), Line 9a (2017)	+	0			
	Schedule B Subtotal					
		-			e name of the foreign country where the were you the grantor of, or transferor to, a See instructions	×
е 6		For Paperw	ork Reduction Act Notice, see your	tax return instructions. BAA	REV 1202/18 TTW Schedule B (Form 1040	) 2018



# **SAM Form Section II Schedule C**

Sc	hedule C - Sole Proprietorship		2018	2017	NOTES
3	Net Profit or Loss (Line 31)	+/-			
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-			
5	Depletion (Line 12)	+			
6	Depreciation (Line 13)	+			
7	Meal and Entertainment Exclusion (Line 24b)	-			
8	Business Use of Home (Line 30, Form 8829)	+			
9	Business Miles, Page 2, Part IV (Line 44a or 4562)				
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)				
10b	= Total Mileage Depreciation	+			
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+			
	Schedule C Subtotal				



# **Did Your Borrower File a Schedule C?**

**Review Line 12 on the** Schedule 1 for any indication that the borrower filed a Schedule C for 2018 returns

or any	SCHEDULE 1 (Form 1040) Department of the Treas Internal Revenue Service		► Attach to Form 1040. m 1040 for instructions and t			OMB No. 1545-0074
at the	Name(s) shown on For John & Mary					cial security number
led a Schedule returns	Additional 1 Income	Reserved Taxable refunds, credits, or offse Alimony received Business income or (loss). Attac Capital gain or (loss). Attach Sche Other gains or (losses). Attach F Reserved Reserved Reserved	ch Schedule C or C-EZ edule D if required. If not req form 4797	ne taxes juired, check here ► □ , etc. Attach Schedule E	1-9b 10 11 12 13 14 15b 16b 17	73,414. -3,000. 140,149.
······································	a a la Cala a duda	Farm income or (loss). Attach So	chedule F		18	72 414
usiness income or (loss). Att		to the state of the state of the state of the state		. 12	-	73,414
		Other income. List type and amo		· · · · · · · · · · · · · · · · · · ·	21	
	-	Combine the amounts in the far income, enter here and include of			22	210,563.
	Adjustments to Income	Educator expenses Certain business expenses of rese and fee-basis government officials Health savings account deductio Moving expenses for members Attach Form 3903 Deductible part of self-employment Self-employed SEP, SIMPLE, ar Self-employed health insurance Penalty on early withdrawal of si Alimony paid <b>b</b> Recipient's SS IRA deduction Student Ioan interest deduction Reserved Reserved Add lines 23 through 35	arvists, performing artists, a. Attach Form 2106 bn. Attach Form 8889 . s of the Armed Forces. t tax. Attach Schedule SE nd qualified plans deduction avings SN ▶	23 24 25 26 27 5,087. 28 29 30 31a 32 33 34 35		5,087.
	-	n Act Notice, see your tax return in				dule 1 (Form 1040) 2018
				/ 12/21/18 TTW		

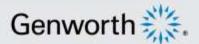
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Page 3

12

#### C **Schedule**

edule C	SCHEDULE C (Form 1040) Department of the Trassury Internal Revenue Service (BB)	Profit or Loss From Business (Sole Proprietorship) Go to www.i/rs.gov/ScheduleC for instructions and the latest informative Attach to Form 1040, 1040NR, or 1041; partnerships generally must file F	Attachment
	Name of proprietor		Social security number (SSN)
	John Homeowner		XXX-XX-XXXX
		rofession, including product or service (see instructions)	B Enter code from instructions
	Photographer C Business name. If no se	eparate business name, leave blank.	▶ 5 6 1 6 0 0 D Employer ID number (EIN) (see instr.)
	Impressive Ima		
		uding suite or room no.) 🕨 7 Galloping Hill Road	
	City, town or post office	e, state, and ZIP code Dallas, TX 75432	
	F Accounting method:		
		ticipate" in the operation of this business during 2018? If "No," see instructions	for limit on losses . Yes No
		ed this business during 2018, check here	
		vou file required Forms 1099?	Yes No
	Part I Income	n mener management and and and a state of the	그 아는 아파는 아파는 아파 가지 않는 것 같아요.
		s. See instructions for line 1 and check the box if this income was reported to yo	
		atutory employee" box on that form was checked	
	2 Returns and allowances 3 Subtract line 2 from line		2 3 139,877.
	<ol> <li>Subtract line 2 from line</li> <li>Cost of goods sold (from</li> </ol>		
	5 Gross profit. Subtract	사람이 사람이 있다. 이야기에 가지 아이에 가지 않는 것이 가지 않는 것이 있는 것이 있다. 가지 않는 것이 있다.	5 139,877.
		g federal and state gasoline or fuel tax credit or refund (see instructions)	. 6 3,876.
	7 Gross Income. Add In		. > 7 143,753.
		ar expenses for business use of your home only on line 30.	1
	8 Advertising		
	9 Car and truck expenses instructions).		
	10 Commissions and fees		
	11 Contract labor (see Instruc		20b
	12 Depletion	12 21 Repairs and maintenance .	21
	13 Depreciation and section expense deduction	Inot	
	included in Part III)	(see 23 Taxes and licenses	- + 23 800.
	instructions).		24a 11,276.
	14 Employee benefit prog (other than on line 19).		248
	15 Insurance (other than he		. 24b 4,099.
	16 Interest (see Instruction		25 2,399.
	<ul> <li>Mortgage (paid to banks,</li> </ul>		
	b Other		
	17 Legal and professional ser	rvices 17 1,500. b Reserved for future use . e expenses for business use of home. Add lines 8 through 27a	27b . 28 68,839.
	20 Total expenses before	e expenses to busides use of funct. Aud into a brough 278	74,914.
t profit or (loss). Subtract line 30 from line 29.			
If a profit, enter on both Schedule 1 (Form 1040), line 12 (or For	n 1040NP line 13) and on Se	thodulo SE	
e 2. (If you checked the box on line 1, see instructions). Estates ar	id trusts, enter on Form 1041,	, line 3. 31 73 ,	414.
	31 Net profit or (loss), Su	ubtract line 30 from line 29.	1,500.
		h Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE,	)
		e box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.	31 73,414.
	<ul> <li>If a loss, you must g</li> </ul>	TV 126327 - 683	<b>)</b> in the
		ck the box that describes your investment in this activity (see instructions).	1
	line 13) and on Schedu Estates and trusts, enter	enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, hule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). er on Form 1041, line 3.	32a All Investment is at risk. 32b Some investment is not at risk.
	<ul> <li>If you checked 32b, y</li> </ul>	you must attach Form 6198. Your loss may be limited.	5
	For Dealer and the second second	t Notice, see the separate instructions. BAA REV 12/21/18 TTW	Schedule C (Form 1040) 2018

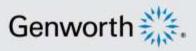


31

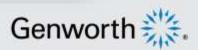
Page 7

ll Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-		
5	Depletion (Line 12)	+		
6	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	<u> </u>		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562)			
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.25
10b	= Total Mileage Depreciation	+	ά.	
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			

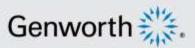




S	chedule C	SCHEDULE C (Form 1040) Department of the Treasury Internal Revenus Service (58)			and the latest information.	At	/E No. 1545-0074
		Name of proprietor			So	cial security nu X - XX - XXX	mber (SSN)
		John Homeowner A Principal business	or profession, including product or sen	vice (see instructions)	1, 1000	Enter code from	
		Photographe	Υ.	nesi est te sta litte internati			6 1 6 0 0 nber (EIN) (see instr.)
		Impressive	no separate business name, leave bian Images	κ.	D.	Employer ID nun	icer (End (see usit.)
			(Including suite or room no.) > 7 Ga	alloping Hill las, TX 75432	Road	10 - 10 - 10 12	
				(3) Other (spe	ecity) 🕨		
		H If you started or a I Did you make any J If "Yes," did you d	y participate" in the operation of this bu cquired this business during 2018, check payments in 2018 that would require you will you file required Forms 1099?	khere			Yes No Yes No Yes No
		Form W-2 and the Peturns and allow Subtract line 2 fro Cost of goods sol Gross profit. Sub	m line 1	was checked		1 2 3 4 5	139,877. 139,877. 139,877. 3,876.
			luding federal and state gasoline or fuel dd lines 5 and 6			7	143,753.
Par	t Income						
1	Gross receipts or sales. See instructions for line 1 and check the box if Form W-2 and the "Statutory employee" box on that form was checked		reported to you on	1	139,	877.	
2	Returns and allowances			2			
1					* * *		5,999.
3	Subtract line 2 from line 1	5 8 8 8 8 8 8	16 (16) 16 (16) 16 (16) 16 (16)	3	139,	8//.	- 11,276.
4	Cost of goods sold (from line 42)	A A A A A	a (a) a (a (a (a)	4			11,270.
5	Gross profit. Subtract line 4 from line 3		รณายุตาม เป	5	139,	877.	4,099.
6	Other income, including federal and state gasoline or fuel tax credit or	refund (see instruc	tions)	6	3,	876.	9,119.
7	Gross income. Add lines 5 and 6	* * * * * *		7	143,	753.	68,839.
		unless using the s Simplified metho and (b) the part of Method Workshee	Turbly, submitted time as more time r timess use of your home. Do not report implified method (see instructions), d filers only: enter the total square tool your home used for business; et in the instructions to figure the amount 9, Subtract line 30 from line 29.	age of: (a) your home: 3	where. Attach Form 8829 4200 00 . Use the Simplified	30	74,914.
	Examples include:						73,414.
	<ul> <li>Profit from postage, shipping or handling</li> </ul>	ng, if you track it	separately				10/4141
	<ul> <li>Interest earned on notes or accounts r</li> </ul>		,,				
			naid (what	et) this			estment is at risk. Investment is not
	<ul> <li>Bad debts you deducted in a previous</li> </ul>					t risk	-
Pa	<ul> <li>Cash prizes and awards that your bus Commerce for "Business of the Year"</li> </ul>	siness received, s	uch as a \$500 prize	from your l	ocal Chamber of	Of edule	C (Form 1040) 2018
10						-	

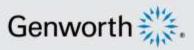


l Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+		
6	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	-		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562)			
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			



Part	II Expenses. Enter expe	enses	for business use of you	r hom	e only on line 30.	1, J	
8	Advertising	8	7,211.	18	Office expense (see instructions)	18	
9	Car and truck expenses (see			19	Pension and profit-sharing plans	19	
	instructions)	9	21,637.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III) .	22	5,999.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	800.
	instructions).	13	4,799.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	11,276.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	4,099.
16	Interest (see instructions):			25	Utilities	25	2,399.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits).	26	
b	Other	16b		27a	Other expenses (from line 48) .	27a	9, <mark>1</mark> 19.
17	Legal and professional services	17	1,500.	b	Reserved for future use	27b	

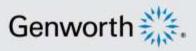
#### Page 7



l Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
-	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	-		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562)			
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			

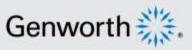
#### Page 7

Self-Employed Borrower SAM Form Part I

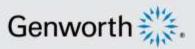


8	Advertising	8	7,211.	18	Office expense (see instructions)	18	
9	Car and truck expenses (see			19	Pension and profit-sharing plans	19	
	instructions).	9	21,637.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III) .	22	<mark>5,999</mark> .
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	800.
	instructions).	13	4,799.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	11,276.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	4,099.
16	Interest (see instructions):			25	Utilities	25	2,399.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits).	26	
b	Other	16b		27a	Other expenses (from line 48) .	27a	9,119.
17	Legal and professional services	17	1,500.	b	Reserved for future use	27b	

#### Page 7



ll Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	ſ	
8	Business Use of Home (Line 30, Form 8829)	+	4	
9	Business Miles, Page 2, Part IV (Line 44a or 4562)			
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.25
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			



#### Meals and Entertainment: 50% Limit

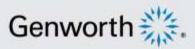
Meals while traveling for business, entertaining your business associates at sporting events, shows, nightclubs

#### Meals and Entertainment: 100% Limit

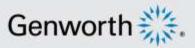
Company parties and picnics, charitable events, meals for children at a daycare facility

Part	II Expenses. Enter expe	enses f	for business use of you	r hom	e <b>only</b> on line 30.	1, 1, 1 (1)	÷
8	Advertising	8	7,211.	18	Office expense (see instructions)	18	
9	Car and truck expenses (see			19	Pension and profit-sharing plans .	19	
	instructions)	9	21,637.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III) .	22	5,999.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	800.
	instructions).	13	4,799.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	11,276.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	4,099.
16	Interest (see instructions):			25	Utilities	25	2,399.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits).	26	
b	Other	16b		27a	Other expenses (from line 48) .	27a	9,119.
17	Legal and professional services	17	1,500.	b	Reserved for future use	27b	

#### Page 7



ll Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	4,099.00	
•	Business Use of Home (Line 30, Form 8829)	+	l I	
9	Business Miles, Page 2, Part IV (Line 44a or 4562)			
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			

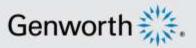


28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	68,839.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	74,914.
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).         Simplified method filers only: enter the total square footage of: (a) your home:       4200         and (b) the part of your home used for business:       300       . Use the Simplified		
	Method Worksheet in the instructions to figure the amount to enter on line 30	30	1,500.
31	Net profit or (loss). Subtract line 30 from line 29.		16
	<ul> <li>If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.</li> <li>If a loss, you must go to line 32.</li> </ul>	31	73,414.
32	If you have a loss, check the box that describes your investment in this activity (see instructions).		
	<ul> <li>If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.</li> <li>If you checked 32b, you must attach Form 6198. Your loss may be limited.</li> </ul>	32b	All investment is at risk. Some investment is not at risk.



Self-Employed Borrower SAM Form Part I

ll Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)		4,099.00	
8	Business Use of Home (Line 30, Form 8829)	+	1,500.00	
9	Business Miles, Page 2, Part IV (Line 44a or 4562)		1	
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			



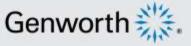
# **Review Line 9 for Car and Truck Expenses**

- If there is an entry, look for the math
  - 9 Car and truck expenses (see instructions).

9

Department o	D DIM HINDDAY	(S Go to www.irs.gov/Schedu	Sole Proprietors) NeC for Instruction	I BUSINESS htp) ons and the latest information htps generally must file Form		OMB No. 1545 201 Attachment Seguence No.
Name of pro				inge generally inter ine i eini	1000 A 1000 A 1000	curity number (SSN
	omeowner				XXX-XX	
		ion, including product or servi	ice (see instructio	ns)	B Enter d	ode from instruction
	notographer					5616
		e business name, leave blank.	c			er ID number (EIN) (se
	pressive Images					
		sulte or room no.) 🕨 7 Ga.	lloping Hi	11 Road	i di contra	-10-10-100
	v. town or post office, stat		as, TX 754			
-		Cash (2) Accrual				
				8? If "No," see instructions for li	mit on loss	ses . 🗙 Yes
		s business during 2018, check				• □
		In 2018 that would require you				Yes
	Yes," did you or will you fi				NC503 7	Yes
	Income		10000		5 5 S S	CON REAL PROV
		instructions for line 1 and che	eck the box if this	Income was reported to you on		
		employee" box on that form a		Income was reported to you on	1	139,
	tums and allowances		worked and		2	
	btract line 2 from line 1			ST 1930 10 10 1	3	139,
1. 200				ana anatia ana ara a	4	
					5	139,
			dit or return	d (see Instructions)	6	З,
					7	143,
	2	1,637.	home o	nly on line 30.		
	4	1,001.	18 Of	fice expense (see instructions)	18	
9 Ca	r and truck expenses (see		19 Pe	nsion and profit-sharing plans	19	
Ins	tructions).	9 21,6	37. 20 Re	nt or lease (see instructions):		
10 CO	mmissions and fees	10	a Vel	hicles, machinery, and equipment	20a	
11 Co	ntract labor (see instructions)	11	b Ot	her business property	20b	
12 De	pletion	12	21 Re	pairs and maintenance	21	
	preclation and section 179		22 SU	pplies (not included in Part III) .	22	5,
inc	pense deduction (not luded in Part III) (see		23 Ta	xes and licenses	23	
ins	tructions)	13 4,7	199. 24 Tra	avel and meals:		
14 Em	pioyee benefit programs		a Tra	avel	24a	11,
lot	her than on line 19) .	14	b De	ductible meals (see		
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				structions)		
15 Ins	urance (other than health)	15	10 A. 2010 10 10 10 10 10 10 10 10 10 10 10 10	arucuons)	24b	4,
15 lins 16 linte	erest (see instructions):		25 Ut	lities	25	4, 2,
15 ins 16 inte a Mo	erest (see instructions): ortgage (paid to banks, etc.)	168	25 Ut 26 Wa	ilties ages (less employment credits) .	25 26	2,
15 ins 16 inte a Mo b Otr	erest (see instructions): intgage (paid to banks, etc.) her	16a 16b	25 Ut 26 Wa 27a Ot	littles ages (less employment credits) . her expenses (from line 48) .	25 26 27a	
15 ins 16 inte a Mo b Otr 17 Leg	erest (see instructions): intgage (paid to banks, etc.) her gal and professional services	16a 16b 17 1,5	25 Uti 26 Wa 27a Oti 500. b Re	lities ages (less employment credits) . her expenses (from line 48) . .served for future use	25 26 27a 27b	2, 9,
15 Ins 16 Inte a Mo b Otr 17 Leg 28 To	erest (see Instructions): htgage (paid to banks, etc.) her gal and professional services tal expenses before expe	16a 16b 17 1,5 mises for business use of home	25 Uti 26 Wa 27a Oti 500. b Re	lities ages (less employment credits) . her expenses (from line 48) . .served for future use	25 26 27a 27b 28	2, 9, 68,
15 ins 16 int a Mo b Otr 17 Leg 28 To 29 Ter	erest (see instructions): intgage (paid to banks, etc.) her gal and professional services tal expenses before expe ntative profit or (loss). Sub	16a           16b           17         1,5           inses for business use of home fract line 28 from line 7.	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thr	Ittles ages (ess employment credits) her expenses (from line 48) served for future use ough 27a	25 26 27a 27b 28 29	2, 9,
15         ins           16         intri           a         Mo           b         Ottr           17         Leg           28         To           29         Ter           30         Exp	erest (see instructions): intgage (paid to banks, etc.) her gal and professional services tail expenses before expe infative profit or (loss). Sub penses for business use	16a           16b           17         I., 5           rises for business use of home           iffact line 28 from line 7           of your home. Do not report	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thr	lities ages (less employment credits) . her expenses (from line 48) . .served for future use	25 26 27a 27b 28 29	2, 9, 68,
15 ins 16 intu a Mo b Ott 17 Leg 28 To 29 Ter 30 Exp uni	erest (see instructions): httpsge (paid to banks, etc.) her jal and professional services tal expenses before expe- ntative profit or (loss). Sub penses for business use less using the simplified m	16a           16b           17           17           18           17           18           17           18           18           19           17           18           18           19           17           18           19           11           11           11           11           12           13           14           16           16           16           16           16           16           16           17           17           16           16           16           16           16           16           17           16           17           16           17           17           17           17           17           17           17           17	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thm t these expenses	itties ages (ess employment credits) , her expenses (from line 48) . served for future use . ough 27a . elsewhere. Attach Form 8829	25 26 27a 27b 28 29	2, 9, 68,
15         ins           16         infu           a         Mo           b         Ott           17         Leg           28         Toi           29         Ter           30         Exp           uni         Sim	erest (see instructions): rtgage (paid to banks, etc.) her gal and professional services tal expenses before expe ntative profit or (loss). Sub penses for business use less using the simplified mplified method filers on	16a       16b       17       1, 5       inses for business use of home fract line 28 from line 7       of your home. Do not report lehod (see instructions).       ly: enter the total square foota	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thm t these expenses	Ittes ages (less employment credits) . her expenses (from line 48) . served for future use ough 27a . elsewhere. Attach Form 8829 Irme: 4200	25 26 27a 27b 28 29	2, 9, 68,
15 ins 16 intr a Mo b Ott 17 Leg 28 To 29 Ter 30 Ext uni Sim and	erest (see instructions): ritgage (paid to banks, etc.) her gal and professional services tal expenses before expe- ntative profit or (loss). Sub penses for business use less using the simplified m nplified method filers on d (b) the part of your home	16a           16b           17         1, 5           rises for business use of home tract line 28 from line 7 of your home. Do not report lethod (see instructions). by: enter the total square floota sused for business:	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thm  t these expenses age of: (a) your ho	Ittes ages (ease employment credits) , her expenses (from line 48) . ugh 27a . elsewhere, Attach Form 8829 arre: 4200 300 , Use the Simplified	25 26 27a 27b 28 29	2, 9, 68, 74,
15 ins 16 intr a Mo b Ott 17 Leg 28 To 29 Ter 30 Ext uni Sim and Me	erest (see instructions): rtgage (paid to banks, etc.) her tal expenses before expe ntative profit or (loss). Sub penses for business use less using the simplified im mplified method filters on d (b) the part of your home shock Worksheet in the lins	16a           17         1, 5           17         1, 5           insee for business use of home           iff in 28 from line 7	25 Uti 26 Wa 27a Oti 500. b Re e. Add lines 8 thm  t these expenses age of: (a) your ho	Ittes ages (ease employment credits) , her expenses (from line 48) . ugh 27a . elsewhere, Attach Form 8829 arre: 4200 300 , Use the Simplified	25 26 27a 27b 28 29	2, 9, 68,
15 ins 16 into a Mo b Ott 17 Leg 28 To 29 Ter 30 Exp sim and Me 31 Ne	erest (see instructions): ritgage (paid to banks, etc.) her al and professional services tal expenses before expe- niative profit or (loss). Sub- penses for business use- less using the simplified on mplified method filters on d (b) the part of your home stood Worksheet in the line stop of (loss). Subtract	16a           16b           17         1,5           inses for business use of home tract line 28 from line 7           of your home. Do not report tethod (see instructions).           hy: enter the total square foota used for business:           tructions to fogure the amount tructions to fogure the amount at line 30 from line 29.	25 Ut 28 Wa 27a Ot 500. b Re e. Add lines 5 thm t these expenses age of: (a) your ho t to enter on line 5	Ittes ages (ess employment credits) , her expenses (from line 48) . served for future use ough 27a . a elsewhere. Attach Form 8829 arme: <u>4200</u> <u>300</u> . Use the Simplified 30	25 26 27a 27b 28 29	2, 9, 68, 74,
15         Ims           16         Imt           a         Mo           b         Ott           17         Leg           28         To           29         Ter           30         Ext           uni         sim           sim         ann           31         Ne	erest (see instructions): rtgage (paid to banks, etc.) her gal and professional services tal expenses before expe ntative profit or (loss). Sub penses for business use less using the simplified me mplified method filers on d (b) the part of your home sithod Worksheet in the ins t profit or (loss). Subtra- f a profit, enter on both Sche	16a       16b       17     1, 5       inses for business use of home tract line 28 from line 7 .       of your home. Do not report lethod (see instructions).       ly: enter the total square foota a used for business: tructions to figure the amount t line 30 from line 29.       edule 1 (Form 1040), line 12 (or F	25 Ut 26 We 27a Ot 500. b Re e. Add lines 8 thm t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line	Ittes lages (less employment credits) . her expenses (from line 48) . served for future use . uough 27a . elsewhere. Attach Form 8829 lime: 4200 300 .Use the Simplified 30 . 13) and on Schedule SE,	25 26 27a 27b 28 29 29 30	2, 9, 68, 74, 1,
15         lins           16         linb           a         Mo           b         Ott           17         Leg           28         To           29         Tet           30         Ext           Stim         ann           All         Me           31         Ne           Inne         Inne	erest (see instructions): ritgage (paid to banks, etc.) her gal and protessional services tal expenses before expe- ntative profit or (loss). Sub penses for business use less using the simplified m mplified method filers on d (b) the part of your home sthod Worksheet in the ins t profit or (loss). Subtract f a profit, enter on both Sche a 2. (If you checked the boto	16a           16b           17         1, 5           18         17           17         1, 5           18         10           17         1, 5           18         16           17         1, 5           18         16           17         1, 5           18         16           17         1, 5           18         16           19         16           19         16           19         16           19         16           19         10           10         10           10         10           11         10           12         10           14         10           15         10           16         1, 86           10         10           16         1, 86           16         1, 10           10         1, 10           10         1, 10           10         1, 10           10         1, 10           10         1, 10           10 <td< td=""><td>25 Ut 26 We 27a Ot 500. b Re e. Add lines 8 thm t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line</td><td>Ittes lages (less employment credits) . her expenses (from line 48) . served for future use . uough 27a . elsewhere. Attach Form 8829 lime: 4200 300 . Use the Simplified 30 . 13) and on Schedule SE,</td><td>25 26 27a 27b 28 29</td><td>2, 9, 68, 74, 1,</td></td<>	25 Ut 26 We 27a Ot 500. b Re e. Add lines 8 thm t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line	Ittes lages (less employment credits) . her expenses (from line 48) . served for future use . uough 27a . elsewhere. Attach Form 8829 lime: 4200 300 . Use the Simplified 30 . 13) and on Schedule SE,	25 26 27a 27b 28 29	2, 9, 68, 74, 1,
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15         ins           16         inth           a         Mo           b         Ott           17         Leg           28         Tot           30         Ext           uni         sim           sim         ann           Me         t           18         Ne           19         Termina           31         Ne           11         110	erest (see instructions): ritgage (paid to banks, etc.) her al and professional services tal expenses before expe- nitative profit or (loss). Sub- penses for business use- less using the simplified in mplified method filers on d (b) the part of your home strod Worksheet in the hiss for profit or (loss). Subtrac- f a profit or (loss). Subtrac- f a joss, you must go to 1 iou have a loss, check the	16a           16b           17         1, 5           inses for business use of home tract line 28 from line 7	25 Ut 26 Wi 27a Ot 8 No 8	Ittes lages (less employment credits) , her expenses (from line 48) served for future use lages (how line 48) lage	25 26 27a 27b 28 29 29 30	2, 9, 68, 74, 1,
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15         ins           16         inth           a         Mo           b         Ott           17         Leg           28         To           29         Ter           30         Exq           unin         sim           31         Nee           11         Inte           32         If y           33         Inte	erest (see instructions): ritgage (paid to banks, etc.) her al and professional services tal expenses before expe- intalive profit or (loss). Sub- penses for business use- tess using the simplified im mplified method filters on d (b) the part of your home- sithod Worksheet in the ins- te profit or (loss). Subtract f a profit, enter on both Sche 2. (If you checked the boxo of a loss, you must, go to i roou have a loss, check the if you checked 32a, enter e 13) and on Schedule SI	16a           16b           17         1, 5           17         1, 5           insee for business use of home           iffact line 28 from line 7         .           of your home. Do not report           bethod (see instructions).           by: enter the total square tota           a used for business.           tructions to figure the amount           tinuctions to figure the amount           till loss of nom line 29.           edule 1 (Form 1040), line 12 (or F           ine 32.           box that describes your invest           the loss on both Schedule 1           E, line 2. (if you checked the b	25 Ut 26 Wi 27 Ott 00. b Re e. Add lines 6 thr t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line is and trusts, enter streent in this activity (Form 1040), lin	Ittles It	25 26 27a 27b 28 29 30 30 31	2, 9, 68, 74, 1, 73,
15 ins 16 int a Mo b Ott 17 Leg 28 To 29 Ter 30 Ext uni Sin 31 Ne 1 1 32 if y 1 32 if y 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	erest (see instructions): Infgage (paid to banks, etc.) her gal and professional services tail expenses before expe- nitative profit or (loss). Sub- penses for business use less using the simplified im <b>mplified method filers on</b> d (b) the part of your home sthod Worksheet in the line th profit or (loss). Subtract a profit, enter on both Sche 2 c) (if you checked the box of if a loss, you must go to 1 ou have a loss, check the if you checked 32a, enter e 13) and on Schedule Si taites and trusts, enter on 1	16a         17       1, 5         18b       17         17       1, 5         stress for business use of home tract line 28 from line 7	25 Ut 26 Wi 27a Ot 500 b Re e. Add lines 8 thm t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line is and trusts, enter stment in this addi (Form 1040), lin box on line 1, see	Ittes lages (ess employment credits) . her expenses (from line 48) served for future use uough 27a a elsewhere. Attach Form 8829 mme: 4200 300 4200 .	25 26 27a 27b 28 29 30 30 31	2, 9, 68, 74, 1, 73,
15 ins	erest (see instructions): Intrage (paid to banks, etc.) her gal and professional services tail expenses before expe- ntative profit or (loss). Sub penses for business use less using the simplified m mplified method filers on d (b) the part of your home sthod Worksheet in the inset the profit or (loss). Subtract a profit, enter on both Sche a 2. (It you checked the box of if a loss, you must, go to 1 ou have a loss, check the If you checked 32a, enter e 13) and on Schedule Si tates and trusts, enter on Int you checked 32b, you m	16a           16b           17         1, 5           17         1, 5           insee for business use of home           iffact line 28 from line 7         .           of your home. Do not report           bethod (see instructions).           by: enter the total square toota           a used for business.           tructions to figure the amount           tinuctions to figure the amount           till loss of nom line 29.           edule 1 (Form 1040), line 12 (or F           ine 32.           box that describes your invest           the loss on both Schedule 1           E, line 2. (if you checked the b	25 Ut 26 W2 27a Ot 500. b Re e. Add lines 6 thr t these expenses age of: (a) your ho t to enter on line 3 Form 1040NR, line is and trusts, enter streent in this activity (Form 1040), lin box on line 1, see loss may be limite	Ittes lages (ess employment credits) . her expenses (from line 48) served for future use uough 27a a elsewhere. Attach Form 8829 mme: 4200 300 4200 .	25 26 27a 27b 28 29 30 30 31	2, 9, 68, 74, 1, 73, 8 All Investment Is Some Investment Is



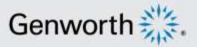


# Additional depreciation can be found by multiplying business miles on Schedule C, Line 44a x IRS depreciation factor for that year.

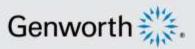
	file Form 4562.	I to file Form 4562 for this busines	s. Se	e th	e in	stru	ictio	ns	for	line	13	to find or	ut if you	mu
13	When did you place your vehic	le in service for business purposes? (mon	th, day	, yea	r)			<u>s-s</u>						
44	Of the total number of miles yo	u drove your vehicle during 2017, enter th	e numt	oer of	f mile	es yo	)u us	ed y	our	vehic	cle fo	or:		
а	Business	<b>b</b> Commuting (see instructions)		2 <u>—31</u>	1000				c	Other	<u> </u>			
45	Was your vehicle available for	personal use during off-duty hours?			•		8			÷ (•	1	. Yes		No
46	Do you (or your spouse) have a	nother vehicle available for personal use?					2	÷		× ::•	. 8	. 🗌 Ye	s	No
17a	Do you have evidence to supp	prt your deduction?		t 3	120	•		<b>t</b> .),		z 03		. 🗌 Ye	s 🗌	No
	If "Yes," is the evidence writter	?										Ye	• □	No

#### Page 8

#### If The Schedule C Section IV (On Page 2) Is Blank, Review For An IRS Form 4562 Worksheet.



ll Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)		4,099.00	
8	Business Use of Home (Line 30, Form 8829)	+	1,500.00	
9	Business Miles, Page 2, Part IV (Line 44a r 4562)		1	
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal	2		



Form 4562

Department of the Treasury

Internal Revenue Service (99) Name(s) shown on return

John & Mary Homeowner

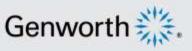
#### Verify 4562 is for the Schedule C

- Review Page 2 of the worksheet Line #30

► Go to www.irs.gov/Form4562 for

	Form 4562		Depreciati (Including Info		Listed Property		OME No. 1545-0172
edule C	Department of the Treasury		► Atta	ach to your tax			Attachment Sequence No. 179
	Internal Revenue Service (99) Name(s) shown on ratum	► G0 t0			which this form relates	A 2013 A 12 STORAGE CONTRACTOR	Identifying number
	John & Mary Hotte	owner		C Photog			XXX-XX-XXXX
- a la la la f			rtain Property Un				
ksheet	Note: If you	have any list	ed property, compl	lete Part V b	efore you comp	olete Part I.	10. IV
	1 Maximum amount						1
	2 Total cost of section				No. 25 (2013) (2011)		2
	3 Threshold cost of a						3 4
	4 Reduction in limita 5 Dollar limitation for						
							5
		lascription of propa		(b) Cost (busi		(c) Elected cost	
Depreciation al (Including Informatio ► Attach to your w.irs.gov/Form4562 for in	on on Listed Pro our tax return.	perty)	nformation				<b>8</b>
Business or act	ivity to which this form	relates			Identi	fying numb	er
Cab C Db	otographer				VVV	-XX-XX	vv
SCH C PH	ocographer						
					1000000		888 a
1				Section A			
T	17 MACRS deduction	s for assets pla	ced in service in tax	Section A years beginni	ng before 2018		17 3,099.
T	17 MACRS deduction 18 If you are electing	to group any a	assets placed in serv	years beginning the	e tax year into o	ne or more general	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch	to group any a leck here	assets placed in serv	years beginni vice during the	e tax year into o	ne or more genera ► □	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch	to group any a leck here B-Assets Plac	assets placed in serv ced in Service Durin	years beginni vice during the	e tax year into o	ne or more genera ► □	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertment use	years beginni vice during the	e tax year into o	ne or more genera ► □	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section I	to group any a leck here B-Assets Place	assets placed in serv ced in Service Durin	years beginni vice during the g 2018 Tax Y	e tax year into o Tear Using the G	ne or more genera ► eneral Depreciatio	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section 1 (a) Classification of property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni vice during the g 2018 Tax Y	e tax year into o Tear Using the G	ne or more genera ► eneral Depreciatio	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section I (a) Classification of property 19a 3-year property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni vice during the g 2018 Tax Y	e tax year into o Tear Using the G	ne or more genera ► eneral Depreciatio	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section I (a) Classification of property 19a 3-year property b 5-year property c 7-year property d 10-year property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni vice during the g 2018 Tax Y	e tax year into o Tear Using the G	ne or more genera ► eneral Depreciatio	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section 1 (a) Classification of property 19a 3-year property 6 5-year property c 7-year property d 10-year property e 15-year property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni vice during the g 2018 Tax Y	e tax year into o Tear Using the G	ne or more genera ► eneral Depreciatio	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section 1 (a) Classification of property 19a 3-year property b 5-year property c 7-year property d 10-year property f 20-year property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni rice during the g 2018 Tax Y (d) Recovery pariod	e tax year into o Tear Using the G	ne or more generai ► eneral Depreciatio (ŋ Mothod	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section I (a) Classification of property 19a 3-year property b 5-year property c 7-year property d 10-year property f 20-year property g 25-year property g 25-year property	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni rice during the g 2018 Tax Y (d) Recovery pariod	e tax year into o ear Using the G (e) Comunition	ne or more general eneral Depreciation (f) Method S/L	17 3,099.
	17 MACRS deduction 18 If you are electing asset accounts, ch Section 1 (a) Classification of property 19a 3-year property c 7-year property d 10-year property f 20-year property g 25-year property h Residential rental	to group any a leck here B-Assets Place (b) Month and year placed in	assets placed in serv ced in Service Durin (c) Basis for deprocision (business/invertigent use	years beginni rice during the g 2018 Tax Y (d) Recovery pariod 2.5 yrs. 2.7.5 yrs.	ear Using the G (e) Convention	ne or more general eneral Depreciatio (i) Method S/L S/L	17 3,099.
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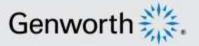




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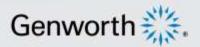


#### Business Miles Of 8,422 x 25¢ Is \$2,105 In Additional Depreciation That Could Be Added Back.

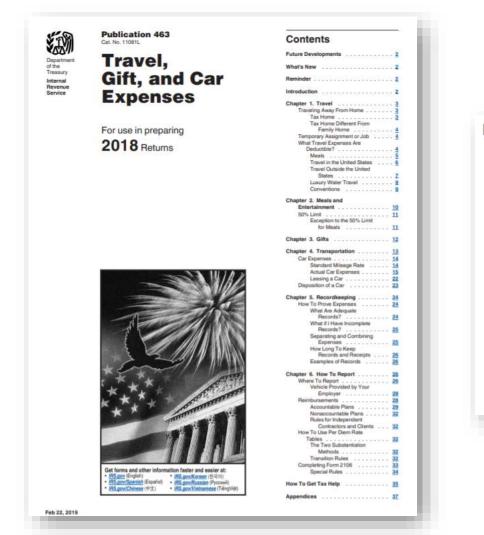


			Expenses Workshee p for your records	t 2018
	(s) Shown on Return			Social Security Number
John	& Mary Homeowne	er		xxx-xx-xxxx
Activit	ty: <u>Sch C</u>	<u>P</u>	hotographer	_
Part	I – Vehicle Informat	tion		
1	Make and model of veh	hide Range	Rover Example: Ford Tau	irus
		B2 -		
			En	ter mileage readings, or
		ding		ter total miles on line 4c
			<u>10,654</u> Lir	ne 4a less line 4b
5	Number of miles driven	for business		
6	Number of miles driven	n for commuting	Tr	avel between home and work
7	Number of miles driven	n for personal purposes	<u>2,232</u> Lir	ne 4c less line 5 and 6
		e		ne 5, divided by 4c
			Yes	No No
10 D	Do you have another w	ehicle available for pers	ional use?	X Yes No
			ing off duty hours?	
			5% owner of the business or	
				X Yes No
			use claimed?	
b	If Yes, is the evidence	written?		X Yes No
	or was it not your vehic	de?		
15	Did you use this vehicle	e for hire?	Not Yes	my vehicle X No Example: taxicab
15 16	Did you use this vehicle Did you use less than 5	e for hire?	At a time?X Yes	my vehicle X No Example: taxicab
15 16 17	Did you use this vehicle Did you use less than 5 If you <b>owned</b> this vehic mileage rate for this ve	e for hire?	at a time?X Yes	my vehicle X No Example: taxicab No Only applies to vehicles placed
15 16 17	Did you use this vehicle Did you use less than 5 If you owned this vehic mileage rate for this vei if you leased this vehic	e for hire?	At a time?X Yes	my vehicle X No Example: taxicab No Only applies to vehicles placed in service in
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Pages 15 and 16

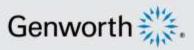


### **IRS Publication 463**

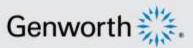


#### Rate of Depreciation Allowed in Standard Mileage Rate

Year(s)	Depreciation
	Rate per Mile
2017-2018	\$0.25
015-2016	0.24
2014	0.22
012-2013	0.23
2011	0.22
2010	0.23
008-2009	0.21
2007	0.19
005-2006	0.17
003-2004	0.16
001-2002	0.15
2000	0.14



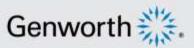
l Sc	hedule C - Sole Proprietorship		2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	4,099.00	
8	Business Use of Home (Line 30, Form 8829)	+	1,500.00	
9	Business Miles, Page 2, Part IV (Line 44a or 4562)		8,422.00	
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.2
10b	= Total Mileage Depreciation	+	2105.50	
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
	Schedule C Subtotal			



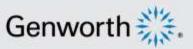
#### Enter only the \$2,999 amortization on your calculator

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30	
Shipping & Postage	2,209.
Outside Services	1,500.
Amortization	999.
Printing	2,411.
Casualty Loss/Theft Claim	2,000.
48       Total other expenses.       Enter here and on line 27a       .       <	9,119.
REV 12/21/18 TTW	Schedule C (Form 1040) 2018

Page 8



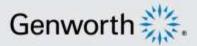
ll Sc	hedule C - Sole Proprietorship	_	2018	2017
3	Net Profit or Loss (Line 31)	+/-	73,414.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(3,876.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,799.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	4,099.00	
8	Business Use of Home (Line 30, Form 8829)	÷	1,500.00	
9	Business Miles, Page 2, Part IV (Line 44a or 4562)		8,422.00	
10a	x Depreciation Rate (2018-25¢ and 2017-25¢)		\$ 0.25	\$ 0.25
10b	= Total Mileage Depreciation	+	2,105.50	
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+	2,999.50	
	Schedule C Subtotal		\$ 76,842.50	



### **SAM Form Section III**

Schedule D - Capital Gains or Losses			2018	2017	NOTES
2	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-			*Verify no recurring losses that need to be considered.
	Schedule D Subtotal				

#### Don't Use If You Don't Need; If Needed To Qualify Check Investor Guidelines



## **Schedule D Capital Gains**

#### Don't use unless n qualifying

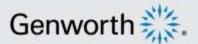
- Two year history, s likely to continue
- Check investor ove
- Let's review IRS For for 2017 or Schedu 2018 returns
- Our 2018 example

Capital gain or (loss).

13

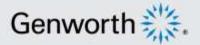
Pages 3 and 9

ess I	nee	eded for	SCHEDULE D (Form 1040) Department of the Treasury Internal Revenue Service (88)		► Attach to For Mirs.gov/ScheduleD		40NR. 2018 the latest information. 1b, 2, 3, 8b, 9, and 10. Sequence No. 12			
			Name(s) shown on return John & Mary Home	owner					cial security number XX - XXXX	
			Part I Short-Term	n Capital Gains	and Losses—Ge	nerally Assets	Held One Year	or Less (se	e instructions)	
story, inue	sta	ble receipt and	See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars. (a) (a) (b) (cent basis) (cont b						from from column (d) Part I. combine the res	n (e) and flue
inuc			1a Totals for all short-to 1099-B for which ba	asis was reported	to the IRS and for					
tor ov	erla	ays before using	which you have n However, if you cho on Form 8949, leave 1b Totals for all transac	ose to report all t this line blank an	hese transactions d go to line 1b			-	-	
	-	= 1040  Line 12		and the sector of the	And the test was			+		
IK9 L	-011	m 1040, Line 13	Box B checked . 3 Totals for all transac	se ce dise cor					2	
Schod	ملينا	1, Line 13 for	Box C checked	auns reported on	• • • • • • •			1		
JUIEU	uic		4 Short-term gain from			and the second second second			4	
			5 Net short-term ga Schedule(s) K-1			5 corporations,	estates, and t	trusts from	5	
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			Worksheet in the ins	structions					6 ( 13,554	()
amnle	a cł	now \$3 000 loss		structions oital gain or (loss)	Combine lines 1a	through 6 in colu	imn (h). If you hav	ve any long-	6 ( 13,554 7 -13,55	
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ample	e sł	now \$3,000 loss	Worksheet in the ins 7 Net short-term cap term capital gains or	structions ital gain or (loss) r losses, go to Par Capital Gains a	Combine lines 1a Il below. Otherwise and Losses—Ger	through 6 in colu a, go to Part III or	imn (h). If you hav the back	ve any long-	7 -13,55 (see instructions)	54. )
	, ,	now \$3,000 loss ach Schedule D if required. If not r	Worksheet in the ins 7 Net short-term cap term capital gains or PartII Long-Term See instructions for how t lines below	structions ital gain or (loss) r losses, go to Par <b>Capital Gains</b> a to figure the amou	Combine lines 1a Il below. Otherwise and Losses—Ger	through 6 in colu a, go to Part III or herally Assets I	imn (h). If you hav the back	n One Year	7 -13,55 (see instructions)	54.) ss) n (0)
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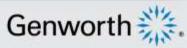


chedule D		SCHEDULE D (Form 1040) Department of the Treasury Internal Revenue Service (99)	Capital Gains and Losse Attach to Form 1040 or Form 1040N Go to www.irs.gov/ScheduleD for instructions and the Use Form 8446 to lat your transactions for lines to ,;			R. 9 latest information.		0ME No. 1545-6074	
		Name(s) shown on return John & Mary Ho					Your social s XXX-XX	security number - XXXX	
Name(s) shown on return John & Mary Homeowner					curity number	Year	or Less (see in:	and the second second	
Part I Short-Term Capital Gains and Losses-Gene	erally Assets	Held One Year or Less (see instructions)				oursis}	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (i Subtract colum from column (i combine the i with column	
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustmer to gain or los: Form(s) 8949, line 2, colum	nts s from Part I,	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)				
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see Instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.						I Loss	824 4 rusts from 5 Carryover 6	0 3	
1b Totals for all transactions reported on Form(s) 8949 with Box A checked							e any long- 7 1 One Year (see	-13, e instruction	
2 Totals for all transactions reported on Form(s) 8949 with Box B checked						sasis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (d)	(h) Gain or Subtract col from column combine the with column	
3 Totals for all transactions reported on Form(s) 8949 with Box C checked							ine 2, countin (g)	wincour	
4 Short-term gain from Form 6252 and short-term gain or (los	s) from Forms	4684, 6781, and 8	824	4					
5 Net short-term gain or (loss) from partnerships, S Schedule(s) K-1	corporations,	estates, and t	rusts from	5				3	
6 Short-term capital loss carryover. Enter the amount, if any, Worksheet in the instructions	from line 8 of y	your Capital Loss	Carryover	6	( 13,554.)	3 1 10	ain or (loss)		
7 Net short-term capital gain or (loss). Combine lines 1a th term capital gains or losses, go to Part II below. Otherwise,			e any long-	7	-13,554.		dule(s) K-1 12 13 Carryover		
		Worksheet in the the back .		Combine li	nes 8a through 14 in column (h).		14	<u>(</u>	
9		For Paperwork Reduct	ion Act Notice, see your	tax return li	Instructions. BAA	REV 12/21/18 T	⊓W Sched	lule D (Form 10	

#### Where Did The \$13,544 Loss On Line 6 Come From? The 1040 Showed A \$3,000 Loss.



Scl	hedule D	Schedule D (Form 104	0) 2018 1 <b>mary</b>				Pag
		If line 10 1040NR If line 11 line 22. If line 10 13, or F 17 Are lines 1 ☐ Yes. 0	6 is a gain, er , line 14. Then 3 is a loss, ski 6 is zero, skip orm 1040NR, 15 and 16 bott 3o to line 18.	go to line 17 below. ip lines 17 through 20 be lines 17 through 21 bel line 14. Then go to line 2	elow. Then go to line 21. low and enter -0- on Sch 22.	m 1040), line 13, or Form Also be sure to complete redule 1 (Form 1040), line	16 -13,554
III S	chedule D - Capital Gains or Losses			2018	2017	NO	TES
12	Recurring Capital Gains or Loss, Page 2, (L Form 8949)*	ine 16, Details on	+/-	0		*Verify no recur need to be cons	<u> </u>
_	Schedule D Subtotal						
-			omplete the \$ 2 below.	Schedule D Tax Works	heet in the instructions.	Don't complete lines 21	
		the small • The loss • (\$3,000) Note: Wh 22 Do you ha Q Yes, 0	er of: on line 16; or , or if married en figuring wh we qualified d Complete the (	filing separately, (\$1,500) ich amount is smaller, tre ividends on Form 1040, I Qualified Dividends and	aat both amounts as posi ine 3a, or Form 1040NR,	tive numbers. line 10b? ksheet in the instructions	21 ( 3,000.
				est of Form 1040 or Form	1040NR.	12/21/18 TTW	Schedule D (Form 1040) 20
Page 1	10						



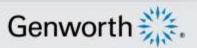
### **Genworth Rental Income Calculator**

- Locate Calculator and Quick Reference Guide for Rental Income
- Turn to Schedule E, Part I, Rentals
- Rental Income has been removed from the Cash Flow Analysis Form

an Number					enworth		
Calc							
alc			2				
	culator and Quick R	ef	erence	Guide	e:		
) on	tal Income						
lell	laincome						
	suggested guidance only and does not replace Fann ould not be used when calculating rental income on a						
	ould not be used when calculating rental income on a me is declining year to year. Please check with your ov						
	to your business.		30.000.000.000.000		an anna ann phànana phùna phùna phù		
		_			2		
roperty	come Calculation	_	Calculator Usage Note: Click Grey Buttons to Divide for Monthly Totals 2018 2017 NOTES				
Contraction of the local division of the loc	s Rents (Line 3)		2016	2017	*Only include if using the full		
	enses (Line 3)				PITI payment on Line 12 of this		
	reciation (Line 18)	+			calculator or qualifying ratios.		
	ortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+			**Net rental losses are		
	rance (Line 9)*	+			typically included with liabilities when calculating		
	tgage Interest (Line 12)*	+	+		the debt ratio.		
	s(Line 16)*	+	-		***Check applicable		
Othe	er:	+			guidelines if not using 12 months.		
	ual Rental Income/Loss	-	\$ 0.00	\$ 0.00			
Ann		-		Colorado			
1000	har of Months Considered (Line 20***	1	Ŧ		-		
0 Num	aber of Months Considered (Line 2)***	1	0	2			
0 Num 1 Mon	iber of Months Considered (Line 2)*** thly Income/Loss thly Mortgage Payment (Verified)	/-	0	0			

Page 11

epartm	n 1040) ent of the Treasury levenue Service (99)	(From		► At	valties, partners ttach to Form 10 vov/ScheduleE f	040, 104	IONR, c	r Form	1041.		Cs, etc.)	Attact	018 ment ince No. 13
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John	& Mary Ho										XXX-XX		
Part					state and Roy								
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	i you make any Yes," did you o				Contraction of the second second			Contraction of the	see instr				fes ⊠ No fes ∏ No
1a					, city, state, ZIF			* *				- LI -	
A	234C Cond					COUR	<u> </u>						
B	2510 Cond	0 000	+LC - 25	iiius in									
C													
1b	Type of Pro		2 F	or each rental	real estate pro	perty li	sted				ersonal		QJV
	(from list be	personal use days. Check the QJV box		Days									
B	1			nly if you mee	t the requireme	nts to t	ne as	A				0	
C	04.32			- Hardeninger John	10. Noro. 0.30 II		100	B					
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	of Property: ale Family Resid	lonce	2 1	lacation/Shor	t-Term Rental	5 100	d		7 Self-	Dontal			
	ti-Family Resid			Commercial	- renn mental	6 Roy	1000			describe)			
ncon		ence		Jonnerciai	Properties:	0 110	yanues	A	o One	B	-		C
3	Rents received	1	an an	254 41 284		3	÷		600.			-	<u> </u>
4	Royalties rece					4	6					-	
xper		100 +											
5	Advertising .	· 2		101 12 101	0.000.00	5							
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8	Commissions.					8	1					·	
9	Insurance					9	÷.	1,	933.			5	
10	Legal and othe	er profe	ssional	fees		10						l.	
11	Management f					11	1		850.			Ĩ	
12	Mortgage inter		id to ba	nks, etc. (see	instructions)	12	8 9	8,	001.			i	
13	Other interest.					13	2						
14	Repairs		4.14			14			322.				
15	Supplies		94 B		* * * *	15	<u>.</u>		002.	_			
16 17	Taxes	3.5		1997 (B. 1997	5 53 5	16	÷		211.			-	
18	Utilities Depreciation e					18	-		866.				
19	Other (list)				A 45 4 4	19			170.	<u></u>	-	-	
20	Total expense				- <u>199</u>	20	<u>.</u>		982.				
21	Subtract line 2			-		20	-		2021				
21	result is a (loss	s), see	instruct	tions to find o	ut if you must								
	file Form 6198					21		-7,	382.				
22	Deductible ren					-			-		10		
00-	on Form 8582					22		977 - 524 1	0.)		)		
	Total of all am Total of all am						10.00	a a.	23a 23b	32	,600.		
C							4 ( ( A )	* *	230 230	0	,001.		
d							,127.						
	Total of all am						ALCONE.	an an 1971 - 1981 -	23e	39	-		
24					line 21. Do no		de anv	losses			24		
25	Losses. Add ro											(	0
26	Total rental re	S S .											
20	here. If Parts	II, III, orm 10	IV, and 40), line	l line 40 on p		apply	to you	i, also	enter th	is amount o	n		
	total on line 41												



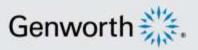
## **Mortgage Statement/Payment Coupon**

#### A mortgage statement/payment coupon can verify:

- If loan is impounded or escrowed
- What property is associated with the mortgage payment
- Current tax and insurance information
- Current HOA dues: most investors want verification PUD, Condo or Coop

Y	OUR MORTG	PD Box				Quarterly M	ortgage Statement
	COMPANY	Arty Yow	n, USA 12945-000	0		Statement Date Payment Due Date Loan Number	63/16/09 64/01/09 01234567890
						Customer Servi	ce
-						yourmontgagecompa	ny.com
	Influtilitidiudidada 234567 1 AT 1.123 ma					Telephone (866) 012-3456	
JOL	E HOMEOWNER 34 MAIN STREET	1000 1000 1000 (FLA SL PROCESS)	and being			Pak (666) 012-0123	
	ALLTOWN USA 00000		LIL.I			Payments PO Box 01234	Correspondence PO 6ox 56789
lhi	المالل السائلة المالية					Big City, USA 01204	Any Town, USA 5678
	2.4				Provento Artic		Any Town, USA 5678
Sarmman Tayment (F	r <b>y</b> Principal and/or informal, Et			023.50	Property Ad-	drona TPLEET	Any Town, LISA 5678
Summia Payment (F Sptional Pr	r <b>y</b> Principal and/or informal, Et		51	033.50 \$0.00 033,50	1234 BLARL 0 Shiall TOWN	deesa TERET 1 MISA 00000-1254 Capal Belance	Any Town, USA 5679 8128-022.56
Sammaa Payment (P Optional Pr Correct Ma Overstae P)	Fy viscipal and/or interest, Er oducts) onthly Payment agments		51.	\$0.00 033.50 \$0.000	1234 MARL 0 SMALL TOWN Unpaid Prin- Conter Carto	dreve TREET 1 MEA 00000-1254 cipal Balance 10 Sanata Carpol projections:	8128.022.58
Sarmman Payment (F Optional Pr Correct Me Overthes P) Jopaid Lat	FY Principal and/or interest, En authly Payment agreents o Charge(s)		51.	\$0.00 033.50 \$0.000 \$0.000	1234 BLABL 0 SMALLTOWN Unpaid Prin- Content Canton Internet Rate	dreve TREET 1 MEA 00000-1254 cipal Balance 10 Sanata Carpol projections:	
Summaa Payment (P Optional Pr Cernent Me Overstue P)	ry Principal and/or Interest, Ex oductily admits/ agments or Charge(s) ges		51. 81.	\$0.00 033.50 \$0.000	1234 BLABL 0 SMALLTOWN Unpaid Prin- Content Canton Internet Rate	drame THERET Intel Color Intel	8.875%
Summai Payment (F Optional Pr Joption Mi Overdue Pr Jopatol Late Other Char FOTAL PAY	ry Principal and/or Interest, Ex oductily admits/ agments or Charge(s) ges	LCTTWY)	51. 81.	\$0.00 033,50 \$0.000 \$0.00 \$0.00	1234 MARL 0 SMALLTOWN Urspeld Prin- Conter Comp Internet Rate Internet Pair Taxes Pair	drame THERET Intel Color Intel	\$128.022.58 5.875% \$1,803.00 \$5.80
Summai Payment (P Optional PP Correct Me Dysential Pay Inpatid Late Other Char FOTAL PAY	ry: Vrincipal and/or interest, Er douct(s) anthy Payment a Charge(s) gas YMENT	LCTTWY)	51. 81.	\$0.00 033,50 \$0.000 \$0.00 \$0.00	1234 MARL 0 SMALLTOWN Urspeld Prin- Conter Comp Internet Rate Internet Pair Taxes Pair	dress TREET USA 00005-1254 Intel Active Control (Intel Intel March 20 Control Control Van As-Dato Van As-Dato Van As-Dato Van As-Dato	\$128.022.58 5.875% \$1,803.00 \$5.80
Summai Symun (F Splonal Pr Surrent Mi Swenthas Pr Surrent Mi Surrent Mi	FY Virtuinal and/or Informal, Er oducity) anthly Payment a Chargots) gen FMENT Since Your Last Sta	atement	51 51	50.00 033.50 50.000 50.00 50.00 50.00 033.50	1934 MARIE SIMAL TOWN Unpaid Prin- downer Cares Internet Paid Terms Paid Terms Paid Terms Paid	dress TREET USA 00005-1254 Intel Active Control (Intel Intel March 20 Control Control Van As-Dato Van As-Dato Van As-Dato Van As-Dato	8128-022-38 5.875% 81-803-80 8.90 89108.07
Summai Payment (F Optional Pr Correct Mi Overdue Pr Unipaid Late Other Char TOTAL PAY	FY Vincipal and/or informal, Er douctis) asthly Payment agments a Charge(s) gas ymENT Since Your Last Str Description	atement Toss	St. B1. Principal	\$0.00 033.50 \$0.000 \$0.00 \$0.00 033.50 htterekt	1236 MAND 1 SMALLTOW Urgaid Prin- Control Case Internet Pain Texes Pain Riserrow Ball	dress TREET USA 00005-1254 Intel Active Control (Intel Intel March 20 Control Control Van As-Dato Van As-Dato Van As-Dato Van As-Dato	8128-022-38 5.875% 81-803-80 8.90 89108.07

PITI \$1,637 (verified on mortgage statement) + \$265 (verified HOA) = \$1,902



For full Anctionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Borrower(s) Name(s)

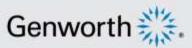
Loan Number

#### Genworth 💥.

#### Calculator and Quick Reference Guide: Rental Income

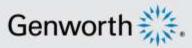
Please use the following calculator and quick reference guide to assist in calculating rental income from IRS Form 1040 Schedule E. It provides suggested guidance only and does not replace Fannie Mae or Freddie Mac instructions or applicable guidelines. This method should not be used when calculating rental income on a borrower's primary residence. Check applicable guidelines when rental income is declining year to year. Please check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

Ren	Ital Income Calculation			2018	2017	NOTES
1	Gross Rents (Line 3)					*Only include if using the full
2	Expenses (Line 20)	-	8 î			PITI payment on Line 12 of this calculator or qualifying ratios.
3	Depreciation (Line 18)	+				**Net rental losses are
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+				typically included with
5	Insurance (Line 9)*	+				liabilities when calculating the debt ratio.
6	Mortgage Interest (Line 12)*	+				
7	Taxes (Line 16)*	+				***Check applicable guidelines if not using 12
8	Other:	+				months.
9	Annual Rental Income/Loss	-		\$ 0.00	\$ 0.	00
10	Number of Months Considered (Line 2)***	1				
11	Monthly Income/Loss	-	0		Ö	
12	Monthly Mortgage Payment (Verified)	-				
13	Monthly Net Rental Income/Loss**		-	\$ 0.00	\$ 0.0	00

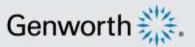


1 Sin	of Property: gle Family Residence 3 Vacation/Short-Term Rental			7 Self-Rent	100 C
2 Mul	tti-Family Residence 4 Commercial ne: Properties:	6 HO		8 Other (de	
3		3	A		B
3	Rents received	4	32,	600.	
	Royalties received	4			
Exper		_		1	
	Advertising	5			
	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2,	500.	
8	Commissions	8			
9		9	1,	933.	
10	Legal and other professional fees	10		050	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,	001.	
13	Other interest.	13		0	
14	Repairs	14		322.	
15	Supplies	15		002.	
16	Taxes	16		211.	
17	Utilities.	17		866.	
18	Depreciation expense or depletion	18		127.	
19	Other (list) > Association Dues	19		170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	(	0.)(	
	Total of all amounts reported on line 3 for all rental prope			23a	32,600
b	Total of all amounts reported on line 4 for all royalty prop	erties		23b	
C	Total of all amounts reported on line 12 for all properties	s 9	12.2.2.1	23c	8,001
d	Total of all amounts reported on line 18 for all properties			23d	7,127
e	Total of all amounts reported on line 20 for all properties	29 K		23e	39,982

#### Page 11



Pro	perty 1 234C Condo Court		Calculator Usage
Re	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	
3	Depreciation (Line 18)	+	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)*	+	
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss		\$ 32,600.00

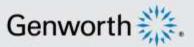


	gle Family Residence 3 Vacation/Short-Term Rental Iti-Family Residence 4 Commercial	5 Lai 6 Ro	valties	7 Self-Re 8 Other (c	
псоп		1 8	A		В
3	Rents received	3	32	,600.	
4	Royalties received	4		Contractor and the	
Exper	1SeS:	1		0	
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2	,500.	
8	Commissions	8			
9	Insurance	9	1	,933.	
10	Legal and other professional fees	10	-	° 8	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8	,001.	
13	Other interest.	13			
14	Repairs	14	4	,322.	
15	Supplies	15	1	,002.	
16	Taxes	16	9	,211.	
17	Utilities	17	1	,866.	
18	Depreciation expense or depletion	18	7	,127.	
19	Other (list) > Association Dues	19	3	,170.	
20	Total expenses. Add lines 5 through 19	20	39	,982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7	,382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	C	0.)(	
	Total of all amounts reported on line 3 for all rental prope			23a	32,600
b	Total of all amounts reported on line 4 for all royalty prop	erties		23b	
C	Total of all amounts reported on line 12 for all properties	s :	1.1.2.1	23c	8,001
d	Total of all amounts reported on line 18 for all properties			23d	7,127
0	Total of all amounts reported on line 20 for all properties	21 H		23e	39,982

#### Page 11



Pro	perty 1 234C Condo Court		Calculator Usage
Re	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)*	+	
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss	.=	(\$ 7,382.00)

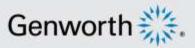


		0 10	F	3 Other (de	
псоп		- 8	A		B
3	Rents received	3	32,	600.	
4	Royalties received	4			
Exper		1.1			
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2,	500.	
8	Commissions	8			
9	Insurance	9	1,	933.	
10	Legal and other professional fees	10	-	- 33	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,	001.	
13	Other interest	13		<u>i</u> ,	
14	Repairs	14		322.	
15	Supplies	15	1,	002.	
16	Taxes	16	9,	211.	
17	Utilities	17	1,	866.	
18	Depreciation expense or depletion	18	7,	127.	
19	Other (list) > Association Dues	19	3,	170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	¢	0.)(	
23a	Total of all amounts reported on line 3 for all rental prope	rties		23a	32,600.
b	Total of all amounts reported on line 4 for all royalty property	erties		23b	
C	Total of all amounts reported on line 12 for all properties	s :		23c	8,001.
d	Total of all amounts reported on line 18 for all properties			23d	7,127.
e	Total of all amounts reported on line 20 for all properties	21 년		23e	39,982.

Page 11

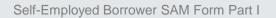


Pro	perty 1 234C Condo Court		Calculator Usage
Rei	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)*	+	
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss	=	(\$ 255.00)

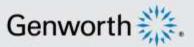


		O HO	F	3 Other (de	
ncon		- 8	A		B
3	Rents received	3	32,	600.	
4	Royalties received	4			
Exper					
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2,	500.	
8	Commissions	8			
9	Insurance	9	1,	933.	
10	Legal and other professional fees	10	-	- 33	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,	001.	
13	Other interest	13	~	<u>i</u> ,	
14	Repairs	14		322.	
15	Supplies	15	1,	002.	
16	Taxes	16	9,	211.	
17	Utilities	17	1,	866.	
18	Depreciation expense or depletion	18	7,	127.	
19	Other (list) > Association Dues	19	3,	170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	K	0.)(	
	Total of all amounts reported on line 3 for all rental proper			23a	32,600.
b	Total of all amounts reported on line 4 for all royalty property	erties		23b	
C	Total of all amounts reported on line 12 for all properties	12	1.12 1.12	23c	8,001.
d	Total of all amounts reported on line 18 for all properties			23d	7,127.
e	Total of all amounts reported on line 20 for all properties			23e	39,982.

Page 11

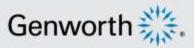


Pro	perty 1 234C Condo Court		Calculator Usage
Rei	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5>	Insurance (Line 9)*	+	ĺ
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss	=	(\$ 255.00)

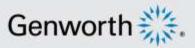


Incon		1	F	8 Other (de	
		3	A	c	В
3	Rents received	4	32,	600.	
	Royalties received	4			
Exper 5	Advertising	5			
6	그는 법과 선생님께서 비행하는 것이 것 것이 없었다. 이 것 같아요. 이 것 것 같아요. 이 집에 다 생겨야 한다. 이 것 같아요. 나는 것 같아요.	6		-	
7	Auto and travel (see instructions)	7		500.	
8	Commissions.	8	4,	500.	
9		9		000	
10	Legal and other professional fees	10	1,	933.	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12		001.	
13	Other interest.	13	5,		
14	Repairs.	14	4	322.	
15	Supplies	15		002.	
16	Taxes	16		211.	
17	Utilities	17		866.	
18	Depreciation expense or depletion	18		127.	
19	Other (list) > Association Dues	19	3,	170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21		382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	¢.	0.)(	
23a	Total of all amounts reported on line 3 for all rental prope	rties		23a	32,600
b	Total of all amounts reported on line 4 for all royalty prop	erties		23b	
	Total of all amounts reported on line 12 for all properties		S 454 (2 14)	23c	8,001
	Total of all amounts reported on line 18 for all properties			23d	7,127
e	Total of all amounts reported on line 20 for all properties			23e	39,982





Pro	perty 1 234C Condo Court		Calculator Usage
Re	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)*	+	1,933.00
<del>( )</del>	Mortgage Interest (Line 12)*	4	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss	=	\$ 1,678.00

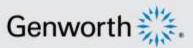


		O HU	yalties	8 Other (de	iscribe)
Incon		- 8	A		В
3	Rents received	3	32,	600.	
4	Royalties received	4			
0.00 March 100 M	ISes:	1		1	
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2,	,500.	
8	Commissions	8			
9	Insurance	9	1	.933.	
10	Legal and other professional fees	10	-		
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,	,001.	
13	Other interest	13			
14	Repairs	14		,322.	
15	Supplies	15	1,	,002.	
16	Taxes	16		211.	
17	Utilities	17	1,	866.	
18	Depreciation expense or depletion	18	7	,127.	
19	Other (list) > Association Dues	19	3,	,170.	
20	Total expenses. Add lines 5 through 19	20	39	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	,382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	¢	0.)(	
	Total of all amounts reported on line 3 for all rental proper			23a	32,600
b	Total of all amounts reported on line 4 for all royalty property	erties		23b	
C	Total of all amounts reported on line 12 for all properties	s :	1.2.2.2.2	23c	8,001
d	Total of all amounts reported on line 18 for all properties			23d	7,127
e	Total of all amounts reported on line 20 for all properties			23e	39,982

Page 11

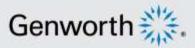


Pro	perty 1 234C Condo Court		Calculator Usage
Re	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	÷	0.00
5	Insurance (Line 9)*	+	1,933.00
6	Mortgage Interest (Line 12)*	+	8,001.00
7-)	Taxes (Line 16)*	÷	
8	Other:	+	
9	Annual Rental Income/Loss	=	\$ 9,679.00



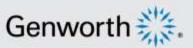
псоп	Iti-Family Residence 4 Commercial ne: Properties:	1		3 Other (de	
10000		3	A		В
3	Rents received	4	32,1	600.	
. X.	Royalties received	4			
5	nses: Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7		- 0.0	
8	Commissions.	8	4,	500.	
9	Insurance	9		0.0.0	
10	Legal and other professional fees	10	1,	933.	
11	Management fees	11		850.	
12	Mortgage interest paid to banks, etc. (see instructions)	12		001.	
13	Other interest.	13			
14	Repairs.	14	4	322.	
15	Supplies	15		002.	
16	Taxes	16		211.	
17	Utilities	17	1,)	866.	
18	Depreciation expense or depletion	18	7,	127.	
19	Other (list) > Association Dues	19	3,	170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	c	0.)(	
23a	Total of all amounts reported on line 3 for all rental prope	rties	100 B 10	23a	32,600
b	Total of all amounts reported on line 4 for all royalty prop	erties		23b	
	Total of all amounts reported on line 12 for all properties		101 2 12	23c	8,001
d	Total of all amounts reported on line 18 for all properties	les les		23d	7,127
e	Total of all amounts reported on line 20 for all properties			23e	39,982

Page 11



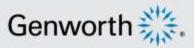
Self-Employed Borrower SAM Form Part I

Pro	perty 1 234C Condo Court		Calculator Usage
Re	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	_	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)*	+	1,933.00
6	Mortgage Interest (Line 12)*	+	8,001.00
7	Taxes (Line 16)*	+	9,211.00
8	Other:	+	
9	Annual Rental Income/Loss	=	\$ 18,890.00

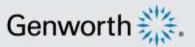


ncon	Iti-Family Residence 4 Commercial Properties:	1		8 Other (de	
		-	A		В
3	Rents received	3	32,	600.	
4	Royalties received	4			
100 C 100 C	1995:	5			
5	Advertising				
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7	2,	500.	
8	Commissions	8			
9		9	1,	933.	
1000	Legal and other professional fees			850.	
11	Management fees	11		5.01 T (5.2	
12	Mortgage interest paid to banks, etc. (see instructions)	12	8,	001.	
13	Other interest.	13		200	
14	Repairs.	14		322.	
15	Supplies	15		002.	
16	Taxes	16		211.	
17	Utilities.	17		866.	
18	Depreciation expense or depletion	18		127.	
19	Other (list) > Association Dues	19		170.	
20	Total expenses. Add lines 5 through 19	20	39,	982.	
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,	382.	
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	C	0.)(	
23a	Total of all amounts reported on line 3 for all rental prope	rties		23a	32,600
b	Total of all amounts reported on line 4 for all royalty property	erties		23b	
C	Total of all amounts reported on line 12 for all properties	2.2	1.1.1.1.1	23c	8,001
d	Total of all amounts reported on line 18 for all properties			23d	7,127
e	Total of all amounts reported on line 20 for all properties	29 K		23e	39,982

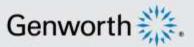




Pro	perty 1 234C Condo Court	15	Calculator Usage
Rei	ntal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)		39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)*	+	1,933.00
6	Mortgage Interest (Line 12)*	+	8,001.00
7	Taxes (Line 16)*	+	9,211.00
8	Other: HOA	+	3,170.00
9	Annual Rental Income/Loss	=	\$ 22,060.00



Pro	perty 1 234C Condo Court		Calculator Usage
Rer	tal Income Calculation		2018
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)*	+	1,933.00
6	Mortgage Interest (Line 12)*	+	8,001.00
7	Taxes (Line 16)*	+	9,211.00
8	Other: HOA	4	3,170.00
9	Annual Rental Income/Loss	=	\$ 22,060.00
10	Number of Months Considered (Line 2)***	1	12
11	Monthly Income/Loss	= [	\$ 1,838.33

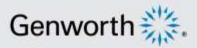


### **Mortgage Statement/Payment Coupon**

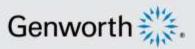
#### A mortgage statement/payment coupon can verify:

- If loan is impounded or escrowed
- What property is associated with the mortgage payment
- Current tax and insurance information
- Current HOA dues: most investors want verification PUD, Condo or Coop

5	OUR MORTG		dati' Opensteans			O N	5 a a
- 10 B	COMPANY	-12 BOX	12345 m. USA 12345-000	ar (			ortgage Statement
_	COMPANY	story too	m, 0394 123918-000	9.7.		Statement Data	03/16/09
						Payment Due Date	04/01/09
						Loan Number	01234567890
						Customer Servis	ce
						Online	
- C.						yourmontglagecompany	ny.com
	hallfallfidfiadhdfall					Telephone (000) 012-3450	
	234567 1 AT 1.123 ma	DENOTED DELIVERY OF \$ 01 ADDRESS	10 01 J			Fax	
	E HOMEOWNER 34 MAIN STREET					(666) 012-0123	
		24855 F					
414							
	ALLTOWN USA 00000					Payments PO Box 01234	Correspondence PO Box 56799
	aalltown usa ooood ladladdiddiadadadad		ddhal			PO Box 01234 Big City, USA 01254	Correspondence PO 6ox 66789 Any Town, USA 56799
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aromia ayment () present M ventus P ngatt Lat	FY Principal and/or Interest, Er coduct(s) coduct(s) coduct(s) coduct(s) coduct(s) coduct(s)	lallaaddaddaadd	51	\$0.00 ,033.50 \$0.000 \$0.000	1234 MAN 0 SMALTOWY Unpakt Print Content Casto Attention Rate	PO Box 01234 Big City, USA 01204 Intere TREET TREET USA 00009-1234 Spall Balance Tre Source for per paged tensors)	PO Boa 66/284 Any Town, USA 56/16 8128-052.58
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ummia aymeet ( ptoral P opaid Las ther Chas DTAL PA ctivity	Indianalishi Indianalishi Indi Fy Principal and/or informal, Er roductio) antiby Payment agements in Chargo(s) rype YMENT Since Your Last St	hthallallihillaadh norme) atement	51 81 81	\$0.00 (033,50 \$0.000 \$0.50 \$6.60 (033,50	1224 MARI 0 SIMAL TOWN Unpaid Print Contex Canas Internet Paid Taxes Paid 1 Biscrow Bala	PO Box 01234 Big City, USA 01204	PO Box 66789 Any Town, USA 56789 8128:02.56 5.875% 8130.30 8.80 9810.87
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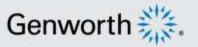


Pro	perty 1 234C Condo Court	Calculator Usage	
Rer	ntal Income Calculation	2018	
1	Gross Rents (Line 3)		\$ 32,600.00
2	Expenses (Line 20)	-	39,982.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)*	+	1,933.00
6	Mortgage Interest (Line 12)*	+	8,001.00
7	Taxes (Line 16)*	+	9,211.00
8	Other: HOA	+	3,170.00
9	Annual Rental Income/Loss	=	\$ 22,060.00
10	Number of Months Considered (Line 2)***	/	12
11	Monthly Income/Loss	=	\$ 1,838.33
12	Monthly Mortgage Payment (Verified)		\$ 1,902.00
13	Monthly Net Rental Income/Loss**		(\$ 63.67)



Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. J do not own any real estate 3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.										
Address       Street 234C Condo Court     Unit #       City Dallas     State TN - Zip 65432										
				For Investment Property Only						
Property Value	Monthly Insurance, Taxes, Association Dues, etc. Not Included in Mortgage Payment		Monthly Rental Income	For LENDER to Calculate: Net Monthly Rental Income						
\$ 300,000	\$ 265		\$ 2,720	\$ -64						
Mortgage Loans on this Property 🔲 Does not apply										
Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balanc	To be paid off at or e before closing	<b>Type:</b> FHA, VA, Conventional, USDA-RD, Other	<b>Credit Limit</b> (if applicable)				
Lone Arranger	#@@@^%\$	\$ 1,637	\$ 157,64	14 🗖	Conventional -	\$				
		\$	\$		•	\$				
	·	, , , , , , , , , , , , , , , , , , ,								

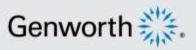
PITI \$1,637 (verified on mortgage statement) + \$265 (verified HOA) = \$1,902



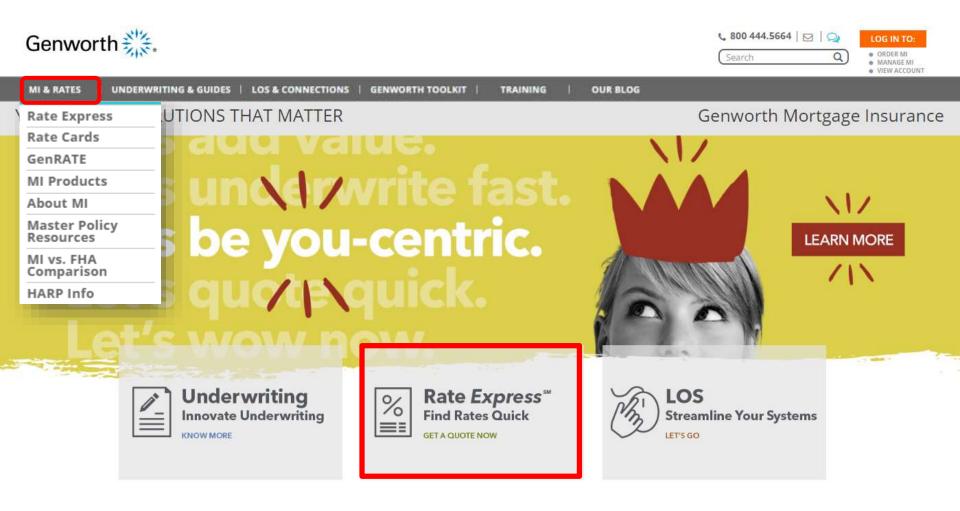
### **Net Rental Income**

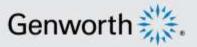
# Compare "Rental Income" figure with Ioan application (Fannie Mae Form 1003)

- Most systems calculate rental income from the REO section of the 1003
- Review the 1003 to verify what appears as rental income/rental loss
- If the number is different, override your system to reflect the true income/loss based on the tax returns

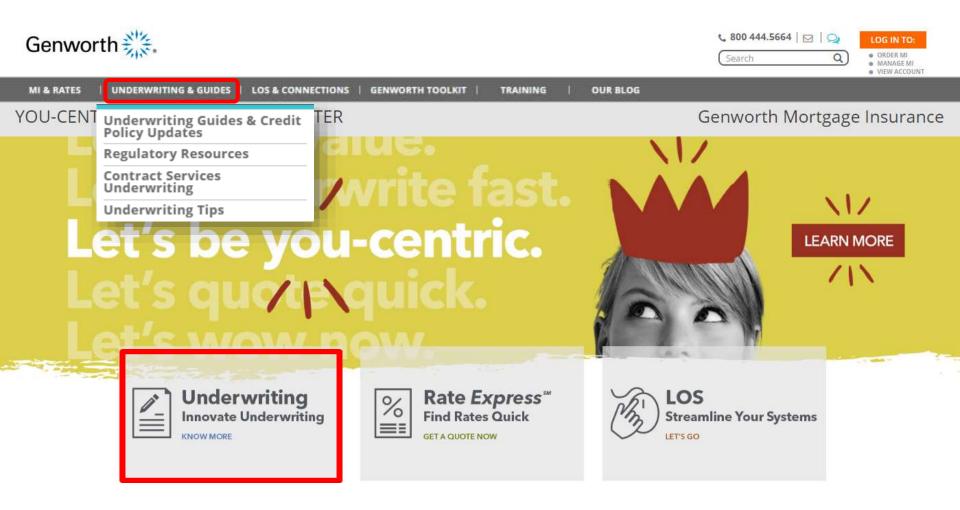


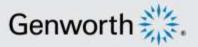
### **Genworth Rate** *Express*<sup>®</sup>



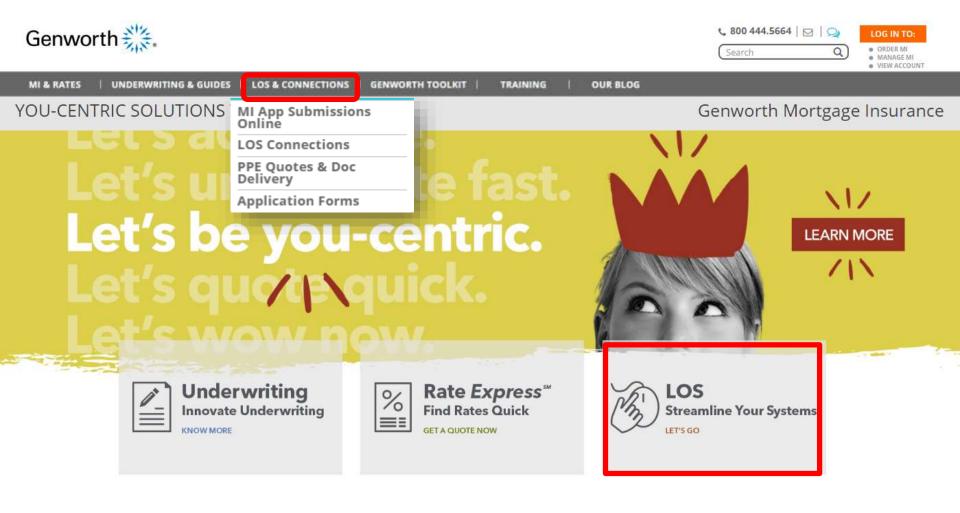


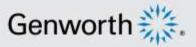
### **Genworth Underwriting Guidelines**



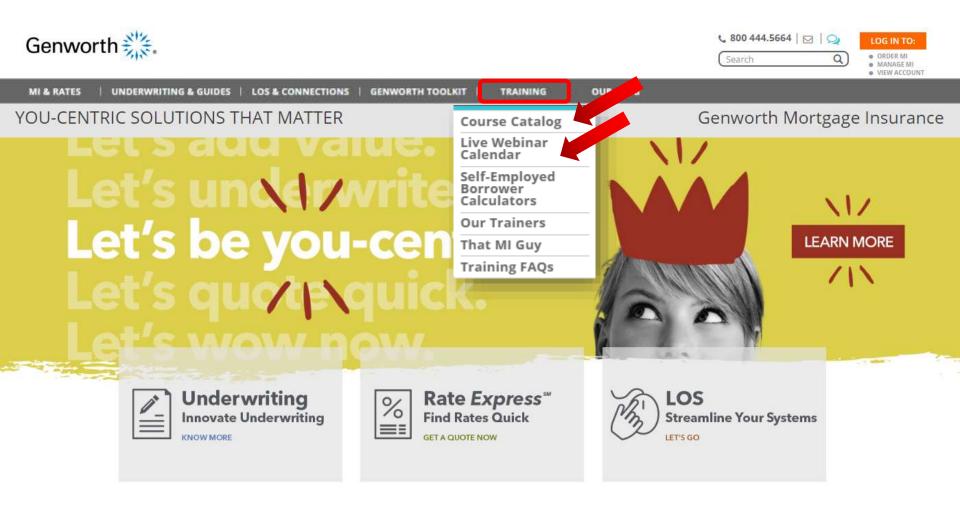


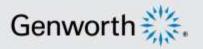
## **LOS Connections**





## **Training Tools and Information**

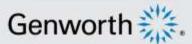




## **Training Tools and Information**

Self-Employed Borrower Tools

#### **Course Catalog** V Search Training Courses α, TODAT Genworth offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and ultimately best serve your borrowe more than 70 courses in our catalog, our team is here to help you stay up-to-date on the mortgage industry and regulatory environment. Classes are all offen Income Calculation Tools cost to you. Check out our new Featured Series below! and Reference Guides Browse by Role Recorded webinars Mortgage Professional Loan Officer Loan Processor Underwriter Explore and watch Browse by Topic on your time! Due to various internet browser versions, please download and save PDF before entering data. Please note, calculators are updated periodically. Fannie Mae Form 1084 Calculator (2017-DOWNLOAD Freddie Mac Form 91 Calculator (2017-2018) 2018) Freddie Mac Form 92 Calculator -----Qual reference putte and income everyouthy freezow (No. No. 1) Colorised and analysis care from to help you compare family labor to the local contract of the labor. Name III 194 Perceitemente Catagolisto - Libert UPDATED FULL UFCATED COURSE Featured Series and Current Ratio - Liquidity Calcula Schedule Analysis Method (SAM) Calculator Rental Income Calculator (2017-2018) CATALOG -..... ----20185 /2017-20181 Australia and and a source from the fill from that between a source and the source of Column contra conta having appending Colouism qualifying improve hism tax resume. LIFOATED PDF Fannie Mae Rental Guide (Calculator 1037) Fannie Mae Rental Guide (Calcul Quick Ratio - Liquidity Calculator (2017--2018) tion fris another to calculate available postal scatter for Tenna Stat Inter 1227 Description Reinfarms, 2, 55 August startal and for calculating gualifying nemalicity takes form 1038 (indication family income from Compare at a personner's favority agents to the televise. UPDATED PDI Description of the LIVE WEBINAR CALENDAR Fannie Mae Form 1088 Cheat Sheet (2017-**Fannie Mae Comparative Analys** Fannie Mae Rental Guide (Calculator 1039) 2018) 1088 (2017-2018) ---------Coloring and forg renal increases for favora Max Room 1028 Burnato Renal Increase from measurement Property. View this ranks reference public for Fermi View's Compared in Analysis form (Fermi 1062) Cellulary municipality fractional in price more UPDATES



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**Income Calculation Worksheet** 

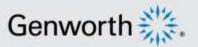
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### **Additional MI Site Information**

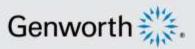








- > ActionCenter<sup>®</sup>: 800 444.5664
- Your Local Genworth Regional Underwriter
- Your Genworth Sales Representative



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