

# Income Calculator Web Interface

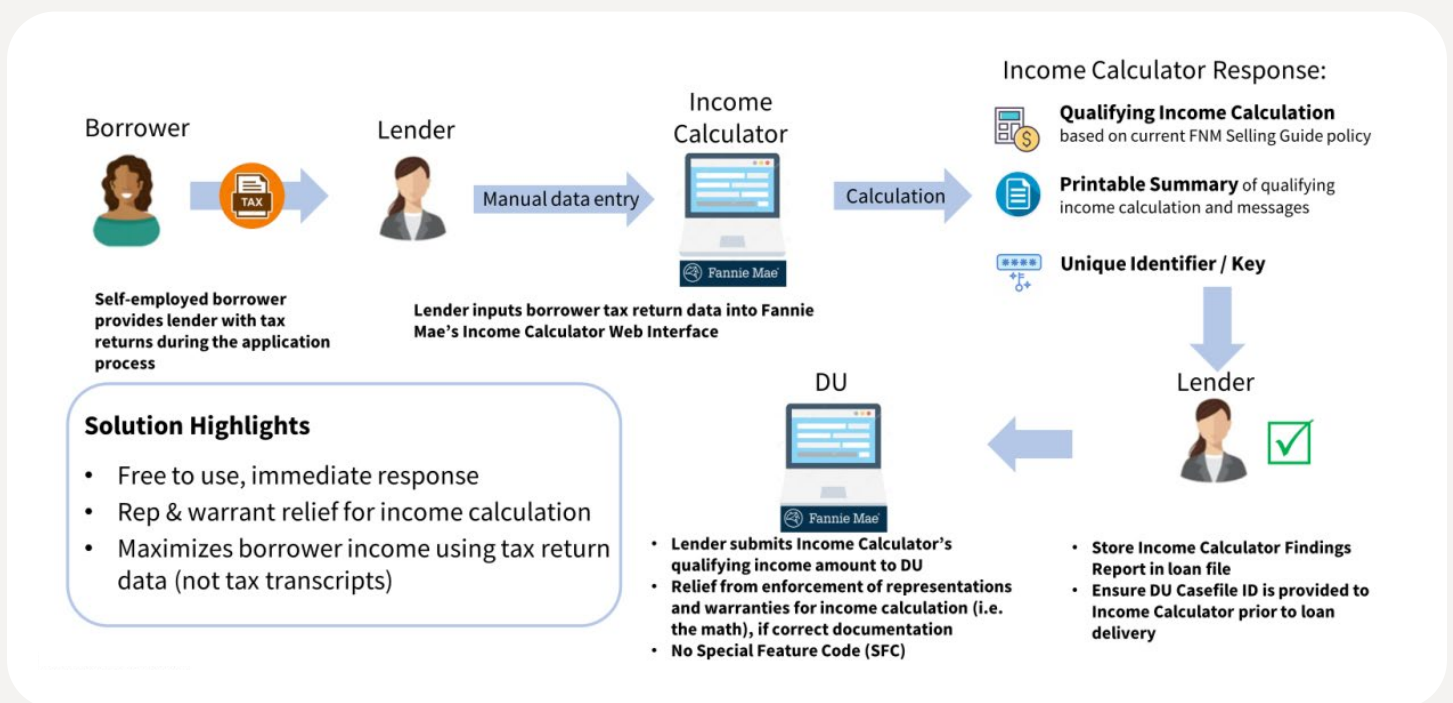
## Tips & Tricks



Income Calculator provides customers with an easy-to-use web interface to calculate a borrower’s qualifying income from self-employment or business ownership.

Fannie Mae provides relief from enforcement of representations and warranties (“rep and warrant relief”) on the income calculation when the lender uses the Income Calculator monthly qualifying income amount (or a lower amount) in loan underwriting.

Sample flow of **Income Calculator web interface**:



## Web Interface cannot be used to view evaluations started in an integrated service:



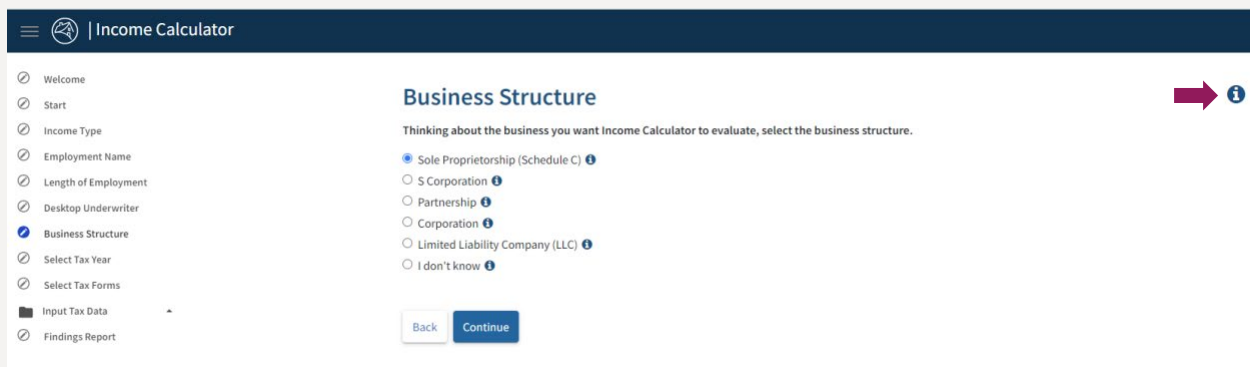
Only cases originally entered in the web interface are viewable. Evaluations that have been submitted via an approved technology service provider (TSP) must be managed via the appropriate service provider.

## Use 'Information' icons to learn more:

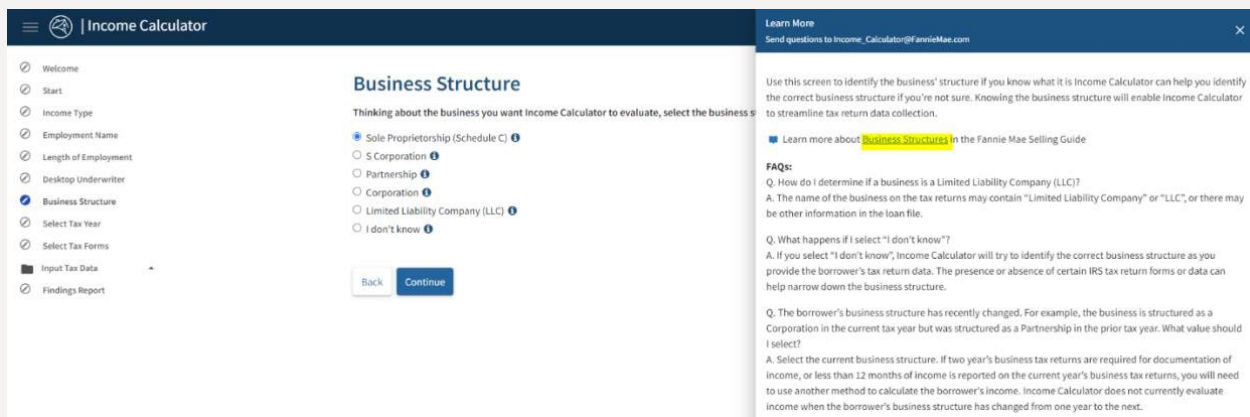


Income Calculator walks customers through a federal tax return data collection experience that is easy to use, with **'Information' icons** on every screen (and most individual fields) that provide the user with an opportunity to **'Learn More'** detailed information about the requested data as well as FAQ's that will help support correct data input.

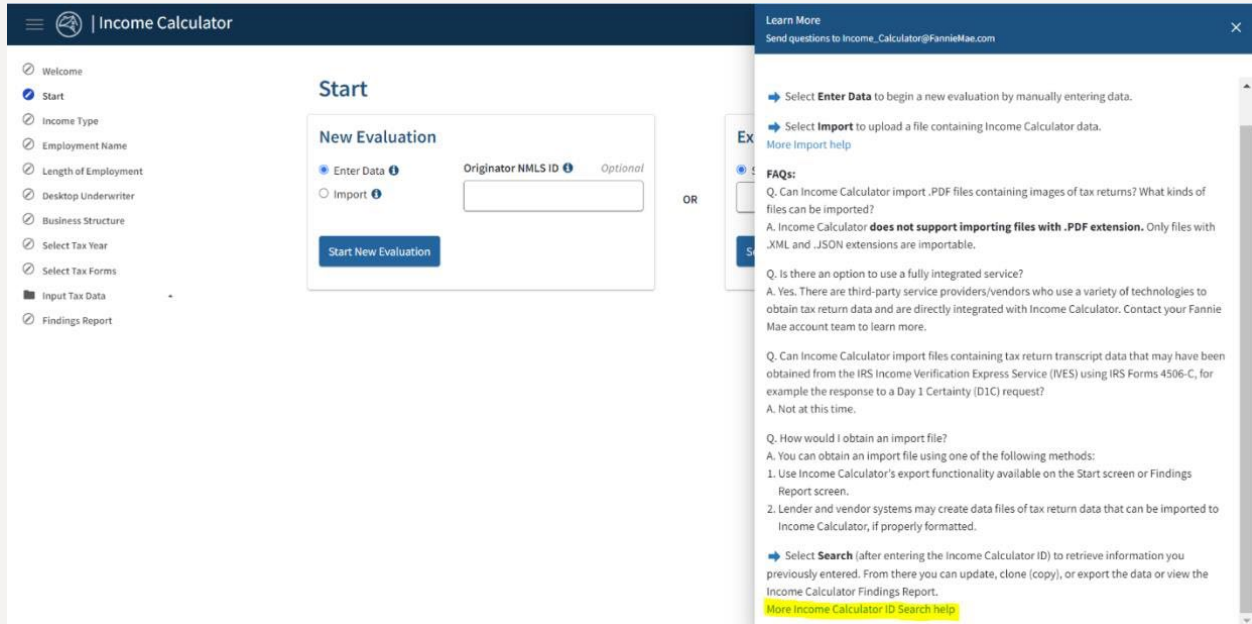
Some 'Learn More' callouts will include links to the appropriate areas of the *Selling Guide* or drill into fields for additional context of information:



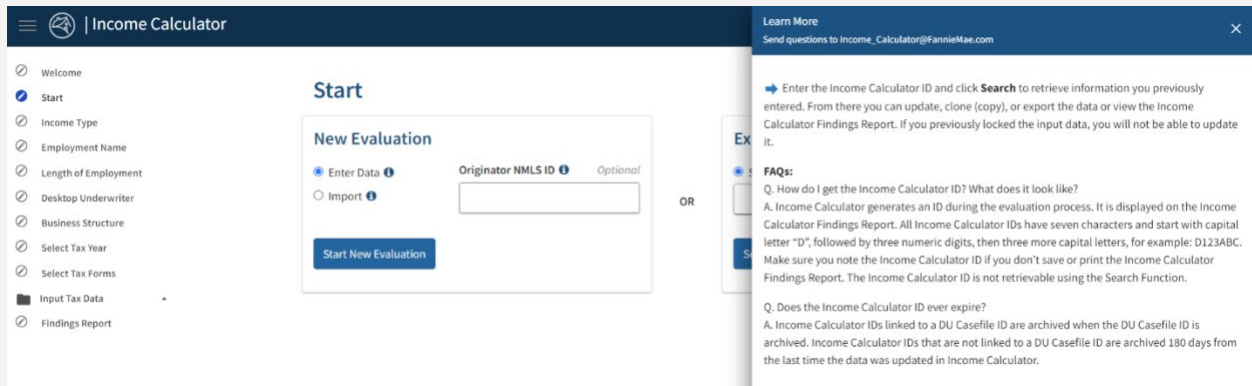
On the Business Structure screen – the 'Information' icon will display a 'Learn More' callout that includes how to use the screen at the top and an additional link within the text to take the user to the Business Structures screen in the Fannie Mae *Selling Guide*:



On the Start screen – the ‘Information’ icon will display a ‘Learn More’ callout that includes a link to additional help text.

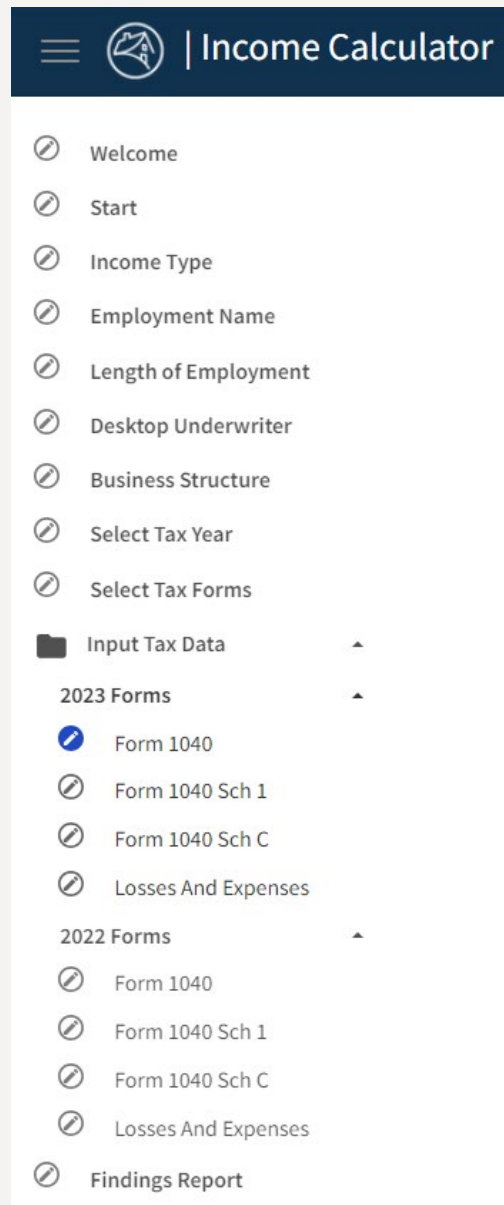


Clicking the link results in a further drill down into the Income Calculator ID Search Information:



**Dynamic left navigation bar can save time when updates are needed:**

The left navigation bar dynamically adjusts the screen display based on the Business Structure and data entry to show the user what tax return forms are needed. It also allows the user to select the specific area they would like to work on, skipping screens where data was previously and may not need updating.



To update or download findings for a previous evaluation, use the Search feature:



To ensure the correct Income Calculator evaluation is returned, additional tax return data is required.

Income Calculator will require:

- the amount previously entered on **Form 1040, Line 8**, OR
- the amount previously entered from **Form W-2, Box 5**

The provided data **must match** the data from the previous submission for the search to succeed.

**Zero (\$0) is not a valid input value.**

**Note the required additional tax return data in advance:**

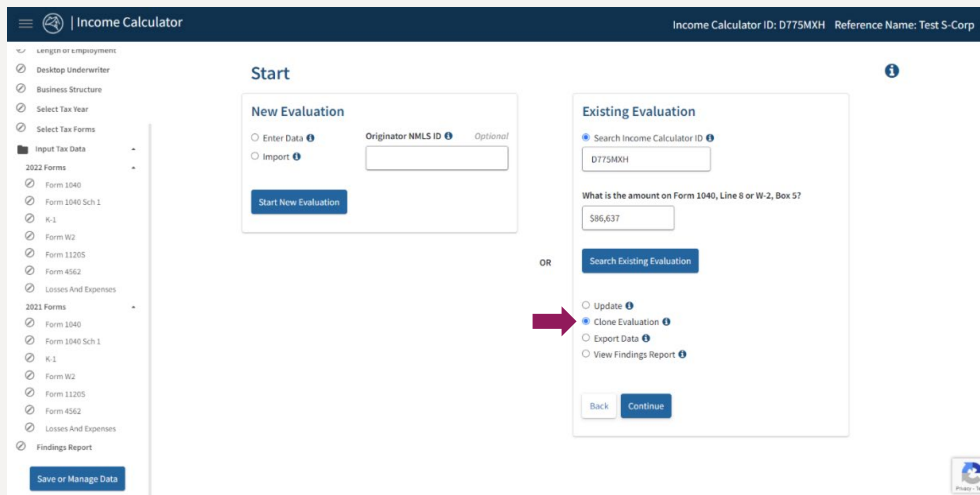


Noting the necessary tax return data prior to beginning a search may reduce search time.

## More than one income from self-employment or business ownership?

### Use 'Clone Evaluation' function to reduce data input:

Utilize the 'Clone Evaluation' functionality to reduce the amount of data that must be entered into Income Calculator. A **new Income Calculator Identifier** (e.g. D123ABC) will be automatically assigned.

The screenshot shows the 'Income Calculator' web interface. The top navigation bar includes the Fannie Mae logo and the text 'Income Calculator'. Below the navigation bar, there is a sidebar menu on the left with various options like 'Desktop Underwriter', 'Business Structure', and 'Input Tax Data'. The main content area is titled 'Start' and is divided into two sections: 'New Evaluation' and 'Existing Evaluation'. The 'New Evaluation' section has options for 'Enter Data', 'Import', and 'Originator NMLS ID'. The 'Existing Evaluation' section has a 'Search Income Calculator ID' field with the value 'D77540X4', a 'What is the amount on Form 1040, Line 8 or W-2, Box 57' field with the value '\$86,637', and a 'Search Existing Evaluation' button. Below these sections, there are radio button options: 'Update', 'Clone Evaluation' (which is selected and highlighted with a red arrow), 'Export Data', and 'View Findings Report'. At the bottom of the 'Existing Evaluation' section, there are 'Back' and 'Continue' buttons.

## Understand the Income Calculator tax return data collection sequence to speed input:

Income Calculator uses the following tax return data collection sequence for Partnerships and S-Corporations:



- 1 Current year individual (personal) tax return (1040)
- 2 Current year K-1
- 3 Current year W-2 (if any)
- 4 For self-employment ( $\geq 25\%$  business ownership), Income Calculator will analyze if **prior year returns may be skipped**. If applicable, this option will be presented to the user. If the user chooses to provide prior year returns, tax return data collection continues in the following sequence. Otherwise, skip to item 9.
- 5 Prior year individual (personal) tax return (1040)
- 6 Prior year K-1
- 7 Prior year W-2 (if any)
- 8 Income Calculator will analyze if **business tax returns may be waived**. If applicable, this option will be presented to the user. If the user chooses to provide business tax returns, tax return data collection continues in the following sequence.
- 9 Current year business tax return (1065 or 1120S)
- 10 For self-employment ( $\geq 25\%$  business ownership), prior year business tax return (1065 or 1120S) if applicable

**Sample Tax Returns include highlighting of needed data:**

While entering tax return Information, a **sample tax return** is provided. The required data field **highlights as the user progresses** through the entry of the requested data:



**Understand if the lender allows external business liquidity analysis:**

For Partnerships and S-Corporations, **Income Calculator will perform several tests** (described in the Fannie Mae *Selling Guide*) to determine if the business has adequate liquidity to support the withdrawal of earnings. The Fannie Mae *Selling Guide* also permits lenders to use alternative methods to validate adequate business liquidity.



Select the first option **if the lender’s underwriting policy allows for alternative methods** to validate business liquidity. Income Calculator will perform its business liquidity tests first and if any are successful will not require the lender’s alternative liquidity test. Income Calculator will **generate a message** advising if the lender’s alternative liquidity test is required.



**Business liquidity adequate confirmation**

Income Calculator determines the Monthly Qualifying Income based on the history of business distributions and, if necessary, a business liquidity analysis.

Fannie Mae permits the lender to use an alternate method (outside of Income Calculator) to confirm the business has adequate liquidity to support the withdrawal of earnings. If Income Calculator determines the business liquidity needs lender review, select one of the following descriptions:

- If necessary, the lender will confirm the business has adequate liquidity to support the withdrawal of earnings outside of Income Calculator. A message will be displayed in the Findings Report when this is required. **i**
- The lender is unable to confirm the business has adequate liquidity to support the withdrawal of earnings.


Select the second option if the **lender’s underwriting policy does not allow for alternative methods** to validate business liquidity or if **all alternative methods have been exhausted**.

### Associate a DU Casefile to ensure rep and warrant relief:



You can associate (link) or disassociate (unlink) the Income Calculator evaluation to a DU Casefile ID. Associating (linking) a DU Casefile ID is **optional**. However, to obtain rep and warrant relief, a DU Casefile ID must be associated **prior to loan delivery**.

Manually underwritten loans must be linked to the DU Casefile ID assigned by the **UCD Data Collection Solution**. Contact [Income\\_Calculator@fanniemae.com](mailto:Income_Calculator@fanniemae.com) for assistance with linking manually underwritten loans.



The screenshot shows the 'Income Calculator' web interface. On the left is a navigation menu with steps: Welcome, Start, Income Type, Employment Name, Length of Employment, Desktop Underwriter (selected), Business Structure, Select Tax Year, Select Tax Forms, Input Tax Data, and Findings Report. The main content area is titled 'Desktop Underwriter (DU)' and includes a sub-header 'Associate this Income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional)'. Below this is a text input field for 'Desktop Underwriter Casefile ID' and two buttons: 'Back' and 'Continue'.



To ensure the correct DU Casefile ID is associated, additional DU data is required.

Income Calculator will require **both**:

- the 5-digit or 9-digit ZIP Code of the **borrower's current residence** (provided to DU), and
- the **employment start date** (copied from the Length of Employment screen).

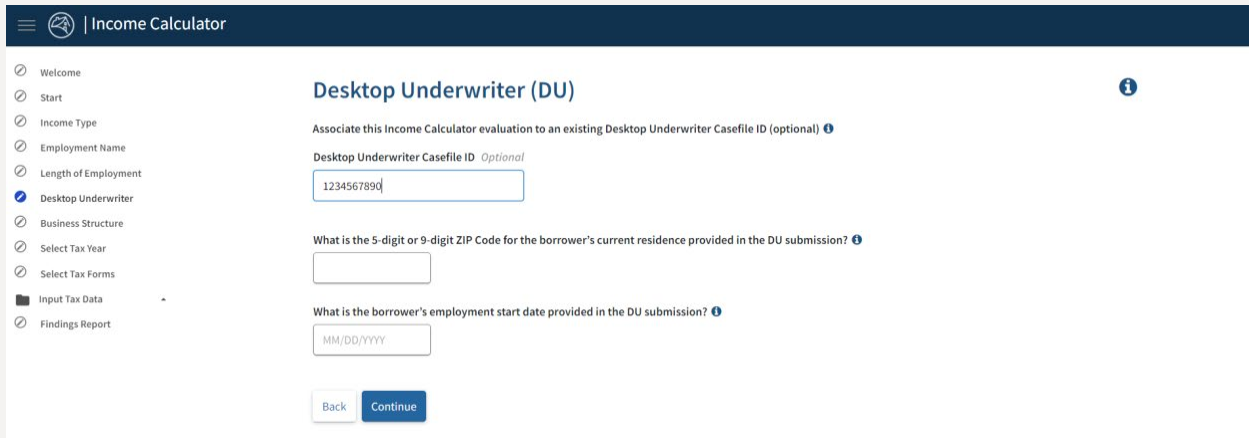
The provided data **must match** the data in the DU submission for the association to succeed.

**Do not provide the subject property ZIP Code.**



**Note the required additional DU data in advance:**

Note the required DU data prior to beginning Income Calculator data entry to **reduce input time.**

The screenshot shows the 'Income Calculator' web interface. On the left is a navigation menu with items: Welcome, Start, Income Type, Employment Name, Length of Employment, Desktop Underwriter (selected), Business Structure, Select Tax Year, Select Tax Forms, Input Tax Data, and Findings Report. The main content area is titled 'Desktop Underwriter (DU)'. It contains the following fields and instructions:

- Associate this Income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional) ⓘ
- Desktop Underwriter Casefile ID *Optional*:
- What is the 5-digit or 9-digit ZIP Code for the borrower's current residence provided in the DU submission? ⓘ:
- What is the borrower's employment start date provided in the DU submission? ⓘ:

At the bottom are 'Back' and 'Continue' buttons.

**Remove the DU Casefile ID if not using self-employment income to qualify:**

If the borrower has self-employment income, but it is not being used to qualify in accordance with the Fannie Mae *Selling Guide*, remove the DU Casefile ID to disassociate it from the Income Calculator evaluation. A DU Casefile ID should be present in Income Calculator **only when rep and warrant relief is requested.**



**Check the income amount in the DU submission to retain rep and warrant relief:**

Ensure your DU submission uses a self-employment income amount that is **less than or equal to** Income Calculator's monthly qualifying income amount. Income Calculator does not overwrite DU, and there are currently **no DU messages** related to Income Calculator.



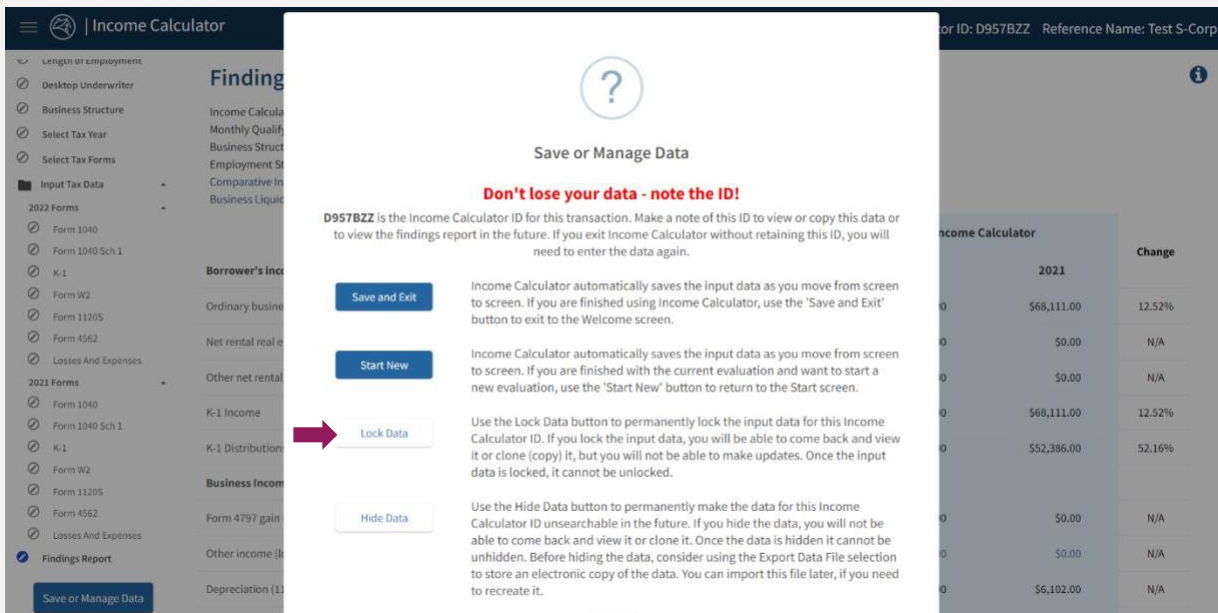
## Use caution when excluding self-employment losses:

Review the Fannie Mae *Selling Guide* for additional information about documentation and evaluation of income (or losses) derived from self-employment if it will not be used for qualifying purposes. Generally, if any of a borrower's self-employment income is used for qualifying, then **all of that borrower's self-employment income and losses must be considered** for qualifying purposes.



## Finished with data entry? Use 'Lock Data' function to prevent updates:

Anyone with the Income Calculator ID (e.g. D123ABC) and the correct answer to the challenge questions can update the evaluation data. Utilize the 'Lock Data' functionality to ensure no further changes are made.

**Save or Manage Data**

**Don't lose your data - note the ID!**

D957BZZ is the Income Calculator ID for this transaction. Make a note of this ID to view the findings report in the future. If you exit Income Calculator without retaining this ID, you will need to enter the data again.

**Save and Exit** | Income Calculator automatically saves the input data as you move from screen to screen. If you are finished using Income Calculator, use the 'Save and Exit' button to exit to the Welcome screen.

**Start New** | Income Calculator automatically saves the input data as you move from screen to screen. If you are finished with the current evaluation and want to start a new evaluation, use the 'Start New' button to return to the Start screen.

**Lock Data** | Use the Lock Data button to permanently lock the input data for this Income Calculator ID. If you lock the input data, you will be able to come back and view it or clone (copy) it, but you will not be able to make updates. Once the input data is locked, it cannot be unlocked.

**Hide Data** | Use the Hide Data button to permanently make the data for this Income Calculator ID unsearchable in the future. If you hide the data, you will not be able to come back and view it or clone it. Once the data is hidden it cannot be unhidden. Before hiding the data, consider using the Export Data File selection to store an electronic copy of the data. You can import this file later, if you need to recreate it.

	2021	Change
	\$68,111.00	12.52%
	\$0.00	N/A
	\$0.00	N/A
	\$68,111.00	12.52%
	\$52,386.00	52.16%
	\$0.00	N/A
	\$0.00	N/A
	\$6,102.00	N/A

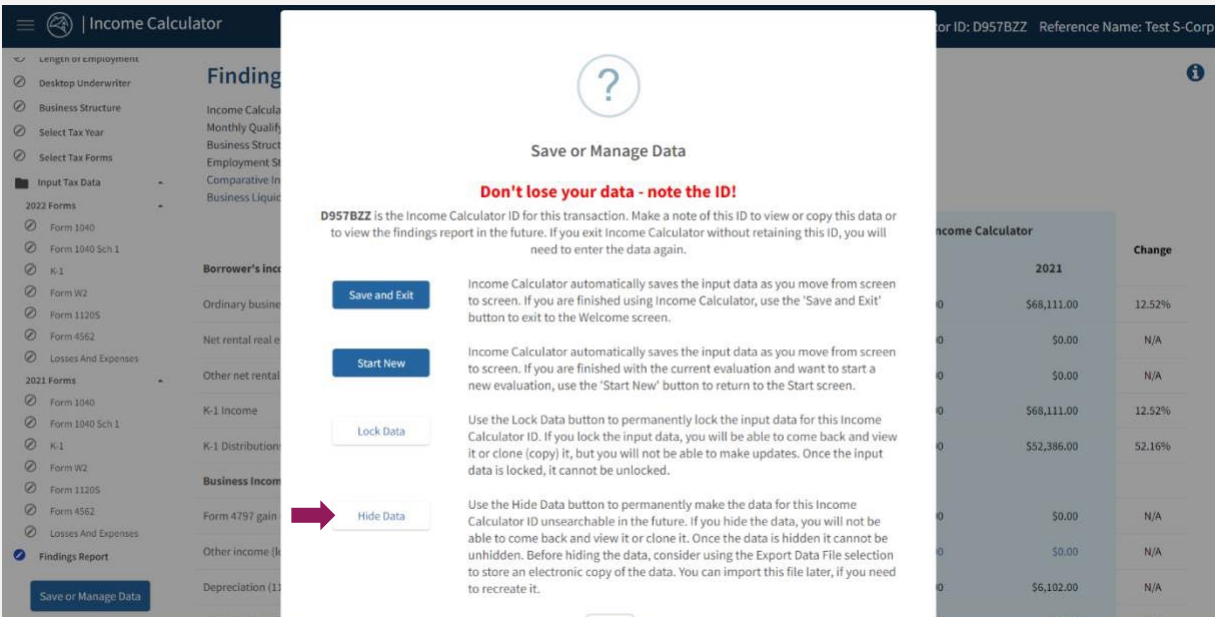
## Locking data is permanent; it cannot be undone by any user:

However, you may clone (copy) a locked evaluation and make updates under the new Income Calculator ID.



## Use 'Hide Data' function to exclude from all search results:

Utilize the 'Hide Data' functionality to make the data unsearchable.

**Save or Manage Data**

**Don't lose your data - note the ID!**

D957BZZ is the Income Calculator ID for this transaction. Make a note of this ID to view or copy this data or to view the findings report in the future. If you exit Income Calculator without retaining this ID, you will need to enter the data again.

**Save and Exit** Income Calculator automatically saves the input data as you move from screen to screen. If you are finished using Income Calculator, use the 'Save and Exit' button to exit to the Welcome screen.

**Start New** Income Calculator automatically saves the input data as you move from screen to screen. If you are finished with the current evaluation and want to start a new evaluation, use the 'Start New' button to return to the Start screen.

**Lock Data** Use the Lock Data button to permanently lock the input data for this Income Calculator ID. If you lock the input data, you will be able to come back and view it or clone (copy) it, but you will not be able to make updates. Once the input data is locked, it cannot be unlocked.

**Hide Data** Use the Hide Data button to permanently make the data for this Income Calculator ID unsearchable in the future. If you hide the data, you will not be able to come back and view it or clone it. Once the data is hidden it cannot be unhidden. Before hiding the data, consider using the Export Data File selection to store an electronic copy of the data. You can import this file later, if you need to recreate it.

Income Calculator		Change
2021		
0	\$68,111.00	12.52%
0	\$0.00	N/A
0	\$0.00	N/A
0	\$68,111.00	12.52%
0	\$52,386.00	52.16%
0	\$0.00	N/A
0	\$0.00	N/A
0	\$6,102.00	N/A

## Hiding data is permanent; it cannot be undone by any user:



## Users should export and store the request data file prior to hiding the data:

If the user wants to recreate the evaluation, the data file can be imported **avoiding manual re-entry** of the input data.

