

Freddie Mac Form 91, Part I

Personal Tax Returns

December 2019



YOU-CENTRIC SOLUTIONS THAT MATTER

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Genworth 
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 Freddie Mac's Income Analysis Form (Form 91) and data from tax returns to calculate supportable self-employed borrower income.

- 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

Documentation Matrix

Used To Document Your Files

– Updated December 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
Military Income	Revising requirement to allow a LES dated no more than 120 days prior to the note date to verify the borrower's employment as part of the 10-day PCV.	Immediately	Bulletin 2019-25
Credit Report	Credit reports must include information from at least two national credit repositories for both manually underwritten and Loan Product Advisor mortgages.	Immediately	Bulletin 2019-25

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*.

<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 <p>Note: Effective March 1, 2019, a revised version of Form 91 applies</p> <ul style="list-style-type: none">Verification 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

Documentation Matrix

Excluding Self-employed borrower debt paid by the business (Guide Section 5401.2(b))	<p>When a self-employed borrower is obligated on a debt that has been paid by the borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:</p> <ul style="list-style-type: none">▪ The mortgage file contains evidence that the debt has been paid timely by the borrower's business for no less than the most recent 12 months, and▪ The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business.
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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



Borrower Name: _____

Form 91

Income Calculations

Borrower Name: _____

Form 91 is to be used to document the Seller's income. This form is a tool to help the Seller calculate the income to be used in the 5300. This form does not replace the requirements for self-employed Borrowers as described in the 5300.

I. Income Calculations from

IRS Form 1040 Federal Individual

1. W-2 Income from self-employment

Name of business: _____

IRS Form 1040, Line 7 (Section

Subtotal of W-2 income from self-employment

²Validate with business returns and IRS Form 1040

2. Schedule B – Interest and Dividend Income

Recurring interest income (Chapter 5304.1(d))

Recurring dividend income (Chapter 5304.1(d))

Dividend income from self-employment

Subtotal of dividends and interest income

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

8. Partnership Income (Refer to Chapter 5304)

Name of business: _____

Partnership – Schedule K-1 (IRS Form 1065)	Year:	Year:
Ordinary Business Income or Loss	(+/-)	(+/-)
Net rental real estate income or loss	(+/-)	(+/-)
Guaranteed Payments	(+)	(+)
Subtotal from Schedule K-1 (IRS Form 1065)	\$	\$

Partnership Income from IRS Form 1065	Year:	Year:
Depreciation (IRS Form 1065)	(+)	(+)
Depreciation (IRS Form 8825) (Guide Section 5304.1(d))	(+)	(+)
Depletion	(+)	(+)
Amortization or casualty loss	(+)	(+)
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d))	(-)	(-)
Other nonrecurring income or loss	(+/-)	(+/-)
Travel and entertainment exclusion	(-)	(-)
Subtotal prior to application of ownership interest percentage	\$	\$
Multiply by total percentage of ownership (on Schedule K-1)	(x)	% (x)
Subtotal from IRS Form 1065	\$	\$

Combined subtotal from partnership	\$	\$
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3. Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)

	(+/-)	(+/-)
Business, or expenses	(+/-)	(+/-)
	(+)	(+)
	(+)	(+)
on	(-)	(-)
	(+)	(+)
	(+)	(+)
Business #1	\$	\$

4. Schedule D – Capital Gains and Losses (Chapter 5305)

	(+/-)	(+/-)
Business, or expenses	(+/-)	(+/-)
	(+)	(+)
	(+)	(+)
on	(-)	(-)
	(+)	(+)
	(+)	(+)
Business #2	\$	\$

Subtotal from Schedule D, capital gains and losses

	(+/-)	(+/-)
	\$	\$

<http://www.freddiemac.com/singlefamily/forms/sell/pdf/91.pdf>

Genworth Has Form 91 And 92 Income Calculation Tools Posted To Website

Training Tools and Information



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YOU-CENTRIC SOLUTIONS THAT MATTER

Course Catalog

Live Webinar
Calendar

Self-Employed
Borrower
Calculators

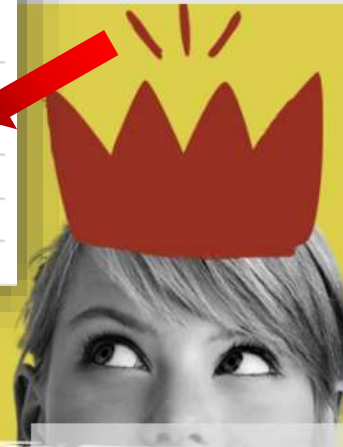
Our Trainers

That MI Guy

Training FAQs

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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

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) Calculate and analyze cash flow 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 Form 92 has Rental Income Calculations + Cash Flow. <small>UPDATED</small>
 Schedule Analysis Method (SAM) Calculator (2017-2018) Calculate qualifying income from cap returns. <small>UPDATED</small>	 Rental Income Calculator (2017-2018) Assists in calculating rental income from IRS Form 1042 Schedule E. <small>UPDATED</small>	 Current Ratio - Liquidity Calculator (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 (Principal Residence 2+ Adjoined Property). <small>UPDATED</small>	 Fannie Mae Rental Guide (Calculator 1039) Worksheet for calculating qualifying rental income for Fannie Mae Form 1039 (Business 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 (Form 1088). <small>UPDATED</small>	 Fannie Mae Comparative Analysis 1088 (2017-2018) Calculate imputed/deferred or gross income, taxable income. <small>UPDATED</small>
 Income Calculation Worksheet Use this form to calculate income. <small>UPDATED</small>		

Self-Employed Borrower Tools



Income Calculation Tools and Reference Guides

Recorded webinars



Explore and watch on your time!

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LIVE WEBINAR CALENDAR



Borrower(s) Name(s) Loan Number

Property Address



Calculator and Quick Reference Guide: Form 91 Income Calculations

Please use the following quick reference guide to assist you in completing Freddie Mac Form 91. This form is for suggested guidance and does not replace Freddie Mac instructions or applicable guidelines.

Note: For entries with the marker (+/-) type a '-' for entering a negative amount. Example: -12,345.67

I. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return

1	W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)	2018	2017	NOTES
Name of Business: <input type="text"/>				
	IRS Form 1040, Line 7 (Section 5304.1 (d)) (Review W-2 document.) (Page 2, Line 1)	+		*Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable
	Subtotal of W-2 Income From Self-employment	\$0.00	\$0.00	
2	Schedule B - Interest and Ordinary Dividends	2018	2017	NOTES
	Recurring interest income (Chapter 5305) (Line 2)	+		
	Recurring dividend income (Chapter 5305) (Line 6)	+		
	Dividend income from self-employment reported on IRS Form 1120	-		
	Subtotal of Dividends and Interest	\$0.00	\$0.00	
3	Schedule C - Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)	2018	2017	NOTES
Name of Business #1: <input type="text"/>				
	Net profit or loss (Line 31)	+/-		
	Non-recurring other income or loss, or expenses (Line 6)	+/-		
	Depletion (Line 12)	+		
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+		
	Meals and entertainment exclusion (Line 24b)	-		
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+		
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+		
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)			

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 Loan Product Advisor®?



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)

Review The Schedule 1 for Additional Schedules

You cannot calculate the income if you don't have all the schedules

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
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	73,414.	13
	14	Other gains or (losses). Attach Form 4797	-3,000.	14
	15a	Reserved		15b
	16a	Reserved		16b
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	140,149.	17
	18	Farm income or (loss). Attach Schedule F		18
19	Unemployment compensation		19	
20a	Reserved		20b	
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		210,563.	22
Adjustments to Income	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	5,087.	27
	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	5,087.	36

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

Schedule 1 (Form 1040) 2018

REV 12/21/19 TTW

The Form 91

Calculator and Quick Reference Guide: Form 91 Income Calculations

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	Name of Business: <input type="text"/>				
	IRS Form 1040, Line 7 (Section 5304.1 (d)) ¹ (Review W-2 document.) (Page 2, Line 1)	+			¹ Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable
	Subtotal of W-2 Income From Self-employment		\$ 0.00	\$ 0.00	



Does Our Applicant Have Ownership?

Is this W-2 wage Self-Employed or salary income?

a Employee's SSN XXX-XX-XXXX		b Employer ID No. (EIN) 22-7654321		OMB No. 1545-0008		
c Employer's name, address, and ZIP code WELLNESS WORLD, INC. 56722 HOSPITAL BLVD HURST TX 73301		1 Wgs, tips, other compn 110071.42	2 Fed inc tax withheld 22731.62	3 Social security wages 110171.42	Form W-2 Wage and Tax Statement 2018 Copy B To Be Filed with Employee's FEDERAL Tax Return This information is being furnished to the Internal Revenue Service.	
		4 SS tax withheld 6830.63	5 Medicare wages & tips 110071.42	6 Medicare tax withheld 1597.49		
		7 Social security tips	8 Allocated tips	9 Verification code 338FD3BB77C567C4		
d Control No.		10 Depdnt care benefits	11 Nonqualified plans	12a		
e Employee's name, address, and ZIP code JOHN HOMEOWNER 7 GALLOPING HILL ROAD DALLAS TX 75432		13 Statutory employee. <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	14 Other	12b	Copy B To Be Filed with Employee's FEDERAL Tax Return This information is being furnished to the Internal Revenue Service.	
				12c		
				12d		
15 State	Employer's state ID number	16 State wages, tips, etc	17 State income tax	18 Local wages, tips, etc	19 Local income tax	20 Locality name

Department of the Treasury — IRS

Schedule E to Validate Ownership

Schedule E (Form 1040) 2018

Attachment Sequence No. **13**

Page **2**

Name(s) shown on return. Do not enter name and social security number if shown on other side.

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II **Income or Loss From Partnerships and S Corporations** – **Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Dallas Designers, LLC	P	<input type="checkbox"/>	22-1234567	<input type="checkbox"/>	<input type="checkbox"/>
B	Wellness World, Inc	S	<input type="checkbox"/>	22-7654321	<input type="checkbox"/>	<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss

Nonpassive Income and Loss

	(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
A					153,414.
B				25,000.	11,735.
C					
D					

29a Totals 165,149.

b Totals 25,000.

30 Add columns (h) and (k) of line 29a. **30** 165,149.

31 Add columns (g), (i), and (j) of line 29b. **31** (25,000.)

32 Total partnership and S corporation income or (loss). Combine lines 30 and 31 **32** 140,149.

Page 28

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S. www.irs.gov/Form1120S Cat. No. 11520D Schedule K-1 (Form 1120S) 2018

Calculator and Quick Reference Guide

Enter John's W-2 income; it is considered self-employed income, because he owns more than 25% of the business.

I. Income Calculations from IRS Form 1040


IRS Form 1040 Federal Individual Income Tax Return

1	W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)		2018	2017	NOTES
	Name of Business: Wellness World				
	IRS Form 1040, Line 7 (Section 5304.1 (d)) ¹ (Review W-2 document.) (Page 2, Line 1)	+	110,071.00		¹ Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable
	Subtotal of W-2 Income From Self-employment		\$110,071.00	\$0.00	

*Use of this or any W-2 income from this business would be dependent on the viability of the business, which has yet to be determined

Do You Have Any Other W-2's? Review and Determine If There Are Additional Self-Employed W-2 Wages To Enter.

Freddie Mac Form 91 Section 2

2	Schedule B - Interest and Ordinary Dividends		2018	2017	NOTES
	Recurring interest income (Chapter 5305) (Line 2)	+			
	Recurring dividend income (Chapter 5305) (Line 6)	+			
	Dividend income from self-employment reported on IRS Form 1120	-			
	Subtotal of Dividends and Interest		\$0.00	\$0.00	

Dividend and interest
(Guide Section [5305.2](#))

History of receipt: Most recent two years

Continuance: Document that sufficient assets remain after closing to support continuance of the dividend and interest income, at the level used for qualifying, for at least the next three years

Calculation: 24-month average

Documentation:

- Complete federal individual income tax returns for the most recent two-year period, or
- Year-end asset account statements for the most recent two years evidencing all dividend and interest income for each year for the income producing asset(s),

AND,

- Evidence of sufficient assets to support the qualifying income

2018 Schedule B

Don't use unless needed for qualifying

- 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)

Interest and Ordinary Dividends

► Go to www.irs.gov/ScheduleB for instructions and the latest information.
► Attach to Form 1040.

OMB No. 1545-0074
2018
Attachment
Sequence No. 08

Name(s) shown on return
John & Mary Homeowner

Your social security number
300-50-XXX-XX-

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 ►

Interest

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

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.

Amount
1,277.
2,188.
8.
3,473.

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

2	Schedule B - Interest and Ordinary Dividends		2018	2017	NOTES
	Recurring interest income (Chapter 5305) (Line 2)	+	0.00		
	Recurring dividend income (Chapter 5305) (Line 6)	+	0.00		
	Dividend income from self-employment reported on IRS Form 1120	-	0.00		
	Subtotal of Dividends and Interest		\$0.00	\$0.00	

Freddie Mac Form 91, Sections 3 and 4

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

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.	
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.	
Adjustments to Income	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 TTTW

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 ▶

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):		
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):			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.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	68,839.	26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	9,119.
			b Reserved for future use	27b	
					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.

31 73,414.

Schedule C

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
	Name of Business #1: Impressive Images			
	Net profit or loss (Line 31)	+/-	73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/-		
	Depletion (Line 12)	+		
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+		
	Meals and entertainment exclusion (Line 24b)	-		
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+		
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+		
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)			
	x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1		\$ 73,414.00	\$ 0.00

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
	Name of Business #1: <u>Impressive Images</u>			
	Net profit or loss (Line 31)	+/-	73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)	
→	Depletion (Line 12)	+		
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+		
	Meals and entertainment exclusion (Line 24b)	-		
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+		
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+		
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)			
	x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1		\$ 69,538.00	\$ 0.00

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
Name of Business #1: Impressive Images				
Net profit or loss (Line 31)	+/-	73,414.00		
Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)		
Depletion (Line 12)	+	0.00		
Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+			
Meals and entertainment exclusion (Line 24b)	-			
Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+			
Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+			
Business Miles (Page 2, Part IV, Line 44a or Related 4562)				
x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25	
= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00	
Subtotal from Schedule C, Business #1			\$ 69,538.00	\$ 0.00

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
Name of Business #1: Impressive Images				
Net profit or loss (Line 31)	+/-	73,414.00		
Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)		
Depletion (Line 12)	+	0.00		
Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+	4,799.00		
Meals and entertainment exclusion (Line 24b)	-			
Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+			
Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+			
Business Miles (Page 2, Part IV, Line 44a or Related 4562)				
x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25	
= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00	
Subtotal from Schedule C, Business #1			\$ 74,337.00	\$ 0.00

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
	Name of Business #1: Impressive Images			
	Net profit or loss (Line 31)	+/-	73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)	
	Depletion (Line 12)	+	0.00	
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+	4,799.00	
	Meals and entertainment exclusion (Line 24b)	-	4,099.00	
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+		
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+		
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)			
	x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1		\$ 70,238.00	\$ 0.00

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)	2018	2017
	Name of Business #1: Impressive Images		
	Net profit or loss (Line 31)	+/- 73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/- (3,876.00)	
	Depletion (Line 12)	+ 0.00	
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+ 4,799.00	
	Meals and entertainment exclusion (Line 24b)	- 4,099.00	
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+ 2,999.00	
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+	
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)		
	x Depreciation Rate (2017 and 2018-25¢)	\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+ \$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1	\$ 73,237.00	\$ 0.00

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	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: <u>4200</u> 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	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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
	Name of Business #1:	Impressive Images		
	Net profit or loss (Line 31)	+/-	73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)	
	Depletion (Line 12)	+	0.00	
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+	4,799.00	
	Meals and entertainment exclusion (Line 24b)	-	4,099.00	
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+	2,999.00	
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+	1,500.00	
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)			
	x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1		\$ 74,737.00	\$ 0.00

Use This Depreciation Adjustment Option Only When Investor Policy Allows And The Adjustment Is Needed To Qualify

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

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
	Name of Business #1: Impressive Images			
	Net profit or loss (Line 31)	+/-	73,414.00	
	Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)	
	Depletion (Line 12)	+	0.00	
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+	4,799.00	
	Meals and entertainment exclusion (Line 24b)	-	4,099.00	
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+	2,999.00	
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+	1,500.00	
	Business Miles (Page 2, Part IV, Line 4  or Related 4562)			
	x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25
	= Total Mileage Depreciation	+	\$ 0.00	\$ 0.00
	Subtotal from Schedule C, Business #1		\$ 72,737.00	\$ 0.00

Use This Depreciation Adjustment Option Only When Investor Policy Allows And The Adjustment Is Needed To Qualify

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

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
35 Was the vehicle used primarily by a more than 5% owner or related person?	X					
36 Is another vehicle available for personal use?	X					

Business Miles Of 8,422 x 25¢ is \$2105 In Additional Depreciation That Could Be Added Back.

Schedule C

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2018	2017
Name of Business #1: Impressive Images				
Net profit or loss (Line 31)	+/-	73,414.00		
Non-recurring other income or loss, or expenses (Line 6)	+/-	(3,876.00)		
Depletion (Line 12)	+	0.00		
Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+	4,799.00		
Meals and entertainment exclusion (Line 24b)	-	4,099.00		
Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+	999.00		
Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+	1,500.00		
Business Miles (Page 2, Part IV, Line 44a or Related 4562)		8,422.00		
x Depreciation Rate (2017 and 2018-25¢)		\$ 0.25	\$ 0.25	
= Total Mileage Depreciation	+	\$ 2,105.50	\$ 0.00	
Subtotal from Schedule C, Business #1			\$ 74,842.50	\$ 0.00

Schedule C - Other

Car & Truck Expenses Worksheet

9 Car and truck expenses (see instructions) 9 21,637.

Car and Truck Expenses Worksheet 2018
 Please print your name.

Name(s) shown on return: John & Mary Homeowner Social Security Number: 300-50-1234

Activity: Bus. C Photographers

Part I - Vehicle Information

1 Make and model of vehicle: Range Rover Example: Ford Focus
 2 Date placed in service: 12/28/2018 Example: 01/01/2018
 3 Type of vehicle: RV - Motor
 4a Beginning mileage reading: 0 Enter mileage readings, or enter total miles on line 4b.
 4b Ending mileage reading: 16,637 Line 4a less line 4c
 5 Total miles vehicle was driven during 2018: 16,637
 6 Number of miles driven for business: 0
 7 Number of miles driven for commuting: 0 Travel between home and work
 8 Number of miles driven for personal purposes: 16,637 Line 4b less line 6 and 7
 9 Percent of business use: 0% Line 8, divided by 4b
 10 Have record of personal mileage for full year? ☐ Yes ☒ No
 11 Months for special allocation: 0 See Tax Help
 12 Do you have another vehicle available for personal use? ☐ Yes ☒ No
 13 Was the vehicle available for personal use during off-duty hours? ☐ Yes ☒ No
 14 Was the vehicle used primarily by more than one owner of the business or related person? ☐ Yes ☒ No
 15 Do you have evidence to support the business use claimed? ☐ Yes ☒ No
 16 If Yes, is the evidence written? ☐ Yes ☒ No

Part II - Standard Mileage Rate

17a Did you own this vehicle, lease the vehicle, or was it not your vehicle? ☒ Own ☐ Lease
 17b Did you use this vehicle for hire? ☐ Yes ☒ No Example: taxi
 17c Did you use less than 5 vehicles for business at a time? ☐ Yes ☒ No
 17d If you owned the 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 1987? ☐ Yes ☒ No prior years
 17e If you answered Own or Lease to line 17a, and Yes to lines 17b and 17c, you can take standard mileage for this vehicle (note: Line 15, vehicle for hire, is now allowed).
 18 Standard mileage deduction: 0, 53¢, line 8 times 340

Part III - Actual Expenses

19a Gasoline: 0
 19b Oil: 0
 19c Tires: 0
 19d Repairs: 0
 19e Vehicle insurance: 0
 19f Vehicle registration, license (including property tax): 0
 19g Garage rent: 0
 19h Vehicle lease or rental fees:
 1. 30 days or more: 0
 2. 28 days or less: 0
 3. Total vehicle lease/rental fees: 0
 1. Leased vehicle inclusion amount:
 2. First of leased vehicle: 0
 3. Number of lease days in year: 0
 4. Inclusion amount: 0
 5. Other: 0

20 Expenses subtotal: 0 Sum of lines 19a thru 19h
 21 Expenses applicable to business: 0 Line 20 times line 9
 22 Vehicle depreciation and Section 179: 0 From Part IV
 23 Total actual expenses: 0 Line 21 plus line 22

John & Mary Homeowner

300-50-1234 Page 2

Vehicle: Range Rover
 Activity: Sch C Photographer

Part IV - Standard Mileage versus Actual Expenses

24 ☒ Standard mileage 4,590 . The program automatically chooses the method that gives you the largest deduction. Check the other method if you want to use it instead.
 25 ☐ Actual expenses 27,716 .

Part V - Total Car and Truck Expenses

26 Line 24 or line 25 4,590 .
 27 Additional expenses:
 a Parking fees 977 .
 b Tolls 4,222 .
 c Local transportation
 d Property taxes (include property tax portion of registration)
 e Less: personal portion of property taxes ()
 f Interest on vehicle 14,988 .
 g Less: personal portion of vehicle interest (3,140 .)
 28 Total expenses 21,637 . Sum of lines 26 & 27a thru 27g.
 29 Less: business portion of lease or rental fees less inclusion amount (if using actual expenses) () Reported separately.
 30 Less: depreciation and Section 179 (if using actual expenses) () From line 22.
 31 Total car and truck expenses 21,637 . Reported separately.

Schedule C - Other

Car & Truck Expenses Worksheet

9 Car and truck expenses (see instructions) 9 21,637.

Car and Truck Expenses Worksheet 2018
 Please print your name.

Name(s) shown on return: John & Mary Homeowner Social Security Number: 300-50-1234

Activity: Bus. C Photographers

Part I - Vehicle Information

1 Make and model of vehicle: Range Rover Example: Ford Focus
 2 Date placed in service: 12/28/2018 Example: 01/01/2018
 3 Type of vehicle: 2018 Range Rover
 4a Beginning mileage reading: 0 Enter mileage readings, or enter total miles on line 4b.
 4b Ending mileage reading: 16,637 Line 4a less line 4c
 5 Total miles vehicle was driven during 2018: 16,637
 6 Number of miles driven for business: 0
 7 Number of miles driven for commuting: 0 Travel between home and work
 8 Number of miles driven for personal purposes: 16,637 Line 4b less line 5 and 6
 9 Percent of business use: 0% Line 8, divided by 4b
 10 Have record of personal mileage for full year? ☐ Yes ☒ No
 11 Months for special allocation: 0 See Tax Help
 12 Do you have another vehicle available for personal use? ☐ Yes ☒ No
 13 Was the vehicle available for personal use during off-duty hours? ☐ Yes ☒ No
 14 Was the vehicle used primarily by more than one owner of the business or related person? ☐ Yes ☒ No
 15 Do you have evidence to support the business use claimed? ☐ Yes ☒ No
 16 If Yes, is the evidence written? ☐ Yes ☒ No

Part II - Standard Mileage Rate

17a Did you own this vehicle, lease the vehicle, or was it not your vehicle? ☒ Own ☐ Lease
 17b Did you use this vehicle for hire? ☐ Yes ☒ No Example: taxi
 17c Did you use less than 5 vehicles for business at a time? ☐ Yes ☒ No
 17d If you owned the 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 1987? ☐ Yes ☒ No prior years
 17e If you answered Own or Lease to line 17a, and Yes to lines 17b and 17c, you can take standard mileage for this vehicle (note: Line 15, vehicle for hire, is now allowed).
 18 Standard mileage deduction: 0, 53¢, line 8 times 340

Part III - Actual Expenses

19a Gasoline: 0
 19b Oil: 0
 19c Tires: 0
 19d Repairs: 0
 19e Vehicle insurance: 0
 19f Vehicle registration, license (including property tax): 0
 19g Garage rent: 0
 19h Vehicle lease or rental fees:
 1. 30 days or more: 0
 2. 28 days or less: 0
 3. Total vehicle lease/rental fees: 0
 1. Leased vehicle inclusion amount:
 2. First of leased vehicle: 0
 3. Number of lease days in year: 0
 4. Inclusion amount: 0
 5. Other: 0

20 Expenses subtotal: 0 Sum of lines 19a thru 19h
 21 Expenses applicable to business: 0 Line 20 times line 9
 22 Vehicle depreciation and Section 179: 0 From Part IV
 23 Total actual expenses: 0 Line 21 plus line 22

John & Mary Homeowner

300-50-1234

Page 2

Vehicle: Range Rover

Activity: Sch C

Photographer

Part IV - Standard Mileage versus Actual Expenses

24 ☒ Standard mileage 4,590 . The program automatically chooses the method that gives you the largest deduction. Check the other method if you want to use it instead.
 25 ☐ Actual expenses 27,716 .

Part V - Total Car and Truck Expenses

26 Line 24 or line 25 4,590 .
 27 Additional expenses:
 a Parking fees 977 .
 b Tolls 4,222 .
 c Local transportation
 d Property taxes (include property tax portion of registration)
 e Less: personal portion of property taxes ()
 f Interest on vehicle 14,988 .
 g Less: personal portion of vehicle interest (3,140 .)
 28 Total expenses 21,637 . Sum of lines 26 & 27a thru 27g.
 29 Less: business portion of lease or rental fees less inclusion amount (if using actual expenses) () Line 19h - 19i times line 8.
 30 Less: depreciation and Section 179 (if using actual expenses) () Reported separately.
 31 Total car and truck expenses 21,637 . From line 22.
 Reported separately.

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:
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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

Freddie Mac Form 91, Section 5

5	Schedule D – Capital Gains and Losses (Chapter 5305)		2018	2017
	Recurring capital gains and/or losses	+/-		
	<i>Subtotal from Schedule D, Capital Gains and Losses</i>		\$ 0.00	\$ 0.00

Income type	Stable monthly income requirements	Documentation requirements
		Streamlined Accept and Standard Documentation Levels
Capital gains	<p>History of receipt: Most recent two-years of realized capital gains</p> <p>Continuance: Document that sufficient assets remain after closing to support continuance of the capital gain income, at the level used for qualifying, for at least the next three years</p> <p>Calculation: 24-month average</p>	<ul style="list-style-type: none"> ■ Copy of complete federal individual income tax returns for the most recent two-year period reflecting capital gain income, and, ■ Evidence of sufficient assets to support the qualifying income

Don't Use If You Don't Need; If Needed To Qualify, Follow Chapter 5302.2

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 \$3000 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 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.

Pages 3 and 9

Schedule D

Name(s) shown on return

John & Mary Homeowner

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (IRS)

Name(s) shown on return
John & Mary Homeowner

Capital Gains and Losses

► 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.

OMB No. 1545-0074

2018

Attachment
Sequence No. 12

Your social security number
XXX-XX-XXXX

Your social security number
XXX-XX-XXXX

Year or Less (see instructions)

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.

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

5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1

6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your **Capital Loss Carryover Worksheet** in the instructions

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

(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)

4

5

6

7

(13,554.)

-13,554.

Worksheet in the instructions

15 **Net long-term capital gain or (loss).** Combine lines 8a through 14 in column (h). Then go to Part III on the back

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

REV 12/21/18 TTW

Schedule D (Form 1040) 2018

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.		
18	If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet	18	

5	Schedule D – Capital Gains and Losses (Chapter 5305)	2018	2017
	Recurring capital gains and/or losses	+/- 0.00	
	Subtotal from Schedule D, Capital Gains and Losses	\$0.00	\$0.00

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) <p>Note: When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	(3,000.)
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.		

Rental Income

In Your Materials:

- Locate Calculator and Quick Reference Guide for Rental Income
- Turn to Schedule E, Part I, Rentals

SCHEDULE E (Form 1040)		Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (IRS)		▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.		2018 Attachment Sequence No. 13
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? (see instructions)				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B If "Yes," did you or will you file required Forms 1099?				<input type="checkbox"/> Yes <input type="checkbox"/> 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 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.	Fair Rental Days	Personal Use Days
A	1		A 365	B 0
B			B	
C			C	
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.	
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.	

Mortgage Statement/Payment Coupon

A mortgage statement/payment coupon can verify:

- If loan is impounded or escrowed
- What property 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 balance)

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		

Mortgage Statement/Payment Coupon

3b. IF APPLICABLE, Complete Information for Additional Property ☐ Does not apply

Address
 Street 234 Condo Court Unit # C City Dallas State T ZIP

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For Investment Property Only	
			Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ <u>300,000</u>	Retained <input type="button" value="v"/>	\$ <u>300</u>	\$ <u>0</u>	\$ <u></u>

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	<i>To be paid off at or before closing</i>	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit <i>(if applicable)</i>
Mortgage on Rental	123456	\$ <u>1,850</u>	\$ <u>100,000</u>	<input type="checkbox"/>	Conventional <input type="button" value="v"/>	\$ <u></u>
		\$ <u></u>	\$ <u></u>	<input type="checkbox"/>	<input type="button" value="v"/>	\$ <u></u>

Total monthly payment is \$2150 PITIA

Payment Above Came From Mortgage Statement And HOA Coupon/Statement From Borrower And Is Impounded; For Non-impounded Loans Obtain Tax And Insurance Information

Mortgage Statement/Payment Coupon

3b. IF APPLICABLE, Complete Information for Additional Property ☐ Does not apply

Address
 Street 234 Condo Court Unit # C City Dallas State T ZIP

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For Investment Property Only	
			Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ <u>300,000</u>	<u>Retained</u>	\$ <u>300</u>	\$ <u>0</u>	\$ <u></u>

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)
Mortgage on Rental	123456	\$ <u>1,850</u>	\$ <u>100,000</u>	<input type="checkbox"/>	<u>Conventional</u>	\$ <u></u>
		\$ <u></u>	\$ <u></u>	<input type="checkbox"/>		\$ <u></u>

Total monthly payment is \$2150 PITIA

Payment Above Came From Mortgage Statement And HOA Coupon/Statement From Borrower And Is Impounded; For Non-impounded Loans Obtain Tax And Insurance Information

Freddie Mac Form 92



Form 92

Net Rental Income Calculations – Schedule E

Form 92 is to be used to document the Seller's calculation of net rental income from Schedule E. This form is a tool to help the Seller calculate the net rental income from Schedule E. The Seller's calculations must be based on the requirements and guidance in Chapter 5306.

II. Net Rental Income from Schedule E (Subject Investment Property)

I. Net Rental Income

SUBJECT INVESTMENT PROPERTY NET RENTAL INCOME CALCULATION – SCHEDULE E ¹ Refinance Transaction owned in the prior year(s)			
IRS 1040 Schedule E – Supplemental Income and Loss		Subject Property Address:	
		Year:	Year:
Rents received	Rents received	(+)	(+)
Less total expenses	Less total expenses	(-)	(-)
Insurance ²	Insurance ²	(+)	(+)
Mortgage interest paid	Mortgage interest paid to banks, etc. ³	(+)	(+)
Taxes (real estate only) ⁴	Taxes (real estate only) ^{4,5}	(+)	(+)
Depreciation and/or depletion	Depreciation and/or depletion	(+)	(+)
HOA dues (if specifically reported as an expense) ⁶	HOA dues (if specifically reported as an expense) ⁶	(+)	(+)
One time losses (e.g., casualty loss) if documented	One time losses (e.g., casualty loss) if documented	(+)	(+)
Subtotal(s)	Subtotal(s)	\$	\$
Result: Net Rental Income (calculated to a monthly amount) ⁸	Result: Net Rental Income (calculated to a monthly amount) ⁸	\$ / *	
(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)		\$	

¹Refer to Section 5306.1(c)(1)(i) for net rental income calculation requirements.
²This expense, if added back, must be included in the monthly payment amount being used to establish the DTI ratio.
³The taxes added back must represent only real estate taxes included in the monthly payment amount.
⁴Establishing DTI ratio (Section 5306.1(d)): Subtract the monthly payment amount from the net rental income. If the result is positive, it may be added to income; if the result is negative, add it to the monthly liabilities.

⁵Refer to Section 5306.1(c)(1)(i) for net rental income calculation requirements.

⁶This expense, if added back, must be included in the monthly payment amount being used to establish the DTI ratio.

⁷The taxes added back must represent only real estate taxes included in the monthly payment amount.

⁸Establishing DTI ratio (Section 5306.1(d)): Subtract the monthly payment amount from the net rental income. If the result is positive, it may be added to income; if the result is negative, add it to the monthly liabilities.

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

 Genworth

Calculator and Quick Reference Guide: Form 92 Net Rental Income Calculations II. Net Rental Income from Schedule E¹ (Subject Investment Property) Schedule E Refinance Transaction owned in the prior year(s)

Please use suggested
Note: For

I. Net Rental Income

IRS 1040 Schedule E – Supplemental Income and Loss

Subject Property Address:

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

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(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

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Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

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Result: Net Rental Income (calculated to a monthly amount)⁸

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Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

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Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

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HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Result: Net Rental Income (calculated to a monthly amount)⁸

(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)

Rents received (Line 3)

Less total expenses (Line 20)

Insurance² (Line 9)

Mortgage interest paid to banks, etc.³ (Line 12)

Taxes (real estate only)⁴ (Line 16)

Depreciation and/or depletion (Line 18)

HOA dues (if specifically reported as an expense)⁶ (Line 19)

One time losses (e.g., casualty loss) if documented (Review Lines 5-19)

Subtotal(s)

Rental Income

IF Using Freddie Mac Form 92 Use Section III

- Net Rental Income From Non-subject investment property

II. Net Rental Income from Schedule E¹ (Subject Investment Property)

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E - Supplemental Income and Loss	2018	2017	NOTES
Subject Property Address:			
Rents received (Line 3)	+		
Less total expenses (Line 20)	-		
Insurance ² (Line 9)	+		
Mortgage interest paid to banks, etc. ³ (Line 12)	+		
Taxes (real estate only) ^{4,5} (Line 16)	+		
Depreciation and/or depletion (Line 18)	+		
HOA dues (if specifically reported as an expense) ⁶ (Line 19)	+		
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+		
Subtotal(s)	\$ 0.00	\$ 0.00	
Result: Net Rental Income (calculated to a monthly amount) ⁸ (Sum of subtotal(s) divided by number of applicable months = Net Rental Income)	\$ 0.00 / = \$		

¹Refer to Section 5306.1(c)(1)(i) for net rental income calculation requirements.

²This expense, if added back, must be included in the monthly payment amount being used to establish the DTI ratio.

³The taxes added back must represent only real estate taxes included in the monthly payment amount.

⁴Establishing DTI ratio (Section 5306.1(c)(1)(i)): Subtract the monthly payment amount from the net rental income. If the result is positive, it may be added to income; if the result is negative, add it to the monthly liabilities.

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment property(s))

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E - Supplemental Income and Loss	2018	2017	2018	2017	2018	2017	NOTES
Property Address ³		Property Address #1		Property Address #2		Property Address #3	
Rents received (Line 3)	+						
Less total expenses (Line 20)	-						
Insurance ⁴ (Line 9)	+						
Mortgage interest paid to banks, etc. ⁵ (Line 12)	+						
Taxes (real estate only) ^{6,7} (Line 16)	+						
Depreciation and/or depletion (Line 18)	+						
HOA dues (if specifically reported as an expense) ⁸ (Line 19)	+						
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+						
Subtotals	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
Result: Net Rental Income (calculated to a monthly amount) ⁹	(Subtotal / # of months) \$ 0.00 / = \$	(Subtotal / # of months) \$ 0.00 / = \$	(Subtotal / # of months) \$ 0.00 / = \$				

¹Refer to Section 5306.1(c)(1)(i) for net rental income calculation requirements.

²Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 9825, regardless of borrower's percentage of ownership interest in the business or whether the borrower is personally obligated on the note.

³Report rental properties on Schedule E against Uniform Residential Loan Application ("URLA"). If properties are on the tax return(s) but not on the URLA, provide

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment property(s))

Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017	2018	2017	NOTES
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:		Property Address #3:		
Rents received (Line 3)	+							
Less total expenses (Line 20)	-							
Insurance ⁴ (Line 9)	+							
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+							
Taxes (real estate only) ^{4,5} (Line 16)	+							
Depreciation and/or depletion (Line 18)	+							
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+							
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+							
Subtotals		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷		

¹Refer to Section 5306.1(c)(iii) for net rental income calculation requirements

²Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 8825, regardless of Borrower's percentage of ownership interest in the business or whether the Borrower is personally obligated on the note

³Review rental properties on Schedule E against Uniform Residential Loan Application ("URLA"). If properties are on the tax return(s) but not on the URLA, provide evidence the Borrower no longer owns the property

⁴This expense, if added back, must be included in the monthly payment amount used to establish the DTI ratio



Income:	Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-				
Insurance ⁴ (Line 9)	+				
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+				
Taxes (real estate only) ^{4,5} (Line 16)	+				
Depreciation and/or depletion (Line 18)	+				
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$32,600.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 32,600.00 / _____ = \$ _____ ⁷		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷	

Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+				
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+				
Taxes (real estate only) ^{4,5} (Line 16)	+				
Depreciation and/or depletion (Line 18)	+				
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$ (7,382.00)	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ (7,382.00) / _____ = \$ _____ 7		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ 7	



Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment property) Refinance Transaction owned in the prior year(s)

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2: 	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+				
Taxes (real estate only) ^{4,5} (Line 16)	+				
Depreciation and/or depletion (Line 18)	+				
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$ (5,449.00)	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ (5,449.00) / _____ = \$ _____ ⁷		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷	



Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 16)	+				
Depreciation and/or depletion (Line 18)	+				
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$ 2,552.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 2,552.00 / _____ = \$ _____ 7		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ 7	



Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 16)	+	9,211.00			
Depreciation and/or depletion (Line 18)	+				
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$ 11,763.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 11,763.00 / _____ = \$ _____ ?		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ?	



Income:		Properties:		A
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.)



2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 16)	+	9,211.00			
Depreciation and/or depletion (Line 18)	+	7,127.00			
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+				
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$ 18,890.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 18,890.00 / _____ = \$ _____ ⁷		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ ⁷	



Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 16)	+	9,211.00			
Depreciation and/or depletion (Line 18)	+	7,127.00			
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+	3,170.00			
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+				
Subtotals		\$22,060.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 22,060.00 / _____ = \$ _____ 7		(Subtotal / # of months) \$ 0.00 / _____ = \$ _____ 7	



Income:		Properties:		A
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.)

2018 Schedule E Rental Income

III. Net Rental Income from Schedule E^{1,2} (Non-subject investment Refinance Transaction owned in the prior year(s))

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 16)	+	9,211.00			
Depreciation and/or depletion (Line 18)	+	7,127.00			
HOA dues (if specifically reported as an expense) ⁴ (Line 19)	+	3,170.00			
One time losses (e.g., casualty loss) if documented (Review Lines 5-19)	+	0.00			
Subtotals		\$22,060.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 22,060.00 / <u> </u> = \$ <u> </u> ⁷		(Subtotal / # of months) \$ 0.00 / <u> </u> = \$ <u> </u> ⁷	

Fair Rental Days	Personal Use Days	QJV
365	0	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

2018 Schedule E Rental Income

IRS 1040 Schedule E - Supplemental Income and Loss		2018	2017	2018	2017
Property Address ³		Property Address #1: 234C Condo Court		Property Address #2:	
Rents received (Line 3)	+	32,600.00			
Less total expenses (Line 20)	-	39,982.00			
Insurance ⁴ (Line 9)	+	1,933.00			
Mortgage interest paid to banks, etc. ⁴ (Line 12)	+	8,001.00			
Taxes (real estate only) ^{4,5} (Line 14)	+	9,211.00			

Result: Net Rental Income
(calculated to a monthly amount)⁶

(Subtotal / # of months)

\$ 22,060.00 / 12 =

\$ 1,838.33 7



documented (Review Lines 5-19)	+	0.00			
Subtotals		\$ 22,060.00	\$ 0.00	\$ 0.00	\$ 0.00
Result: Net Rental Income (calculated to a monthly amount) ⁶		(Subtotal / # of months) \$ 22,060.00 / 12 = \$ 1,838.33 7		(Subtotal / # of months) \$ 0.00 / = \$ 7	

On Page 3 Enter the Full PITIA

DTI Ratio Calculation for Multiple Non-Subject Investment Properties (Section 5306.1(d))					
Property	Monthly Net	Less Monthly Payment Amount		Result (+) Positive / (-) Negative	
Property #1 234C Condo Court	\$	Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	Monthly Rental Income
Property #2	\$	\$ 300,000	Retained	\$ 300	\$ 0
Property #3	\$	Mortgage Loans on this Property <input type="checkbox"/> Does not apply			
Property #4	\$	Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance To be paid off before closing
Property #5	\$	Mortgage on Rental	123456	\$ 1,850	\$ 100,000 <input type="checkbox"/>
Property #6	\$			\$	\$ <input type="checkbox"/>
Combined Result (positive, add to income; negative, add to liabilities)					0.00

Total monthly payment is \$2150 PITIA

DTI Ratio Calculation for Multiple Non-Subject Investment Properties (Section 5306.1(d))					
Property	Monthly Net Rental Income	Less Monthly Payment Amount (Section 5401.2(a)(7))		Result (+) Positive / (-) Negative	
Property #1 234C Condo Court	\$ 1,838.33	\$	2,150.00	(+/-) \$	(311.67)
Property #2	\$	\$		(+/-) \$	0.00
Property #3	\$	\$		(+/-) \$	0.00
Property #4	\$	\$		(+/-) \$	0.00
Property #5	\$	\$		(+/-) \$	0.00
Property #6	\$	\$		(+/-) \$	0.00
Combined Result (positive, add to income; negative, add to liabilities)				(+/-) \$	(311.67)

REO

3b. IF APPLICABLE, Complete Information for Additional Property

☐ Does not apply

Address

Street 234 Condo Court Unit # C City Dallas State T ZIP

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For Investment Property Only	
			Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 300,000	Retained <input type="button" value="v"/>	\$ 300	\$ 0	\$ -312

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	<i>To be paid off at or before closing</i>	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
Mortgage on Rental	123456	\$ 1,850	\$ 100,000	<input type="checkbox"/>	Conventional <input type="button" value="v"/>	\$
		\$	\$	<input type="checkbox"/>	<input type="button" value="v"/>	\$

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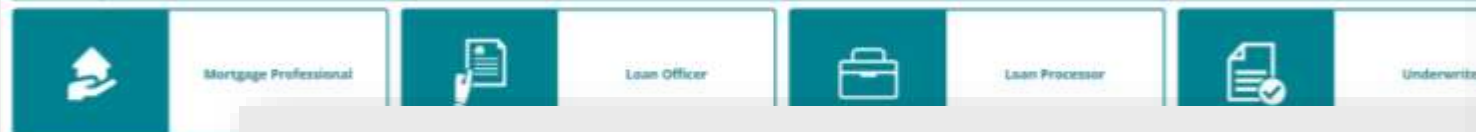

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	Fannie Mae Form 1084 Calculator (2017-2018) Calculate and analyze cost flow to help you complete Fannie Mae Form 1084. <small>UPDATED</small>		Freddie Mac Form 91 Calculator (2017-2018) Quick reference guide and income analysis for Freddie Mac Form 91. <small>UPDATED</small>		Freddie Mac Form 92 Calculator (2017-2018) Form 92 Net Rental Income Calculators (2017-2018). <small>UPDATED</small>
	Schedule Analysis Method (SAM) Calculator (2017-2018) Calculate qualifying income from tax returns. <small>UPDATED</small>		Rental Income Calculator (2017-2018) Helps in calculating rental income from IRS Form 1040 Schedule E. <small>UPDATED</small>		Current Ratio - Liquidity Calculator (2018) Calculate working capital liquidity against current obligations. <small>UPDATED</small>
	Quick Ratio - Liquidity Calculator (2017-2018) Calculate an investor's liquidity against current obligations. <small>UPDATED</small>		Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 2-10, 30-year Property). <small>UPDATED</small>		Fannie Mae Rental Guide (Calculator 1037) Worksheet for calculating qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 2-10, 30-year Property). <small>UPDATED</small>
	Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Qualified Rental Income from Investment Property). <small>UPDATED</small>		Fannie Mae Form 1088 Cheat Sheet (2017-2018) Use this guide reference guide for Fannie Mae's Comparative Analysis Form (Form 1088). <small>UPDATED</small>		Fannie Mae Comparative Analysis Form (Form 1088) (2017-2018) Calculate mortgage-backed securities gross rental income. <small>UPDATED</small>
	Income Calculation Worksheet Use this form to calculate income. <small>UPDATED</small>				

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