Self-Employed Borrower: **SAM Form Part I - Personal Tax Returns** March 2021 **Customer Education** Brought to you by: Genworth Customer Development and Process Consulting

YOU-CENTRIC SOLUTIONS THAT MATTER

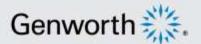


Lender Responsibility

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

- History
- Income calculation
- Continuance / Stability of income

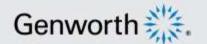
Session Covers Conventional Loans And Today's Session Reviews The Personal Tax Returns; Business Returns Are Reviewed In Part II

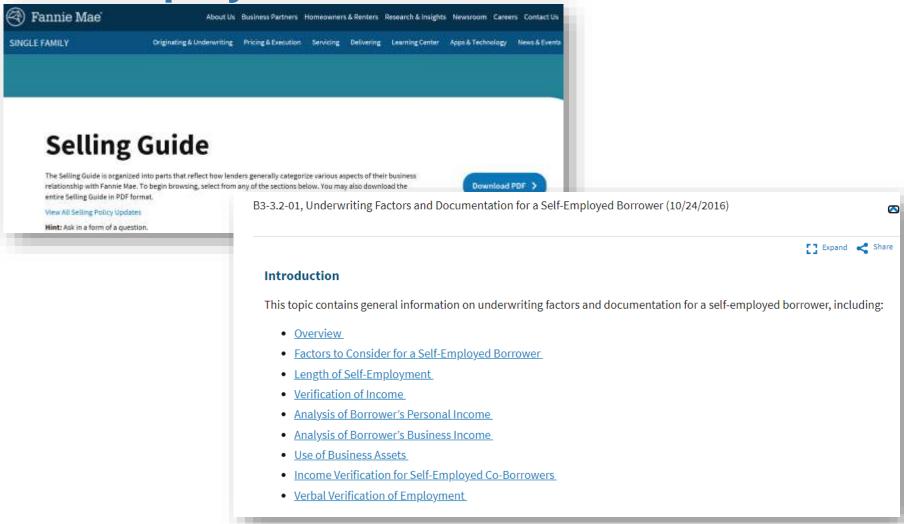


Objective

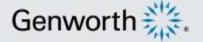
Learn to use the Schedule Analysis Form (SAM) form and calculate supportable self-employed borrower income from personal tax returns

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





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



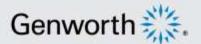
Factors to Consider for a Self-Employed Borrower

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

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

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

Fannie Mae 2021 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (10/24/2016)



Analysis of Borrower's Personal Income

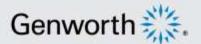
The lender must prepare a written evaluation of its analysis of a self-employed borrower's personal income, including the business income or loss, reported on the borrower's individual income tax returns. The purpose of this written analysis is to determine the amount of stable and continuous income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

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

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

The lender may use a Fannie Mae-approved vendor tool to complete the written analysis and calculate self-employment income. The lender may receive representation and warranty enforcement relief of the calculated amount if certain requirements are met. See A2-2-04, Limited Waiver and Enforcement Relief of Representations and Warranties for Mortgages Submitted to DU (12/04/2018) and Fannie Mae's website for the list of <u>Approved Vendor Tools</u>.

Fannie Mae 2021 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (10/24/2016)



Analysis of Borrower's Business Income

When a borrower is relying upon self-employed income to qualify for a mortgage and the requirements that permit the lender to waive business tax returns are not met, the lender must prepare a written evaluation of its analysis of the borrower's business income. The lender must evaluate the borrower's business through its knowledge of other businesses in the same industry to confirm the stability of the borrower's business income and estimate the potential for long-term earnings.

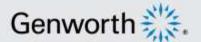
The purpose of this analysis is to:

- consider the recurring nature of the business income, including identification of pass-through income that may require additional evaluation;
- measure year-to-year trends for gross income, expenses, and taxable income for the business;
- determine (on a yearly or interim basis) the percentage of gross income attributed to expenses and taxable income;
 and
- determine a trend for the business based on the change in these percentages over time.

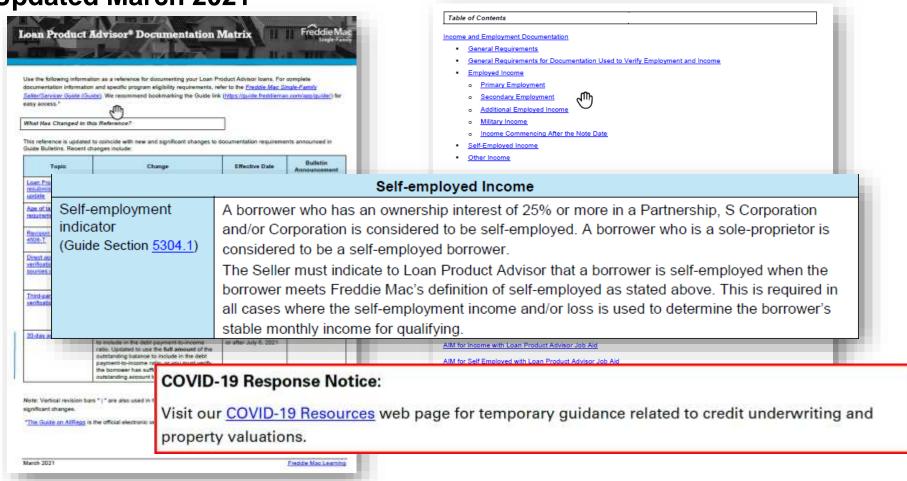
The lender may use Fannie Mae's Comparative Income Analysis (<u>Form 1088</u>) or any other method of trend analysis that enables it to determine a business's viability, as long as the method used fairly presents the viability of the business and results in a degree of accuracy and a conclusion that is comparable to that which would be reached by use of Form 1088.

A copy of the written analysis and conclusions must be retained in the individual mortgage file.

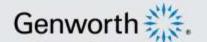
Fannie Mae 2021 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (10/24/2016)



Updated March 2021



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



Documentation Requirements (Guide Section 5304.1(h))

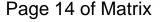


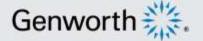
The Seller must establish and calculate the stable monthly qualifying income using at least the following required documentation. Additional documentation may be warranted to support income stability.

- Freddie Mac Form 91, Income Analysis Form, or an alternative form that provides the same information
 - 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
 - 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 existence
 - For 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

	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.
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.
¹ The Borrower m	ust be self-employed (i.e., have an own	ership interest of 25% or more) in the

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.



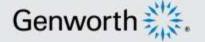


Topic	Documentation	on Requirements (Streamlined and S	tandard Documentation Levels)
	s	elf-employed Income (continued)	
Documentation Requirements (continued)	_	Business in existence ≥ 5 years¹	Business in existence < 5 years
(Guide Section 5304.1(h))	Corporation	Verify the number of years that the 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.
	 Refer to the document Date for the 	ust be self-employed (i.e., have an owner at least five years. The Tax return requirements and age of the ation requirements based on the Application of the Mortgage. Sand for complete requirements and guitable.	ax returns section for the minimum ation Received Date and the Note

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Self-employment disclosed on Form 65, Uniform Residential Loan Application (or other documentation), but not used to qualify (Guide Section 5304.1(e)) 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:

- 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.

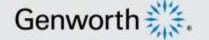
For each borrower on the mortgage who is self-employed and does not have another source of income that is used in qualifying the mortgage, the following requirements apply:

- 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.
 - 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.

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Topic	Documentatio	n Requirements (Streamlined and Standard Documentation Levels)
	Se	elf-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 sed as stable monthly income. Acceptable third party sources include, but are not limited to: Regulatory agency Phone directory Internet source (e.g., Better Business Bureau) Directory assistance Applicable licensing bureau Verification of current existence of the business obtained verbally from an acceptable third party source must be documented and include all the following: 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 Date requirements	The Seller may consider alternative sources if the above are not available, such as: 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 The verification must be completed prior to the Delivery Date, but no more than 120 days prior to the Note Date

COVID-19 Response Notice

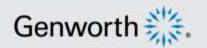
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Excluding Selfemployed borrower debt paid by the business (Guide Section 5401.2(b)) When a self-employed borrower is obligated on a debt that has been paid by the borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:

- 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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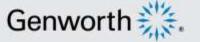


Analysis				
Topic	Requirements and guidance			
Business and income analysis	Business review and analysis: The Seller's analysis of the business must support that the business has sufficient liquidity and if financially capable of producing stable monthly income for the Borrower. The analysis must include 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 analysi 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.			

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https://guide.freddiemac.com/app/guide/section/5304.1



Analysis				
opic	Requirements and guidance			
	 Use of business income reported on the Borrower's federal individual income tax returns For sole proprietorships, stable monthly income must be based on the income reported on Schedule C of the Borrower's federal individual income tax returns For Partnerships and S corporations, stable monthly income may be based on the Borrower's proportionate share of income (e.g., ordinary income, guaranteed payments) carried from the Form 1065 or 1120 S, through the Schedule K-1 and onto the Borrower's federal individual income tax returns. Although cash distributions reported on the Schedule K-1 may not be used as qualifying income, they may be used to establish business liquidity and access to business funds, provided they are reasonably consistent with the ordinary income. 			
	 For S corporations and corporations, stable monthly income may be based on the income reported on the Borrower's W-2 from the business. The corporate tax returns and Form 1125-E if applicable, must be reviewed for confirmation of the Borrower's W-2 income from the business. 			
	VID-19 Response Notice: it our COVID-19 Resources web page for temporary guidance related to credit underwriting and			

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property valuations.

Topic Requirements and guidance

Use of business income not reported on the Borrower's federal individual income tax returns

. Income reported on the business tax returns but not on the personal tax returns may be considered as stable monthly income, provided the Seller's analysis confirms that based on the financial strength of the business, the use of these funds as personal income would not have a detrimental impact on the business

Access to business income

Documentation is not required to verify access to business income for the following:

- Sole proprietorships
- · Ordinary income, net rental real estate income, other net rental income and guaranteed payments received from partnerships and S corporations
- W-2 income received from S corporations and corporations,
- Corporations, if the Borrower holds 100% ownership interest

If business income not reported on the Borrower's federal individual income tax returns is being used to qualify and none of the categories above apply, then the Seller must verify that the Borrower's legal right to the business income that is used as stable monthly income is not encumbered, restricted or prevented by the corporate resolution, partnership agreement, or other comparable document.

COVID-19 Response Notice:

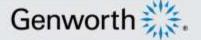
Visit our COVID-19 Resources web page for temporary guidance related to credit underwriting and property valuations.

Income calculation

The Seller's calculation of a self-employed Borrower's average monthly income must be based on a review of the Borrower's complete federal individual income tax returns (Form 1040) including W-2's and Schedule K-1's (if applicable) and the Borrower's complete federal income tax returns for the business (Forms 1120, 1120 S and 1065), when applicable.

The Seller must analyze the tax returns and document the calculation of the Borrower's self-

https://guide.freddiemac.com/app/guide/section/5304.1 employed income on Form 91, Income Calculations, or a similar alternative form.



Analysis				
Topic	Requirements and guidance			

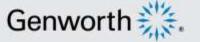
Income fluctuation

- 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 selfemployment income fluctuates in order to determine the stability of the income

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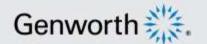
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https://guide.freddiemac.com/app/guide/section/5304.1



COVID-19 Guidelines

Fannie Mae and Freddie Mac policies



Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

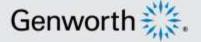
Income Analysis

Self-employment income is variable in nature and generally subject to changing market and economic conditions. Whether a business is impacted by an adverse event, such as COVID-19, and the extent to which business earnings are impacted can depend on the nature of the business or the demand for products or services offered by the business. Income from a business that has been negatively impacted by changing conditions is not necessarily ineligible for use in qualifying the borrower. However, the lender is required to determine if the borrower's income is stable and has a reasonable expectation of continuance.

Due to the pandemic's continuing impact on businesses throughout the country, lenders are now required to obtain the following additional documentation to support the decision that the self-employment income meets our requirements:

- an audited year-to-date profit and loss statement reporting business revenue, expenses, and net income up to and
 including the most recent month preceding the loan application date; or
- an unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and
 net income up to and including the most recent month preceding the loan application date, and three business
 depository account(s) statements no older than the latest three months represented on the year-to-date profit and loss
 statement.
 - o For example, the business depository account statements can be no older than Aug, Sep, Oct. for a year-to-date profit and loss statement dated through Oct. 31.
 - o The lender must review the three most recent depository account statements to support the level of business revenue reported in the current year-to-date profit and loss statement. Otherwise, the lender must obtain additional statements or other documentation to support the on-going nature of business revenue reported in the current yearto-date profit and loss statement.

NOTE: The year-to-date profit and loss statement must be no older than 60 days old as of the note date consistent with current <u>Age of Documentation</u> requirements below.



Updated SEB Profit and Loss FAQ For 2021

Q19. Sign there a minimum time period that must be reported on a profit and loss statement for loan applications taken in 2021? NEW

For loan applications dated Feb. 1 through Mar. 31, the profit and loss statement (audited or unaudited) must include a minimum three-month look back period to ensure there is sufficient information to determine the extent to which a business has been impacted by COVID-19. This may require reporting of prior and current year details.

Examples

Application Date	The profit and loss statement must report	When unaudited, depository account statements include		
January 2021	January through December 2020	October, November, December 2020		
February 2021	November and December 2020 and January 2021	November and December 2020 and January 2021		
June 2021	January through May 2021	March, April, May 2021		

Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

Lenders must review the profit and loss statement, and business depository accounts if required, and other relevant factors to determine the extent to which a business has been impacted by COVID-19. The lender can use the following guidance when performing the assessment business operations and stability and must complete the business income assessment based on the minimum additional documentation above. In some instances, the lender may find it necessary to obtain supplemental documentation listed in the examples below.

Assessing the Impact of COVID-19 Business operations Have business operations been maintained or modified to support continued business income? For example, review an updated business plan. Is the business continuing to operate in the current location or an alternate location suitable for business operations? For example, perform an Internet search or verify through a third-party source. Is there a demand for the product or service currently offered by the business? For example, obtain current business receipts or purchase contracts. Is the business operation and/or revenue temporarily restricted due to state shelter in place, stay at home or other similar state or local orders? Is the impact to the business operations negligible due to the nature of the business? For example, obtain a written explanation from the business owner or confirmation that income is seasonal apart from the event timeline.

Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

	Assessing the Impact of COVID-19
Business Income	The lender must complete a business income assessment by comparing the year-to-date net
	business income from the year-to-date profit and loss statement to historical business income
	calculated using the Cash Flow Analysis (Form 1084)* for a similar timeframe (such as monthly).
	 Lenders can make standard adjustments to business cash flow (net income on the profit and loss statement) in accordance with <u>B3-3.4-04</u>, Analyzing Profit and Loss Statements when making this determination.
	When the lender determines net business income is impacted, but profit and loss details are not sufficient to determine the income is stable at the reduced level, the lender can obtain additional documentation to supplement the profit and loss statement (such as a month-to-month income trending analysis) to make this determination. If stability cannot be confirmed, the income is not eligible for qualifying purposes. See B3-3.1-01 , General Income Information for details.
Business Stability	 Does the profit and loss identify a significant imbalance between expenses and revenue that may impact financial stability? Or have modifications to current business operations been made to correct this imbalance? (Consider documenting with an updated business plan)
	 Do prior year business tax returns demonstrate ample financial liquidity due to a history of retained earnings?
	 Do current business account balances (excluding Paycheck Protection Program (PPP) or other similar COVID-19 related loans or grants) support the financial ability of the business to operate given current market and economic conditions?
	A current balance sheet may be used to support the lender's determination of business stability, in conjunction with the profit loss statement.

Business Income Calculation Adjustment

Effective for applications taken June 11, 2020 and until further notice

Business Income Calculation Adjustment

When the lender determines current year net business income has been impacted by the COVID-19 pandemic and is

- less than the historical monthly income calculated using Form 1084, but is stable at its current level, the lender must reduce the amount of qualifying income calculated using Form 1084 to no more than the current level of stable income as determined by the lender (see Business Income above).
- more than the historical income calculated using Form 1084, the lender must use no more than the currently stable level of income calculated using Form 1084 to qualify the borrower.

In all cases, qualifying income must be supported by documentation, including any supplemental documentation obtained by the lender.

LL-2021-03

Effective for applications taken April 14, 2020 and until further notice

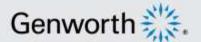
Extended to 20 days in Bulletin 2020-27

Credit Underwriting:

- Self-employed Borrowers: Verification of the current existence of the business- business open and operating
 - Confirm that the Borrower's business is open and operating within **20** Business Days prior to the Note Date.

Below are examples of methods the Seller may use to confirm the sorrower's business is currently operating:

- Evidence of current work (e.g., executed contracts or igned invoices that indicate the business is operating on the day the Seller verifies self-employment)
- Evidence of current business receipts within 10 Business Days of the Note Date (e.g., payment for services performed)
- The Seller certification the business is open and operating (e.g., the Seller confirmed through a phone call or other means)
- Business website demonstrating activity supporting current business operations (e.g., timely appointments for estimates or service can be scheduled)

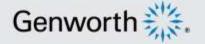


Updates to COVID-19 impact on originations:

 Temporary requirements and guidance for self-employed income



https://sf.freddiemac.com/articles/news/guide-bulletin-2020-19-new-temporary-requirements-for-self-employed-income-choicerenovation-mortgages-and-more



Bulletin 2020-44 Amended 2020-19

Effective for applications taken June 11, 2020 and until further notice

Minimum additional documentation requirements

At a minimum, the following additional documentation must be obtained when assessing income from self-employment:

- An unaudited YTD profit and loss statement that is signed by the Borrower and reports business revenue (i.e.,
 gross receipts or sales), expenses and net income. The information in the YTD profit and loss statement must cover
 the most recent month preceding the Application Received Date and be dated no more than 60 calendar days prior
 to the Note Date, and
- Three months business account statements no older than the latest three months represented on the YTD profit and loss statement
 - For example, if the YTD profit and loss statement is through September 30, 2020, the business account statements can be no older than for July through September
 - Personal asset account statements evidencing business deposits and expenses may be used when the Borrower is an owner of a small business and does not have a separate business account

Or

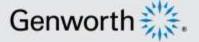
An audited YTD profit and loss statement reporting business revenue (i.e., gross receipts or sales), expenses and
net income. The information in the YTD profit and loss statement must cover the most recent month preceding the
Application Received Date and be dated no more than 60 calendar days prior to the Note Date.

Note: The Seller may need to obtain additional documentation to supplement the minimum required documentation in order to effectively assess the impact of the pandemic on the business.

Reviewing YTD profit and loss statements, business account statements and other relevant documentation

 The Seller must determine if the business revenue documented in the unaudited YTD profit and loss statement supports the level of revenue documented on the business account statements

https://guide.freddiemac.com/ci/okcsFattach/get/1004034_7



P & L And Bank Statement Updates

Documentation

Q1: [NEW 01.14.21]: The minimum documentation requirements for profit and loss statement coverage reference the term "YTD." Does this mean that after the calendar year changes (2020 to 2021) that the information from 2020 is no longer required?

The minimum documentation requirement referencing YTD profit and loss statement information coverage applies to the current calendar year based on the Application Received Date; however, for minimum interim coverage to accommodate the turn of the calendar year from 2020 to 2021 (February and March Application Received Dates), the following applies:

As of the Application Received Date and at a minimum, the YTD profit and loss statement information must cover the greater of:

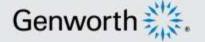
- · Three calendar months (which may require reporting of prior and current calendar year information), or
- · All of the YTD information for the current calendar year

For example:

Application Received Date	The profit and loss statement must report, at a minimum:	When unaudited, business bank account statements include:
January 2021	January through December 2020	October, November, December 2020
February 2021	November & December 2020 and January 2021	November & December 2020 and January 2021
June 2021	January through May 2021	March, April, May 2021

Reminder: The Seller may need to obtain additional documentation (e.g., complete coverage from 2020 to 2021) to supplement the minimum required documentation in order to effectively assess the impact of the pandemic on the business.

https://sf.freddiemac.com/general/covid-19-selling-faq



Effective for applications taken June 11, 2020 and until further notice

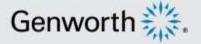
Reviewing YTD profit & loss statements, business account statements and other relevant documentation

- The Seller must determine if the business revenue, expenses and net income documented in the unaudited YTL profit and loss statement are reasonably consistent with the revenue and expense cash flow documented on the business account statements
- If the information on the YTD profit and loss statement is not reasonably consistent with the
 information on the business account statements, additional documentation (e.g., month-to-month or
 quarterly trending for YTD profit and loss, additional months and/or more recent bank statements)
 must be obtained to support the information and resolve the discrepancy
- If the unaudited YTD profit and loss statement cannot be supported by business account statements and/or other documentation, the self-employment income is not eligible for use in qualifying
- If the unaudited YTD profit and loss statement is supported, or if an audited YTD profit and loss statement is used, proceed to determining the current level of stable monthly income as outlined below (See next slide)

Effective for applications taken June 11, 2020 and until further notice

Establishing stable monthly income

- The Seller must review the YTD profit and loss statement (unaudited or audited), business account statements, and all other relevant factors and documentation to determine the extent to which a business has been impacted by COVID-19. Refer to the Business review and analysis section below for additional information regarding relevant factors.
- The Seller must establish the current level of stable monthly self-employment income using details from the YTD profit and loss statement, business account statements, and supplemental documentation, as applicable
- The Seller must determine whether the income level has declined by comparing the information on the YTD profit and loss statement to the business revenue (i.e., gross receipts or sales) and expenses reported on the most recent year's business tax return(s), and the net monthly income as calculated in accordance with requirements and guidance in Chapter 5304 ₺, including use of Guide Form 91, Income Calculations ₺, or a similar alternative form



Effective for applications taken June 11, 2020 and until further notice

Business review and analysis

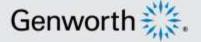
The Seller continues to be responsible for establishing that the Borrower's income is stable and likely to continue at the same level as used to qualify the Borrower. It is also expected that all Sellers ensure they

are knowledgeable of the economic conditions relative Seller's analysis of the business must support financially capable of producing stable monthly increview and analysis requirements and guidance in pandemic-related factors which may include, but a

- If the ability of the business to generate rever impacted by the pandemic, have business op Is continued business revenue supported by Borrower (e.g., modified business plans) or o
- Impacts to the business operation, revenue a chain that is needed to maintain the product, lack of consumer demand for the product or
- Impacts to the business operation, revenue a State shelter-in- place, stay at home or other
- If temporary restrictions have been recently I level of revenue due to COVID-19-related fact been operating at this reduced level of revenue period to establish income stability and in this

- Does the business currently have documented liquid assets or access to capital for operating
 expenses that support the financial ability of the business to operate given current market and
 economic conditions? Are those assets comprised of or supplemented by loan proceeds from the
 Small Business Administration (SBA) Payroll Protection Plan (PPP) or any other similar COVID-19related program (e.g., federal, State or local level business loans and grants)? A current balance
 sheet may be used to support the lenders determination of business stability, in conjunction with the
 profit and loss statement and business bank statements.
- · Additional economic information related to the business such as:
 - Whether the business is part of an industry that is experiencing increasingly negative pandemic-related impacts
 - Reputable news sources and economic forecasts related to the business industry and pandemic progression
 - Whether the business type is in what is considered a high contact-intensive industry and if the higher risk of exposure to COVID-19 may present an impact to the potential for income stability and/or continuance until the medical issues surrounding the pandemic are closer to being resolved, whether or not there are State or local orders that temporarily restrict the business operation

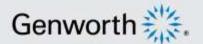
period to establish income stability and is this documented with more recent business bank account statements evidencing this revenue flow or other equivalent information?



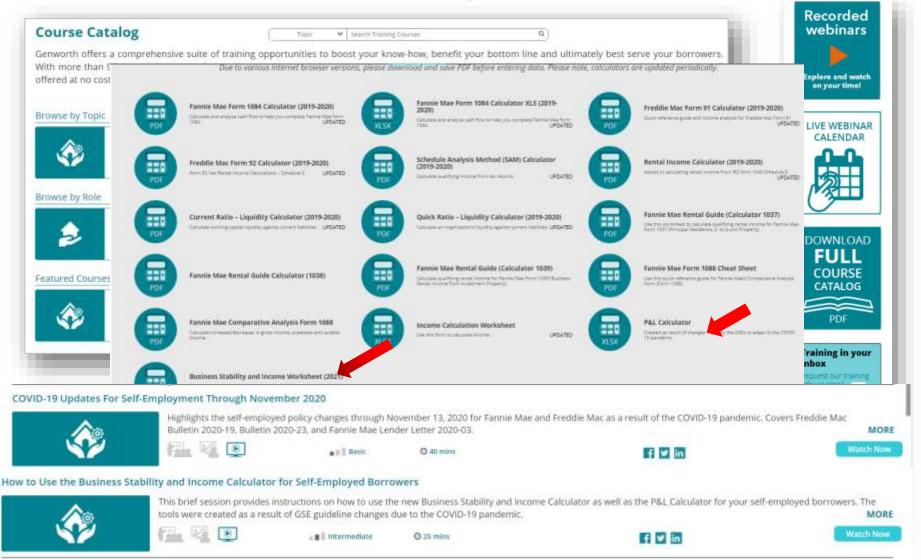
Effective for applications taken June 11, 2020 and until further notice

Establishing Stable Monthly Income-continued

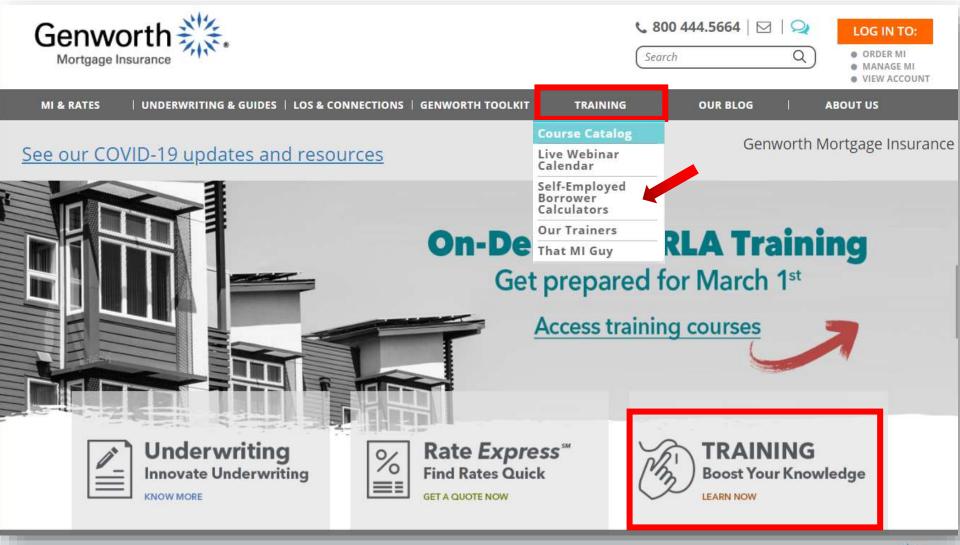
The income level has not changed or has increased	Use the qualifying income calculated following standard requirements and guidance in Chapter 5304, including the use of Form 91 or a similar alternative form. A YTD profit and loss statement, audited or unaudited, cannot be used to support a higher level of income than the amount derived from Form 91 or a similar alternative form.		
The income level has declined	Determine if the income has stabilized. The Seller may need to obtain additional documentation to supplement the YTD profit and loss statement (e.g., a month-to-month income trending analysis, additional months and/or more recent business account statements) to make this determination.		
	If the income has stabilized:		
	Use no more than the current level of stable monthly self-employment income using details from the YTD profit and loss statement, business account statements, and supplemental documentation, as applicable		
	Adjustments (e.g., depreciation) to the YTD profit and loss net income may be made in accordance with the requirements and guidance in Guide Section 5304.1(d) and Form 91, and in alignment with the adjustments based on the tax returns, as appropriate		
	If the income is declining and has not stabilized, then the income is not eligible for qualifying		



COVID-19 SEB Training Tools and Training



Training Tools and Information



Training Tools and Information

Course Catalog

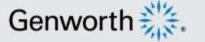


Genworth offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and ultimately best serve your borrowers. With more than 100 courses in our catalog, our team is here to help you stay upto-date on the mortgage industry and regulatory environment. Classes are all offered at no cost to you. View a full list of courses here.



mower()	(Normical Liner Northber			(Genworth *
``	lculator and Quick F	Pofo	rence	Guide	·
CI	nedule Analysis Met	noc	(SAIVI)	
ase u	use the following calculator and quick reference guide t and guidance only and does not replace Fannie Mae, Fr	o assist yo	ou in calculating qu	alifying incom	from tax returns. It provide
	fule B - Interest and Dividends From Self Employment ecuring Interestincome/Line I/or Line 2b		2020	2019	NOTES
-	ecuring Interest income (Line 1) or Line 2b	+	-		
	chedule B Subtotal	++	\$ 0.00	\$ 0.00	
St U	dule C - Sole Proprietorship		2020	2019	NOTES
	let Profit or Loss (Line 31)	+/-	2020	2019	NOTES
-	Innrecurring Other (Income) Loss or Expenses (Line 6)	+/-			
-	epletion (Line 12)	+			
-	epreciation (Line 13)	+			
N	feel and Entertainment Exclusion (Line 24b)	-		- 1	
8	usiness Use of Home (Line 30, Form 8829)	+			
8	usiness Miles, Page 2, Part IV (Line 44a or 4562, Line 30)				
0	x Depreciation Rate (2020-27¢; 2019-26¢)		5 0.27	5 0.26	
ь	= Total Mileage Depreciation	+	0.00	0.00	
A	mortization/Casualty Loss only if noted (Page 2, Part V)	+			
5	chedule C Subtotal		\$ 0.00	\$ 0.00	
Sch	edule D - Capital Gains or Losses		2020	2019	NOTES
	ecurring Capital Gains or Loss, Page 2, (Line 16, Details on orm 8949)*	+/-			*Verify no recurring losses to need to be considered.
_	chedule D Subtotal		\$ 0.00	\$ 0.00	
Sch	edule E - Supplemental Income and Loss*		2020	2019	NOTES
_	oyalty Income (Line 4)	+		total co.	*Rental income is calculated
T	otal Expenses (Line 20)	-			separately and not included with the SAM Form.
0	epletion (Line 18)	+			
5	ubtotal		\$ 0.00	\$ 0.00	
Sche	edule F - Farm Income	10	2020	2019	NOTES
N	let Profit or Loss (Line 34)	+/-			
	ion-Tax Portion Ongoing Co-op & CCC Pmts (Linex Ja-3b; a-4b; 6a-6b)	+/-			
-	ionrecurring Other (Income) or Loss (Lines 5c and il)	+/-			
N.					
_	epreciation (Line 14)	+			
D	epreciation (Line 14) mortization/Casualty Lose only if noted (Line 32)	+			

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?

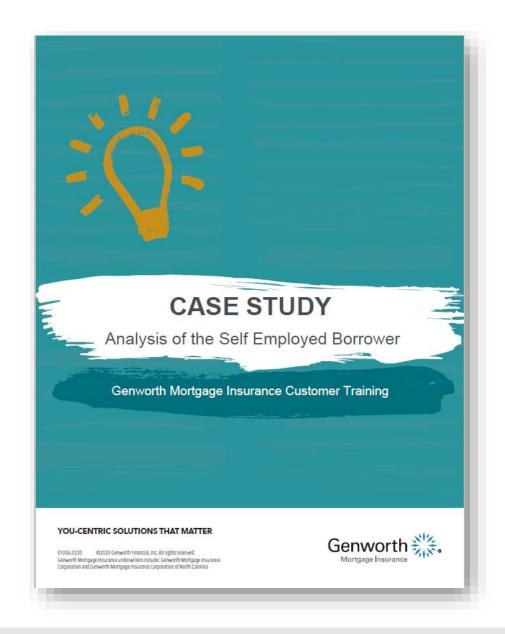
Employer or Business Name	Phone ()	Gross Mon	thly Inco	me
Address		Base	\$	/month
City	State Zip	Overtime	s	/montl
FOR STATE ST		Bonus	\$	/month
Position or Title	Check if this statement applies:	Commission	\$	/montl
Start Date / (mm/yyyy) How long in this line of work? Years Months	I am employed by a family member, property seller, real estate agent, or other party to the transaction.	Military Entitlements	\$	/montl
Check if you are the Business OI have an ownership sha		Other	5	/mont
Owner or Self-Employed OI have an ownership sha		TOTAL	5	/month

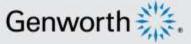
Can checking the Self-employed Indicator to "Yes" increase the risk of the loan when evaluated by Desktop Underwriter®? What about Loan Product Advisor®?





You'll Need





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 50% of an LLC called Light It Up (Mary)
 - Reported on a 1065 Partnership Return
 - Mary receives a K-1
 - W-2 wage
- *Own 33% of an S Corporation called Designing The Future (John)
 - Income reported on 1120S Tax Return
 - Receives a K-1

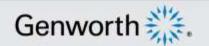


IRS Form 1040

Review for:

- Name, Address, Social
- All pages and schedules,
 supporting documents such as
 W-2, 1099
- Look lines 1-8, should you have a supporting document or supporting schedule?

£1040		rtment of the Tressury—Internal Revenue Ser S. Individual Income Ta		etu	im 201	20	OMB No. 1545	-0074	IRS Use Only-	-Do not write	or staple in this space.
Filing Statu	s 🗆 8	Single Married filing jointly	Me	arrie	d filing separately	(MFS)	☐ Head of	house	shold (HOH)	Qualify	ring widow(er) (QW)
Check only one box.		u checked the MFS box, enter the on is a child but not your depender		of y	our spouse. If yo	u checi	ked the HOH o	r QW	box, enter the	child's n	ame if the qualifying
Your first name	and mi	ddle initial	Last	t nan	ne					Your soci	al security number
John			_		owner						X-XXX
	pouse's	first name and middle initial	Last						- 1		social security number
Mary Home soldness	Insumbe	r and street). If you have a P.O. box, se			owner			\neg			X-XXXX al Election Campaign
		Hill Road	o mout	,,,,,,,	1101						e if you, or your
		ce. If you have a foreign address, also c	omplet	te sp	aces below.	Sta	de	ZIP c			filing jointly, want \$3 is fund. Checking a
Colts N	eck					N.	J	07			will not change
Foreign country	y name			F	oreign province/sta	te/coun	ty	Forei	gn postal code	your tax o	r refund. You Spouse
At any time du	ring 20	20, did you receive, sell, send, exc	change	e, o	otherwise acqui	re any	financial intere	st in	any virtual cur	rency?	Yes X No
Standard	_	eone can claim: 🔲 You as a d			_		a dependent				
Deduction		Spouse itemizes on a separate retu	m or	you	were a dual-stati	us alier	1				
Age/Blindnes	s You:	Were born before January 2,	1956		Are blind \$	ipouse	: Was bo	m bet	ore January 2	1956	ls blind
Dependent	s (see	instructions):			(2) Social secu	rity	(3) Relationsh	íρ			ee instructions):
If more	(1) F	rst name Last name		4	number		to you	_	Child tax or	dit C	edit for other dependents
than four dependents,				\dashv				\dashv	<u> </u>	_	
see instruction	8			\dashv				\dashv		-+	
and check here ►	_			\dashv				\dashv	ᅟᅟᅟᅟᅟ		-
_	. 1	Wages, salaries, tips, etc. Attach	Form	(s) V	1-2					1	63,400.
Attach	2a	Tax-exempt interest	2a			ЬΤ	axable interes	t.		2b	1,568.
Sch. B if required.	3a	Qualified dividends	3a			ь	ordinary divide	nds .		3b	
Toquirou.	4a	IRA distributions	4a			bΤ	axable amoun	t		4b	
	5a	Pensions and annuities	5a			-	axable amoun			5b	
Standard Deduction for—	6a	Social security benefits	6a	D. Z	required Maches		axable amoun	t		6b	3 000
• Single	7 8	Capital gain or (loss). Attach Scho Other income from Schedule 1, li			required. If not re		, cneck nere			7 8	-3,000. 57,267.
Married filing separately,	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7,								. 9	119,235.
\$12,400 • Married filing	10	Adjustments to income:	, and the	11	io your wall i					-	/
jointly or Qualifying	a						10	а	4,741		
widow(er), \$24,800	ь	Charitable contributions if you take	e the s	tan	dard deduction, S	ee inst	ructions 10	b			
Head of	c	Add lines 10a and 10b. These are	your	tota	al adjustments t	o inco	me		>	100	4,741.
household, \$18,650	11	Subtract line 10c from line 9. This									114,494.
 If you checked any box under 	12	Standard deduction or itemized								12	40,503.
Standard Deduction.	13	Qualified business income deduc				Form 8	1995-A			13	10,384.
see instructions.	14	Add lines 12 and 13					r-0-			14	50,887. 63,607.
For Disclosure		Act, and Paperwork Reduction Act					W-1 1 1			13	Form 1040 (2020)
		, and and reperment inconstitution		,	- separate - sauce						. a



IRS Form 1040

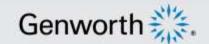
Important to Review for:

- Review Line 8 for indication of a Schedule 1
- Schedule 1 report "other income types such as
 - Schedule C sole proprietor
 - Schedule E rental, partnerships
 - Schedule F Farms

Other income from Schedule 1, line 9.

Unemployment

1040	Department of the Tressury—Internal Revenue Serv		2020		1			
Filing Status	U.S. Individual Income Tax ☐ Single ☑ Married filing jointly ☐	Married fili	ng separately (M	FS) Head of	household	(HOH)		widow(er) (QV
one box.	If you checked the MFS box, enter the r person is a child but not your dependen		spouse. If you ch	ecked the HOH o	or QW box,	, enter the	e child's name	if the qualifyir
Your first name a	nd middle initial	Last name					Your social see	-
John	and the first area and adult to the	Homeowr	ier				XXX-XX-X	
	ouse's first name and middle initial	Last name Homeown					Spouse's social XXX-XX-X	
Mary Home address in	umber and street). If you have a P.O. box, see		ier		Apt.	no.	Presidential El	
	ing Hill Road	11000000101			1		Check here if y	
	st office. If you have a foreign address, also or	ompiete spaces	below.	State	ZIP code		spouse if filing to go to this fu	
Colts Ne	ck			NJ	07708		box below will	
Foreign country r	name	Foreig	n province/state/co	ounty	Foreign po	stal code	your tax or refu	
t any time duri	ng 2020, did you receive, sell, send, exc	hange, or oth	erwise acquire a	ny financial intere	est in any v	virtual cur	rrency?	es 🔀 No
ore delle	Someone can claim: You as a de Spouse itemizes on a separate retur		_	as a dependent lien				
Age/Blindness	You. Were born before January 2, 1	956 An	e blind Spor	use: Was bo	m before .	January 2	, 1966 I	s blind
Dependents			(2) Social security	(3) Relationsh			ualifies for (see in	
f more	(1) First name Last name		number	to you	- 0	hild tax or	edit Credit fo	or other depends
han four dependents,						_무		<u> </u>
see instructions					-	뮤		
and check here ►					+	ᅲ		H
	1 Wages, salaries, tips, etc. Attach i	Form(s) W-2					. 1	63,400
Attach		2a		Taxable interes	at		2b	1,568
Sch. B if required.	3a Qualified dividends	3a	l l	o Chinary divide	nds		3b	
required.	-	4a		Taxable a soun			. 4b	
		5a		Taxable amoun			5b	
tandard eduction for—	_	6a		Taxable amoun	t		6b	
Single or	7 Capital gain or (loss). Attach Sche			red, check here			7 8	-3,000
Married filing separately,	 Other income from Schedule 1, lin Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, 						9	57,267
\$12,400	9 Pad ines 1, 20, 30, 40, 50, 60, 7,	ariu o. mis is	your total inco				3	113,233
					8		57,	267.
Head of	c Add lines 10a and 10b. These are	your total ad	ljustments to in	come		!	10c	4,741
household, \$18,650	11 Subtract line 10c from line 9. This	, .	-			1	11	114,494
new bear under .	12 Standard deduction or itemized			*			12	40,503
Standard	13 Qualified business income deduct		orm 8995 or For	m 8995-A			13	10,384
ANTONIA CHARLES	4.4 Add lines 10 and 10							
see instructions.]	 Add lines 12 and 13 Taxable income. Subtract line 14 		Manager Services				14	50,887



Does Your Borrower Have Additional

Sources Income?

Take a closer look at line 5 Schedule e activity

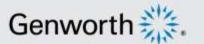
Is it rental or partnership or S Corp or both??

If, partnership or S Corp income, verify you have the K-1s before continuing

SCHEDULE 1 OMB No. 1545-0074 Additional Income and Adjustments to Income (Form 1040) 2020 ► Attach to Form 1040, 1040-SR, or 1040-NR. Department of the Treasury ► Go to www.irs.gov/Form1040 for instructions and the latest information. Internal Revenue Service Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your social security number John & Mary Homeowner XXX-XX-XXXX Part | Additional Income 1 Taxable refunds, credits, or offsets of state and local income taxes. fivorce or separation agreement (see instructions) Business income or (loss). Attach Sche 67,105. Other gains or (losses). Attach Form 4797 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E -9,838. Farm income or (loss). Attach Schedule F 7 Unemployment compensation . . Other income. List type and amount ▶ Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, 57,267. Part II Adjustments to Income Certain business expenses of reservists, performing artists, and fee-basis government Health savings account deduction, Attach Form 8889 Moving expenses for members of the Armed Forces. Attach Form 3903. Deductible part of self-employment tax. Attach Schedule SE . . . 4,741. Self-employed SEP, SIMPLE, and qualified plans Self-employed health insurance deduction Penalty on early withdrawal of savings . . . c Date of original divorce or separation agreement (see instructions) 19 Student loan interest deduction Tuition and fees deduction. Attach Form 8917 . . Add lines 10 through 21. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10a 4,741. For Paperwork Reduction Act Notice, see your tax return instructions. Schedule 1 (Form 1040) 2020

Schedule E Has Two Parts

SCHE Form 1	DULE E (040)	(From	Supplementa rental real estate, royalties, partner					trusts. RF	MICs, etc.)	_	No. 1545-0074
	ent of the Treasury	(· · · · · · ·	► Attach to Form 104						anos, etc.,	2	\circ
nternal F	Revenue Service (99)		► Go to www.irs.gov/ScheduleE	for inst	tructions	and th	e latest	informatio	n.	Attack Seque	nment ence No. 13
iame(a)	shown on return								Your soc	ial securit	y number
	& Mary Ho									(X-XXX	
Part			s From Rental Real Estate and Re instructions. If you are an individual, re								
A Did			ents in 2020 that would require you	_					- con page		res⊠ No
			ou file required Form(s) 1099? .								res □ No
1a			each property (street, city, state, Z	P code							_
Α	234C Cond	o Cou	rt Sea Bright NJ 07772								
В											
С										1	
1b	Type of Prog (from list be		2 For each rental real estate pre above, report the number of f					Rental Days	Persona		QJV
Α	1	iow;	personal use days. Check the if you meet the requirements	QJV	ox only	Α	-	366	Day	0	
B	1		qualified joint venture. See in	structio	ns.	В	_	300		-	- H-
c			1			c			†		
	of Property:		•								
Sing	le Family Resid	lence	3 Vacation/Short-Term Rental	5 La	nd		7 Self-	Rental			
	ti-Family Reside	ence	4 Commercial		oyalties		8 Othe	r (describe			
ncom			Properties:	-	_	A			В		С
3	Rents received Royalties received			3	-	35,	440.				
Expen		ved .		4							
5	Advertising .			5							
6	Auto and trave			6	†						
7	Cleaning and r			7		1,	980.				
8	Commissions.			8							
9				9		2,	299.				
10	Legal and other			10			550.				
11				11	_		850.				
12 13			id to banks, etc. (see instructions)	12	-	7,	996.				
13	Other interest. Repairs			13	-	-	500.			-	
15	Supplies			15	_		199.				
16	Taxes			16			211.				
17	Utilities			17			697.				
18	Depreciation e			18		7,	127.				
19			ciation Dues	19			800.				
20			lines 5 through 19	20	₩	43,	209.				
21			line 3 (rents) and/or 4 (royalties). It								
			instructions to find out if you must	21		-7	769.				
22			I estate loss after limitation, if any	_	\vdash	- ''				<u> </u>	
_			nstructions)	22	(-10,2	255.)	()()
			reported on line 3 for all rental prop				23a		35,440.		
			eported on line 4 for all royalty pro				23b				
			reported on line 12 for all properties				23c		7,996.		
d e			reported on line 18 for all properties reported on line 20 for all properties				23d 23e		7,127.		
24			reported on line 20 for all properties re amounts shown on line 21. Do n								
25			osses from line 21 and rental real estat							(10,255.)
26		,,	ate and royalty income or (loss).							ľ	
20	here. If Parts	II, III, I	IV, and line 40 on page 2 do not	apply	to you	, also	enter th	nis amoun	t on		
			40), line 5. Otherwise, include this a		t in the t	total on	line 41	on page 2			-10,255.
or Pa	perwork Reduct	ion Act	Notice, see the separate instruction						Sc	hedule E	(Form 1040) 2020
				B	AA REV	02/15/21 7	ΠW				



Schedule E Partnerships and S Corps

Schedu	ule E (Form 10	040) 2020						Attachment Sequence N	lo. 13		Page 2
Name(s	s) shown on r	eturn. Do not enter name	and social security nu	ımber if sho	wn on o	other side.			Your so	cial securit	ty number
John	n & Mar	y Homeowner							XXX-	XX-XXX	X
Cauti	ion: The If	RS compares amour	nts reported on y	our tax re	eturn v	with amounts	show	n on Schedule(s) K	-1.		
Part	stoo	come or Loss Fro ck, or receive a loan re nputation. If you report 28 and attach Form 6	payment from an S a loss from an at-	corporati	on, you	u must check th	ne box	in column (e) on line	28 and	attach the	e required basis
27	passive	u reporting any loss e activity (if that loss structions before cor	was not reporte	d on For	m 858	32), or unreimb	ourse	d partnership expe	nses?	If you an	
28		(a) Name		(b) Enter partnersh for S corp	P for nip; S	(c) Check if foreign partnership		(d) Employer	(e) C basis co	Check if imputation quired	(f) Check if any amount is not at risk
A I	Light It	Up, LLC	_	P			:	12-1234567	[
	Designir	ng the Future,	Inc	S				33-1234567			
C D									[
D									[
		Passive Income a	nd Loss				No	npassive Income	and Lo	oss	
	107	ssive loss allowed orm 8582 if required)	(h) Passive inc from Scheduk			onpassive loss allo see Schedule K-1)		(j) Section 179 expe deduction from Form			passive income schedule K-1
Α						3,9	54.				
В								9,7	732.		14,103.
B C D											
D											
29a	Totals										14,103.
b	Totals					3,9		9,7	732.		
30		ımns (h) and (k) of lir							30	_	14,103.
31		ımns (g), (i), and (j) o							31	(13,686.)
32	Total pa	rtnership and S co	rporation incom	e or (los	s). Co	mbine lines 30	and)	131	32		417.

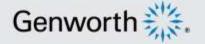
1065 K-1

Schedule K-1 2020 (Form 1065)		Partner's Share of Deductions, Cree		
Department of the Treasury	1	Ordinary business income (loss)	15	
Internal Revenue Service For calendar year 2020, or to				Creans
beginning / / 2020 ending / /	2	-3,95 Net rental real estate income (loss		
Partner's Share of Income, Deductions, Credits, etc. > See separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
,				
Information About the Partnership	4a	Guaranteed payments for service	3	
A Partnership's employer identification number	_		4	
12-1234567	4b	Guaranteed payments for capital		
B Partnership's name, address, city, state, and ZIP code	_		4	
Light It Up, LLC	4c	Total guaranteed payments		
350 Broad St	- 5	Interest Income	-	
Red Bank, NJ 07755	5	Interest income		
D Charles the broad laborate in the control of the	6a	Ordinary dividends	-	
D Check if this is a publicly traded partnership (PTP)	6a	Ordinary dividends	1	
Part II Information About the Partner	otione) 6b	Ounlified disident	-	
E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instru XXX-XX-XXXX	etions.) 66	Qualified dividends		
F Name, address, city, state, and ZIP code for partner entered in E. See inst	nuctions 6c	Dividend equivalents	17	Alternative minimum tax (AMT) it
F Name, address, city, state, and ZIP code for partner entered in E. See inst Mary Homeowner	ructions		A	-1
7 Galloping Hill Road, Colts Neck, NJ 07708	7	Royalties	- ^	-1
, conspiring this room, coins recor, 145 of 700		,		
G General partner or LLC X Limited partner or other LLC member-manager member	; 8	Net short-term capital gain (loss)		
H1 Domestic partner Foreign partner	9a	Net long-term capital gain (loss)	18	Tax-exempt income and
H2 If the partner is a disregarded entity (DE), enter the partner's:			┙	nondeductible expenses
TIN Name	9b	Collectibles (28%) gain (loss)		
11 What type of entity is this partner? Individual	L			
12 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here	9c	Unrecaptured section 1250 gain		
J Partner's share of profit, loss, and capital (see instructions):				
Beginning Ending	10	Net section 1231 gain (loss)		
Profit 50.00000 % 50.0000			19	Distributions
Loss 50.00000 % 50.0000		Other income (loss)		
Capital 50.00000 % 50.0000	10 %		_	
Check if decrease is due to sale or exchange of partnership interest .	. 🗆			
			20	Other information
	12	Section 179 deduction		
K Partner's share of liabilities:	1.6	0001011110000001011	1	
Beginning Ending			\perp	
	13	Other deductions	+	
Beginning Ending				
Beginning Ending \$ \$ \$ \$ \$				
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$	13			
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	13			
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	13 ships.	Other deductions		
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	13 ships.			
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ Kinckudes lisbibly amounts from lower fier partner ther's Capital Account Analysis unt \$ 54	13 ships.	Other deductions		
Beginning Ending S S S S S S K lookedes liability amounts from loser tier partner ther's Capital Account Analysis ont S S4 g the year S	13 ships.	Other deductions		
Beginning Ending S S S S S S S S S S S S S S S S S S S	13 ships. 14 1,191 3,954	Other deductions Self-employment earnings (loss)		
Beginning Ending S S S S S S S Kinchedes liability amounts from lower fier partner toer's Capital Account Analysis out S S THE STATE S S THE S S THE STATE S S THE STATE S S THE STATE S S THE STATE S S THE S S THE STATE S S THE STATE S S THE STATE S S THE STATE S S THE S S THE STATE S S THE STATE S S THE STATE S S THE STATE S S THE S S THE STATE S S THE STATE S S THE STATE S S THE STATE S S THE S S THE STATE S S THE S S	13 ships. 14 1,191 3,954 21	Other deductions Self-employment earnings (loss) More than one activity for at-r		
Beginning Ending	13 ships. 14 1,191 21 22	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*
Beginning Ending	13 13 14 1,191 21 22 2.0,237 *Se	Other deductions Self-employment earnings (loss) More than one activity for at-r	sive acti	vity purposes*
Beginning Ending S S S S S S S S S Nincludes liability amounts from lower fier partner ther's Capital Account Analysis unt S 54 g the year S good S S tach explanation) S ins S S	13 13 14 1,191 21 22 2.0,237 *Se	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*
Beginning Ending S S S S S S S S S S S K includes liability amounts from lower tier partner there's Capital Account Analysis unit S S4 g the year S S (pes) S S (pes) S S S (pes) S S S (pes) S S (pes) S S S (pes) S S (pes	13 13 14 1,191 21 22 2.0,237 *Se	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	13 13 14 1,191 14 22 21 22 25 25 25 25 25 25 25 25 25 25 25 25	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ Kinchades liability amounts from lower fier partner theer's Capital Account Analysis unit \$ 54 If the year \$ 54 If the year \$ 550 If the year \$ 50 If the year \$ 50 If yes \$ 50 If yes \$ 50 If yes, "altach statement, See instructions. N Partner's Share of Net Unrecognized Section 704(c) Gain or (Low	13 13 14 1,191 14 22 21 22 25 25 25 25 25 25 25 25 25 25 25 25	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*
Beginning Ending \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	13 13 14 1,191 14 22 27 15 16 16 16 16 16 16 16 16 16 16 16 16 16	Other deductions Self-employment earnings (loss) More than one activity for as-	sive acti	vity purposes*

Double Check for the S Corp Documents

Scheo	dule E (Form 10	140) 2020						Attachment Sequence	No. 13		Page 2
Name	(s) shown on re	eturn. Do not enter name	and social security nu	mber if sho	wn on c	other side.			Your so	cial securi	ty number
Joh	n & Mary	y Homeowner							XXX-	XX-XXX	X
Caut	tion: The IF	RS compares amour	nts reported on y	our tax re	eturn v	with amounts	show	n on Schedule(s) K	(-1.		
Par	stoc	ome or Loss Fro ck, or receive a loan re aputation. If you report 28 and attach Form 6	payment from an S a loss from an at-	corporati	ion, yοι	u must check th	ne box	x in column (e) on line	28 and	attach the	e required basis
27	passive	reporting any loss activity (if that loss tructions before cor	was not reporte	d on For	m 858	32), or unreimb	ourse	d partnership expe	enses?	If you an	swered "Yes
28		(a) Name		(b) Enter partnersh for S corp	r P for hip; S	(c) Check if foreign partnership		(d) Employer identification number	(e) (Check if emputation equired	(f) Check if any amount is not at risk
Α :	Light It	Up, LLC		P			:	12-1234567			
	Designin	g the Future,	Inc	S				33-1234567			
С											
D											
		Passive Income a	nd Loss		·		No	onpassive Income	and L	oss	
	107	sive loss allowed rm 8582 if required)	(h) Passive inc from Schedule			onpassive loss allo see Schedule K-1)		(j) Section 179 exp deduction from Forn			passive income chedule K-1
Α						3,9	54.				
В								9,	732.		14,103.
B C D											
D											
29a	Totals										14,103.
b						3,9			732.		
30		mns (h) and (k) of lir							30		14,103.
31		mns (g), (i), and (j) o							31	(13,686.
32	Total pa	rtnership and S co	rporation incom	e or (los	s). Co	mbine lines 30	and	131	32		417.

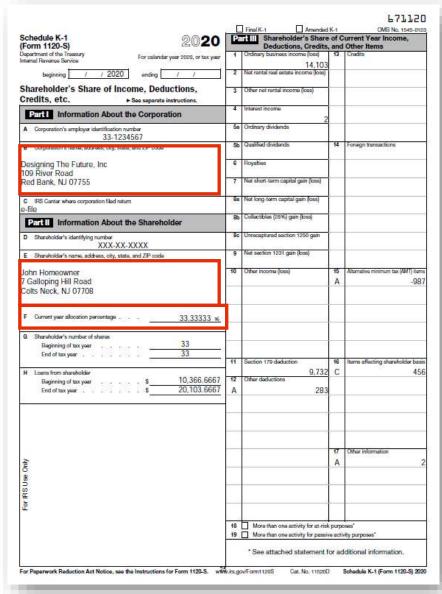
Don't forget to ask for both K-1's. Designing the Future?



CONFIDENTIAL

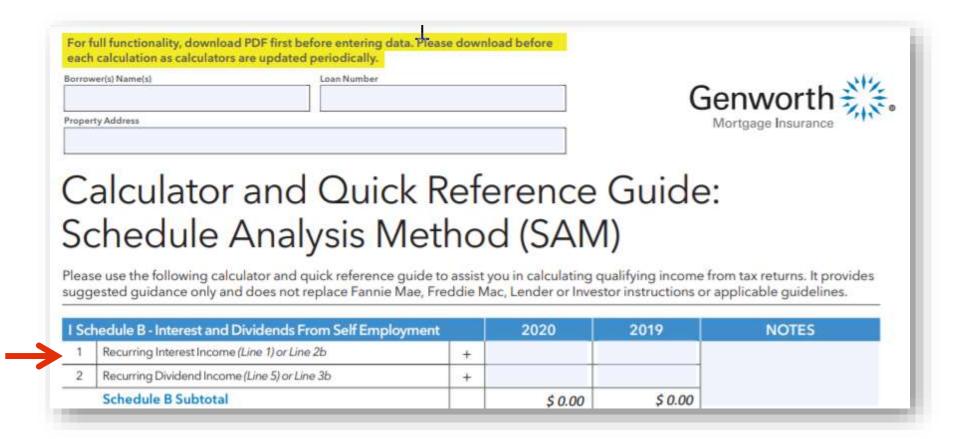
1120S K-1

John is 33% owner



Calculator and Quick Reference Guide

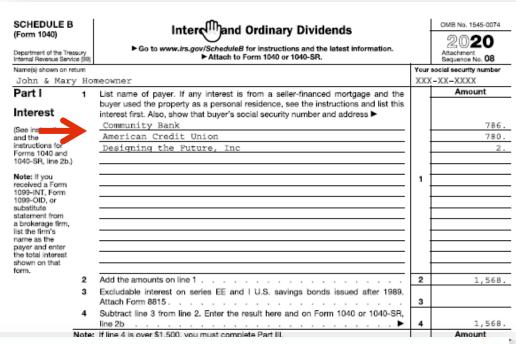
Access your Quick Reference Guide SAM Form and YOUR Case Study



2020 Schedule B

Don't use unless needed for qualifying

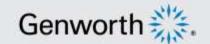
- Use ONLY if income is coming from SELF-EMPLOYMENT
- We are only reviewing a one year, so we cannot use!



	Recurring Interest Income (Line 1) or Line 2b	+	0.00		
2	Recurring Dividend Income (Line 5) or Line 3b	+	0.00		
	Schedule B Subtotal		0	\$ 0.00	

substitute
statement from a brokerage firm,
list the firm's name as the payer and enter the ordinary dividends shown on that form.

6 Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b



SAM Form Section II Schedule C

II Sc	hedule C - Sole Proprietorship		2020	2019	NOTES
3	Net Profit or Loss (Line 31)	+/-			
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-			
5	Depletion (Line 12)	+			
6	Depreciation (Line 13)	+			
7	Meal and Entertainment Exclusion (Line 24b)	1.0			
8	Business Use of Home (Line 30, Form 8829)	+			
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)				
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26	
10b	= Total Mileage Depreciation	+	0.00	0.00	
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00	
	Schedule C Subtotal		\$ 0.00	\$ 1.00	

(Forr	nert of the Treasury	Go to w	(Sole P	ropriet er instr	om Business torship) uctions and the latest information ; partnerships generally must file I		OMB No. 1545-0074 2020 Attachment Sequence No. 09	DENTIAL
	of proprietor		040, 1040-011, 1040-1411, 0	1041	, pararerships generally mast me		security number (SSN)	
John	n Homeowner					XXX	-xx-xxxx	
A	Principal business or profession	n, inclu	ding product or service (se	e instr	uctions)	B Ente	r code from instructions	
	Photographer						► 5 6 1 6 0 0	
С	Business name. If no separate	busine	ss name, leave blank.			D Emp	loyer ID number (EIN) (see instr.)	
	Impressive Images					$\perp \perp$		
E	Business address (including s			-				
F	City, town or post office, state			_	NJ 07708			
G		Cash		_	Other (specify) 2020? If "No," see instructions for Ii	imit on l	osses . X Yes No	
н					20207 II No, see instructions for i			
ï					n(s) 1099? See instructions		Yes No	
j	If "Yes," did you or will you file						Yes No	
Par	Income							
1	Gross receipts or sales. See in	struction	ons for line 1 and check the	box if	this income was reported to you on	1		
	Form W-2 and the "Statutory	employe	ee" box on that form was o	hecked	1	1	157,866.	
2	Returns and allowances					. 2		
3	Subtract line 2 from line 1 .					. 3	157,866.	
4	Cost of goods sold (from line	,				. 4	150.000	
5	Gross profit. Subtract line 4					. 5	157,866.	
6 7	Other income, including feder Gross income. Add lines 5 a		tate gasoline or tuel tax cre	alt or i	refund (see instructions)	. 6	6,755. 164,621.	
Par			for business use of you	r hom	ne only on line 30.		104,021.	
8	Advertising	8	10,877.	18	Office expense (see instructions)	18		
9	Car and truck expenses (see	Ť	20,0111	19	Pension and profit-sharing plans	. 19		
•	instructions)	9	18,964.	20	Rent or lease (see instructions):			
10	Commissions and fees .	10		a	Vehicles, machinery, and equipment	20a	1	
11	Contract labor (see instructions)	11		ь	Other business property	. 20b		
12	Depletion	12		21	Repairs and maintenance	. 21		
13	Depreciation and section 179 expense deduction (not			22	Supplies (not included in Part III)	. 22	6,690.	
	included in Part III) (see			23	Taxes and licenses	. 23		
	instructions)	13	4,829.	24	Travel and meals:			
14	Employee benefit programs			а	Travel	. 24a	1,200.	
	(other than on line 19)	14		ь	Deductible meals (see			
15	Insurance (other than health)	15			instructions)	. 24b	2,327. 7,211.	
16	Interest (see instructions):	16a		25 26	Utilities	25	7,211.	
a	Mortgage (paid to banks, etc.)	108		26	Wages (less employment credits)	. 26	22.256	
	and on Sched u		, ,	yo	u }		67	,105.
			,					
	and (b) the part of your home				, Use the Simplified	-	20.051	
0.4				ter on I	line 30	. 30	20,851.	
31	Net profit or (loss). Subtract				0-b-4-b-65 H 6 H 1			
	 If a profit, enter on both Sechecked the box on line 1, sec 					31	67,105.	
	If a loss, you must go to lir		unump, Estates and trusts,	or iter 0	Form 1041, line 3.	31	07,103.	
32	If you have a loss, check the b		describes your investment	in this	activity See instructions			
32								
	 If you checked 32a, enter to 	ine ioss	on both Schedule 1 (For	m 104	U), line 3, and on Schedule		All leaves to sea the sea state.	

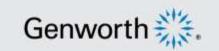
or neceptorical hosely. Captagor into do nom into Ed	31	Net profit or (los	s). Subtra	ct line 30 fr	om line 29
--	----	--------------------	------------	---------------	------------

. If a profit, enter on both Schedule 1 (Form 1040), line checked the box on line 1, see instructions). Estates and to

> SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on 32b Some investment is not . If you checked 32b, you must attach Form 6198. Your loss may be limited. For Paperwork Reduction Act Notice, see the separate instructions. Schedule C (Form 1040) 2020

I Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-		
5	Depletion (Line 12)	+		
6	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	-		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 67,105.00	\$ 1.00

		OHEDULE C orm 1040)	Profi	t or Loss From I		+	OMB No. 1545-0074
	Dep	partment of the Treasury		ScheduleC for instruction	s and the latest information.		20 20 Attachment
26		mal Revenue Service (99) ne of proprietor	► Attach to Form 1040, 1040-SR	R, 1040-NR, or 1041; partn			Sequence No. 09 ty number (SSN)
3 U	Griedule G	ohn Homeowner				XXX-XX-	
	<u> </u>	Principal busines Photograph	s or profession, including product	or service (see instructions) B		from instructions
	C		re i If no separate business name, leav	ve blank.	0		D number (EIN) (see instr.)
	-	Impressive	Images s (including suite or room no.)	7 Callenine Will	l Bood		
				Colts Neck, NJ (
	<u> </u>			Accrual (3) Other (s			. ⊠ Yes □ No
	G H		lly participate" in the operation of t acquired this business during 2020			t on losses	. ▶ □
			y payments in 2020 that would rec				Yes ⊠ No
	J	If "Yes," did you Income	or will you file required Form(s) 10	997			L Yes L No
			r sales. See instructions for line 1				155 000
			e "Statutory employee" box on the wances			2	157,866.
		3 Subtract line 2 fr	om line 1			3	157,866.
		4 Cost of goods see 5 Gross profit. See	old (from line 42)			5	157,866.
		6 Other income, in	cluding federal and state gasoline	or fuel tax credit or refund	(see instructions)	6	6,755.
Part	Income	7 Cross income	Add lines 5 and 5		•	- 7	164,621.
	Gross receipts or sales. See instructions for line 1 and check the box if this in		anartad ta vav an				
1	Form W-2 and "Statutory employee" box on that form was checked				157,866.		
_				1	157,000.	-	
2	Returns and allowances			2		-	
3	Subtract line 2 from line 1			3	157,866.	_	6,690.
4	Cost of goods sold (from line 42)			4		- 1	
5	Gross profit. Subtract line 4 from line 3			5	157,866.	-	1,200.
6	Other income, including federal and state gasoline or fuel tax credit or refund	(see instruc	tions)	6	6,755.	>	2,327. 7,211.
7	Gross income. Add lines 5 and 6			7	164,621.		
	f	b Other	onal services 17	2.211. b Rese	er expenses (from line 48)	27a 27b	22,356.
	Examples include:					28	76,665. 87,956.
	 Profit from postage, shipping or handling, if you track it s 	separately			Attach Form 8829	20	07,330.
	 Interest earned on notes or accounts receivable 						
	- Bad debts you deducted in a previous year that were rep	oaid (whole	or in part) this year	г	se the Simplified	30	20,851.
	- Cash prizes and awards that your business received, so	uch as a \$50	00 prize from your	local Chamber	r of		20,002.
	Commerce for "Business of the Year"				2. (If you 3.	31	67,105.
	3		s, check the box that describes yo		,		
			d 32a, enter the loss on both Sch checked the box on line 1, see the				Il investment is at risk.
		Form 1041, line	3.				ome investment is not t risk.
	For		32b, you must attach Form 6198 on Act Notice, see the separate		REV 02/15/21 TTW	Sch	edule C (Form 1040) 2020
				7 544			

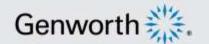


II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+		
6	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	-2		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 60,350.00	\$ 1.00

Part	Expenses. Enter expe	nses	for business use of you	r hom	e only on line 30.	-	+
श्रीत	Advertising	8	10,877.	18	Office expense (see instructions)	18	
$\sim_{\rm e}$	Car and truck expenses (see			19	Pension and profit-sharing plans	19	
	instructions)	9	18,964.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III)	22	6,690.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	
	instructions)	13	4,829.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	1,200.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	2,327.
16	Interest (see instructions):			25	Utilities	25	7,211.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits)	26	
b	Other	16b		27a	Other expenses (from line 48) .	27a	22,356.
17	Legal and professional services	17	2,211.	b	Reserved for future use	27b	
28	Total expenses before expen	ses fo	business use of home. Add	lines 8	3 through 27a ▶	28	76,665.
29	Tentative profit or (loss). Subtr	act lin	e 28 from line 7			29	87,956.
30	Expenses for business use o	f your	home. Do not report these	expe	nses elsewhere. Attach Form 8829		
	unless using the simplified me	thod. S	See instructions.				
	Simplified method filers only	: Ente	the total square footage of	(a) you	r home:	.	
	and (b) the part of your home	used fo	or business:		. Use the Simplified		
					ne 30	30	20,851.
31	Net profit or (loss). Subtract	line 30	from line 29.				
	. If a profit, enter on both So	hedu	e 1 (Form 1040), line 3, ar	nd on S	Schedule SE, line 2. (If you		
	checked the box on line 1, see	instru	ctions). Estates and trusts,	enter o	n Form 1041, line 3.	31	67,105.

I Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+		
7	Meal and Entertainment Exclusion (Line 24b)	21		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 60,350.00	\$ 1.00

Part	Expenses. Enter expe	enses	for business use of you	r hom	e only on line 30.	-	
श्री	Advertising	8	10,877.	18	Office expense (see instructions)	18	
್ಲ	Car and truck expenses (see			19	Pension and profit-sharing plans	19	
	instructions)	9	18,964.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III)	22	6,690.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	
	instructions)	13	4,829.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	1,200.
	(other than on line 19)	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	2,327.
16	Interest (see instructions):			25	Utilities	25	7,211.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits)	26	
b	Other	16b		27a	Other expenses (from line 48) .	27a	22,356.
17	Legal and professional services	17	2,211.	b	Reserved for future use	27b	
28	Total expenses before expen	ses fo	r business use of home. Add	lines 8	3 through 27a ▶	28	76,665.
29	Tentative profit or (loss). Subtr	act lin	e 28 from line 7			29	87,956.
30	Expenses for business use o unless using the simplified me			expe	nses elsewhere. Attach Form 8829	'	
	Simplified method filers only	: Ente	r the total square footage of	(a) you	r home:		
	and (b) the part of your home	used fo	or business:		. Use the Simplified	-	
					ine 30	30	20,851.
31	Net profit or (loss). Subtract				-		
	. If a profit, enter on both So	chedu	le 1 (Form 1040), line 3, ar	nd on S	Schedule SE, line 2. (If you		
	checked the box on line 1, see				, , ,	31	67,105.



II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	-		
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 65,179.00	\$ 1.00

					Meals and Entertainment: 10	JU% I	Limit
Part	Expenses. Enter expenses.	enses	for business use of you	ır hor		chari	table events, meals for
श्री	Advertising	8	10,877.	18	children at a daycare facility		
9	Car and truck expenses (see			19	Pension and profit-sharing plans .	19	
	instructions)	9	18,964.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III) .	22	6,690.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	
	instructions)	13	4,829.	24	Travel and meals:		
14	Employee benefit programs		_	а	Travel	24a	1,200.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	2,327.
16	Interest (see instructions):			25	Utilities	25	7,211.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits).	26	
b	Other	16b		27a	Other expenses (from line 48)	27a	22,356.
17	Legal and professional services	17	2,211.	b	Reserved for future use	27b	
28	Total expenses before expen	ses fo	business use of home. Add	d lines	8 through 27a ▶	28	76,665.
29	Tentative profit or (loss). Subtr	act lin	e 28 from line 7			29	87,956.
30	Expenses for business use of	f your	home. Do not report these	е ехре	nses elsewhere. Attach Form 8829		
	unless using the simplified me	thod. S	See instructions.				
	Simplified method filers only	: Ente	r the total square footage of	(a) you	ur home:		
	and (b) the part of your home	used fo	or business:		. Use the Simplified		
	Method Worksheet in the instr					30	20,851.
31	Net profit or (loss). Subtract	line 30	from line 29.				
	. If a profit, enter on both Se	chedu	le 1 (Form 1040), line 3, ar	nd on	Schedule SE, line 2. (If you		
	checked the box on line 1, see	instru	ctions). Estates and trusts,	enter c	on Form 1041, line 3.	31	67,105.

Page 7

Meals and Entertainment: 50% Limit

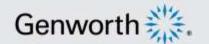
Meals and Entertainment: 100% Limit

associates at sporting events, shows, nightclubs

Meals while traveling for business, entertaining your business

II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	2,327.00	
8	Business Use of Home (Line 30, Form 8829)	+		
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 62,852.00	\$ 1.00

Part	Expenses. Enter expe	enses	for business use of you	r hom	e only on line 30.	-	
श्री	Advertising	8	10,877.	18	Office expense (see instructions)	18	
$\sim_{\rm e}$	Car and truck expenses (see			19	Pension and profit-sharing plans .	19	
	instructions)	9	18,964.	20	Rent or lease (see instructions):		
10	Commissions and fees .	10		а	Vehicles, machinery, and equipment	20a	
11	Contract labor (see instructions)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179			22	Supplies (not included in Part III) .	22	6,690.
	expense deduction (not included in Part III) (see			23	Taxes and licenses	23	
	instructions)	13	4,829.	24	Travel and meals:		
14	Employee benefit programs			а	Travel	24a	1,200.
	(other than on line 19).	14		b	Deductible meals (see		
15	Insurance (other than health)	15			instructions)	24b	2,327.
16	Interest (see instructions):			25	Utilities	25	7,211.
а	Mortgage (paid to banks, etc.)	16a		26	Wages (less employment credits).	26	
b	Other	16b		27a	Other expenses (from line 48)	27a	22,356.
17	Legal and professional services	17	2,211.	b	Reserved for future use	27b	
28	Total expenses before expen	ses for	business use of home. Add	lines 8	3 through 27a ▶	28	76,665.
29	Tentative profit or (loss). Subtr	act line	e 28 from line 7			29	87,956.
30	Expenses for business use of unless using the simplified me Simplified method filers only	thod. S	See instructions.		nses elsewhere. Attach Form 8829		
	and (b) the part of your home	used fo	or business:		. Use the Simplified		
					ine 30	30	20,851.
31	Net profit or (loss). Subtract	line 30	from line 29.				
	If a profit, enter on both Schecked the box on line 1, see					31	67,105.



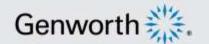
II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	2,327.00	
8	Business Use of Home (Line 30, Form 8829)	+	20,851.00	
>	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 83,703.00	\$ 1.00

Review Line 9 for Car and Truck Expenses

If there is an entry, look for the math

9 Car and truck expenses (see instructions). 9

	EDULE C n 1040)			Profit or Los		om Business		OMB No. 1545-0074
Departm	ent of the Treasury		Go to			uctions and the latest information.		Attachment
		► Attach to	Form '	1040, 1040-SR, 1040-NR, o	r 1041	partnerships generally must file F		
	f proprietor							ocurity number (SSN)
A	1 Homeowner		un land	uding product or service (se	a lante	vetlene)		XX-XXXX code from instructions
Α.	Photograph		en, inci	uding product or service (se	e instri	uctions)	D Enter	▶ 5 6 1 6 0 0
С			husin	ess name, leave blank,			D Emplo	yer ID number (EIN) (see instr.)
•	Impressive		000111	odo namo, roavo branc.			LI	,
E			uite or	room no.) ▶ 7 Gallor	ing	Hill Road		
	City, town or po	st office, state	, and 2	ZIP code Colts Ne	ck,	NJ 07708		
F	Accounting met	hod: (1) 2	Casi	n (2) Accrual (3) 🗆	Other (specify) >		
G	Did you "materia	ally participate	" in the	operation of this business	during	2020? If "No," see instructions for lin	nit on los	sses . X Yes □ No
н	If you started or	acquired this	busine	ss during 2020, check here				▶ 🗆
1				that would require you to fil	e Form	n(s) 1099? See instructions		, , ☐ Yes ☑ No
J		or will you file	requi	red Form(s) 1099?				Yes No
Pari	Income							
1						this income was reported to you on		
_				vee" box on that form was c	hecked	1▶□	1	157,866.
2	Returns and allo						2	157 066
3	Subtract line 2 fr						3	157,866.
5	Cost of goods a Gross profit. S		,	ne 3			5	157,866.
6				state gasoline or fuel tax cre	dit or :	refund (see instructions)	6	6,755.
7	Gross income.	-		state gasonine or rue tax cre	dit or i	erund (see maductiona)	7	164,621.
Part				for business use of you	r hom	ne only on line 30.		202/0821
8	Advertising		8	10,877.	18	Office expense (see instructions)	18	
9	Car and truck ex		_	==,	19	Pension and profit-sharing plans .	19	
	instructions). ,		9	18,964.	20	Rent or lease (see instructions):		
10	Commissions ar	vi fose	10		a	Vehicles, machinery, and equipment	20a	
			11		ь	Other business property	20b	
			12		21	Repairs and maintenance	21	
	18,96	5.4			22	Supplies (not included in Part III) .	22	6,690.
	10,50) . .			23	Taxes and licenses	23	
	instructions)		13	4,829.	24	Travel and meals:		
14	Employee benef				а	Travel	24a	1,200.
	(other than on lin		14		ь	Deductible meals (see		
15	Insurance (other	,	15			instructions)	24b	2,327.
16	Interest (see inst				25	Utilities	25	7,211.
a	Mortgage (paid to		16a		26	Wages (less employment credits) .		22.256
ь 17	Other		16b	2,211.	27a	Other expenses (from line 48) Reserved for future use	27a 27b	22,356.
28					_	B through 27a	28	76,665.
29				e 28 from line 7			29	87,956.
30						nses elsewhere. Attach Form 8829	-	0.75001
				See instructions,	ungru	index clocking c. Patacii i citi duco		
				the total square footage of	(a) you	r home:		
	and (b) the part	of your home	used fo	or business:		, Use the Simplified		
	Method Worksh	eet in the instr	uction	s to figure the amount to en	ter on I	ine 30	30	20,851.
31	Net profit or (lo	ss). Subtract	line 30	from line 29.				
						Schedule SE, line 2. (If you		
	checked the box	k on line 1, sec	instru	ctions). Estates and trusts,	enter o	n Form 1041, line 3.	31	67,105.
	 If a loss, your 					J		
32	If you have a los	s, check the b	ox tha	t describes your investment	in this	activity. See instructions.		
						0), line 3, and on Schedule		7 All I
			box or	line 1, see the line 31 instruc	ctions).	Estates and trusts, enter on		All investment is at risk. Some investment is not
	Form 1041, line			0400 V		Euroba d	32b	at risk.
E C				tch Form 6198. Your loss m	_			
For Pa	perwork Reduct	ion ACT Notic	e, see	the separate instructions.	7 B	AA REV (02/15/21 TTW		Schedule C (Form 1040) 2020



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

Part	Information on Your Vehicle. Complete this part only if you are and are not required to file Form 4562 for this business. See the file Form 4562.	
43	When did you place your vehicle in service for business purposes? (month/day/year)	<u> </u>
44	Of the total number of miles you drove your vehicle during 2020, 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
46	Do you (or your spouse) have another vehicle available for personal use?	Yes
47a	Do you have evidence to support your deduction?	Yes No
b	If "Yes," is the evidence written?	Yes No

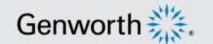
Page 8

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

Verify 4562 is for t

- Review Page 2 of Line #30

adula C	Form 4562 Int of the Treasury	Including information on Listed Property)							
edule C	John & Mary Homeown Part Election To Ex	Name(s) shown on return John & Mary Homeowner Business or activity to which this form relates School Photographer 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.							
4562 is for the Schedule C	1 Maximum amount (see instructions)								
ew Page 2 of the worksheet #30	7 Listed property. Enter 8 Total elected cost of si 9 Tentative deduction. E 10 Carryover of disallower 11 Business income limitati 12 Section 179 expense o 13 Carryover of disallower	ection 179 property. As nter the smaller of line d deduction from line 1 ion. Enter the smaller of leduction. Add lines 9 a	9	(c), lines 6 and 7 562 ss than zero) or line more than line 11	e 5. See instructions	8 9 10 11 12 2,399.			
partment of the Treasury email Personne Service (99) The Go to www.irs.gov/Form4562 for the treasury area of the Treasury Business or	and Amortization tion on Listed Property) o your tax return. r instructions and the latest i activity to which this form relates Photographer	information.	Atta Seq Identifyin	No. 1545-0173 020 chrment uence No. 179 g number X-XXXX	9 e general	14 15 16 17 5,524.			
onn a Mary Homeowner — Sch C		Assets Placed in Serv	ice During 2020 Tax		eneral Depreciation	n Suetam			
		Month and year (c) Basis for placed in (business/inv service only—see in	depreciation restment use (d) Recovery	(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				S/L				
	f 20-year property g 25-year property		25 yrs.						
	g 25-year property h Residential rental property		27.5 yrs. 27.5 yrs.	MM MM MM	5/L 5/L 5/L				
	g 25-year property h Residential rental property i Nonresidential real property	ssets Placed in Servic	27.5 yrs.	MM MM MM	S/L S/L S/L S/L	ion System			
	g 25-year property h Residential rental property i Nonresidential real property Section C—At 20a Class life b 12-year	ssets Placed in Servic	27.5 yrs. 27.5 yrs. 39 yrs. ee During 2020 Tax Ye	MM MM MM ar Using the Alt	S/L S/L S/L S/L S/L ernative Deprecial S/L S/L	ion System			
	g 25-year property h Residential rental property i Nonresidential real property Section C—As 20a Class life b 12-year c 30-year d 40-year		27.5 yrs. 27.5 yrs. 39 yrs. ce During 2020 Tax Ye	MM MM MM	S/L S/L S/L S/L S/L emative Depreciat	ion System			
	g 25-year property h Residential rental property i Nonresidential real property Section C—As 20a Class life b 12-year c 30-year	e instructions.) amount from line 28	27.5 yrs. 27.5 yrs. 39 yrs. 20 During 2020 Tax Ye 12 yrs. 30 yrs. 40 yrs.	MM MM MM sar Using the Alte MM MM	9/L 9/L 9/L 9/L 9/L 9/L 9/L 9/L 9/L 9/L	21			



	4562 (2020)		//	-l				-41			!					Page 2
Pa		l Proper ainment, i	ty (Inclu recreation,	de auto or amu			ertain	otner	venicie	es, cer	tain a	aircraft	, and	prop	erty us	ed for
	Note:	For any ve	hicle for wh	nich you	are usi	ng the	standa	rd mile	eage rate	or dec	lucting	lease	expense	e, com	plete or	l y 24a,
	24b, co	olumns (a)	through (c)	of Section	n A, all	of Sec	tion B,	and S	ection C	if applic	cable.					
	Section A	-Depreci	iation and (Other Inf	formati	ion (Ca	ution: S	See th	e instruc	tions fo	r limits	for pas	ssenger	autom	nobiles.)	
248	a Do you have ev	vidence to su	pport the bus	siness/inve	estment (use clair	ned? 🛚	Yes	No	24b If	"Yes," i	s the ev	idence w	ritten?	X Yes	No
	(a) e of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(o Cost or o	d) ther basis		(e) for depre ness/inves use only)	stment	(f) Recovery period	y Me	(g) thod/ vention		(h) preciation eduction	Е	(i) lected sect cost	
25	Special depr															
	the tax year							e. See	instruct	ions .	25					
26	Property use	ed more tha	an 50% in a	qualified	d busine	ess use	e:									
Ra	nge Rover	01/03/2015														
			%													
			%													
27	Property use	d 50% or	less in a qua	alified bu	siness	use:										
			%							S/L -				_		
			%							S/L -				_		
			%							S/L -						
28	Add amount										28					
29	Add amount	s in colum	n (i), line 26.	Enter he	ere and	on line	7, pag	e1 .						29		
				Sec	tion B	– Infor	mation	on Us	se of Vel	nicles						
	plete this secti															vehicles
to yo	our employees,	first answe	r the questic	ns in Sec	ction C t	to see if	you me	et an e	exception	to com	pleting	this sec	tion for t	those v	ehicles.	
						a)		b)		c)		d)		e)		f)
30	Total business				Vehi	icle 1	Vehi	icle 2	Vehi	cle 3	Veh	icle 4	Vehi	cle 5	Vehi	cle 6
	the year (don '	t include co	mmuting mil	es) .	8	,244										
31	Total commut	ing miles dr	iven during th	ne year												
32	Total other	personal	(noncomi	muting)												
	miles driven				5	,167										
33	Total miles															
	lines 30 thro	ugh 32 .			13	,411										
34	Was the veh	icle availat	ole for perso	nal	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	use during o	ff-duty hou	ırs?		X											
35	Was the veh				×											
	than 5% ow	ner or relat	ed person?		_^_											_
36	Is another veh	icle availab	e for persona	al use?	×											

Business Miles Of 8,244 x 27¢ Is \$2,225 In Additional Depreciation That Could Be Added Back.

II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	2,327.00	
8	Business Use of Home (Line 30, Form 8829)	+	20,851.00	
9	Business Miles, Page 2, Part IV (Line 444 or 4562, Line 30)			
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.20
10b	= Total Mileage Depreciation	+	0.00	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.0
	Schedule C Subtotal		\$ 83,703.00	\$ 1.0

II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	-	2,327.00	
8	Business Use of Home (Line 30, Form 8829)	+	20,851.00	
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)		8,244.00	
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	2,225.88	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+		1.00
	Schedule C Subtotal		\$ 85,928.88	\$ 1.00

IRS Publication 463



A	Journal ACCOU	OF NTANCY	Z °		Home
	COVID-19	TAX	PRACTICE MANAGEMENT	FINANCIAL REPORTING	AUDIT

incurred

Under Notice 2020-05, driving for medical care or for certain limited moving expense purposes for members of the armed forces may be deducted at 17 cents per mile, which is 3 cents lower than for 2019.

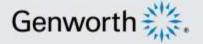
The TCJA repealed the moving expense deduction for individual taxpayers from 2018 to 2025, except for U.S. armed forces members on active duty who move pursuant to a military order and incident to a permanent change of station to whom Sec. 217(g) applies.

The rate for service to a charitable organization is unchanged, set by statute at 14 cents per mile (Sec. 170(i)).

The portion of the business standard mileage rate that is treated as depreciation will be 27 cents per mile for 2020, 1 cent more than 2019, one of the few amounts that is increasing.

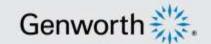
2001–2002 0.15 2000 0.14

https://www.journalofaccountancy.com/news/2020/jan/2020-irs-mileage-rates-22724.html#:~:text=The%20rate%20for%20service%20to,few%20amounts%20that%20is%20increasing.



Enter only the \$2,807 amortization/casualty loss on your calculator

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.	
Shipping & Phstage	4,399.
Outside Services	15,000.
Amortization	2,007
Printing	150
Casualty Loss/Theft Claim	800
48 Total other expenses. Enter here and on line 27a	22 , 356 . Schedule C (Form 1040) 202

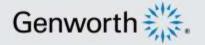


II Sc	hedule C - Sole Proprietorship		2020	2019
3	Net Profit or Loss (Line 31)	+/-	67,105.00	
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-	(6,755.00)	
5	Depletion (Line 12)	+	0.00	
6	Depreciation (Line 13)	+	4,829.00	
7	Meal and Entertainment Exclusion (Line 24b)	1 -	2,327.00	
8	Business Use of Home (Line 30, Form 8829)	+	20,851.00	
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)		8,244.00	
10a	x Depreciation Rate (2020-27¢; 2019-26¢)		\$ 0.27	\$ 0.26
10b	= Total Mileage Depreciation	+	2,225.88	0.00
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+	2,807.00	1.00
	Schedule C Subtotal	-	\$ 88,735.88	\$ 1.00

SAM Form Section III

III S	chedule D - Capital Gains or Losses		2020	2019	NOTES
12	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-			*Verify no recurring losses that need to be considered.
	Schedule D Subtotal		\$ 0.00	\$ 0.00	

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



2020

Attachment Sequence No. 12

Your social security number XXX-XX-XXXX

Schedule D Capital Gains

Try to not 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 7 to see what was reported
- -Our 2020 example show \$3,000 loss

Tax-exempt interest . .

Pensions and annuities

Social security benefits

Qualified dividends

IRA distributions

Wages, salaries, tips, etc. Attach Form(s) W-2

2a

3a

4a

5a

Capital gain or (loss). Attach Schedule D if required. If not required,

	s below. s form may be ole dollars.		-		o enter on the	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustmen to gain or loss Form(s) 8949, line 2, colum	from Part I,	(h) Gain or (loss) Subtract column (e from column (d) and combine the result with column (g)
1a	which you However, if y	hich basi have no ou choos	s was rep adjustme se to repo	orted to the ents (see rt all these	rted on Form le IRS and for instructions). transactions to line 1b					
1b	Box A check				n(s) 8949 with					
2	Totals for all Box B check				n(s) 8949 with					
3	Totals for all Box C check				n(s) 8949 with					
4	Short-term a	ain from F	orm 6252	and short	-term gain or	loss) from Forms 4	684, 6781, and 88	324	4	
	Net short-to	rm gain	or (los	s) from p	partnerships,	S corporations,	estates, and tr	rusts from	5	
6	Short-term c	apital los	s carryove	r. Enter th	e amount, if a	ny, from line 8 of y	our Capital Loss	Carryover	6	(7,554.
7	Net short-te	rm capit	al gain or	(loss). Co	ombine lines 1	a through 6 in colu se, go to Part III on	ımn (h). If you hav	e any long-	7	-7,554
See	instructions for below.					nerally Assets I	(e)	(g) Adjustmen	_	(h) Gain or (loss)
This	s below. s form may be ole dollars.	easier to	complete i	f you roun	d off cents to	(d) Proceeds (sales price)	Cost (or other basis)	to gain or loss Form(s) 8949, line 2, colum	from Part II,	from column (d) an
This	s form may be oble dollars.					Proceeds (sales price)	Cost	to gain or loss Form(s) 8949,	from Part II,	Subtract column (e from column (d) an combine the resul with column (g)
. This who	s form may be oble dollars.	Inna-tan			ted on Form	Proceeds (sales price)	(or other basis)	to gain or loss Form(s) 8949,	from Part II,	from column (d) an combine the result
. This who	rest	Inna-tan			1 1 2b	Proceeds (sales price)	(or other basis)	to gain or loss Form(s) 8949,	from Part II,	from column (d) an combine the resul
le inte	rest idends	Inna-tan			1 2b 3b	Proceeds (sales price)	(or other basis)	to gain or loss Form(s) 8949,	from Part II,	from column (d) an combine the resul
le inter	rest idends bunt	Inna-tan			1 2b 3b 4b	Proceeds (sales price)	(or other basis)	to gain or loss Form(s) 8949,	from Part II,	from column (d) an combine the result
le inter ary divi le amo	rest idends bunt .	Inna-tan			1 2b 3b 4b 5b	Proceeds (states price) 63	(or other basis)	to gain or loss Form(s) 80,000 line 2, colum	from Part II, n (g)	from column (d) an combine the result
le inter le amo le amo le amo ck her	rest idends bunt bunt count co	ipital loss	carryover ructions	r. Enter the	1 2b 3b 4b 5b 6b 7	Proceeds (states price) 63 1 - 3 y, from line 13 of y a through 14 in oc	, 400. , 568.	to gain or loss forming selection of the control of	11 12 13	from column (d) an combine the resul
le inter le amo le amo le amo le amo ck her	rest idends bunt bunt count co	ipital loss	carryover ructions	r. Enter the	2b 3b 4b 5b 6b 7	Proceeds (states price) 63 1 -3 yy, from line 13 of y	, 400. , 568.	to gain or loss forming 8446, jime 2, column or (loss) or (loss) e(s) K-1 Carryover o to Part III	11 12 13	from column (d) an combine the resul

Capital Gains and Losses

► Attach to Form 1040, 1040-SR, or 1040-NR

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year?

ff "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss

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

Pages 2 and 9

Attach

Sch. B if

required.

Standard Deduction for-

Single or

2a

4a

6a

b Ta

b Or

b Ta

b Ta

b Ta

SCHEDULE D

Department of the Treasur

Internal Revenue Service (9)

John & Mary Homeowne

(Form 1040)

Schedule D

SCHEDULE D (Form 1040)

Department of the Treasury

Internal Revenue Service (99)

Capital Gains and Losses

2020

► Attach to Form 1040, 1040-SR, or 1040-NR. ▶ 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.

Attachment Sequence No. 12

OMB No. 1545-0074

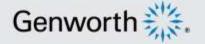
Name(s) shown on return

Your social security number

John	&	Mary	Homeowner			XXX-XX-XXXX
Did you	dis	pose of	any investment(s) in a qualified opportunity fund during the tax year?	☐ Yes		No
If "Yes,"	att	ach Fo	m 8949 and see its instructions for additional requirements for reporting	g your gain	or I	loss.

				-		ins and Los	ses—Gen	erally Assets I	Held One Year	or Less (see ins	tructions)
SCHEDULE D (Form 1040)	► Attach to Form	ains and Los	1040-NR.		20 20	_		(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)
Department of the Treasury Immal Revenue Service (99)	▶ Go to www.irs.gov/ScheduleD▶ Use Form 8949 to list your tra				Attachment Sequence No. 12		and for				
Name(s) shown on return					ocial security number	its (see instri					
John & Mary Hom					-XX-XXXX	k and go to lin					
	investment(s) in a qualified opportunity 149 and see its instructions for addition					i on Form(s) 8					
Part I Short-Ter	m Capital Gains and Losses—Ge	nerally Assets	Held One Year	or Less (se	e instructions)	d on Form(s) 8					
	to figure the amounts to enter on the			(g)	(h) Gain or (lo			\ f F f	004 0704 00		
lines below.		(d) Proceeds	(e) Cost	Adjustmer to gain or loss		1-7			684, 6781, and 88 estates, and tr		
This form may be easier whole dollars.	to complete if you round off cents to	(sales price)	(or other basis)	Form(s) 8949, line 2, colum		esult				_	
-				iine z, colum	ii (g) with column	Enter the ame			our Capital Loss		
	-term transactions reported on Form								mn (h). If you have		(7,554.)
	basis was reported to the IRS and for no adjustments (see instructions).								the back		-7,554.
However, if you ch	noose to report all these transactions					ins and Loss	es – Gen	erally Assets H	leld More Than	One Year (see	instructions)
	ve this line blank and go to line 1b .					mounts to ente	er on the	4.0	4-1	(g) Adjustments	(h) Gain or (loss) Subtract column (e)
	actions reported on Form(s) 8949 with					you round off	cents to	Proceeds (sales price)	Cost (or other basis)	to gain or loss from Form(s) 8949, Part II, line 2, column (g)	from column (d) and combine the result with column (g)
	actions reported on Form(s) 8949 with					ons reported of	n Form			- 157	
						rted to the IRS	and for				
	actions reported on Form(s) 8949 with					ts (see instri					
			1			k and go to lin					
•	om Form 6252 and short-term gain or (l	,			4	i on Form(s) 8	949 with				
,	gain or (loss) from partnerships,	,	,		5	i on Form(s) 8					
6 Short-term capital Worksheet in the i	loss carryover. Enter the amount, if ar instructions	,,		•	6 (7,55	i on Form(s) 8	949 with				
7 Net short-term ca	apital gain or (loss). Combine lines 1a	a through 6 in colu	ımn (h). If you hav	e any long-				2439 and 6252;	and long-term ga		
term capital gains	or losses, go to Part II below. Otherwis	e, go to Part III on	the back		7 -7,5	54.			terete from Sobor		
						s. See the instructions					
Page 9				14 1		arryover. Enter the amo	unt, if any,	from line 13 of y		Carryover	()
				15 1	let long-term capital	gain or (loss). Combin	e lines 8a	through 14 in co	lumn (h). Then, go	o to Part III	

Where Did The \$10,544 Loss On Line 6 Come From? The 1040 Showed A \$3,000 Loss.



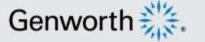
Schedule D

Schedu	ile D (Form 1040) 2020		Page 2	111
Part	Summary			
16	Combine lines 7 and 15 and enter the result	>	-7,554.	ı
	If line 16 is a fig., enter the amount from line 16 on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 1 below.			П
	 If line 16 is a loss, skip lines 17 through 20 below. Then, go to line 21. Also be sure to complete line 22. 			П
	 If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 22. 			ı
17	Are lines 15 and 16 both gains? Yes. Go to line 18. No. Skip lines 18 through 21, and go to line 22.			ı
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		ı
19	If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet	19		ı
20	Are lines 18 and 19 both zero or blank and are you not filing Form 4952? Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Forms 1040 and 1040-SR, line 16. Don't complete lines 21 and 22 below.			ı
	□ No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.			ı
21	If line 16 is a loss, enter here and on Form 1040, 1040-SR, or 1040-NR, line 7, the smaller of:			П
	The loss on line 16; or (\$3,000), or if married filing separately, (\$1,500)	21	(3,000.)	ı
	Note: When figuring which amount is smaller, treat both amounts as positive numbers.			
22	Do you have qualified dividends on Form 1040, 1040-SR, or 1040-NR, line 3a?			
	☐ Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Forms 1040 and 1040-SR, line 16.			
	_			

III S	ichedule D - Capital Gains or Losses		2020	2019	NOTES
12	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-	0.00		*Verify no recurring losses that need to be considered.
	Schedule D Subtotal		0	\$ 0.00	

Page 10

10



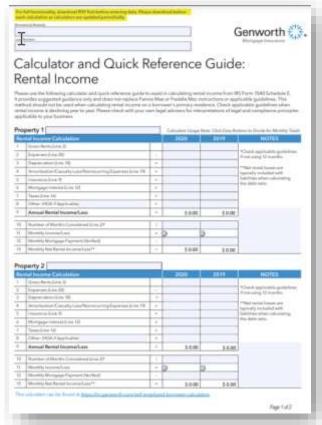
Genworth Rental Income Calculator

 Locate Calculator and Quick Reference Guide for Rental Income

- Turn to Schedule E, Part I, Rentals

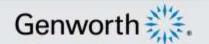
Rental Income has been removed from

the Form 91



SCHEDULE E **Supplemental Income and Loss** OMB No. 1545-0074 (Form 1040) (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) ► Attach to Form 1040, 1040-SR, 1040-NR, or 1041. Department of the Treasury Attachment Sequence No. 13 ► Go to www.irs.gov/ScheduleE for instructions and the latest information. Name(s) shown on return John & Mary Homeowner XXX-XX-XXXX Part Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C. 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 2020 that would require you to file Form(s) 1099? See instructions B If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No 1a Physical address of each property (street, city, state, ZIP code) A 234C Condo Court Sea Bright NJ 07772 В С 1b Personal Use Type of Property 2 For each rental real estate property listed QJV Days (from list below) above, report the number of fair rental and Days personal use days. Check the QJV box onlif you meet the requirements to file as a qualified joint venture. See instructions. Α В В С Type of Property: 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental 2 Multi-Family Residence 8 Other (describe) 3 Rents received 35,440 4 Royalties received 4 Expenses: Advertising Auto and travel (see instructions) 6 Cleaning and maintenance 1,980 2.299 Legal and other professional fees 550 Mortgage interest paid to banks, etc. (see instructions) 7.996 13 Repairs. 4,500 2,199 Taxes 11,211 2.697 Depreciation expense or depletion . . . 7,127 Other (list) > Association Dues 1,800 Total expenses. Add lines 5 through 19 . 43,209 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 Deductible rental real estate loss after limitation, if any, Total of all amounts reported on line 3 for all rental properties 35,440. Total of all amounts reported on line 4 for all royalty properties 23b Total of all amounts reported on line 12 for all properties 23c 23d 7,127. d Total of all amounts reported on line 18 for all properties . Total of all amounts reported on line 20 for all properties 23e 43,209 Income. Add positive amounts shown on line 21. Do not include any losses Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here 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 5. Otherwise, include this amount in the total on line 41 on page 2 For Paperwork Reduction Act Notice, see the separate instructions Schedule E (Form 1040) 2020 BAA REV 02/15/21 TTW 11

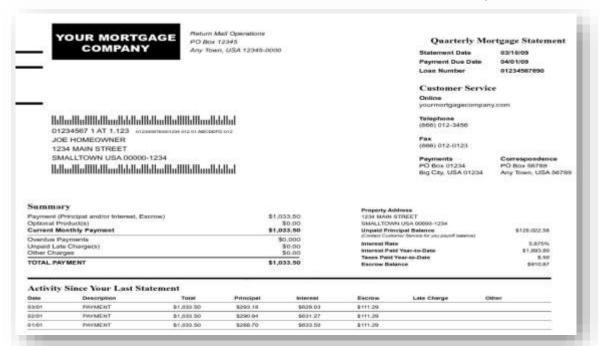




Mortgage Statement/Payment Coupon

A mortgage statement/payment coupon can verify:

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



PITI \$1,950 (verified on mortgage statement) + \$150 (verified HOA) = \$2,100

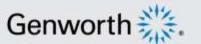
Calculator and Quick Reference Guide: Rental Income

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

Property 1	Pro	pe	rtv	1
------------	-----	----	-----	---

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

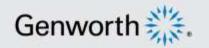
Rer	ntal Income Calculation			2020	2019	NOTES
1.	Gross Rents (Line 3)					
2	Expenses (Line 20)	-				*Check applicable guidelines if not using 12 months.
3	Depreciation (Line 18)	+				1
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+				**Net rental losses are typically included with
5	Insurance (Line 9)	+				liabilities when calculating the debt ratio.
6	Mortgage Interest (Line 12)	+				the debtratio.
7	Taxes (Line 16)	+				1
8	Other: (HOA if Applicable)	+				
9	Annual Rental Income/Loss	=		\$ 0.00	\$ 0.00	
10	Number of Months Considered (Line 2)*	1]
11	Monthly Income/Loss	-	0		0	
12	Monthly Mortgage Payment (Verified)	-				
13	Monthly Net Rental Income/Loss**			\$ 0.00	\$ 0.00	



Incom	e:			Properties:		Α
3 _m	Rents received				3	35,440.
411)	Royalties received .				4	
Expen	ses:					
5	Advertising				5	
6	Auto and travel (see in	nstructions)			6	
7	Cleaning and mainter	nance			7	1,980.
8	Commissions				8	
9	Insurance				9	2,299.
10	Legal and other profe	ssional fees			10	550.
11	Management fees .				11	850.
12	Mortgage interest pai	d to banks, e	etc. (see i	nstructions)	12	7,996.
13	Other interest				13	
14	Repairs				14	4,500.
15	Supplies				15	2,199.
16	Taxes				16	11,211.
17	Utilities				17	2,697.
18	Depreciation expense	or depletion	n.,		18	7,127.
19	Other (list) ► Assoc	ciation I	Dues		19	1,800.
20	Total expenses. Add	lines 5 throu	gh 19 .		20	43,209.
21	Subtract line 20 from	line 3 (rents)	and/or 4	(royalties). If		
	result is a (loss), see			•		
	file Form 6198				21	-7,769.

ro	perty 1 234C Condo Court,	Calculator Usage	
Rer	ntal Income Calculation	2020	
1	Gross Rents (Line 3)		\$ 35,440.00
2	Expenses (Line 20)		
3	Depreciation (Line 18)	+	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)	+	
6	Mortgage Interest (Line 12)	+	
7	Taxes (Line 16)	+	
8	Other: (HOA if Applicable)	+	
9	Annual Rental Income/Loss	=	\$ 35,440.00
10	Number of Months Considered (Line 2)*	1	
11	Monthly Income/Loss	=	
12	Monthly Mortgage Payment (Verified)		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00

Incom	ne:				Prop	oer	ties:		Α
300	Rents received							3	35,440.
4	Royalties received .							4	
Expen	ises:								
5	Advertising							5	
6	Auto and travel (see in	nstructions)						6	
7	Cleaning and mainter	ance						7	1,980.
8	Commissions							8	
9	Insurance							9	2,299.
10	Legal and other profe	ssional fees						10	550.
11	Management fees .							11	850.
12	Mortgage interest pai	d to banks,	etc. (s	ee ins	struc	ctio	ns)	12	7,996.
13	Other interest							13	
14	Repairs							14	4,500.
15	Supplies							15	2,199.
16	Taxes							16	11,211.
17	Utilities							17	2,697.
18	Depreciation expense							18	7,127.
19	Other (list) ► Asso	ciation 1	Dues					19	1,800.
20	Total expenses. Add	lines 5 throu	gh 19					20	43,209.
21	Subtract line 20 from result is a (loss), see								
	file Form 6198				-			21	-7,769.



ro	perty 1 234C Condo Court,		Calculator Usage
	ital Income Calculation	2020	
1	Gross Rents (Line 3)		\$ 35,440.00
2	Expenses (Line 20)	-	43,209.00
3	Depreciation (Line 18)	+	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)	+	
6	Mortgage Interest (Line 12)	+	
7	Taxes (Line 16)	+	
8	Other: (HOA if Applicable)	+	
9	Annual Rental Income/Loss	-	(\$ 7,769.00
10	Number of Months Considered (Line 2)*	/	
11	Monthly Income/Loss	=	
12	Monthly Mortgage Payment (Verified)	-	
13	Monthly Net Rental Income/Loss**		\$ 0.00

Incom	ie:		Properties:		Α
300	Rents received			3	35,440.
411)	Royalties received .			4	
Expen	ises:				
5	Advertising			5	
6	Auto and travel (see in	nstructions)		6	
7	Cleaning and mainter	nance		7	1,980.
8	Commissions			8	
9	Insurance			9	2,299.
10	Legal and other profe	ssional fees		10	550.
11	Management fees .			11	850.
12	Mortgage interest pai	d to banks, etc. (see i	nstructions)	12	7,996.
13	Other interest			13	
14	Repairs			14	4,500.
15	Supplies			15	2,199.
16	Taxes			16	11,211.
17	Utilities			17	2,697.
81	Depreciation expense	or depletion		18	7,127.
19	Other (list) ► Assoc	ciation Dues		19	1,800.
20	Total expenses. Add	ines 5 through 19 .		20	43,209.
21	Subtract line 20 from	line 3 (rents) and/or 4	(royalties). If		
	result is a (loss), see	, ,			
	file Form 6198			21	-7,769.

Pro	perty 1 234C Condo Court,	Calculator Usag	
Ren	ntal Income Calculation	2020	
1	Gross Rents (Line 3)		\$ 35,440.00
2	Expenses (Line 20)	-	43,209.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)	+	
6	Mortgage Interest (Line 12)	+	
7	Taxes (Line 16)	+	
8	Other: (HOA if Applicable)	+	
9	Annual Rental Income/Loss	=	(\$ 642.00)
10	Number of Months Considered (Line 2)*	7	
11	Monthly Income/Loss	=	
12	Monthly Mortgage Payment (Verified)	-	
13	Monthly Net Rental Income/Loss**	-	\$ 0.00

Incom	ie:		Properties:		Α
300	Rents received			3	35,440.
4	Royalties received .			4	
Expen	ises:				
5	Advertising			5	
6	Auto and travel (see in	nstructions)		6	
7	Cleaning and mainter	ance		7	1,980.
8	Commissions			8	
9	Insurance			9	2,299.
10	Legal and other profe	ssional fees		10	550.
11	Management fees .			11	850.
12	Mortgage interest pai	d to banks, etc. (s	ee instructions)	12	7,996.
13	Other interest			13	
14	Repairs			14	4,500.
15	Supplies			15	2,199.
16	Taxes			16	11,211.
17	Utilities			17	2,697.
18	Depreciation expense	or depletion .		18	7,127.
10	Other (list) ► Assoc	ciation Dues		19	1,800.
20	Total expenses. Add	lines 5 through 19		20	43,209.
21	Subtract line 20 from	line 3 (rents) and/	or 4 (royalties). If		
	result is a (loss), see it	instructions to find	d out if you must		
	file Form 6198			21	-7,769.

ro	perty 1 234C Condo Court,	Calculator Usag	
Rer	ntal Income Calculation	2020	
1	Gross Rents (Line 3)		\$ 35,440.00
2	Expenses (Line 20)	-	43,209.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)	+	
6	Mortgage Interest (Line 12)	+	
7	Taxes (Line 16)	+	
8	Other: (HOA if Applicable)	+	
9	Annual Rental Income/Loss	-	(\$ 642.00
10	Number of Months Considered (Line 2)*	/	
11	Monthly Income/Loss	=	
12	Monthly Mortgage Payment (Verified)	-	
13	Monthly Net Rental Income/Loss**		\$ 0.00

Incom	e:			Properties:		Α
300	Rents received				3	35,440.
411	Royalties received .				4	
Expen	ses:					
5	Advertising				5	
6	Auto and travel (see in	nstructions)		6	
7	Cleaning and mainter	ance			7	1,980.
8	Commissions				8	
9	Insurance				9	2,299.
10	Legal and other profe	ssional fee	s		10	550.
11	Management fees .				11	850.
12	Mortgage interest pai	d to banks	, etc. (see	e instructions)	12	7,996.
13	Other interest				13	
14	Repairs				14	4,500.
15	Supplies				15	2,199.
16	Taxes				16	11,211.
17	Utilities				17	2,697.
18	Depreciation expense	or depleti	on		18	7,127.
19	Other (list) ► Assoc	ciation	Dues		19	1,800.
20	Total expenses. Add	lines 5 thro	ugh 19 .		20	43,209.
21	Subtract line 20 from	•		, ,		
	result is a (loss), see			•	24	-7 760
	file Form 6198				21	-7,769.

ro	perty 1 234C Condo Court,	Calculator Usage		
Rer	ntal Income Calculation	2020		
1	Gross Rents (Line 3)		\$ 35,440.00	
2	Expenses (Line 20)		43,209.00	
3	Depreciation (Line 18)	+	7,127.00	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00	
5	Insurance (Line 9)	+	2,299.00	
6	Mortgage Interest (Line 12)	+		
7	Taxes (Line 16)	+		
8	Other: (HOA if Applicable)	+		
9	Annual Rental Income/Loss	-	\$ 1,657.00	
10	Number of Months Considered (Line 2)*	1		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00	

Incom	e:		Properties:		Α
300	Rents received			3	35,440.
_	Royalties received .			4	
Expen	ses:				
5	Advertising			5	
6	Auto and travel (see in	nstructions)		6	
7	Cleaning and mainter	nance		7	1,980
8	Commissions			8	
9	Insurance			9	2,299
10	Legal and other profe	ssional fees		10	550
11	Management fees .			11	850
12	Mortgage interest pai			12	7,996
13	Other interest			13	
14	Repairs			14	4,500
15	Supplies			15	2,199
16	Taxes			16	11,211
17	Utilities			17	2,697
18	Depreciation expense	or depletion		18	7,127
19	Other (list) ► Asso	•		19	1,800
20	Total expenses. Add			20	43,209
21	Subtract line 20 from	•			,
21	result is a (loss), see				
	file Form 6198		-	21	-7,769

ro	perty 1 234C Condo Court,	Calculator Usag		
Ren	ital Income Calculation	2020		
1	Gross Rents (Line 3)		\$ 35,440.00	
2	Expenses (Line 20)		43,209.00	
3	Depreciation (Line 18)	+	7,127.00	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00	
5	Insurance (Line 9)	+	2,299.00	
6	Mortgage Interest (Line 12)	+	7,996.00	
7	Taxes (Line 16)	+		
8	Other: (HOA if Applicable)	+		
9	Annual Rental Income/Loss	-	\$ 9,653.00	
10	Number of Months Considered (Line 2)*	1		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00	

Incom	e:			Properties:		Α
300	Rents received				3	35,440.
411)	Royalties received .				4	
Expen	ses:					
5	Advertising				5	
6	Auto and travel (see in	nstructions)			6	
7	Cleaning and mainter	ance			7	1,980
8	Commissions				8	
9	Insurance				9	2,299
10	Legal and other profe	ssional fees			10	550
11	Management fees .				11	850
12	Mortgage interest pai	d to banks,	etc. (see	instructions)	12	7,996
13	Other interest				13	
14	Repairs				14	4,500
15	Supplies				15	2,199
16	Taxes				16	11,211
17	Utilities				17	2,697
18	Depreciation expense	or depletio	n		18	7,127
19	Other (list) ► Assoc	ciation	Dues		19	1,800
20	Total expenses. Add	lines 5 throu	igh 19 .		20	43,209
21	Subtract line 20 from	line 3 (rents	and/or	4 (royalties). If		
	result is a (loss), see	•				
	file Form 6198			•	21	-7,769

ro	perty 1 234C Condo Court,	Calculator Usag		
Ren	ntal Income Calculation	2020		
1	Grc ts (Line 3)		\$ 35,440.00	
2	Expenses (Line 20)	10-1	43,209.00	
3	Depreciation (Line 18)	+	7,127.00	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00	
5	Insurance (Line 9)	+	2,299.00	
6	Mortgage Interest (Line 12)	+	7,996.00	
7	Taxes (Line 16)	+	11,211.00	
8	Other: (HOA if Applicable)	1+1		
9	Annual Rental Income/Loss	-	\$ 20,864.00	
10	Number of Months Considered (Line 2)*	/		
11	Monthly Income/Loss	- (
12	Monthly Mortgage Payment (Verified)	22-1		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00	

Incom	e:					Р	rop	er	ties:		Α
300	Rents received									3	35,440.
411)	Royalties received .									4	
Expen											
5	Advertising									5	
6	Auto and travel (see in	nstructi	ons)							6	
7	Cleaning and mainter	nance								7	1,980.
8	Commissions									8	
9	Insurance									9	2,299.
10	Legal and other profe	ssional	fees							10	550.
11	Management fees .									11	850.
12	Mortgage interest pai	d to ba	nks, e	etc. (s	see	inst	ruc	tio	ns)	12	7,996.
13	Other interest									13	
14	Repairs									14	4,500.
15	Supplies									15	2,199.
16	Taxes									16	11,211.
17	Utilities									17	2,697.
18	Depreciation expense	or dep	letior	١.						18	7,127.
19	Other (list) ► Asso	ciati	on I	ues						19	1,800.
20	Total expenses. Add	lines 5	throu	gh 19						20	43,209.
21	Subtract line 20 from	line 3 (rents)	and	or 4	4 (rc	oya	ltie	s). If		
	result is a (loss), see	instruct	ions 1	to fin	d o	ut if	yo	u r	nust		
	file Form 6198									21	-7,769.

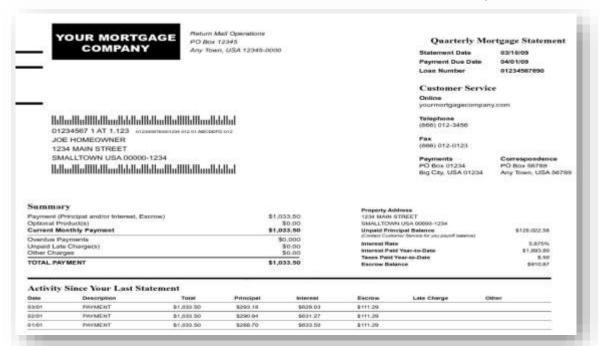
Property 1 234C Condo Court,					Calculator Usage Note: Click Gre					
Rer	ntal Income Calculation	500		20	20			2019		
1	Gross Rents (Line 3)			\$ 35	5,440	0.00				
2	Expenses (Line 20)		-	43	3,209	9.00				
3	Depreciation (Line 18)		+	1	7,127	7.00				
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+		(0.00				
5	Insurance (Line 9)		+		2,299.00					
6	Mortgage Interest (Line 12)		+	7	7,996.00					
7	Taxes (Line 16)		+	11,211.00						
8	Other: (HOA if Applicable) HOA Dues		+	1	1,800	0.00				
9	Annual Rental Income/Loss		-	\$ 22	\$ 22,664.00		\$ 0.0		.00	
10	Number of Months Considered (Line 2)*		/							
11	Monthly Income/Loss		=	0		- 8	0			
12	Monthly Mortgage Payment (Verified)		-							
13	Monthly Net Rental Income/Loss**	2 For each rental rea above, report the n personal use days.	estat umbe	te property listed or of fair rental and		Fair R Da		Personal Use Days		
		personal use days. if you meet the req qualified joint ventu	ents to file as a		3	366	0			

10	perty 1 234C Condo Court,	Calculator Usage	
Rer	ntal Income Calculation	2020	
1	Gross Rents (Line 3)		\$ 35,440.00
2	Expenses (Line 20)	-	43,209.00
3	Depreciation (Line 18)	+	7,127.00
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00
5	Insurance (Line 9)	+	2,299.00
6	Mortgage Interest (Line 12)	+	7,996.00
7	Taxes (Line 16)	+	11,211.00
8	Other: (HOA if Applicable) HOA Dues	+	1,800.00
9	Annual Rental Income/Loss	=	\$ 22,664.00
10	Number of Months Considered (Line 2)*	1	12
11	Monthly Income/Loss	- [\$ 1,888.67
12	Monthly Mortgage Payment (Verified)	-	00000
13	Monthly Net Rental Income/Loss**	-	\$ 1,888.67

Mortgage Statement/Payment Coupon

A mortgage statement/payment coupon can verify:

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



PITI \$1,950 (verified on mortgage statement) + \$150 (verified HOA) = \$2,100

Pro	perty 1 234C Condo Court,	Calculator Usage		
Rer	ntal Income Calculation	2020		
1	Gross Rents (Line 3)		\$ 35,440.00	
2	Expenses (Line 20)	-	43,209.00	
3	Depreciation (Line 18)	+	7,127.00	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	0.00	
5	Insurance (Line 9)	+	2,299.00	
6	Mortgage Interest (Line 12)	+	7,996.00	
7	Taxes (Line 16)	+	11,211.00	
8	Other: (HOA if Applicable) HOA Dues	+	1,800.00	
9	Annual Rental Income/Loss	-	\$ 22,664.00	
10	Number of Months Considered (Line 2)*	/	12	
11	Monthly Income/Loss	-	\$ 1,888.67	
12	Monthly Mortgage Payment (Verified)	-	\$ 2,100.00	
13	Monthly Net Rental Income/Loss**	-	(\$ 211.33)	

URLA Rental Property

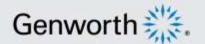
Address Street	234C Condo Cou	rt					Unit	:#
Ci <u>ty</u>					State	e ZIP	Countr	ry
<u> </u>	Status: Sold,	Intended Occupancy: Investment, Primary Residence, Second Home, Other		Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment		For 2-4 Unit Primary or Investment Property		
Property Value	Pending Sale, or Retained					Monthly Renta Income	S. Carrier and S. Car	For LENDER to calculate: Net Monthly Rental Income
\$ 650000	Retained 💌	Investment		\$ 150		\$ \$-211		
Mortgage Loans	on this Property	Does not o	pply			•		
Creditor Name Accoun		Monthly Mortgage Number Payment		Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)	
ABC Mortgage	1111111		\$	1950	\$ \$402000	V	Convention	\$
	1		\$		\$			\$

PITI \$1,950 (verified on mortgage statement) + \$150 (verified HOA) = \$2,100

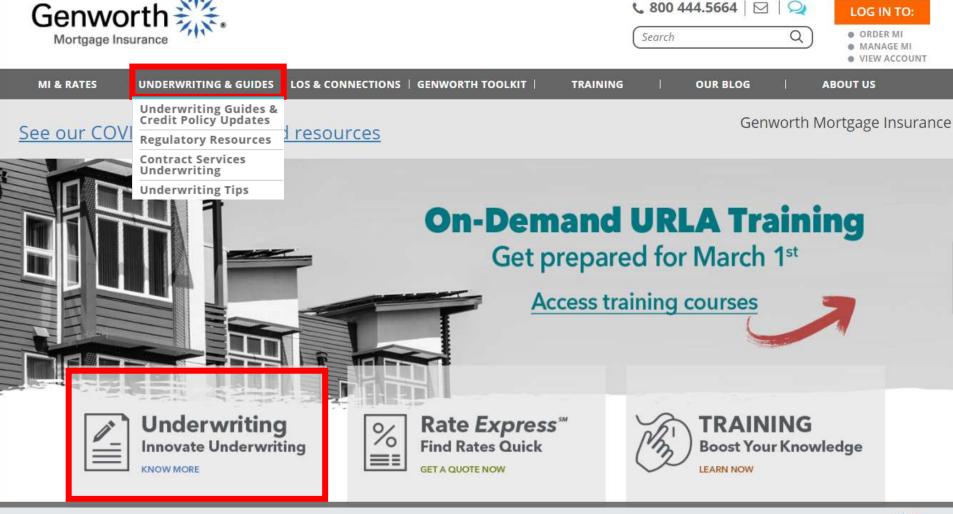
Net Rental Income

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

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



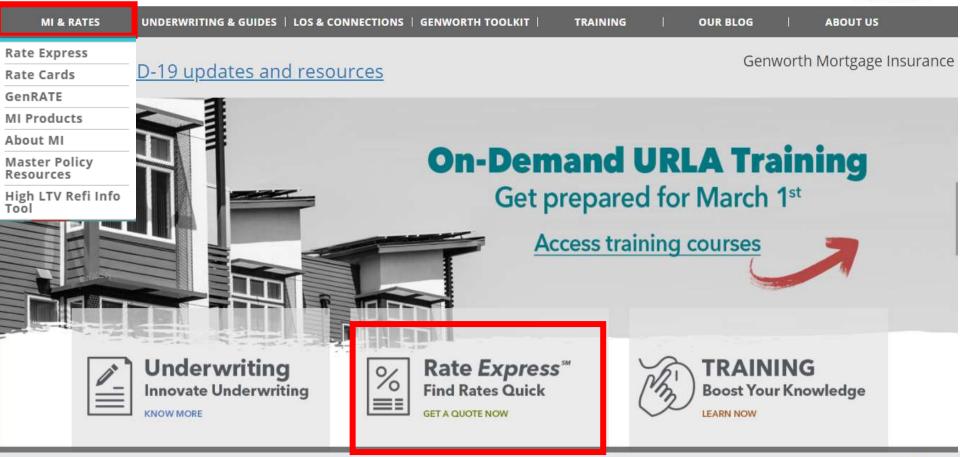
Genworth Underwriting Guidelines



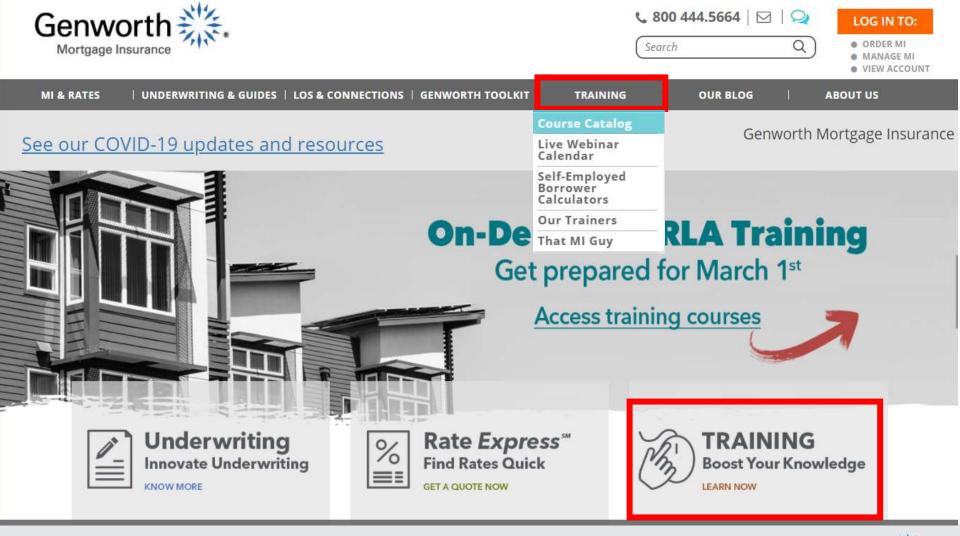
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Training Tools and Information

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Additional MI Site Information

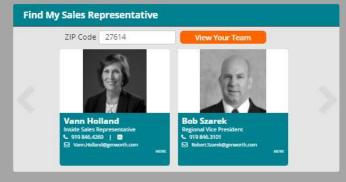












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