


Welcome to the Income and Expenses GUS application page, presented by USDA's Single Family Housing Guaranteed Loan Program!



USDA United States Department of Agriculture
Rural Development

Training Objectives

- Monthly repayment income
- Other income
- Combined monthly housing expenses

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The training objectives will review each section of the GUS Income and Expenses application page which includes:

- Monthly repayment income,
- Other income, and
- Combined monthly housing expenses.



Income and Expenses

Monthly Repayment Income ^(P)
(Stable and dependable income of parties to the note)

	Homeowner, John	Homeowner, Mary	Total
Base Employment Income	\$3,200.00	\$2,200.00	\$5,400.00
Overtime	\$0.00	\$0.00	\$0.00
Bonuses	\$0.00	\$0.00	\$0.00
Commissions	\$0.00	\$0.00	\$0.00
Dividends/Interest	\$0.00	\$0.00	\$0.00
Other <i>(enter details below)</i>	\$0.00	\$0.00	\$0.00
Subtotal	\$3,200.00	\$2,200.00	\$5,400.00
Net Rental	\$0.00	\$0.00	\$0.00
Total	\$3,200.00	\$2,200.00	\$5,400.00

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The first section of this application page is “Monthly Repayment Income.” The income amounts entered on this page will be utilized to calculate the repayment ratios.

Please review the red message: *“Stable and dependable income of parties to the note.”*

Hint: Income amounts that are entered on this application page must be considered stable, dependable, likely to continue. 7 CFR 3555, 3555.152(a) and HB Chapter 9 address repayment income. The “Eligibility” application page determined program eligibility. The “Income and Expenses” page will capture repayment income of those household members that will be a party to the note.

Each borrower will be listed with their own column for completion. Enter eligible repayment income in the following data fields as applicable:

- Base Employment Income
- Overtime
- Bonuses
- Commissions: Hint: Overtime, bonus, and commission income that has been earned for less than two years may indicate a potential risk.
- Dividends/Interest
- Other: Data entries in the “Other Income” section of this page will be displayed in these data fields.
- Subtotal: GUS will calculate the data entered in all columns to arrive a total for each borrower and the total for the household.
- Net Rental: If the borrower has received rental income for 24 months or more, then it

will be eligible for repayment income purposes. Net rental income is calculated from data entered on the “Assets and Liabilities” page in the “REO Property” section. Please see these training modules for additional information.

- Total: All income sources will be totaled for each borrower and the household.



Income and Expenses


Other Income

	Borrower	Description	Monthly Amount	Describe Other Income
<input type="button" value="Del"/>	<input type="text" value="Select One"/>	<input type="text" value="Select One"/>	\$0.00	<input type="text"/>
<input type="button" value="Del"/>	<input type="text" value="Select One"/>	<input type="text" value="Select One"/>	\$0.00	<input type="text"/>
<input type="button" value="Del"/>	<input type="text" value="Select One"/>	<input type="text" value="Select One"/>	\$0.00	<input type="text"/>

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The “Other Income” section will allow users to enter income types that were not addressed in the above monthly repayment income. Complete the following as applicable:

- Borrower: Select the borrower that receives the income from the dropdown box.



Income and Expenses

Other Income

Borrower		Description
Del	Select One	Select One
Del	Select One	Alimony Child Support
Del	Select One	Automobile Expense Account
		Capital Gains
		Employment Related Assets
		Foreign Income
		Foster Care
		Military Base Pay
		Military Clothes Allowance
		Military Combat Pay
		Military Flight Pay
		Military Hazard Pay
		Military Housing Allowance
		Military Overseas Pay
		Military Prop Pay
		Military Quarters Allowance
		Military Rations Allowance
		Mortgage Differential
		Notes Receivable Income
		Pension
		Public Assistance
		Royalty Payment
		Seasonal Income
		Social Security
		Subject Property Net Cash
		Temporary Leave
		Tip Income
		Trust
		Unemployment
		VA Benefits Non Educational

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- “Description”: Select the appropriate description for this income source.




Income and Expenses

Other Income

	Borrower	Description	Monthly Amount	Describe Other Income
<input type="button" value="Del"/>	Homeowner, John ▼	Social Security ▼	\$437.50	\$350 grossed up 25%
<input type="button" value="Del"/>	Select One ▼	Select One ▼	\$0.00	
<input type="button" value="Del"/>	Select One ▼	Select One ▼	\$0.00	

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- **Monthly Amount:** Enter the monthly amount of the other income received.
- **Describe Other Income:** Enter any notes in this data field to include pertinent information that is important for the underwriter and USDA. For example, on this slide Social Security Income was entered. The monthly amount entered was not the actual amount, but the grossed up amount allowed under current USDA guidelines. Therefore, the note entered alerts anyone reviewing this loan file that original amount received is \$350, but the amount entered has been grossed up by 25 percent. It only takes a few moments to document a loan file and avoid potential questions.



Income and Expenses

Monthly Repayment Income ^(P)
(Stable and dependable income of parties to the note)

	Homeowner, John	Homeowner, Mary	Total
Base Employment Income	\$3,200.00	\$2,200.00	\$5,400.00
Overtime	\$0.00	\$0.00	\$0.00
Bonuses	\$0.00	\$0.00	\$0.00
Commissions	\$0.00	\$0.00	\$0.00
Dividends/Interest	\$0.00	\$0.00	\$0.00
Other <i>(enter details below)</i>	\$437.50	\$0.00	\$437.50
Subtotal	\$3,637.50	\$2,200.00	\$5,837.50
Net Rental	\$0.00	\$0.00	\$0.00
Total	\$3,637.50	\$2,200.00	\$5,837.50

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When “Other Income” has been entered, it will appear in the “Other” data field with the monthly repayment income.

	Current Homeowner, John	Current Homeowner, Mary	Proposed
Rent	\$500.00	\$0.00	
First Mortgage (P&I)	\$0.00	\$0.00	\$731.88
Other Financing (P&I)	\$0.00	\$0.00	\$0.00
Hazard Insurance (property and flood insurance)	\$0.00	\$0.00	\$35.00
Real Estate Taxes	\$0.00	\$0.00	\$250.00
Annual Fee for First Year (Monthly)			\$41.82
Homeowner Assn. Dues	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Total	\$500.00	\$0.00	\$1,058.70

The next section of the application page is “Combined Monthly Housing Expense.”

Each borrower is listed with their own columns for “Current” and “Proposed” housing expenses associated with the loan. Enter the following as applicable:

- **Rent:** If any borrower is currently paying rent PLEASE enter the amount. If the borrowers are both living in the same unit, the full rent may be entered in the primary borrower’s column. If a Verification of Rent (VOR) is required, it will be stated on the GUS Underwriting Findings Report. The payment of rent or other shelter costs may be an excellent compensating factor or alternate line of credit if applicable.
- **First Mortgage (P&I):** Enter the principle and interest payment of a current first mortgage. GUS will calculate the P&I of the proposed mortgage based on the “Total Loan Amount” entered on the “Loan Terms” application page.
- **Other Financing (P&I):** Enter the principle and interest of any secondary financing, home equity lines of credit, etc.
- **Hazard Insurance:** Enter the amount of property and flood insurance as required. Hint: Ensure estimates are reasonable. Do not attempt to enter lower amounts in an effort to manipulate the GUS Underwriting Recommendation.
- **Real Estate Taxes:** Enter the monthly amount of property taxes due. If the property is

new construction, ensure an accurate estimate is entered for the projected taxes upon dwelling completion. If the taxes appear low for the area, research the exemptions the property may currently reflect due to senior citizen freeze, etc. Then enter an accurate amount for the current applicant. HINT: Do not attempt to enter lower amounts in an effort to manipulate the GUS Underwriting Recommendation.

- Annual Fee for First Year (Monthly): GUS will calculate the annual fee due for the total loan amount the first year and reflect the monthly portion of this fee under the “Proposed” column.
- Homeowners Association Dues: Enter applicable HOA dues.
- Other: If there are additional costs associated with the current or proposed dwelling not already stated, include that monthly amount in this section.
- Total: GUS will tally up the total costs for current housing and the proposed dwelling.

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Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program!



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Rural Development



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This will conclude the training module. Thank you and have a great day!