

Self-Employed Borrower: SAM Form Part I - Personal Tax Returns

November 2019



YOU-CENTRIC SOLUTIONS THAT MATTER

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Mortgage Insurance

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

[» Guide Table of Contents](#)

B3-3.2-01: Underwriting Factors and Documentation for a Self-Employed Borrower (12/04/2018)

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 self-employed.

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 self-employment income. The lender may receive representation and warranty enforcement relief of the calculated amount if certain requirements are met. See [A2-2.1-04, Limited Waiver and Enforcement Relief of Representations and Warranties for Mortgages Submitted to DU](#) and Fannie Mae's website for the list of [Approved Vendor Tools](#).

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

Loan Product Advisor® Documentation Matrix



Use the following information as a reference for documenting your Loan Product Advisor loans. For complete documentation information and specific program eligibility requirements, refer to the [Freddie Mac Single-Family Seller/Service Guide \(Guide\)](#). We recommend bookmarking the Guide link (<https://guide.freddiemac.com/app/guide/>) for easy access.*

What Has Changed in this Reference?

This reference is updated to coincide with new and significant changes to documentation requirements announced in Guide Bulletins. Recent changes include:

Topic	Change	Effective Date	Bulletin Announcement
Gaps in Employment	Although a letter of explanation of recent employment gaps is not required, stability of employment is required, which may require analysis of recent employment gaps.	Immediately	Bulletin 2019-20
Employer Assisted Homeownership (EAH) Benefits	Revising requirements regarding use of funds, repayment and required terms of the EAH benefit.	Immediately	Bulletin 2019-20
New Guide Chapter 4305 Purchase Transaction Mortgages	This new chapter specifies acceptable uses of the proceeds from a purchase as well as when a borrower may receive cash back.	Immediately Guide Chapter Link: Chapter 4305	Bulletin 2019-20
Monthly Housing Expense Calculation	Flood insurance and special assessments with more than 10 monthly payments	January 2, 2020	Bulletin 2019-20

Self-employment indicator (Guide Section 5304.1)

A borrower who has an ownership interest of 25% or more in a Partnership, S Corporation and/or Corporation is considered to be self-employed. A borrower who is a sole-proprietor is considered to be a self-employed borrower.

The Seller must indicate to Loan Product Advisor that a borrower is self-employed when the borrower meets Freddie Mac's definition of self-employed as stated above. This is required in all cases where the self-employment income and/or loss is used to determine the borrower's stable monthly income for qualifying.

significant changes.

* [The Guide on AllRegs](#) is the official electronic version of the *Single-Family Seller/Service Guide*.

October 2019

[Freddie Mac Learning](#)

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

Documentation Matrix

Self-employed Income											
Documentation Requirements Guide Section 5304.1(h)	The Seller must establish and calculate the stable monthly qualifying income using at least the following required documentation. Additional documentation may be warranted to support income stability.										
	<ul style="list-style-type: none">Freddie Mac Form 91, Income Analysis Form, or an alternative form that provides the same information Note: Effective March 1, 2019, a revised version of Form 91 appliesVerification of the current existence of the business as described in Guide Section 5304.1(g)Federal income tax returns, including all applicable schedules and forms must reflect at least 12 months of self-employed income.Verification of how long the business has been in existence<ul style="list-style-type: none">For partnerships, S corporations and corporations, the federal income tax return(s) for the business must indicate the number of years that the business has been in existenceFor sole proprietorships, the federal individual income tax return(s) and any other documentation or information received must not contradict the number of years that the business has been in existence as documented on Uniform Residential Loan Application										
		<table><tr><th></th><th>Business in existence ≥ 5 years¹</th><th>Business in existence < 5 years</th></tr><tr><td>Sole proprietorship</td><td>Obtain complete signed federal individual (Form 1040) income tax return for the most recent year.</td><td>Obtain complete signed federal individual (Form 1040) income tax returns for the most recent two years.</td></tr><tr><td>Partnership</td><td>Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.</td><td>Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.</td></tr></table>		Business in existence ≥ 5 years ¹	Business in existence < 5 years	Sole proprietorship	Obtain complete signed federal individual (Form 1040) income tax return for the most recent year.	Obtain complete signed federal individual (Form 1040) income tax returns for the most recent two years.	Partnership	Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.	Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.
		Business in existence ≥ 5 years ¹	Business in existence < 5 years								
Sole proprietorship	Obtain complete signed federal individual (Form 1040) income tax return for the most recent year.	Obtain complete signed federal individual (Form 1040) income tax returns for the most recent two years.									
Partnership	Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent year.	Verify the number of years that the business has been in existence and obtain complete signed federal individual and Partnership (Form 1065) income tax returns, including the Schedule K-1(s) for the most recent two years.									
¹ The Borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years.											

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Documentation Matrix

Topic	Documentation Requirements (Streamlined and Standard Documentation Levels)		
Self-employed Income (continued)			
Documentation Requirements (continued) Guide Section 5304.1(h)		Business in existence \geq 5 years ¹	Business in existence < 5 years
	S Corporation	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 and W-2(s) if applicable, for the most recent year.	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 and W-s(s) if applicable, for the most recent two years.
	Corporation	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 year.	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.
	¹ The Borrower must be self-employed (i.e., have an ownership interest of 25% or more) in the same business for at least five years.		
Refer to Chapter 5304 for complete requirements and guidance.			

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Documentation Matrix

<p>Self-employment disclosed on Form 65, Uniform Residential Loan Application (or other documentation), but not used to qualify (Guide Section 5304.1(e))</p>	<p>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:</p> <ul style="list-style-type: none"> ▪ Has a primary source of income, other than self-employment, used for qualifying the mortgage (e.g., salaried income from regular employment), and ▪ Is self-employed and self-employment income is a secondary source of income. <p>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:</p> <ul style="list-style-type: none"> ▪ 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. <ul style="list-style-type: none"> – 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. – 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). ▪ If the tax returns or other documentation in the mortgage file (e.g., IRS tax transcripts, 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. <p>The Loan Product Advisor self-employed indicator is not required when self-employed income is not used to qualify.</p>
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Documentation Matrix

Topic	Documentation Requirements (Streamlined and Standard Documentation Levels)	
Self-employed Income (continued)		
Verification of current existence of the business (Guide Section 5304.1(g))	Verification of the current existence of the business is required when positive income from the business is used as stable monthly income.	
	Acceptable third party sources	<p>Acceptable third party sources include, but are not limited to:</p> <ul style="list-style-type: none">▪ Regulatory agency▪ Phone directory▪ Internet source (e.g., Better Business Bureau)▪ Directory assistance▪ Applicable licensing bureau <p>Verification of current existence of the business obtained verbally from an acceptable third party source must be documented and include all the following:</p> <ul style="list-style-type: none">▪ 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
	Alternative sources	<p>The Seller may consider alternative sources if the above are not available, such as:</p> <ul style="list-style-type: none">▪ Preparer of the tax returns for the business (e.g., accountant), provided the 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
	Date requirements	The verification must be completed prior to the Delivery Date, but no more than 120 days prior to the Note Date

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Chapter 5304.1(d) Business and Income Analysis

Analysis	
Topic	Requirements and guidance
Business and income analysis	<p>Business review and analysis:</p> <p>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.</p> <ul style="list-style-type: none">■ The analysis must include a review of the business tax returns■ 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
- 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
- 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

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Browse by Topic



Browse by Role

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 (2017-2018) Calculate and analyze each item to help you complete Fannie Mae Form 1084. <small>UPDATED</small>	 Freddie Mac Form 91 Calculator (2017-2018) Quick reference guide and income analysis for Freddie Mac Form 91. <small>UPDATED</small>	 Freddie Mac Form 92 Calculator (2017-2018) Form 92 Macampo Income Calculators - Schedule E. <small>UPDATED</small>
 Schedule Analysis Method (SAM) Calculator (2017-2018) Calculate qualifying income from tax returns. <small>UPDATED</small>	 Rental Income Calculator (2017-2018) Assists in calculating rental income from 2017 Form 1040 (Schedule E). <small>UPDATED</small>	 Current Ratio - Liquidity Calculator (2017-2018) Calculate working capital liquidity against current liabilities. <small>UPDATED</small>
 Quick Ratio - Liquidity Calculator (2017-2018) Calculate an organization's liquidity against current liabilities. <small>UPDATED</small>	 Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Personal Residence, 3- to 4-unit, Property). <small>UPDATED</small>	 Fannie Mae Rental Guide (Calculator 1038) Worksheet for calculating qualifying rental income for Fannie Mae Form 1038 (Individual Rental Income from Investment Property). <small>UPDATED</small>
 Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income from Investment Property). <small>UPDATED</small>	 Fannie Mae Form 1088 Cheat Sheet (2017-2018) Use this quick reference guide for Fannie Mae's Comparative Analysis Form (2017-2018). <small>UPDATED</small>	 Fannie Mae Comparative Analysis Form 1088 (2017-2018) Calculate increases/decreases in gross income, assets and liabilities. <small>UPDATED</small>
 Income Calculation Worksheet Use this form to calculate income. <small>UPDATED</small>		

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and Reference Guides

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

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



Calculator and Quick Reference Guide: 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.

I Schedule 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				

II Schedule 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 (2018-25c and 2017-25c)			
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

III Schedule D - Capital Gains or Losses		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				

IV Schedule E - Supplemental Income and Loss*		2018	2017	NOTES
13	Royalty Income (Line 4)	+		*Rental income is calculated separately and not included with the SAM Form.
14	Total Expenses (Line 20)	-		
15	Depletion (Line 18)	+		
Subtotal				

V Schedule F - Farm Income		2018	2017	NOTES
16	Net Profit or Loss (Line 34)	+/-		
17	Non-Tax Portion Ongoing Co-op & CCC Pmts (Lines 3a-3b, 4a-4b, 6a-6b)	+/-		
18	Nonrecurring Other (Income) or Loss (Lines 5c and 8)	+/-		
19	Depreciation (Line 14)	+		

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 $\geq 25\%$ of a Business?

1b. Current Employment/Self Employment and Income		<input type="checkbox"/> Does not apply
Employer or Business Name _____ Phone (____) ____ - _____		Gross Monthly Income Base \$ _____ /month Overtime \$ _____ /month Bonus \$ _____ /month Commission \$ _____ /month Military Entitlements \$ _____ /month Other \$ _____ /month TOTAL \$ _____ /month
Address _____		
City _____ State _____ Zip _____		
Position or Title _____	Check if this statement applies: <input type="checkbox"/> I am employed by a family member, property seller, real estate agent, or other party to the transaction.	
Start Date ____ / ____ (mm/yyyy)	How long in this line of work? ____ Years ____ Months	
<input type="checkbox"/> Check if you are the Business Owner or Self-Employed	<input type="radio"/> I have an ownership share of less than 25%. <input type="radio"/> I have an ownership share of 25% or more.	Monthly Income (or Loss) \$ _____

Can checking the Self-employed Indicator to “Yes” increase the risk of the loan when evaluated by Desktop Underwriter[®]? What about Loan Product Advisor[®]?



Yes



No

You'll Need

ANALYSIS OF THE SELF-EMPLOYED BORROWER CASE STUDY

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

Calculator and Quick Reference Guide

Access your Quick Reference Guide SAM Form and YOUR Case Study

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

Borrower(s) Name(s)

Loan Number

Property Address



Calculator and Quick Reference Guide: 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.

I Schedule 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					

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
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return
John & Mary Homeowner

Part I 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 ►

(See instructions and the instructions for Form 1040, line 2b.)

Interest

Note: If you received a Form 1099-INT, Form 1099-DIV, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Community Bank
American Credit Union
Dallas Designers, LLC

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

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.

Part II 5 List name of payer ►

Ordinary Dividends

(See instructions and the instructions for Form 1040, line 3b.)

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

OMB No. 1545-0074
2018
Attachment Sequence No. 08
Your social security number
300-50-XXX-XX-
Amount
1,277.
2,188.
8.
1
2
3
4
Amount
5

I Schedule 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					

- b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►
- 8 During 2018, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions X

For Paperwork Reduction Act Notice, see your tax return instructions. BAA REV 12/22/18 TTW Schedule B (Form 1040) 2018

SAM Form Section II Schedule C

II Schedule 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

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2018 Attachment Sequence No. 01	
Name(s) shown on Form 1040 John & Mary Homeowner				Your social security number XXX-XX-XXXX	
Additional Income	1-9b	Reserved		1-9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes		10	
	11	Alimony received		11	
	12	Business income or (loss). Attach Schedule C or C-EZ		12	73,414.
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>		13	-3,000.
	14	Other gains or (losses). Attach Form 4797		14	
	15a	Reserved		15b	
	16a	Reserved		16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	140,149.
	18	Farm income or (loss). Attach Schedule F		18	
12 Business income or (loss). Attach Schedule C or C-EZ			12	73,414.	
Adjustments to Income	21	Other income. List type and amount ▶		21	
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23		22	210,563.
	23	Educator expenses	23		
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24		
	25	Health savings account deduction. Attach Form 8889	25		
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	26		
	27	Deductible part of self-employment tax. Attach Schedule SE	27	5,087.	
	28	Self-employed SEP, SIMPLE, and qualified plans	28		
	29	Self-employed health insurance deduction	29		
	30	Penalty on early withdrawal of savings	30		
	31a	Alimony paid b Recipient's SSN ▶	31a		
	32	IRA deduction	32		
	33	Student loan interest deduction	33		
	34	Reserved	34		
35	Reserved	35			
36	Add lines 23 through 35	36	5,087.		

For Paperwork Reduction Act Notice, see your tax return instructions.

REV 12/21/19 TTW

Schedule 1 (Form 1040) 2018

Schedule C

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (IRS)

Profit or Loss From Business

(Sole Proprietorship)

Go to www.irs.gov/ScheduleC for instructions and the latest information.

Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0047

2018

Attachment
Sequence No. 09

Name of proprietor

John Homeowner

Social security number (SSN)

XXX-XX-XXXX

A Principal business or profession, including product or service (see instructions)

Photographer

B Enter code from instructions

5 6 3 6 0 0

C Business name, if no separate business name, leave blank.

Impressive Images

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) 7 Galloping Hill Road

City, town or post office, state, and ZIP code Dallas, TX 75432

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses. ☐ Yes ☐ No

H If you started or acquired this business during 2018, check here ☐ Yes ☒ No

I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No

J If "Yes," did you or will you file required Forms 1099? ☐ Yes ☒ No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	139,877.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	139,877.
4	Cost of goods sold (from line 42)	4	
5	Gross profit. Subtract line 4 from line 3	5	139,877.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	3,876.
7	Gross income. Add lines 5 and 6	7	143,753.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	7,211.	18	Office expense (see instructions)	18	
9	Car and truck expenses (see instructions)	9	21,637.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20	
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depreciation	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	4,799.	21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	5,999.
15	Insurance (other than health)	15		23	Taxes and licenses	23	800.
16	Interest (see instructions):	16		24	Travel and meals:	24	
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	11,276.
b	Other	16b		b	Deductible meals (see instructions)	24b	4,099.
17	Legal and professional services	17	1,500.	25	Utilities	25	2,399.
26	Total expenses before expenses for business use of home. Add lines 8 through 27a	26		26	Wages (less employment credits)	26	
				27a	Other expenses (from line 48)	27a	9,119.
				b	Reserved for future use	27b	
				28		28	68,839.
							74,914.

31 Net profit or (loss). Subtract line 30 from line 29.

- 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.

31 73,414.

31 Net profit or (loss). Subtract line 30 from line 29.

- 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.
- If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- 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.
- If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

BAA

REV 12/21/18 TTW

Schedule C (Form 1040) 2018

Schedule C

II Schedule 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)	-		
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	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

Schedule C

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (IRS)

Profit or Loss From Business
(Sole Proprietorship)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074
2018
Attachment
Sequence No. 09

Name of proprietor
John Homeowner

Social security number (SSN)
XXX-XX-XXXX

A Principal business or profession, including product or service (see instructions)
Photographer

B Enter code from instructions
516100

C Business name. If no separate business name, leave blank.
Impressive Images

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ 7 Galloping Hill Road
City, town or post office, state, and ZIP code Dallas, TX 75432

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses ☐ Yes ☐ No

H If you started or acquired this business during 2018, check here ☐

I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No

J If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	139,877.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	139,877.
4	Cost of goods sold (from line 42)	4	
5	Gross profit. Subtract line 4 from line 3	5	139,877.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	3,876.
7	Gross income. Add lines 5 and 6	7	143,753.

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	139,877.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	139,877.
4	Cost of goods sold (from line 42)	4	
5	Gross profit. Subtract line 4 from line 3	5	139,877.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	3,876.
7	Gross income. Add lines 5 and 6	7	143,753.

Examples include:

- Profit from postage, shipping or handling, if you **track it separately**
- **Interest** earned on notes or accounts receivable
- **Bad debts** you deducted in a previous year that were repaid (whole or in part) this year
- **Cash prizes and awards** that your business received, such as a \$500 prize from your local Chamber of Commerce for "Business of the Year"

Schedule C

II Schedule 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	<i>x Depreciation Rate (2018-25¢ and 2017-25¢)</i>		\$ 0.25	\$ 0.25
10b	<i>= Total Mileage Depreciation</i>	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

Schedule C

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

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

Schedule C

II Schedule 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)	+		
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	\$ 0.25
10b	= Total Mileage Depreciation	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

Schedule C

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

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

Schedule C

II Schedule 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)	-		
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	+		
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

Schedule C

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 expenses for business use of your home **only** on line 30.

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

Schedule C

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

Schedule C

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	<p>Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).</p> <p>Simplified method filers only: enter the total square footage of: (a) your home: <u>4200</u></p> <p>and (b) the part of your home used for business: <u>300</u> . Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30</p>	30	1,500.
31	<p>Net profit or (loss). Subtract line 30 from line 29.</p> <ul style="list-style-type: none"> • 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. • If a loss, you must go to line 32. 	31	73,414.
32	<p>If you have a loss, check the box that describes your investment in this activity (see instructions).</p> <ul style="list-style-type: none"> • 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. • If you checked 32b, you must attach Form 6198. Your loss may be limited. 	<p>32a <input type="checkbox"/> All investment is at risk.</p> <p>32b <input type="checkbox"/> Some investment is not at risk.</p>	

Schedule C

II Schedule 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)			
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				

Schedule C

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	21,637.
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9	Car and truck expenses (see instructions).	9	21,637.
10	Commissions and fees	10	
11	Contract labor (see instructions)	11	
12	Depreciation	12	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	4,799.
14	Employee benefit programs (other than on line 19)	14	
15	Insurance (other than health)	15	
16	Interest (see instructions):		
a	Mortgage (paid to banks, etc.)	16a	
b	Other	16b	
17	Legal and professional services	17	1,500.
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. • 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. • If a loss, you must go to line 32.	31	73,414.
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • 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. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	32a	<input type="checkbox"/> All investment is at risk.
		32b	<input type="checkbox"/> Some investment is not at risk.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (99)		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.		2018 Attachment Sequence No. 09
Name of proprietor John Homeowner			Social security number (SSN) XXX-XX-XXXX	
A	Principal business or profession, including product or service (see instructions) Photographer			B Enter code from instructions 6 6 6 0 0
C	Business name. If no separate business name, leave blank. Impressive Images			D Employer ID number (EIN) (see instr.)
E	Business address (including suite or room no.) 7 Galloping Hill Road City, town or post office, state, and ZIP code Dallas, TX 75432			
F	Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____			
G	Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H	If you started or acquired this business during 2018, check here			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I	Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J	If "Yes," did you or will you file required Forms 1099?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Schedule C

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

Part IV **Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2017, enter the number of miles you used your vehicle for:

→ **a** Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use?. ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

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

Schedule C

II Schedule 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 → 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				

Schedule C

Verify 4562 is for the Schedule C

- Review Page 2 of the worksheet
- Line #30

Form 4562 Department of the Treasury Internal Revenue Service (99)		Depreciation and Amortization (Including Information on Listed Property) ▶ Attach to your tax return. ▶ Go to www.irs.gov/Form4562 for instructions and the latest information.		OMB No. 1545-0172 2018 Attachment Sequence No. 179
Name(s) shown on return John & Mary Homeowner		Business or activity to which this form relates Sch C Photographer		Identifying number XXX-XX-XXXX
Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.				
1 Maximum amount (see instructions)				1
2 Total cost of section 179 property placed in service (see instructions)				2
3 Threshold cost of section 179 property before reduction in limitation (see instructions)				3
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-				4
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions				5
6 (a) Description of property		6 (b) Cost (business use only)		6 (c) Elected cost

Form 4562 Department of the Treasury Internal Revenue Service (99)		Depreciation and Amortization (Including Information on Listed Property) ▶ Attach to your tax return. ▶ Go to www.irs.gov/Form4562 for instructions and the latest information.		OMB No. 1545-0172 2018 Attachment Sequence No. 179		
Name(s) shown on return John & Mary Homeowner		Business or activity to which this form relates Sch C Photographer		Identifying number XXX-XX-XXXX		
Section A						
17 MACRS deductions for assets placed in service in tax years beginning before 2018				17 3,099		
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>						
Section B—Assets Placed in Service During 2018 Tax Year Using the General Depreciation System						
(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
			MM	S/L		
Section C—Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System						
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	
Part IV Summary (See instructions.)						
21 Listed property. Enter amount from line 28				21		
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions				22		4,799
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs				23		

For Paperwork Reduction Act Notice, see separate instructions. BAA REV 01/02/19 TTW Form 4562 (2018)

Schedule C

Form 4562 (2018) Page **2**

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions . 25								
26 Property used more than 50% in a qualified business use:								
Range Rover	01/03/2015	79.05 %						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 .							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles) .	8,422					
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven	2,232					
33 Total miles driven during the year. Add lines 30 through 32	10,654					
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X					
35 Was the vehicle used primarily by a more than 5% owner or related person? . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X					
36 Is another vehicle available for personal use?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X					

Page 14

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

Schedule C

Pages 15 and 16

Car and Truck Expenses Worksheet

2018

► Keep for your records

Name(s) Shown on Return John & Mary Homeowner	Social Security Number XXX-XX-XXXX
--	---------------------------------------

Activity: Sch C Photographer

Part I – Vehicle Information

1 Make and model of vehicle Range Rover Example: Ford Taurus
 2 Date placed in service 01/03/2015 Example: 08/15/2018
 3 Type of vehicle B2 - Heavy SUV
 4 a Ending mileage reading _____ Enter mileage readings, or
 b Beginning mileage reading _____ enter total miles on line 4c
 c Total miles vehicle was driven during 2018 10,654 Line 4a less line 4b
 5 Number of miles driven for business 8,422
 6 Number of miles driven for commuting _____ Travel between home and work
 7 Number of miles driven for personal purposes 2,232 Line 4c less line 5 and 6
 8 Percent of business use 79.05 % Line 5, divided by 4c
 9 a Have record of personal mileage for full year? ☐ Yes ☐ No
 b Months for special allocation _____ See Tax Help
 10 Do you have another vehicle available for personal use? ☒ Yes ☐ No
 11 Was the vehicle available for personal use during off duty hours? ☒ Yes ☐ No
 12 Was the vehicle used primarily by a more than 5% owner of the business or
 related person? ☒ Yes ☐ No
 13 a Do you have evidence to support the business use claimed? ☒ Yes ☐ No
 b If Yes, is the evidence written? ☒ Yes ☐ No

Part II – Standard Mileage Rate

14 Did you own this vehicle, lease this vehicle,
 or was it not your vehicle? ☒ Own ☐ Lease
 ☐ Not my vehicle
 15 Did you use this vehicle for hire? ☐ Yes ☒ No Example: taxicab
 16 Did you use less than 5 vehicles for business at a time? ☒ Yes ☐ No
 17 If you **owned** this vehicle, did you use the standard
 mileage rate for this vehicle's first year, OR
 if you **leased** this vehicle, did you use the standard
 mileage rate for the portion of the lease period after 1997? ☒ Yes ☐ No prior years
 Only applies to
 vehicles placed
 in service in
 prior years
 If you answered Own or Lease to line 14, and Yes to lines 16 and 17 you can take
 standard mileage for this vehicle (note: Line 15, vehicle for hire, is now allowed):
 18 Standard mileage deduction 4,590. line 5 times .545

Part III – Actual Expenses

19 a Gasoline _____	b Vehicle lease or rental fees:
b Oil _____	1 30 days or more _____
c Tires _____	2 29 days or less _____
d Repairs _____	3 Total vehicle lease/rental fees _____
e Vehicle insurance _____	i Leased vehicle inclusion amount:
f Vehicle registration, license (excluding property tax) _____	1 Year lease began _____
g Garage rent _____	2 FMV of leased vehicle _____
	3 Number of lease days in year _____
	4 Inclusion amount _____
	j Other _____

20 Expenses subtotal _____ Sum of lines 19a thru 19j
 21 Expenses applicable to business _____ Line 20 times line 8
 22 Vehicle depreciation and Section 179 27,716. From Part VI
 23 Total actual expenses 27,716. Line 21 plus line 22

IRS Publication 463



Publication 463
Cat. No. 11081L

Travel, Gift, and Car Expenses

For use in preparing
2018 Returns



Get forms and other information faster and easier at:
 • [IRS.gov](https://www.irs.gov) (English) • [IRS.gov/irsover](https://www.irs.gov/irsover) (Spanish)
 • [IRS.gov/irs-es](https://www.irs.gov/irs-es) (Spanish) • [IRS.gov/irs-fr](https://www.irs.gov/irs-fr) (French)
 • [IRS.gov/irs-it](https://www.irs.gov/irs-it) (Italian) • [IRS.gov/irs-pt](https://www.irs.gov/irs-pt) (Portuguese)
 • [IRS.gov/irs-ru](https://www.irs.gov/irs-ru) (Russian) • [IRS.gov/irs-vn](https://www.irs.gov/irs-vn) (Vietnamese)

Feb 22, 2019

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Rate of Depreciation Allowed in Standard Mileage Rate

<u>Year(s)</u>	<u>Depreciation</u> <u>Rate per Mile</u>
2017–2018	\$0.25
2015–2016	0.24
2014	0.22
2012–2013	0.23
2011	0.22
2010	0.23
2008–2009	0.21
2007	0.19
2005–2006	0.17
2003–2004	0.16
2001–2002	0.15
2000	0.14

Schedule C

II Schedule 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	+	2105.50	
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		
Schedule C Subtotal				

Schedule C

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	48 9,119.

REV 12/21/18 TTW Schedule C (Form 1040) 2018

Schedule C

II Schedule 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

III Schedule D - Capital Gains or Losses			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					

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

Schedule D Capital Gains

Don't use unless needed for qualifying

- Two year history, stable receipt and likely to continue
- Check investor overlays before using
- Let's review IRS Form 1040, Line 13 for 2017 or Schedule 1, Line 13 for 2018 returns
- Our 2018 example show \$3,000 loss

SCHEDULE D (Form 1040)	Capital Gains and Losses	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (IRS)	► Attach to Form 1040 or Form 1040NR. ► Go to www.irs.gov/ScheduleD for instructions and the latest information. ► Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.	2018 Attachment Sequence No. 12
Name(s) shown on return John & Mary Homeowner		Your social security number XXX-XX-XXXX

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)				
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) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(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				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 (13,554.)
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 -13,554.

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)				
See instructions for how to figure the amounts to enter on the lines below.	(d)	(e)	(g) Adjustments	(h) Gain or (loss) Subtract column (e) from column (d)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions).				
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ► <input type="checkbox"/>				13 -3,000.

SCHEDULE 1 (Form 1040)	Additional Income and Adjustments to Income	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	► Attach to Form 1040. ► Go to www.irs.gov/Form1040 for instructions and the latest information.	2018 Attachment Sequence No. 01
Name(s) shown on Form 1040 John & Mary Homeowner		Your social security number XXX-XX-XXXX
Additional Income	1-9b	
10 Taxable refunds, credits, or offsets of state and local income taxes	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	73,414.
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ► <input type="checkbox"/>	13	-3,000.

Page 9

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

Schedule D

Part III Summary

16	Combine lines 7 and 15 and enter the result	16	-13,554.
<ul style="list-style-type: none"> If line 16 is a gain, enter the amount from line 16 on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 17 below. If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. If line 16 is zero, skip lines 17 through 21 below and enter -0- on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 22. 			
17	Are lines 15 and 16 both gains?		
	<input type="checkbox"/> Yes . Go to line 18.		
	<input type="checkbox"/> No . Skip lines 18 through 21, and go to line 22.		

III Schedule D - Capital Gains or Losses

2018

2017

NOTES

12	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-	0		*Verify no recurring losses that need to be considered.
Schedule D Subtotal					

☐ **No**. Complete the **Schedule D Tax Worksheet** in the instructions. **Don't** complete lines 21 and 22 below.

21	If line 16 is a loss, enter here and on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> The loss on line 16; or (\$3,000), or if married filing separately, (\$1,500) 	21	3,000.
Note: When figuring which amount is smaller, treat both amounts as positive numbers.			
22	Do you have qualified dividends on Form 1040, line 3a, or Form 1040NR, line 10b?		
	<input type="checkbox"/> Yes . Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42).		
	<input checked="" type="checkbox"/> No . Complete the rest of Form 1040 or Form 1040NR.		


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

For full functionality, 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.

Property 1 1 Calculator Usage Note: Click Grey Buttons to Divide for Monthly Totals

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

Page 11

SCHEDULE E (Form 1040) **Supplemental Income and Loss** (OMB No. 1545-0074)

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

Department of the Treasury Internal Revenue Service (IRS) **2018** Attachments Sequence No. 13

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

Name(s) shown on return: John & Mary Homeowner Your social security: XXX-XX-XXXX

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? ☐ Yes ☒ No

B If "Yes," did you or will you file required Forms 1099? ☐ Yes ☒ No

1a Physical address of each property (street, city, state, ZIP code)

A 234C Condo Court Dallas TX 75432

B

C

1b	Type of Property (from list below)	2	Fair Rental Days	Personal Use Days	QJV
A	1	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	365	0	<input type="checkbox"/>
B					<input type="checkbox"/>
C					<input type="checkbox"/>

Type of Property:

1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental

2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	32,600.		
4 Royalties received	4			
Expenses:				
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	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	0.		
23a Total of all amounts reported on line 3 for all rental properties	23a	32,600.		
23b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	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.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	0.		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26	0.		

For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 12/22/18 TTW Schedule E (Form 1040) 2018

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

YOUR MORTGAGE COMPANY Return Mail Operations
PO Box 12345
Any Town, USA 12345-0000

01234567 1 AT 1.123 012345678901234 012 01 ABCDEF 012
JOE HOMEOWNER
1234 MAIN STREET
SMALLTOWN USA 00000-1234

Quarterly Mortgage Statement
Statement Date 03/15/09
Payment Due Date 04/01/09
Loan Number 01234567890

Customer Service
Online
yourmortgagecompany.com
Telephone
(888) 012-3456
Fax
(888) 012-0123
Payments PO Box 01234
Big City, USA 01234
Correspondence PO Box 56789
Any Town, USA 56789

Summary
Payment (Principal and/or Interest, Escrow) \$1,033.50
Optional Products \$0.00
Current Monthly Payment **\$1,033.50**
Overdue Payments \$0.00
Unpaid Late Charge(s) \$0.00
Other Charges \$0.00
TOTAL PAYMENT \$1,033.50

Property Address
1234 MAIN STREET
SMALLTOWN USA 00000-1234
Unpaid Principal Balance \$125,522.58
(Contact Customer Service for pre-paid interest)
Interest Rate 5.875%
Interest Paid Year-to-Date \$1,893.80
 Taxes Paid Year-to-Date \$ 50
 Escrow Balance \$910.97

Activity Since Your Last Statement

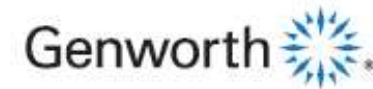
Date	Description	Total	Principal	Interest	Escrow	Late Charge	Other
03/01	PAYMENT	\$1,033.50	\$290.18	\$625.03	\$111.29		
02/01	PAYMENT	\$1,033.50	\$290.94	\$631.27	\$111.29		
01/01	PAYMENT	\$1,033.50	\$288.70	\$633.58	\$111.29		

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

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

Borrower(s) Name(s)

Loan Number



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.

Property 1

Calculator Usage Note: Click Grey Buttons to Divide for Monthly Totals

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

Type of Property:							
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental				
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)				
Income:		Properties:		A		B	
3	Rents received	3		32,600.			
4	Royalties received	4					
Expenses:							
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		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		0.			
23a	Total of all amounts reported on line 3 for all rental properties	23a		32,600.			
b	Total of all amounts reported on line 4 for all royalty properties	23b					
c	Total of all amounts reported on line 12 for all properties	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.			

2018 Schedule E Rental Income

Property 1		234C Condo Court		Calculator Usage
Rental 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

Type of Property:							
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental				
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)				
Income:		Properties:		A	B		
3	Rents received	3		32,600.			
4	Royalties received	4					
Expenses:							
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		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		0.			
23a	Total of all amounts reported on line 3 for all rental properties	23a		32,600.			
b	Total of all amounts reported on line 4 for all royalty properties	23b					
c	Total of all amounts reported on line 12 for all properties	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.			



2018 Schedule E Rental Income

Property 1 234C Condo Court			Calculator Usage
Rental 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)



Type of Property:			
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)
Income:	Properties:	A	B
3 Rents received	3	32,600.	
4 Royalties received	4		
Expenses:			
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	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	0.)	
23a Total of all amounts reported on line 3 for all rental properties	23a		32,600.
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	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.

2018 Schedule E Rental Income

Property 1		234C Condo Court		Calculator Usage
Rental 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)

Type of Property:							
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental				
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)				
Income:		Properties:		A	B		
3	Rents received	3		32,600.			
4	Royalties received	4					
Expenses:							
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		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		0.			
23a	Total of all amounts reported on line 3 for all rental properties	23a		32,600.			
b	Total of all amounts reported on line 4 for all royalty properties	23b					
c	Total of all amounts reported on line 12 for all properties	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.			

2018 Schedule E Rental Income

Property 1  234C Condo Court			Calculator Usage
Rental 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)*	+	
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+	
9	Annual Rental Income/Loss	=	(\$ 255.00)

Type of Property:							
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental				
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)				
Income:		Properties:		A	B		
3	Rents received	3		32,600.			
4	Royalties received	4					
Expenses:							
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		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		0.			
23a	Total of all amounts reported on line 3 for all rental properties	23a		32,600.			
b	Total of all amounts reported on line 4 for all royalty properties	23b					
c	Total of all amounts reported on line 12 for all properties	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.			

2018 Schedule E Rental Income

Property 1 234C Condo Court			Calculator Usage
Rental 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)*	+	
7	Taxes (Line 16)*	+	
8	Other: 	+	
9	Annual Rental Income/Loss	=	\$ 1,678.00

Type of Property:							
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental				
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)				
Income:		Properties:		A	B		
3	Rents received	3		32,600.			
4	Royalties received	4					
Expenses:							
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		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		0.			
23a	Total of all amounts reported on line 3 for all rental properties	23a		32,600.			
b	Total of all amounts reported on line 4 for all royalty properties	23b					
c	Total of all amounts reported on line 12 for all properties	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.			

2018 Schedule E Rental Income

Property 1		234C Condo Court		Calculator Usage
Rental 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	

Type of Property:			
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)
Income:	Properties:	A	B
3 Rents received	3	32,600.	
4 Royalties received	4		
Expenses:			
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	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	0.)	
23a Total of all amounts reported on line 3 for all rental properties	23a		32,600.
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	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.

2018 Schedule E Rental Income

Property 1 234C Condo Court			Calculator Usage
Rental 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

Type of Property:			
1 Single Family Residence	3 Vacation/Short-Term Rental	5 Land	7 Self-Rental
2 Multi-Family Residence	4 Commercial	6 Royalties	8 Other (describe)
Income:	Properties:	A	B
3 Rents received	3	32,600.	
4 Royalties received	4		
Expenses:			
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	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	0.)	
23a Total of all amounts reported on line 3 for all rental properties	23a		32,600.
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	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.

2018 Schedule E Rental Income

Property 1 234C Condo Court			Calculator Usage
Rental 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

2018 Schedule E Rental Income

Property 1		234C Condo Court		Calculator Usage
Rental 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

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

YOUR MORTGAGE COMPANY

Return Mail Operations
PO Box 12345
Any Town, USA 12345-0000

Quarterly Mortgage Statement
Statement Date 03/15/09
Payment Due Date 04/01/09
Loan Number 01234567890

Customer Service
Online
yourmortgagecompany.com
Telephone
(888) 012-3456
Fax
(888) 012-0123
Payments
PO Box 01234
Big City, USA 01234
Correspondence
PO Box 56789
Any Town, USA 56789

01234567 1 AT 1.123 (12345678901234 012 01 ABCDEFGH 012)
JOE HOMEOWNER
1234 MAIN STREET
SMALLTOWN USA 00000-1234

Summary

Payment (Principal and/or Interest, Escrow)	\$1,033.50
Optional Product(s)	\$0.00
Current Monthly Payment	\$1,033.50
Overdue Payments	\$0.00
Unpaid Late Charge(s)	\$0.00
Other Charges	\$0.00
TOTAL PAYMENT	\$1,033.50

Property Address
1234 MAIN STREET
SMALLTOWN USA 00000-1234
Unpaid Principal Balance \$128,522.58
(Contact Customer Service for pre-paid interest)
Interest Rate 5.875%
Interest Paid Year-to-Date \$1,893.00
Taxes Paid Year-to-Date \$0.00
Escrow Balance \$910.97

Activity Since Your Last Statement

Date	Description	Total	Principal	Interest	Escrow	Late Charge	Other
03/01	PAYMENT	\$1,033.50	\$299.18	\$626.03	\$111.29		
02/01	PAYMENT	\$1,033.50	\$290.84	\$631.27	\$111.29		
01/01	PAYMENT	\$1,033.50	\$288.70	\$633.58	\$111.29		

2018 Schedule E Rental Income

Property 1		234C Condo Court		Calculator Usage
Rental 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	=	<input checked="" type="radio"/>	\$ 1,838.33
12	Monthly Mortgage Payment (Verified)	-		\$ 1,902.00
13	Monthly Net Rental Income/Loss**	=		(\$ 63.67)

2018 Schedule E Rental Income

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. ☐ *I do not own any real estate*

3a. Property You Own

If you are refinancing, list the property you are refinancing FIRST.

Address

Street Unit # City State Zip

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. Not Included in Mortgage Payment	For Investment Property Only	For LENDER to Calculate: Net Monthly Rental Income
			Monthly Rental Income	
\$ <input type="text" value="300,000"/>	<input type="text" value="Retained"/>	\$ <input type="text" value="265"/>	\$ <input type="text" value="2,720"/>	\$ <input type="text" value="-64"/>

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
Lone Arranger	<input type="text" value="#@@@^%\$"/>	\$ <input type="text" value="1,637"/>	\$ <input type="text" value="157,644"/>	<input type="checkbox"/>	<input type="text" value="Conventional"/>	\$ <input type="text"/>
		\$ <input type="text"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>

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

Net Rental Income

Compare “Rental Income” figure with loan 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

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Let's be you-centric.

Let's quote quick.

Let's wow now.



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Let's wow now.



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Training Tools and Information

Course Catalog

Genworth offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and ultimately best serve your borrower. With 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 offered at no cost to you. **Check out our new Featured Series below!**

Browse by Role

	Mortgage Professional		Loan Officer		Loan Processor		Underwriter
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Browse by Topic



Featured Series and



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 (2017-2018) Calculator and analysis worksheet to help you complete Fannie Mae Form 1084. UPDATED		Freddie Mac Form 91 Calculator (2017-2018) Quick reference guide and income analysis for Freddie Mac Form 91. UPDATED		Freddie Mac Form 92 Calculator (2017-2018) Form 92 Rent Rental Income Calculations - Schedule E. UPDATED
	Schedule Analysis Method (SAM) Calculator (2017-2018) Calculate qualifying income from two rentals. UPDATED		Rental Income Calculator (2017-2018) Assists in calculating rental income from 1031 Form 1031 Schedule E. UPDATED		Current Ratio - Liquidity Calculator (2018) Calculate working capital liquidity against number. UPDATED
	Quick Ratio - Liquidity Calculator (2017-2018) Calculate all-in-one liquidity against number. UPDATED		Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 2-4 unit Property). UPDATED		Fannie Mae Rental Guide (Calculator 1039) Worksheet for calculating qualifying rental income for Fannie Mae Form 1039 (Individual Rental Income from Property). UPDATED
	Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income from Investment Property). UPDATED		Fannie Mae Form 1088 Cheat Sheet (2017-2018) Use this quick reference guide for Fannie Mae's Comparative Analysis Form (Form 1088). UPDATED		Fannie Mae Comparative Analysis Form (Form 1088) Calculate increases/decreases in gross income, net income. UPDATED
	Income Calculation Worksheet Use this form to calculate income. UPDATED				

Self-Employed Borrower Tools



Income Calculation Tools and Reference Guides

Recorded webinars



Explore and watch on your time!

DOWNLOAD FULL COURSE CATALOG



LIVE WEBINAR CALENDAR



Additional MI Site Information

What's New

- [Video] Underwriting & Technology
- August Training
- Rate Express: Reimagined



Self-Employed Borrower Tools

Valuable income calculation tools and reference guides for calculating self-employed borrower income.


Schedule Analyst Method (SAM) Calculator (2017-2018)


Fannie Mae Form 1084 Calculator (2017-2018)


Freddie Mac Form 91 Calculator (2017-2018)


Freddie Mac Form 92 Calculator (2017-2018)


Rental Income Calculator (2017-2018)

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