

CHAPTER 9: INCOME ANALYSIS

7 CFR 3555.152

9.1 INTRODUCTION

The lender is responsible to ensure applicants and households meet eligibility criteria for the SFHGLP. Lenders must determine annual, adjusted, and repayment income calculations. The guidance provided applies to both manually underwritten loans and loans that utilize the Guaranteed Underwriting System (GUS).

SECTION 1: ELIGIBILITY INCOME

9.2 OVERVIEW

The SFHGLP is intended to assist very-low, low, and moderate-income households. Therefore, the lender must ensure that any household that requests a loan guarantee does not exceed the adjusted annual income threshold for the applicable state and county where the dwelling is located. The Agency provides income eligibility information in Appendix 5 of this Handbook to lenders, and updates the limits as they are revised.

This section assists lenders to analyze income types, complete income calculations (annual, adjusted, and repayment), and document the income with acceptable verifications. Attachment 9-B of this Chapter includes an income worksheet for lenders to document these calculations. Attachment 9-C provides a case study to illustrate how to properly complete the income worksheet. A public website is available to assist in the calculation of annual and adjusted annual income online at:
<http://eligibility.sc.egov.usda.gov/eligibility/>.

9.3 ANNUAL INCOME [7 CFR 3555.152(B)]

Annual income will include all eligible income sources from all adult household members, not just parties to the loan note. The annual income for the household will be used to calculate the adjusted annual household income. The adjusted annual income is used to determine if the household is eligible for a guaranteed loan.

A. Income that is Never Counted

7 CFR 3555, Section 3555.152(b)(5) lists income sources that are never included in the annual income calculation. Refer to Attachment 9-A to review income and asset types, guidance for annual and repayment purposes, and documentation options acceptable to verify the income or asset source.

B. Calculation of Annual Income

Annual income is calculated for the ensuing 12 months, based on the current income documentation and household composition. Lenders must examine all evidence to ensure the calculation is supported.

In addition to 3555.152(b) and Attachment 9-A, lenders must consider the following to calculate annual income:

- Use the gross amount, before any payroll deductions, of base wages and salaries, overtime pay, commissions, fees, tips, bonuses, housing allowances and other compensations for personal services of all adult members of the household, unless they meet the exclusion criteria of 3555.152(b)(2) and Attachment 9-A. Documented cost of living allowances or wage increases that will be effective on or before loan closing, must be included in the annual income calculation.
- Include the first \$480 of earned income from adult full-time students who are not the applicant, co-applicant, or spouse of an applicant.
- Include the income of an applicant's spouse, unless the spouse has been living apart from the applicant for at least three months (for reasons other than military or work assignment), or court proceedings for divorce or legal separation have been commenced. Evidence to support living apart for three months may include but is not limited to an apartment lease, bills, or bank statements, in their name alone delivered to a different address, etc. This guidance applies to domestic partners, significant others, and fiancée's that are currently living with the applicant as a household/family unit. This guidance does not apply to adult dependents age 18 and up.

- An adult member that is currently unemployed but is seeking new employment must have their previous earnings included in the annual income. The previous earnings are not required to be included when there is documented evidence to support they are not seeking to be reemployed, such as a tendered resignation, official termination from previous employer, or a signed statement from the adult household member that they do not plan to pursue new employment.
- Income verifications provided by the applicant that do not currently support historical earnings with the same employer (example: less hours worked, less overtime, less bonus, declining self-employment income, etc.) must be carefully reviewed to determine appropriate calculations.
- Verified changes of circumstance that will affect the ensuing 12 months of income must be considered and documented. Examples include but are not limited to: pending retirement, resignation tendered, documented raise that will occur prior to loan closing, etc.

The calculation of annual income should be logical based on the history of income and documentation provided. Lenders may contact USDA to discuss income types and calculations to ensure every household is properly reviewed.

Annual income calculations will typically vary from adjusted annual and repayment income.

C. Income of Temporarily Absent Household Members

A household member is defined as all persons routinely living in the dwelling as a principal residence, except for live in aides, foster children, and foster adults (3555.10). If a member of the household that will make the dwelling their principal residence is temporarily absent, their income must be included.

The applicant(s) must certify to the correct household member number on *Form RD 3555-21 "Request for Single Family Housing Guarantee."*

D. Applicant Assets

Assets may be required to be included in the annual income calculation. Refer to paragraph 9.4 for guidance.

E. Verification Requirements

Lenders must verify income and asset documentation provided by the applicant(s) and other adult household members. The following guidance will assist:

- Written, oral, or electronic verifications, and documents provided or prepared by third-party sources are acceptable. These verifications must be provided directly to the lender.
- Lenders may not accept verifications or documents transmitted by or passed through an interested third party such as builders, real estate professionals, or sellers.
- Facsimiles, photocopies, computer/photograph images and computer-generated documents may be accepted in lieu of original forms.
- The lender is responsible for the integrity and accuracy of the information in the mortgage underwriting file. Regardless of the type of documentation used to support the loan application, the documents must be legible and free of any alternations, erasures, “white-outs,” or similar indications that changes have been made.
- Verification and documentation of household annual income will be retained in the lender’s permanent case file.
- Income and asset documents and verifications cannot be greater than 120 days old at time of loan closing. Divorce decrees, income tax returns, and other documents that do not expire, will continue to have the most recent or filed copy accepted.
- Applicable income and asset documents greater than 120 days old at the time of loan closing must be updated or re-verified to support applicant/household eligibility.

Lenders must verify the income for each applicant and adult household member (excluding eligible full-time students age 18 and above) through one of the following documentation methods. Refer to Attachment 9-A for documentation and verification options that are acceptable to support income types.

1. Full Documentation – Non-Self-Employed

- W-2 forms for the previous two tax years, which may be electronically generated, provided in paper format, as reported on filed Federal Income Tax Returns, or IRS transcripts, and
- Paycheck stubs or payroll earning statements that report the most recent four weeks of earnings, and
- Prior to loan closing a Verbal Verification of Employment (VVOE) must be obtained for all applicants within 10 business days of the note date/loan closing. This VVOE will be retained in the lender's permanent loan file. Adverse changes to the applicant's employment may render the loan ineligible.

2. Streamlined Documentation- Non-Self Employed

- Written Verification of Employment (VOE): Electronically generated verifications from the employer or a verification service utilized by the employer, *Form RD 1910-5 "Request for Verification of Employment,"* or an equivalent HUD, VA, Fannie Mae, or Freddie Mac form may be utilized to verify the current year-to-date (YTD) and previous year's employment earnings. This verification must confirm base income/wages, bonus, overtime, commissions, and other income sources earned as applicable, and
- Recent paycheck/earnings statement: Lenders must compare a recent paystub that includes YTD earnings and employment information to the VOE, and
- Prior to loan closing a VVOE must be obtained for all applicants within 10 business days of the note date/loan closing. This VVOE will be retained in the lender's permanent loan file. Adverse changes to the applicant's employment may render the loan ineligible.

3. *Self-Employed*

An applicant or household member is considered self-employed when they have a 25 percent or greater ownership interest in a business. The lender's permanent file must contain the following as applicable:

- Two consecutive years of signed Federal Income Tax Returns with all schedules filed with the IRS, or IRS transcripts that include all applicable schedules, along with a recent profit and loss statement (not required to be audited), and
- Two consecutive years of signed business Federal Income Tax returns with all schedules filed with the IRS, or IRS transcripts that include all applicable schedules, if required for the business type, and
- Confirmation the business is operational must be obtained within 30 days of the note date/loan closing. Documentation may include evidence of a website, additional internet documentation, licensing bureau certification, etc. Adverse changes to the business may render the applicant ineligible.

Lenders are encouraged to utilize *Fannie Mae Form 1084 "Cash Flow Analysis," Fannie Mae 1088 "Comparative Income Analysis,"* or comparable self-employment evaluation form, and Attachment 9-E to assist in the calculation of self-employment income.

Negative business income is considered "zero" for annual income calculations.

REMINDER: Refer to Attachment 9-A for documentation options and verification requirements of additional income and asset types that may apply to the household.

IRS Transcripts: Verification of Income

Lenders must require each adult household member as applicable to complete and sign IRS Form 4506-T for the previous two tax years at the time of loan application. The 4506-T must request full transcripts with all schedules.

Full time students age 18 and up that are not the applicant, co-applicant, or spouse of an applicant are not required to sign the 4506-T or have transcripts provided.

Guaranteed loans cannot be made to a household that exceeds the applicable adjusted annual income limit. The transcripts provide a qualify control measure to ensure all income and asset earnings reported to the IRS have been disclosed to the lender.

Lenders must obtain and review the transcripts prior to loan closing and retain them in their permanent loan file.

Previously unknown/undisclosed income or asset sources that are identified by the transcripts will require additional review by the lender and may render a loan file ineligible.

When the lender is unable to obtain transcripts from the IRS for an applicant or required household member, they may document their correspondence to and from the IRS in the permanent loan file to support the omission. The asset statements must be reviewed to ensure no errant deposits are identified that may be attributed to additional income sources. The loan file will be considered complete when the explanation is documented. Loan closings will not be delayed due to obstacles in obtaining the tax transcripts.

9.4 CALCULATING INCOME FROM ASSETS [7 CFR 3555.152(d)]

Household members with cumulative net family assets of \$50,000 or greater, must have those assets reviewed for annual income purposes as indicated in 3555.152(d). Lenders must review asset information provided by applicant(s) and household members at the time of loan application. Net family assets with actual earnings will use the stated rate of interest to calculate annual income. Net family assets that do not earn interest will use a current passbook savings rate (verified through the lender's personal banking rates, online website, etc.) to calculate annual income.

Refer to the Asset section in Attachment 9-A for individual asset types and options for documentation/verification.

9.5 ADJUSTED ANNUAL INCOME [7 CFR 3555.152(c)]

The adjusted annual income calculation will determine if the household is eligible for the guaranteed loan program. Adjusted annual income is calculated by using the annual income figure and subtracting any of the eligible deductions in 3555.152(c) for which the household may qualify. The Income Calculations Worksheet in the case study in Attachment 9-B of this chapter provides an example of using deductions.

Refer to Attachment 9-A for information and documentation options to support these eligible deductions:

- Dependents
- Child Care Expenses
- Elderly Household
- Care of Household Members with Disabilities
- Medical Expenses

9.6 AGENCY REVIEW OF HOUSEHOLD INCOME

Agency staff must recalculate the lender's determination of adjusted annual income, as a quality control step, when the lender's calculation is within 10 percent of the applicable published income limit. The Agency review is only required for manually underwritten loans. Agency staff must follow the guidance stated on the income calculation form to properly complete it. If the Agency's calculation exceeds the adjusted annual income threshold, the Agency must contact the approved lender to review the results and determine the appropriate calculation. This review will ensure adjusted annual household income calculations are correctly computed and include all applicable income. Agency staff will utilize Attachment 9-F to this chapter to record their calculation. Attachment 9-F will be imaged with essential documents in the Agency's Imaging Repository.

SECTION 2: REPAYMENT INCOME [7 CFR 3555.152(a)]

9.7 OVERVIEW

Repayment income will determine if the applicant(s) has sufficient income to repay the mortgage in addition to recurring debts. Repayment income calculations often differ from the calculation of annual and adjusted annual income.

Repayment income is the stable and dependable income of the applicants who will be parties to the note. Co-signers and non-occupant co-borrowers are **not** permitted for a guaranteed loan transaction.

9.8 STABLE AND DEPENDABLE INCOME

3555.152(a) and Attachment 9-A assist lenders to review income types. The following guidance also assists lenders to consider repayment income sources:

- The income source must be documented.
- There must be evidence of receipt of earnings.
- Lenders are responsible to analyze any gaps in employment in order to make a final determination of stable and dependable income. An employment gap does not automatically render an applicant ineligible.
- Caution should be utilized for any applicant that has documented declining wages or earnings. Lenders must ensure repayment income is not inflated/overstated.

9.9 AGENCY REVIEW OF REPAYMENT INCOME

Agency staff must recalculate the lender's determination of repayment income, as a quality control step, when the repayment ratios are within 10 percent of the published debt ratio threshold of 3555.151(h). Repayment ratios greater than 26 percent for principal, interest, taxes, and insurance (PITI) and/or greater than 37 percent total debt (TD) require the Agency recalculation. The Agency review is only required for manually underwritten loans. If the Agency's calculation does not agree with the repayment income calculation of the lender, the file could potentially be ineligible. The Agency must contact the approved lender to review the results and determine the appropriate calculation. This action will strengthen the oversight procedures used by field staff to verify compliance with regulatory requirements. Agency staff will complete Attachment 9-F as directed to record their calculation. Attachment 9-F will be imaged with essential documents in the Agency's Imaging Repository.

9.10 OPTIONAL DOCUMENTATION OF INCOME FORMS

Attachment 9-G of this Chapter provides optional verification forms for the lender's use in verifying non-employed income or adjusted annual income deductions as follows:

- Verification of Pensions and Annuities
- Verification of Student Income and Expenses
- Verification of Medical Expenses
- Verification of Social Security Benefits
- Verification of Public Assistance
- Verification of Child/Dependent Care
- Verification of Unemployment Benefits
- Verification of Business Expenses
- Verification of Support Payments

Also available is an optional form to record an oral verification of employment.

- Record of Oral Verification of Employment

ATTACHMENT 9-A

Income and Documentation Matrix		
Income guidance: 7 CFR 3555, Section 3555.152(a) and (b)		
Income Type	Annual	Repayment
Adoption Assistance or Subsidy	If the income will be received in the ensuing 12 months, include the first \$480 of adoption income or subsidy assistance for each grantee.	<p>History: 2 years</p> <p>Continuance: 3 years</p> <p>Benefits that do not include expiration dates on the documentation will be presumed to continue.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Benefit/Award letter to document the amount and duration of payments • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Automobile Allowance	Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months.	<p>History: 2 years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p> <p>The amount of allowance that exceeds the expenditure may be included for repayment. If there is a monthly debt associated with the income (such as a car or equipment payment), this debt must continue to be included in the debt ratio calculation.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • Contract/agreement from employer to state terms and duration of payments • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Base Wages (Hourly or Salary)	<p>Include amounts received before deductions for payroll taxes, insurance, etc. Include amounts that will be received in the ensuing 12 months.</p> <p>Full time students age 18 and above that are not an applicant, co-applicant, or spouse of an applicant will only have \$480 of their earnings included in the annual income calculation. These household members are not required to present income documentation.</p>	<p>History: Minimum 1 year (with current employer or employment continuity)</p> <p>Applicants with job gaps due to maternity leave, medical leave, relocation, etc. are considered to have employment continuity.</p> <p>Applicants returning to the workforce after leaving a previous job to care for a child/family member, complete education, etc. will require a 12 month employment history.</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written Verification of Employment (VOE) or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Bonus	<p>Include amounts that will be received in the ensuing 12 months based on employment verifications. Exclusions may apply under 3555.152(b)(5).</p>	<p>History: 2 years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p> <p>Significant variances in the documented earnings of this income type will require the lender to ensure the calculation used for repayment is not overstated.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
<p>Child Support</p>	<p>Include amounts that will be received in the ensuing 12 months.</p> <p>Legally enforceable payments that have not been received may be excluded when: payments are not received for an extended period of time and a reasonable effort has been made to collect them through the official entity responsible for enforcing such payments.</p>	<p><u>Court ordered payments:</u></p> <p>History: 6 months (payment received must be consistent)</p> <p>Continuance: 3 years</p> <p><u>Voluntary payment agreements:</u></p> <p>History: 12 months (payment received must be consistent)</p> <p>Continuance: 3 years</p> <p>Child support that meets the minimum history, but the payment amounts are not consistent must average the amounts received over the time of receipt. Payments received for the minimum history but zero has been received for any month must use zero.</p> <p>If the income is tax exempt, it may be grossed up 25 percent. No other adjustments are authorized. Lenders must document any adjustment made. Refer to current IRS guidelines and/or a tax professional for assistance.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the obligation • Evidence of timely receipt/consistent amount for required history: bank statements, canceled checks, deposit slips, tax returns, etc. 		

Income Type	Annual	Repayment
Commission	Include amounts that will be received in the ensuing 12 months based on employment verifications. Exclusions may apply under 3555.152(b)(5).	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease Significant variances in the documented earnings of this income type will require the lender to ensure the calculation used for repayment is not overstated.
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Depreciation Depletion	The amount(s) of straight line depreciation and/or depletion documented on acceptable IRS forms may be deducted.	History: 2 years Continuance: These amounts will be presumed to continue unless there is documented evidence they will cease The amount(s) of straight line depreciation and/or depletion may be added back to repayment
Documentation Source Options: <ul style="list-style-type: none"> • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Dividends	Include amounts that will be received in the ensuing 12 months.	History: 2 years Continuance: 3 years
Documentation Source Options: <ul style="list-style-type: none"> • Account statements to support amount of income utilized for repayment purposes, including the balance, rate of interest, and payment amounts/continuance • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Earned Income Tax Credit	Do not include	Do not include
Employee Fringe Benefits	Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months.	History: 2 years Continuance: 3 years
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • Contract/agreement from employer to state terms and duration of payments • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Expense Allowance	Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months.	<p>History: 2 years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p> <p>The amount of allowance that exceeds the expenditure may be included for repayment. If there is a monthly debt associated with the income (such as a car or equipment payment), this debt must be included in the debt ratio calculation.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • Contract/agreement from employer to state terms and duration of payments • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Foreign Income	Include all wages, salaries, and additional income types that will be received in the ensuing 12 months. Exclusions may apply under 3555.152(b)(5).	<p>History: 1 year (Refer to Base Wages)</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s), translated into English if applicable • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Foster child or adult income	Do not include	Do not include
Government Benefits	<p>Include amounts that will be received in the ensuing 12 months.</p> <p>Exclusions may apply under 3555.152(b)(5) and Attachment 9-C.</p>	<p>History: 6 months</p> <p>Continuance: 3 years</p> <p>Benefits that do not include expiration dates on the documentation will be presumed to continue.</p> <p>If the income is tax exempt, it may be grossed up 25 percent. No other adjustments are authorized. Lenders must document any adjustment made. Refer to current IRS guidelines and/or a tax professional for assistance.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Benefit/Award documentation to support payment amounts and duration 		

Income Type	Annual	Repayment
Housing Allowance	Include the amounts that will be received in the ensuing 12 months.	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease Include the allowance in repayment income. Do not offset the mortgage payment with the amount of the allowance.
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • Contract/Agreement from employer to state the terms and duration of payments • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Interest	Include income that will be received in the ensuing 12 months. Net family assets that do not exceed a cumulative total of \$50,000 are not required to be considered in the annual income calculation.	History: 2 years Continuance: 3 years
Documentation Source Options: <ul style="list-style-type: none"> • Account statements to support the balance, rate of interest, and payment amounts/continuance • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Live in Aides	Do not include	Do not include
Medical Reimbursement	Do not include	Do not include
Mileage	Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months.	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease Mileage may be documented on earning statements. When “standard mileage” is deducted from income tax returns: multiply the business miles driven by the depreciation factor for the appropriate year. The calculated amount may be added to repayment. Lenders must follow current IRS guidance to calculate this amount.
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • IRS 2106, Schedule A, or equivalent • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Military	<p>Include all wages and pay allowances that will be received in the ensuing 12 months.</p> <p>Hazardous duty pay and additional income sources may be excluded under 3555.152(b)(5).</p>	<p>History: 1 year</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p> <p>In addition to base pay, military personnel may be entitled to additional forms of pay. Income sources such as variable housing allowances, clothing allowances, flight or hazard pay, rations and proficiency pay may be used for repayment income provided it is verified to continue. Additional consideration for the tax-exempt nature of these payments may be applied.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Military Earnings and Leave Statement(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Mortgage Credit Certificate	Do not include	<p>Do not include MCC monthly benefit in repayment income.</p> <p><u>GUS:</u></p> <p>Enter the monthly benefit in the MCC data field provided on the Additional Data application page.</p> <p><u>Manual Underwrite:</u></p> <p>Deduct the monthly benefit from the PITI payment before the ratio calculation.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Copy of the approved MCC document with the rate of credit documented • Copy of the IRS W-4 filed with applicant's employer that reflects appropriate exemptions to realize the MCC benefit 		
Non-Occupant Borrower	Ineligible	Ineligible

Income Type	Annual	Repayment
Overtime	Include amounts that will be received in the ensuing 12 months based on employment verifications. Exclusions may apply under 3555.152(b)(5).	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease Significant variances in the documented earnings of this income type will require the lender to ensure the calculation used for repayment is not overstated.
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Part-time Employment	Include amounts that will be received in the ensuing 12 months. Evidence of resignation, termination, retirement, or relocation from these positions may result in the exclusion of this income type.	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Pensions	Include amounts that will be received in the ensuing 12 months. Lump sum withdrawals or sporadic payments may be excluded under 3555.152(b)(5).	History: No required history Continuance: Income will be presumed to continue unless there is documented evidence the income will cease
Documentation Source Options: <ul style="list-style-type: none"> • Benefit/Award verification letter, retirement documents, IRS 1099, evidence of current receipt, bank statements, etc. • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Per Diem	Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months.	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease
Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s) • Contract/agreement from employer to state terms and duration of payments • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Rental Income A retained dwelling must meet the requirements of 3555.151(e).	Include positive net rental income that will be received in the ensuing 12 months. Negative net rental income is counted as zero in the annual income calculation.	History: 2 years Continuance: Current signed lease agreement <u>Rents received 24 months or more:</u> (1) Positive net rental income received may be included in the repayment income. (2) Negative net rental income is treated as a recurring liability in the debt ratios. (3) Corresponding mortgage liabilities may be omitted from the debt ratios. <u>Rents received less than 24 months:</u> (1) No rental income may be included for repayment purposes. (2) Corresponding mortgage liabilities must be included in the debt ratios.
Documentation Source Options: <ul style="list-style-type: none"> • Federal income tax returns with all schedules, specifically Schedule E • IRS transcripts with all schedules, ensure Schedule E is completed • Evidence of cash/check deposits, money order receipts, etc. to document rents received • Signed lease of current occupants 		
Restricted Stock Units (RSU)	Include amounts listed as taxable income on the pay statements as gross earnings that will continue to be received in the ensuing 12 months.	History: 2 years Continuance: 3 years
Documentation Source Options: <ul style="list-style-type: none"> • RSU account statements or award letters • Paystubs, VOE's, or other documentation from the employer to support previous and future payments 		

Income Type	Annual	Repayment
Retirement	Include amounts that will be received in the ensuing 12 months. Lump sum withdrawals or sporadic payments may be excluded under 3555.152(b)(5).	History: No required history Continuance: Income will be presumed to continue unless there is documented evidence the income will cease
Documentation Source Options: <ul style="list-style-type: none"> Benefit/Award verification letter, retirement documents, IRS 1099, evidence of current receipt, bank statements, etc. 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Scholarships	Include funds that will be received in the ensuing 12 months after deducting for tuition, fees, books and equipment.	History: 2 years Continuance: 3 years Include remaining funds after deducting tuition, fees, books, and equipment. Benefits with no expiration date stated will be presumed to continue.
Documentation Source Options: <ul style="list-style-type: none"> Award letter to state the benefit/scholarship amount or tuition assistance Evidence to support the deductions required to arrive at any repayment amount 		
Seasonal Employment	Include amounts that will be received in the ensuing 12 months. Evidence of resignation, termination, retirement, or relocation from these positions may result in the exclusion of this income.	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease
Documentation Source Options: <ul style="list-style-type: none"> Paystub(s) W-2's for the previous 2 years Written VOE or electronic verifications 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Secondary Employment	<p>Include amounts that will be received in the ensuing 12 months.</p> <p>Evidence of resignation, termination, retirement, or relocation from these positions may result in the exclusion of this income.</p>	<p>History: 2 years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Section 8 Housing Vouchers	Do not include	<p>History: No required history</p> <p>Continuance: The benefit will be presumed to continue unless there is documented evidence of an expiration date</p> <p>The monthly subsidy may be treated as follows:</p> <ol style="list-style-type: none"> (1) If the subsidy is paid directly to the applicant it may be “grossed up” 25 percent, or (2) If the subsidy is paid directly to the loan servicer, it may be deducted from the monthly PITI payment to determine the debt-to-income ratio. <p><u>GUS:</u> Lenders must use option (1)</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Benefit/Award letter to verify the subsidy amount 		

Income Type	Annual	Repayment
<p>Separate Maintenance /Alimony</p>	<p>Include amounts that will be received in the ensuing 12 months.</p> <p>Legally enforceable payments that have not been received may be excluded when: payments are not received for an extended period of time and a reasonable effort has been made to collect them through the official entity responsible for enforcing such payments.</p>	<p><u>Court ordered payments:</u></p> <p>History: 6 months (payment received must be consistent)</p> <p>Continuance: 3 years</p> <p><u>Voluntary payment agreements:</u></p> <p>History: 12 months (payment received must be consistent)</p> <p>Continuance: 3 years</p> <p>Maintenance that meets the minimum history, but the payment amounts are not consistent must average the amounts received over the time of receipt. Payments received for 6 months or less with zero received for any month must use zero.</p> <p>If the income is tax exempt, it may be grossed up 25 percent. No other adjustments are authorized. Lenders must document any adjustment made. Refer to current IRS guidelines and/or a tax professional for assistance.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the obligation • Evidence of timely receipt and consistent amount for required history: bank statements, canceled checks, deposit slips, tax returns, etc. 		

Income Type	Annual	Repayment
Social Security Income	Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 3555.152(b)(5).	<p>History: No required history</p> <p>Continuance: 3 years</p> <p>Benefit letters that do not include an expiration date will be presumed to continue.</p> <p>Benefits received by the applicant on behalf of minors (funds are intended for their support) may be utilized for repayment.</p> <p>Benefits received by the applicant on behalf of an adult household member may be used for repayment income when there is evidence they are the legal guardian for the non-applicant adult household member.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Benefit statement from the Social Security Office • Legal guardianship/payee status for adult household members, if applicable 		
Student Loans	Do not include	Do not include
Supplemental Nutrition Assistance Program (SNAP)	Do not include	Do not include
Tips	Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 3555.152(b)(5).	<p>History: 2 years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease</p> <p>Significant variances in the documented earnings of this income type will require the lender to ensure the calculation used for repayment is not overstated.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s) • W-2's for the previous 2 years • Written VOE or electronic verifications • 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
Trust Income	Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 3555.152(b)(5).	History: 6 months Continuance: 3 years
Documentation Source Options: <ul style="list-style-type: none"> Trust documents, legally filed or recognized to document the balance, monthly payments, term of payments, mode of payment delivery (revocable or irrevocable), etc. Documentation to support payments received: bank statements, deposit slips, trust account statements, etc. 		
Unemployment	Include amounts that will be received in the ensuing 12 months. Benefits received while seeking new full/part time employment that have ended are excluded under 3555.152(b)(5)(v).	History: 2 years Continuance: Income will be presumed to continue unless there is documented evidence the income will cease Applicants with a sole source of unemployment income are ineligible for a guaranteed loan.
Documentation Source Options: <ul style="list-style-type: none"> Evidence of compensation: IRS Form 1099 or equivalent 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		
Unreimbursed Employee or Business Expenses	Lenders must analyze IRS filed forms such as the 2106, Schedule C, Schedule A, etc. to identify expenses paid by the applicant which were not reimbursed. These expenses may be deducted.	History: 2 years Continuance: A trend will be presumed to continue unless there is documented evidence the expenses/deductions will cease The total amount of unreimbursed expenses must be deducted.
Documentation Source Options: <ul style="list-style-type: none"> IRS 2106, Schedule A, Schedule C, or equivalent IRS filed form 2 years of Federal income tax returns or IRS tax transcripts with all schedules 		

Income Type	Annual	Repayment
VA Benefits	Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 3555.152(b)(5).	<p>History: No required history</p> <p>Continuance: 3 years</p> <p>Benefits with no expiration date stated will be presumed to continue.</p> <p>Benefits received by the applicant on behalf of minors (funds are intended for their support) may be utilized for repayment.</p> <p>Benefits received by the applicant on behalf of an adult household member may be used for repayment income when there is evidence they are the legal guardian for the non-applicant adult household member.</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Benefit statement from the Office of Veteran’s Affairs • Legal guardianship/payee status for adult household members, if applicable 		
Workman’s Compensation	<p>Include amounts that will be received in the ensuing 12 months.</p> <p>Lump sums or sporadic payments may be excluded under 3555.152(b)(5).</p>	<p>History: 6 months</p> <p>Continuance: 3 years</p>
<p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Award letter or settlement to state amount and duration of payments • Earnings statements/Paystubs • Written VOE from employer 		

Adjusted Annual Income Deductions	
3555.152(c)	
Dependent Deduction: 3555.152(c)(1)	
<ul style="list-style-type: none"> • \$480 deduction per eligible dependent at the time of loan application • Applicants with shared custody may include their child(ren), no documentation required. 	
Documentation Source Options:	
<ul style="list-style-type: none"> • Certify to the household number on Form RD 3555-21 • List all household members and ages on the Income Calculation Worksheet 	
Child Care Expenses: 3555.152(c)(2)	
<ul style="list-style-type: none"> • Care for children age 12 and under • Care is necessary to enable a family member to work, seek employment, or attend school • Calculate anticipated child care expenses for the ensuing 12 months • Applicants that have not placed their child into care or have no evidence to support payments, deposits, or registration fees are ineligible for this deduction 	
Documentation Source Options:	
<ul style="list-style-type: none"> • Utilize income tax returns, receipts, or third party verifications provided by a licensed childcare facility or provider on letterhead that 1. Identifies the child enrolled, 2. Date of enrollment, 3. Payment due, and 4. Payment history • Relatives or non-licensed private individuals who provide care must also provide evidence of payments made (i.e. canceled checks, money order receipts, bank statements, etc.) • Child support payments and school tuition (Pre-K – 8) are not eligible deductions • Attachment 9-G is an available option to document childcare expenses • Calculations must be included on the Income Calculation Worksheet 	
Disability Expenses: 3555.152(c)(3)	
<ul style="list-style-type: none"> • Deduction for eligible expenses that are in excess of 3 percent of the annual income • Eligible expenses: 1.) allow the disabled individual or another household member to work, 2.) are non-reimbursable by insurance or other sources, and 3.) do not exceed the income earned by the person who is working due to the care provided • Examples include but are not limited to: daily living assistance, wheelchairs, ramps, adaption needs, workplace equipment, etc. • Utilize documentation to estimate anticipated annual expenses 	
Documentation Source Options:	
<ul style="list-style-type: none"> • Third party verifications for caregivers/agencies for the dates, costs, and fees • Receipts, itemized income tax returns, and other evidence to support the deductions • Calculations must be included on the Income Calculation Worksheet 	

Adjusted Annual Income Deductions	
3555.152(c)	
Elderly Household Deduction: 3555.152(c)(4)	
<ul style="list-style-type: none">• Applicant or Co-Applicant is age 62 or older• One \$400 deduction allowed	
Documentation Source Options:	
<ul style="list-style-type: none">• Certify to date of birth on Form RD 3555-21 and the loan application	
Medical Expenses: 3555.152(c)(5) (Elderly and Disabled Households Only)	
<ul style="list-style-type: none">• Deduction for eligible expenses that are in excess of 3 percent of the annual income for entire family• Definition of elderly family is in 3555.10• Utilize documentation to estimate anticipated annual expenses	
Documentation Source Options:	
<ul style="list-style-type: none">• Itemized tax return documents• Receipts for insurance premiums, prescriptions, dental and eye exams, eyeglasses, medical/health products or apparatus, hearing aids, visiting or live in care providers• Calculations must be included on the Income Calculation Worksheet	

Assets
3555.152(d)
Business Accounts
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • 2 months of bank statements, Verification of Deposit (VOD), or acceptable evidence to support average 2 month balance carried and current balance • Lenders may use the lessor of the average 2 month balance or the current balance • Lenders must use caution and not overstate assets • USDA does not require evidence for access to joint accounts from all parties to the account
Cash on Hand
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Applicant must supply a letter of explanation to state how the funds were retained (how much weekly/monthly/etc.) • Lender may accept applicant explanation to verify funds for closing • Cash on hand cannot be considered for reserves
Certificate of Deposit (CD)
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • 2 statements (monthly, quarterly, etc.) to evidence the account balance and early withdraw penalty if applicable • Lenders may use the lessor of the average 2 month balance or current balance, minus applicable fees • Lenders must use caution and not overstate assets • USDA does not require evidence for access to joint accounts from all parties to the account
Depository Accounts: Checking and Savings
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • 2 months of bank statements, Verification of Deposit (VOD), or acceptable evidence to support average 2 month balance carried and current balance • Lenders may use the lessor of the average 2 month balance or the current balance • Lenders must use caution and not overstate assets • USDA does not require evidence for access to joint accounts from all parties to the account • Investigate additional deposits on the statements that are not attributed to wages or earnings. Ensure these additional deposits are not from undisclosed income sources. There is no tolerance or percentage of income that may utilized to disqualify deposits from further consideration
Earnest Money
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Earnest money that has cleared an applicant’s depository account may be entered in the “Other Credits” section of the “Transaction Details” GUS application page. The amount of earnest money should not be reflected in the balance of any asset entered on the “Assets and Liabilities” application page. • Earnest money that will be returned to the applicant at loan closing is eligible to be included in the reserves.

Assets
3555.152(d)
Gift of Equity, Sweat Equity, or Rent Credits
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • These gifts or credits should be applied as a reduction to the purchase price of the dwelling • Ensure the appraiser is aware of the gift and/or credit. This will allow them to properly complete their appraisal report, note the reduction, and support the appraised value compared to purchase price if applicable. • The borrower may not receive cash back at loan closing for these gifts and/or credits
Gift Funds
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Gift funds are considered the applicant’s own funds, therefore they are eligible to be returned to the applicant at loan closing as applicable • Gift funds may not be contributed from any source that has an interest in the sale of the property (seller, builder, real estate agent, etc.) • Gift funds must be properly sourced: Gift letter to state the funds do not have to be repaid, evidence of funds from the party providing the gift, and evidence the funds were deposited into the applicant’s account. Cash on hand is not an acceptable explanation for the source of funds. • Gift funds that will be used for funds to close may be entered in the “Other Credits” section of the “Transaction Details” GUS application page. The amount entered should not exceed the actual amount of funds required to close. Remaining gift funds not used for closing assistance may be entered in the “Asset and Liabilities” application page as “gift funds”. If cash back is received at loan closing, it cannot exceed monies advanced by the borrower minus utilized gift funds. • Gift funds are not eligible to be considered as reserves
Lump Sum Additions: Lottery Winnings, Inheritances
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Letter of explanation from applicant to document the source of the funds • One time deposits will not require annual income consideration under 3555.152(d)(5)(vi) • Deposits from these sources that have not been retained for two months will be ineligible for reserves
Personal Property
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Retained personal property is not eligible to be used for cash reserves • Personal property that is sold with proceeds deposited in a liquid account may be considered for cash to close. If the proceeds have been retained for two months, they may be considered for reserves
Sales Proceeds
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • Closing disclosure or acceptable alternative • Deposits from sales that have not been retained for two months will be ineligible for reserves
Stocks, Bonds, Investments
<p>Documentation Options and Guidance:</p> <ul style="list-style-type: none"> • 2 months of statements (monthly or quarterly) to verify balance and amounts available for withdraw • Lenders may use the lessor of the average 2 month balance or the current balance, minus applicable fees • Lenders must use caution and not overstate assets • USDA does not require evidence for access to joint accounts from all parties to the account

ATTACHMENT 9-B

INCOME CALCULATION WORKSHEET

Lender Instructions: Determine eligible household income for the Single Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for all household members. Qualify the loan by documenting all sources/type of income that is stable and dependable utilized to repay the loan.

GENERAL INFORMATION

Applicant(s):	Lender:	Date:
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Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receives Income Y/N?	Source of Income

ANNUAL INCOME CALCULATION (Consider anticipated income for the next 12 months for all adult household members as described in 7 CFR 3555.152(b) and HB-1-3555 Chapter 9. Website for instructions: <https://www.rd.usda.gov/publications/regulations-guidelines>)

<p>1. Applicant (<i>Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.</i>). Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>2. Co-Applicant (<i>Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.</i>). Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>3. Additional Income to Primary Income (<i>Automobile Allowance, Mortgage Differential, Military, Secondary Employment, Seasonal Employment, Unemployment.</i>) Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>4. Additional Adult Household Member(s) who are not a Party to the Note (<i>Primary Employment from Wages, Salary, Self-Employed, Additional income to Primary Employment, Other Income</i>). Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>5. Income from Assets (<i>Income from household assets as described in 7 CFR 3555.152(d) and HB-1-3555 Chapter 9</i>). Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>6. Annual Household Income (<i>Total 1 through 5</i>)</p>	\$

Applicant(s):

ADJUSTED INCOME CALCULATION (Consider qualifying deductions as described in 7 CFR 3555.152(c) and HB-1-3555 Chapter 9.)

7. Dependent Deduction (\$480 for each child under age 18, or full-time student attending school or disabled family member over the age of 18) - # _____ x \$480	\$
8. Annual Child Care Expenses (Reasonable expenses for children 12 and under). Calculate and record the calculation of the deduction in the space below.	\$
9. Elderly or Disabled Household (One household deduction of \$400 if 62 years of age or older, or disabled and a party to the note)	\$
10. Disability (Unreimbursed expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9). Calculate and record the calculation of the deduction in the space below.	\$
11. Medical Expenses (Elderly/Disabled households only. Unreimbursed medical expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9). Calculate and record the calculation of the deduction in the space below.	\$
12. Total Household Deductions (Enter total 7 through 11)	\$

<p>13. Adjusted Annual Income (Item 6 minus item 12)</p> <p style="text-align: right;"><i>Income cannot exceed Moderate Income Limit to be eligible for SFHGLP</i></p> <p style="text-align: center;">Moderate Income Limit: \$ _____ State: _____ County: _____</p>	\$
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Applicant(s):

MONTHLY REPAYMENT INCOME CALCULATION (Consider stable and dependable income of parties to the note as described in 7 CFR 3555.152(a) and HB-1-3555 Chapter 9. Non-occupant borrowers or co-signors are not allowed.)

14. Stable Dependable Monthly Income (*Parties to note only*). Calculate and record how the calculation of each income source/type was determined in the space below. Identify income type by party to note.

	Borrower	Co-Borrower	Total
Base Income	\$ _____ <i>Calculation of Base Income:</i>	\$ _____ <i>Calculation of Base Income:</i>	\$ _____
Other Income	\$ _____ <i>Calculation of Other Income:</i>	\$ _____ <i>Calculation of Other Income:</i>	\$ _____
Total Income	\$ _____	\$ _____	\$ _____

15. Monthly Repayment Income (*Enter total of 14*).

\$

Date: _____ Prepared by: _____ Lender: _____
 Name/Title

ATTACHMENT 9-C

EXAMPLE CASE STUDY: INCOME CALCULATION WORKSHEET

Household members:

<i>Name</i>	<i>Relationship</i>	<i>Comments</i>	<i>Household Income, Assets and Expenses</i>
David Example	Applicant Age: 40	Employed, party to note	\$1,250/week wages; Savings account balance \$2,000, Checking account balance (2 month average) \$300,
Betsy Example	Applicant Age: 40	Employed, party to note	\$15.50/hr wages – working 20 hours week; \$100/month child support from ex-husband (Kathy's father)
Cynthia Example	David's mother Age: 67	Disabled, moved in when husband died, not a party to the note	\$800/month Social Security benefits Checking account balance \$600
Janet Smith	Daughter Age: 19	Full-time college student, part-time employed, not a party to the note	\$600/month wages
Kathy Smith	Daughter Age: 14	Full-time junior high school student, part-time employed, not a party to the note	\$9.00/hour x 8 hours per week x 4 weeks = \$288 monthly earnings
Chris Doe	Foster child Age: 8	Full-time elementary student, not a party to the note	County pays household \$800/month to care for foster child. The family pays \$50 per week/\$200 per month for after school child care.

Eligible Household Income: Calculate annual and adjusted income to determine eligibility of the household for the SGHGLP. For Annual Income Calculation – Consider income of all household members:

- Count David's wages
- Count Betsy's wages
- Count child support (Betsy)
- Count only the first \$480 of Janet's wages (Household member is greater than 18 years of age and an adult)
- Do not count Kathy's wages (Household member is a minor and less than 18 years of age)
- Count Cynthia's Social Security
- Count actual income from assets from all members of the household if they total \$50,000 or more. In this example the household does not meet this threshold. No asset income is required.
- Do not count income payments for care of foster child

Adjusted Income Calculation:

Dependent Deduction

- Three dependent deductions are permitted for Kathy (a minor), Janet (an adult full-time student, who is not the head of household or spouse), and Cynthia (an adult individual with disabilities, who is not the head of household or spouse)
- A foster child is not a permanent household member, and therefore is not an eligible dependent.
- Total household members that meet the Household member definition in 3555.10 are 5, David, Betsy, Cynthia, Janet, and Kathy.
- A deduction of \$1,440 in this example may be deducted ($\$480$ for each eligible dependent $\times 3 = \$1,440$). Dependents are Kathy, Janet, and Cynthia.

Child Care Deduction

- Child care expenses are permitted for the care of a foster child, but must not exceed the amount earned by the family member enabled to work. Betsy earns \$15.50/hour working 20 hours per week (\$1,240 per month) and pays \$50/week for child care (\$200 per month).
- Child care expenses are not permitted if another adult household member is available to care for the child. Janet is not available because she is a full-time student and Cynthia cannot care for the child because of her disability.
- The cost of child care does not exceed Betsy's monthly earnings, therefore the full amount of the child care may be deducted.

Elderly or Disabled Household Deduction

Cynthia, a household member, is 67. But she is not an applicant on the loan, therefore no elderly family deduction is allowed.

Medical Expense Deduction

Family medical expenses cannot be deducted since this is not an elderly or disabled household as defined in 3555.152(c).

Disability Assistance Expenses

No disability assistance expenses were claimed. To be allowed a deduction, the expenses would have to be necessary to enable a family member to work.

Repayment Income: Calculate the income utilized to repay the loan. Consider only income from parties to the note that is documented to be stable and dependable per 3555.152(a).

David and Betsy are parties to the note. David has worked the last two years earning \$1,250 per week or \$65,000 annually. Betsy has made \$15.50/hour and worked 20 hours per week for the past five years consistently. Betsy receives child support for Kathy, paid through the court at \$100 a month, or \$1,200 annually. She has received support consistently for the past three years. Kathy is 14. David and Betsy have cared for foster children for the past three years. Chris Doe is 6 years of age. The county pays \$800.00 per month, or \$9,600 annually to the household to care for the foster child. Foster care is not a source of income that is eligible for repayment income.

- David: $\$65,000$ historical employment income divided by 12 = **\$5,416.67**
- Betsy: $\$16,120$ historical employment income divided by 12 = **\$1,343.33**
- Betsy: $\$1,200$ historical child support income divided by 12 = **\$100.00** [3 year continuance since Kathy is 14]
- Total stable and dependable income in accordance with 3555.152(a) = **\$6,860.00**

INCOME CALCULATION WORKSHEET

Lender Instructions: Determine eligible household income for the Single Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for eligible household members. Qualify the loan by documenting all sources/type of income that is stable and dependable utilized to repay the loan.

GENERAL INFORMATION

Applicant(s): David and Betsy Example	Lender: ABC Lender	Date: XX/XX/XXXX
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Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receives Income Y/N?	Source of Income
David Example	40	N	N	Y	XYZ Employment
Betsy Example	40	N	N	Y	123 Employment, child support
Cynthia Example	67	N	Y	Y	Social Security
Janet Smith	19	Y	N	Y	PT Employment
Kathy Smith	14	Y	N	Y	PT Employment
Chris Doe	8	Y	N	Y	Foster care income

ANNUAL INCOME CALCULATION (Consider anticipated income for the next 12 months for eligible adult household members as described in 7 CFR 3555.152(b) and HB-1-3555 Chapter 9. Website for instructions: https://www.rd.usda.gov/publications/regulations-guidelines)		
1. Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below. David - \$1,250/wk x 52 = \$65,000		\$65,000.00
2. Co-Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below. Betsy - \$15.50/hr x 20 hrs/wk x 52 = \$16,120 Betsy – child support - \$100 x 12 = \$1,200		\$17,320.00
3. Additional Income to Primary Income (Automobile Allowance, Mortgage Differential, Military, Secondary Employment, Seasonal Employment, Unemployment.) Calculate and record how the calculation of each income source/type was determined in the space below.		\$
4. Additional Adult Household Member (s) who are not a Party to the Note (Primary Employment from Wages, Salary, Self-Employed, Additional income to Primary Employment, Other Income). Calculate and record how the calculation of each income source/type was determined in the space below. Cynthia- \$800/month x 12 = \$9,600; Janet = first \$480 must be counted as full-time student over 18 years of age		\$10,080.00
5. Income from Assets (Income from household assets as described in 7 CFR 3555.152(d) and HB-1-3555 Chapter 9). Calculate and record how the calculation of each income source/type was determined in the space below.		\$
6. Annual Household Income (Total 1through 5)		\$92,400.00

Applicant(s): David and Betsy Example

ADJUSTED INCOME CALCULATION (Consider qualifying deductions as described in 7 CFR 3555.152(c) and HB-1-3555 Chapter 9).

7. Dependent Deduction (\$480 for each child under age 18, or full-time student attending school or disabled family member over the age of 18) - # _____ (3) _____ x \$480	\$1,440.00
8. Annual Child Care Expenses (Reasonable expenses for children 12 and under). Calculate and record the calculation of the deduction in the space below. \$50/week x 52 weeks/year = \$2,600	\$2,600.00
9. Elderly or Disabled Household (One household deduction of \$400 if 62 years of age or older, or disabled and a party to the note)	\$
10. Disability (Unreimbursed expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9). Calculate and record the calculation of the deduction in the space below.	\$
11. Medical Expenses (Elderly/Disabled households only. Unreimbursed medical expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9). Calculate and record the calculation of the deduction in the space below.	\$
12. Total Household Deductions (Enter total 7 through 11)	\$4,040.00

13. Adjusted Annual Income (Item 6 minus item 12) <i>Income cannot exceed Moderate Income Limit to be eligible for SFHGLP</i> Moderate Income Limit: \$ <u>98,650</u> State: <u>Oklahoma</u> County: <u>Washington</u>	\$88,360.00
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Applicant(s): David and Betsy Example

MONTHLY REPAYMENT INCOME CALCULATION Consider stable and dependable income of parties to the note as described in 7 CFR 3555.152(a) and HB-1-3555 Chapter 9. Non-occupant borrowers or co-signors are not allowed.

14. Stable Dependable Monthly Income (<i>Parties to note only</i>). Calculate and record how the calculation of each income source/type was determined in the space below. Identify income type by party to note.			Total
	Borrower	Co-Borrower	
Base Income	\$ <u>5,416.67</u> <i>Calculation of Base Income:</i> David: \$65,000 / 12 = \$5,416.67	\$ <u>1,343.33</u> <i>Calculation of Base Income:</i> Betsy: \$16,120 / 12 = \$1,343.33	\$ <u>6,760.00</u>
Other Income	\$ _____ <i>Calculation of Other Income:</i>	\$ <u>100.00</u> <i>Calculation of Other Income:</i> Betsy: Child Support: \$1,200 / 12 = \$100.00 [3 year continuance confirmed: Kathy is 14]	\$ <u>100.00</u>
Total Income	\$ <u>6,216.67</u>	\$ <u>1,443.33</u>	\$ <u>6,860.00</u>
15. Monthly Repayment Income (<i>Enter total of 14</i>).			\$6,860.00

Date: XX/XX/XXXX Prepared by: [Name/Title] Lender: [Lender]

ATTACHMENT 9-D

ANNUAL INCOME

I. SOURCES OF INCOME WHICH BY FEDERAL STATUTE ARE EXCLUDED FROM ANNUAL INCOME

The following sources, subject to exemption by Federal statute, are never considered when calculating annual income.

Any revenue which a Federal statute exempts shall not be considered income or used as a basis for determining eligibility for an Agency loan, payment assistance, or denying or reducing Federal financial assistance or benefits to which the recipient would otherwise be entitled. Additional financial assistance, which is considered exempt income under Federal statutes, includes:

1. The imminent danger duty-pay to a service person applicant or spouse away from home and exposed to hostile fire. Amounts of imminent danger pay for military personnel stationed in the Combat Zone are excluded from annual income effective August 2, 1990. Any military pay received by persons serving in the Combat Zone received on or after January 17, 1991, is excluded from annual income. The Combat Zone, as defined by the Presidential Executive Order 12744 dated January 21, 1991, consists of the Persian Gulf, the Red Sea, the Gulf of Oman, that portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude, the Gulf of Aden, the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates. Immediately upon notification by the family, or based on information from a knowledgeable source that a member of the household was serving, in the Combat Zone, the Loan Approval Official shall re-determine the household income retroactive to January 17, 1991, and adjust the applicant's payment assistance accordingly.
2. Payments to volunteers under the Domestic Volunteer Service Act of 1973, including, but not limited to:
 - a. National Volunteer Antipoverty Programs, which include Volunteers in Service to America (VISTA), Peace Corps, Service Learning Programs, and Special Volunteer Programs.

- b. National Older American Volunteer Programs for persons age 60 and over who include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Programs to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).
3. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the "In Re Agent Orange" product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
4. Payments received under the "Alaska Native Claims Settlement Act" or the "Maine Indian Claims Settlement Act."
5. Income derived from certain sub-marginal land of the United States that is held in trust for certain American Indian tribes.
6. Payments or allowances made under the Department of Health and Human Services Low-Income Home Energy Assistance Program.
7. Payments received from the Job Training Partnership Act.
8. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians.
9. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims, or from funds held in trust for an American Indian tribe by the Secretary of Interior.
10. Payments received from programs funded under Title V of the Older Americans Act of 1965.
11. Any other income which is exempted under Federal statute.

ATTACHMENT 9-E

INFORMATION FOR ANALYZING TAX RETURNS FOR SELF-EMPLOYED APPLICANTS

The self-employed applicant must submit current documentation of the business's income and expenses, including any applicable Federal tax returns that were filed with the IRS for the most recent two years in addition to year-to-date profit and loss and balance statements. Lenders are encouraged to use *Fannie Mae Form 1084, "Cash Flow Analysis,"* and *Fannie Mae Form 1088 "Comparative Income Analysis"* to document a trend analysis for the applicant's business. Lenders may use the Fannie Mae forms or any documentation that provides the same information. Regardless of the analysis method used, and the documentation prepared by the lender, the loan file must contain clear and sufficient support for the lender's decision regarding the viability of the business and loan approval.

A. Individual Tax Returns (IRS Form 1040)

The amount shown on the IRS Form 1040 as "adjusted gross income" must be either increased or decreased based on the lender's analysis of the individual tax returns and any related tax schedules. Particular attention must be paid to:

- **Wages, salaries, tips.** If an amount is shown here, this may indicate the individual is a salaried employee of a corporation or has other sources of income. It may also indicate the spouse is employed, in which case the income must be subtracted from the adjusted gross income in the analysis.
- **Business income or loss (from Schedule C).** The sole proprietorship income calculated on Schedule C is business income. Depreciation or depletion may be added back to adjusted gross income.
- **Rents, royalties, partnerships, etc. (from Schedule E).** Any income received from rental properties or royalties may be used as income after adding back any depreciation shown on Schedule E.
- **Capital gain or loss (from Schedule D).** This is generally a one-time transaction and should not be considered in determining repayment income. However, if the business has a constant turnover of assets resulting in gains or losses, the capital gain or loss may be considered in determining the income provided the applicant has at least three years' tax returns evidencing capital gains. An example would include an individual who purchases old houses, remodels them, and sells them for a profit.

Interest and dividend income (from Schedule B). This income, both taxable and tax-exempt, may be added back to the adjusted gross income only if it has been received for the past two years and is expected to continue. (If the interest-bearing asset will be liquidated as a source of the cash investment, the lender must adjust accordingly).

- **Farm income or loss (from Schedule F).** Any depreciation shown on Schedule F may be added back to the adjusted gross income.
- IRA distributions, pensions and annuities, and social security benefits. The non-taxable portion of these items may be added back to the adjusted gross income if the income is expected to continue for the first three years of the mortgage.
- Adjustments to income. Certain adjustments to income shown on the IRS Form 1040 may be added back to the adjusted gross income. Among these are IRA and Keogh retirement deductions, penalties on early withdrawal of savings, health insurance deductions, and alimony payments.
- Employee business expenses. These are actual cash expenses that must be deducted from the applicant's adjusted gross income.

B. U.S. Corporate Income Tax Returns (IRS Form 1120)

Corporations are state chartered businesses owned by their stockholders. Compensation to its officers, generally in proportion to the percentage of ownership, is shown on the corporate tax returns and will appear on individual tax returns. If the applicant's percentage of ownership is not shown, it must be separately obtained from the corporation's accountant with evidence the applicant has the right to those funds. Once the adjusted business income is determined, it is to be multiplied by the applicant's percentage of ownership in the business.

In analyzing the corporate tax returns, lenders must adjust for the following:

- **Depreciation and depletion.** The corporation's depreciation and depletion must be added back to after-tax income.
- **Taxable income.** This is the corporation's net income before federal taxes. It must be reduced by the tax liability.

- **Fiscal year versus calendar year.** If the corporation operates on a fiscal year that is different from the calendar year, an adjustment must be made by the lender to relate corporate income to the individual tax return.
- **Cash withdrawals.** The applicant's withdrawal of cash from the corporation may have a severe negative impact on the corporation's ability to continue operating.

C. "S" Corporation Tax Returns

An "S" corporation is generally a small, start-up business, with gains and losses passed onto stockholders in proportion to each stockholder's percentage of business ownership. The income for the owners comes from W-2 wages and is taxed at the individual rate.

The "compensation of officers" line on the IRS Form 1120S is transferred to the applicant's IRS Form 1040. Both depreciation and depletion may be added back to income in proportion to the applicant's share of income. However, income must also be deducted proportionately by the total obligations payable by the corporation in less than one year. The applicant's withdrawal of cash from the corporation may have a severe negative impact on the corporation's ability to continue operating which must be considered in the analysis.

D. Partnership Tax Returns

A partnership is formed when two or more individuals form a business and share in profits, losses, and responsibility for running the company. Each partnership pays taxes on his or her proportionate share of the partnership income.

Both general and limited partnerships report income on the IRS Form 1065 "U.S. Return of Partnership Income;" it must be reviewed by the lender to assess the viability of the business. The partner's share of income is carried over to Schedule E of IRS Form 1040. Both depreciation and depletion may be added back to income in proportion to the applicant's share of income. However, income must also be deducted proportionately by the total obligations payable by the partnership in less than one year. The applicant's withdrawal of cash from the partnership may have a severe negative impact on the partnership's ability to continue operating that must be considered in the analysis.

E. LLC Corporation Tax Returns

A limited liability corporation (LLC) can be formed by one or more individuals. Only Massachusetts and the District of Columbia require two or more individuals. Owners in a LLC are referred to as members. A member of a LLC normally has, at risk, only his or her share of capital paid into the business. Members are not personally liable for the debts of the LLC. There are three ways in which an LLC is taxed:

- Single-owner LLC - LLC owners are taxed on business profits each year on their individual income tax returns. The IRS treats the LLC as a sole proprietorship. Profits are reported on Schedule C of an individual 1040 tax return.
- LLCs – The IRS treats the LLC as a partnership. The LLC prepares and files IRS Form 1065, Partnership Information Return each year. LLC profits are allocated to each of the owners according to the profit-sharing arrangement set up in the LLC operating agreement. Each owner is given a Schedule K-1, which shows each owner's share of LLC income. The owner then reports and pays taxes on this income on the owner's 1040 income tax return.
- Check-the-Box Corporate Tax Treatment – Under these rules, any eligible business can elect to be taxed as a corporation by filing IRS Form 8832 "Entity Classification Election" and checking the corporate income tax treatment box on the form. After making this election, profits kept in the business are taxed at the separate income tax rates that apply to corporations.

**WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME
ATTACHMENT 9-F [AGENCY USE ONLY]**

Agency Instructions: Recalculate income in the circumstances noted below. Retain this worksheet as part of the permanent SFHGLP file, when applicable. If the reviewer agrees with the lender income worksheet calculation, check the box indicating agreement with the lender's calculation; otherwise complete the recalculation of income in the space provided.

Eligible Household Income: Recalculate the lender's determination of eligible income if the lender's adjusted annual income calculation is within 10 percent of the applicable published income limit for manually underwritten loans. The published income limits may be found at Appendix of the 7 CFR Handbook, or at the public website: <http://eligibility.sc.egov.usda.gov/eligibility/>

Repayment Income: Recalculate the lender's determination of repayment income for manually underwritten loans if the lender's repayment ratios are within 10 percent of the published debt ratio limit found at §7 CFR 3555.151(h). (i.e. greater than 26.0% principal, interest, taxes and insurance (PITI) OR greater than 37.0% total debt ratio (TD)).

Definition- Manually Underwritten Loan Files: 1) Loans submitted by lenders who have not utilized the automated underwriting system, GUS. 2) Loans submitted to GUS, that has received an underwriting recommendation of "Refer" or "Refer With Caution." GUS loans receiving a quality control lender message of 31063 are not considered manually underwritten loans.

GENERAL INFORMATION

Applicant(s):	GLS Borrower ID:	Lender:
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AGENCY WRITTEN ANALYSIS DOCUMENTING ELIGIBLE HOUSEHOLD INCOME (Consider anticipated income for the next 12 months for all adult household members as described in §3555.152(b). Consider qualifying deductions as described in 3555.152(c). Website for instructions/technical handbook/notices: <http://www.rurdev.usda.gov/publications/regulations-guidelines>.

Calculate and record how the calculation of each income source/type and deduction was determined in the space below.

<input type="checkbox"/> I have reviewed the lender's calculation and compared it to income verifications. I agree with the lender's calculation of eligible household income.	\$
--	----

By: _____

Date: _____

(Title) _____

Applicant(s):	GLS Borrower ID:	Lender:
---------------	------------------	---------

AGENCY WRITTEN ANALYSIS MONTHLY REPAYMENT INCOME *(Consider the stable and dependable income of parties to the note as described in 3555.152(a). Website for instructions/technical handbook/notices: <http://www.rurdev.usda.gov/RegulationsAndGuidance.html>.*

Calculate and record how the calculation of each income source/type and deduction was determined in the space below.

I have reviewed the lender's calculation and compared it to income verifications. I agree with the lender's calculation of stable, dependable repayment income.

\$

Date: _____

By: _____

(Title)

Attachment 9-G
OPTIONAL VERIFICATION OF INCOME FORMS

VERIFICATION OF PENSIONS AND ANNUITIES	
REQUEST FOR INFORMATION	
APPLICANT IDENTIFICATION	
Name _____	Social Security Number _____
REQUESTED INFORMATION	
A. INCOME FROM ANNUITIES	
1. \$ _____ Current monthly gross amount received. Will the applicant continue to receive this monthly amount for the next twelve months? ___ Yes ___ No If, no please explain.	
2. Describe any deductions from the gross amount that are taken.	
B. VERIFICATION OF ASSETS	
1. \$ _____ Current market value of assets held in the retirement or pension plan.	
2. Can the applicant withdraw amounts from the retirement account without retiring or terminating employment? ___ Yes ___ No. If yes, explain the terms of the withdrawal, including any penalties.	
3. Can the applicant borrow against amounts in the retirement account? ___ Yes ___ No If yes, explain the terms (maximum amount, interest rate, repayment term, purposes, etc.)	
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.	
Name: _____	Title: _____
_____	Telephone Number: _____
(Signature)	
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)	

VERIFICATION OF STUDENT INCOME AND EXPENSES		
REQUEST FOR INFORMATION		
APPLICANT IDENTIFICATION		
Name _____	Social Security Number _____	
REQUESTED INFORMATION		
1.	Describe any financial assistance the above-reference student receives.	
	<u>Amount</u>	<u>Source</u> <u>Purpose for Which Funds May Be Used</u>
2.	Describe any expenses the above-referenced student has for:	
	\$ _____	Tuition
	\$ _____	Housing
	\$ _____	Books
	\$ _____	Supplies and Equipment
	\$ _____	Transportation
	\$ _____	Misc. Personal Expenses
	\$ _____	Total
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.		
Name: _____	Title: _____	
_____	Telephone Number: _____	
(Signature)		
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)		

VERIFICATION OF MEDICAL EXPENSES

REQUEST FOR INFORMATION

APPLICANT IDENTIFICATION

Name _____ Social Security Number _____

REQUESTED INFORMATION

1. Please list the purpose of any accumulated medical bills, identify to whom the amount is owed, and provide the amount to be paid during the coming 12 months.

<u>Amount</u>	<u>Owed To</u>	<u>Medical Expenses for</u>
---------------	----------------	-----------------------------

2. Medical Insurance Premiums

\$ _____ Amount Paid Payment Period: ___ per month, ___ per year

Medical Insurance Premiums

\$ _____ Amount Paid Payment period: ___ per month, ___ per year

3. List other anticipated medical expenses

LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.

Name: _____ Title: _____

_____ Telephone Number: _____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF SOCIAL SECURITY BENEFITS	
REQUEST FOR INFORMATION	
APPLICANT IDENTIFICATION	
Name _____	Social Security Number _____
REQUESTED INFORMATION	
Social Security Data	
_____	Date of Birth
_____	Gross Monthly Social Security Benefit Amount, Type of Benefit
_____	Gross Monthly Supplemental Security Income Payment Amount (including State Supplement) Type of Benefit
_____	Amount of Monthly Deductions for Medicare Paid by the Applicant
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.	
Name: _____	Title: _____
_____	Telephone Number: _____
(Signature)	
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)	

VERIFICATION OF PUBLIC ASSISTANCE

REQUEST FOR INFORMATION

APPLICANT IDENTIFICATION

Name _____ Social Security Number _____

REQUESTED INFORMATION

	<u>Rate Per Month</u>
Number in Family: _____	
Aid to Families with Dependent Children	\$ _____
General Assistance	\$ _____
Does this amount include Court Awarded Support Payments	<input type="checkbox"/> Yes <input type="checkbox"/> No
Amount Specifically Designated for Shelter and Utilities	\$ _____
Other Assistance - Type: _____	\$ _____
Total Monthly Grant	\$ _____
Other Income - Source: _____	\$ _____
*Maximum Allowance for Rent and Utilities	\$ _____
Amount of Public Assistance given during the past 12 months	\$ _____

LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.

Name: _____ Title: _____

Telephone Number: _____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF CHILD/DEPENDENT CARE	
REQUEST FOR INFORMATION	
APPLICANT IDENTIFICATION	
Name _____	Social Security Number _____
REQUESTED INFORMATION	
Name of Person or Agency Providing Care: _____	
Address: _____ _____ _____	
Name(s) of person or Persons Cared for: _____ _____ _____	
Specify Hours _____ and Days _____ of Care.	
Average Amount Paid for Care: \$ _____	<input type="checkbox"/> Week <input type="checkbox"/> Month
Estimated Amount to be Paid in coming 12 months (including full-time summer care of school children, if applicable): \$ _____	
Will any amount of this expense be reimbursed by an outside source: <input type="checkbox"/> Yes <input type="checkbox"/> No	
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.	
Name: _____	Title: _____
_____	Telephone Number: _____
(Signature)	
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)	

VERIFICATION OF UNEMPLOYMENT BENEFITS	
REQUEST FOR INFORMATION	
APPLICANT IDENTIFICATION	
Name _____	Social Security Number _____
REQUESTED INFORMATION	
1. Are benefits being paid now?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. If yes, what is Gross Weekly payment?	\$ _____
3. Date of Initial Payment	_____
4. Duration of Benefits	_____ weeks
Is claimant eligible for future benefits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. If yes, How many weeks?	_____
6. If no, what is termination date of benefits?	_____
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.	
Name: _____	Title: _____
_____	Telephone Number: _____
(Signature)	
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)	

**VERIFICATION OF BUSINESS EXPENSES
 REQUEST FOR INFORMATION**

APPLICANT IDENTIFICATION

Name _____ Social Security Number _____

REQUESTED INFORMATION

Based on business transacted during _____ 20____, to _____ 20____

- | | | |
|--------------------------------|----------|----------|
| 1. Gross Income | | \$ _____ |
| 2. Expenses: | | |
| (a) Interest on Loans | \$ _____ | |
| b) Cost of Goods/Materials | \$ _____ | |
| (c) Rent | \$ _____ | |
| (d) Utilities | \$ _____ | |
| (e) Wages/Salaries | \$ _____ | |
| (f) Employee Contributions | \$ _____ | |
| (g) Federal Withholding Tax | \$ _____ | |
| (h) State Withholding Tax | \$ _____ | |
| (i) FICA | \$ _____ | |
| (j) Sales Tax | \$ _____ | |
| (k) Other | \$ _____ | |
| (l) Straight Line Depreciation | \$ _____ | |
| Total Expenses | \$ _____ | |
| 3. Net Income | | \$ _____ |

LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.

Name: _____ Title: _____
 _____ Telephone Number: _____
 (Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF SUPPORT PAYMENTS	
REQUEST FOR INFORMATION	
APPLICANT IDENTIFICATION	
Name _____	Social Security Number _____
REQUESTED INFORMATION	
Name of Person Paying Support: _____	
Address: _____ _____ _____	
For	() Former Spouse
	() Children
Children Names are: _____ _____ _____ _____	
Amount of Support	\$ _____ <input type="checkbox"/> Week, <input type="checkbox"/> Month, <input type="checkbox"/> Year
LENDER CERTIFICATION: Verifier must print their name, address and telephone number and certify to the accuracy of information recorded by executing below.	
Name: _____	Title: _____
_____	Telephone Number: _____
(Signature)	
WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)	

