

Income Calculator Web Interface



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Chapter 1: Income Calculator

Overview

Income Calculator is an easy-to-use Fannie Mae-hosted service that uses tax return data to quickly calculate income for borrowers with income from self-employment, business ownership, and rental properties consistent with Fannie Mae *Selling Guide* policy. Relief from enforcement of representations and warranties (rep and warrant relief) is provided to lenders for the accuracy of the income calculation.

Fannie Mae's Income Calculator web interface is free to use and generates an immediate response including a qualifying income amount and informative messages. Originators can use Income Calculator's qualifying income amount in their Desktop Underwriter[®] (DU[®]) submission.

Fannie Mae's Income Calculator helps originators accurately calculate income so they can make informed underwriting decisions, reduce origination cycle times, and limit repurchase risks.

Purpose

Income Calculator can help increase certainty of loan quality for borrowers with income from self-employment, business ownership, and rental properties. Calculating income for these borrowers is not easy and can be time-consuming and complicated for even the most seasoned originators. With a growing workforce of self-employed borrowers, increased awareness of using rental property to build generational wealth, and multiple options available, originators need a clear way to calculate income that's both accurate and efficient. With Fannie Mae's latest solution, we offer a new way to calculate income that increases the certainty of the calculation and helps reduce cycle time.

Benefits

The Income Calculator helps originators:

- **Easily calculate** income for borrowers with income from self-employment, business ownership, and rental properties.
- **Maximize self-employed borrower's income** by utilizing allowable add-backs not found in 4506-C tax return transcript data, which may result in **qualifying more borrowers** due to higher income being calculated.
- Determine the qualifying monthly income **before submitting to DU**.
- Understand how to correctly enter income data into DU.
- Be eligible for enforcement relief of **rep and warrant** on the income calculation.



NOTE: Income Calculator evaluations submitted via an integrated service cannot be managed using the Fannie Mae web interface. Refer to the integrated service for user guidance.

Chapter 2: Navigating to and Accessing Income Calculator

To navigate to Income Calculator, refer to this page: incomecalculator.fanniemae.com

Access Income Calculator reference videos.

Welcome screen

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The **Welcome** screen contains the link to a reference video, a checkbox to agree to the terms and conditions for use, and a hyperlink to review them.

From the Welcome screen the user can:

\equiv 🏟 Income Calculator			
Velcome	Welcome to Income Calculator Use Income Calculator to quickly and accurately determine monthly qualifying inco	me from self-employment or business ownership.	
	✓ Easy to Use	Reference videos to help you get started	
	✓ Immediate Results ✓ Originate with Confidence	The Basics (2:45)	
	Notice: Income Calculator is not intended for consumer use and must only be used by Mortgage Professionals. Consumers should contact a mortgage lender to understand their personal financing options and qualifying income.	How It Works	
	I acknowledge that I have read the Privacy Notice and agree to the Terms and Conditions. I further certify I am a Mortgage Professional.	Texame Caladate Application Screens (2:58)	
	Continue		

User clicks on one of the videos to learn more about Income Calculator:

😑 🛞 Income Calculator		
 Welcome W Use 	Fannie Mae The Basics: Income Calculator	
		started
Not	🖓 Fannie Mae	
Prot opti III I	SIO 53	
	nte	
	D C(4 0001/02:44 区 袋 ⑦ 比; Close	

b Select **hyperlinks** to review the privacy notice, terms and conditions, or the definition of "mortgage professional."

Privacy notice

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Terms and conditions

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Se Calculator Sectors	Welcome to income Calculator Use use classifier to goaldy and according thereines muscle goaldy and according thereines muscle goaldy and according thereines according to the second	Reference videos to help you get started The Basics The Basics Reference videos to help you get started The Basics The Basics The Works (2:45)	Even Cabalact Comparison Compa	WING BE B
	Continue Controls, likeliher certify law a kingge hidrosow.	Application Screens (2:51)		Second and the require of individual for the first injection of a train is second for and the train and the second and the

Definition of "mortgage professional"



C Select the acknowledgement checkbox. Navigation appears on the left side bar. Acknowledgment is required each time Income Calculator is accessed.



Click the "**Continue**" button to advance to the next screen.



Accessing Income Calculator

d

Income Calculator does not require user credentials to obtain system access. Users should understand:

- a Income Calculator does not contain any nonpublic personal information (NPI).
 - There is no collection of borrower names, Social Security numbers, addresses, account numbers, business names, business addresses, or IRS employer ID numbers.
 - A reference name may be optionally provided but should not contain NPI. (See Reference Name screen for details.)
- **b** Activities such as updating tax return inputs or locking evaluation data can be performed by many different people, including people outside your organization.
- **C** There are protections to maintain appropriate ownership of the evaluation data:
 - To search for a previously submitted case, users must successfully answer a challenge question, such as, "What is the amount on Form 1040, Line 8?" (See Start screen for details.)
 - To associate a DU casefile ID to an Income Calculator evaluation, users must successfully answer one or more challenge questions, such as "What is the start date of the borrower's employment submitted to DU?" (See Desktop Underwriter screen for details.)
- **d** There is limited case management functionality. Listing of a user's previous evaluations is not currently available.

Chapter 3: General Usage

Information icons

On each screen and for most fields within Income Calculator, users will find an "information" icon that will assist in both definition and navigation of the application.

Some information icons contain frequently asked questions (FAQs) and, in some instances, hyperlinks to the Fannie Mae *Selling Guide* designed to support improved understanding of the requested data, system actions, and Fannie Mae policies.

An example using the **Business Structure** screen:

=	Income Calculator		Reference Name: Not Provided
0 0 0 0 0 0 0	Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter Busliness Structure Select Tax Year	Business Structure Thinking about the business you want Income Calculator to evaluate, select the business structure. Sole Proprietorship (Schedule C) S Corporation Partnership Corporation Limited Liability Company (LLC) Lidon't know	0
-	Select Tax Forms Input Tax Data Findings Report	Back Continue	

When selected at the **screen level**, the user will be presented with:



business structure has changed from one year to the next.

The overall definition of the "Business Structure" screen.

- An opportunity to select the "Business Structures" hyperlink that will take the user directly to the Fannie Mae Selling Guide to learn more about business structures as defined in the Guide.
- FAQs that have been prepared supporting the selection of business structures.

When selected at the **field level** on the same screen, the user will be presented with:



An opportunity to select the "Business Structures" hyperlink that will take the user directly to the Fannie Mae *Selling Guide* to learn more about the corporation business structure as defined in the *Guide*.

Income Calculator identifier (ID)

Each Income Calculator evaluation is assigned a unique ID. Income Calculator IDs begin with a capital letter D, followed by three digits, followed by three capital letters (e.g., D123ABC). The ID is automatically assigned and will appear on each screen's header next to the Evaluation Name.

Because there is limited case management functionality, it is important to take note of the ID as you will need it if you want to access the evaluation later.

Using Income Calculator for loans with multiple evaluations

Income Calculator separately evaluates each borrower/business combination. If one borrower owns two businesses, two Income Calculator evaluations will be required. If one business is owned by three borrowers, three Income Calculator evaluations will be required. Income Calculator evaluations can be cloned (copied) to help users avoid duplicate manual data entry. Income Calculator does not consider other Income Calculator evaluations when generating its findings. Each business is evaluated on its own.

Income Calculator separately evaluates each rental property. If three rental properties are owned by the borrower(s), three Income Calculator evaluations will be required. Income Calculator evaluations can be cloned (copied) to help users avoid duplicate manual data entry. Income Calculator does not consider other Income Calculator evaluations when generating its findings. Each rental property is evaluated on its own.

Each Income Calculator evaluation for an income the user plans to consider for underwriting purposes should correspond to separately identified self-employment, an owned business, or a rental property on the Uniform Residential Loan Application (URLA). Users are cautioned that multiple self-employments or owned businesses must not be commingled on the URLA. Each business must be distinctly identified on the URLA with an employer name, start date, income amount, other employment and income data, and, if applicable, in accordance with the DU data specification.

If a borrower's income (or loss) will not be considered for underwriting purposes, an Income Calculator evaluation is not required. Users are cautioned to ensure they follow the Fannie Mae *Selling Guide* requirements to determine if a self-employed business' income or loss may be excluded from underwriting. Generally, if any self-employment income from a borrower is to be considered for underwriting purposes, then all self-employment income (or loss) for that borrower must be considered. Income Calculator does not determine which incomes (or losses) must be considered for underwriting purposes.

Save or manage data

Income Calculator automatically saves input data as the user moves from screen to screen. Once tax return data has been provided (and for a new request an Income Calculator ID has been generated), users should click the "Save or Manage Data" button to exit an evaluation. The user will be presented with four options prior to exiting the system:

😑 🛞 Income Calcula	ator			e Calculator ID: D626GLC Reference Name: Not Provided
Welcome Start Income Type	Input Data: Forn For the business you want incon Provide all requested data exactly		?	longent l
Employment Name Length of Employment	Line 1a 🖲 Enter Total amount from Form		Save or Manage Data	tum 2023 CARD NO. 1555 GAINA INS. UND. OF THE ONLY AND
Desktop Underwriter Dusiness Structure	\$111,111		Don't lose your data - note the ID!	name Spouse's social excurty number-
Select Tax Year Select Tax Forms	There is no amount on this line		Calculator ID for this transaction. Make a note of this ID to view or copy this data or port in the future. If you exit income Calculator without retaining this ID, you will need to enter the data again.	Object that if you you' section takes the provided of
Emput Tax Data • 2023 Forms • Form 1040	Enter Wages, Salaries, Tips, et S111,111 There is no amount on this line	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.	in normal
Form 1040 Sch 1 Form W2 Form 1125-E	Line 8 0 Enter Other Income Schedule	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.	energy and a strangence of severe the an all approximation of their interactions. The severe severe the an all approximation of the severe seve
Form 1120 Losses And Expenses 2022 Forms	\$2,222 There is no amount on this line	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	
Form 1040 Form 1040 Sch 1	Enter Total Income	Hide Data	data is locked, it cannot be unlocked. Use the Hide Data button to permanently make the data for this Income	in a formage w-2 interactions interactions
Form W2 Form 1125 E	O There is no amount on this line	mide Data	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	etrurtopea)
 Form 1120 Losses And Expenses 	Line 11 🕄 Enter Adjusted Gross Income		to store an electronic copy of the data. You can import this file later, if you need to recreate it.	b Orthrany dividentia 3b b Taxable amount 4b b Taxable amount 4b b Taxable amount
Findings Report Save or Manage Data	\$222,222		Close	en methos, there are instructional
	the second of		1) 14 and 1990 The second seco	adje 11 12 Provide Al

Click the "Save and Exit" button to return to the Welcome screen, or simply close your browser.



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.

Click the "Start New" button to return to the Start screen.



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.

Click the "Lock Data" button to permanently prevent further edits to this evaluation.



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

Click the "Hide Data" button to permanently make this evaluation unsearchable.



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.

Use the Hide Data button to permanently make the data for this Income

NOTE: Pay close attention to the definitions of "**Lock Data**" and "**Hide Data**" as these actions are permanent and will impact the future processing of evaluations.

Screen navigation

Users can click the "Continue" button on any screen to advance to the next Income Calculator screen.

Users can click the "Back" button on any screen to return the previous Income Calculator screen.

• It is NOT recommended to use your browser's back button while navigating Income Calculator.

Users can select any screen name from the left navigation bar to be taken to that screen location.



Chapter 4: Functionality and Screen Flow

Start screen

Use this screen to begin a new Income Calculator evaluation or retrieve previously entered information.

Begin a **new evaluation** in one of two ways:

Ξ	🗉 🎯 Income Calculator		
	Start	Start	0
	Employment Name	New Evaluation Existing Evaluation © Enter Data 0 Originator NMLS ID 0 Optional © Search Income Calculator ID 0	
	Length of Employment Desktop Underwriter Business Structure	Enter Data ① Originator NMLS ID ① Optional Orginator NMLS ID ① Optional Orginator NMLS ID ① Optional OR	
0 0	Select Tax Year	Start New Evaluation	
_	Input Tax Data - Findings Report		

- 1a Select "Enter Data" to begin a new evaluation by manually entering tax return data, or
- **1b** Select "**Import**" to upload a pre-defined data file into Income Calculator for evaluation. Income Calculator does not support the import of tax return PDF files. See NOTE below.
- 2 Click the "**Start New Evaluation**" button to advance to the next screen.

Providing an originator NMLS ID is optional.



NOTE: For more information about how to obtain an **import file**, please select the "information" icon next to the "Import" button or refer to the Income Calculator FAQ document.

Search for an existing evaluation

	l Income Calculator		
000000000000000000000000000000000000000	Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Year Select Tax Forms	Start New Evaluation Enter Data Originator NMLS ID Optional Import Originator NMLS ID Optional Optional Search Income Calculator ID O D123ABC OR What is the amount on Form 1040, Line 8 or W-2, Box 5? Start New Evaluation Start New Evaluaticon Start New Evaluaticon Start New Eva	0
_	Input Tax Data -	Search Existing Evaluation	



- 1 Enter Income Calculator ID enter the ID that was issued during a prior submission. The field is case sensitive. (Use all capital letters.)
- 2 Answer the **challenge question** enter the amount from the prior submission:
 - **a** Form 1040, Line 8, or
 - **b** W-2, Box 5
- **3** Click the "**Search Existing Evaluation**" button. Income Calculator will attempt to retrieve the previously submitted data and will provide the following responses to the user:



NOTE: When submitting cases to Income Calculator, make note of the ID generated by Income Calculator as well as the answers to the above challenge questions to enable a successful search experience later.

a If Income Calculator cannot locate the previous evaluation, an error will appear.

= 🛞 Income Calculator					
Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Year Select Tax Year Select Tax Pota Findings Report	Start New Evaluation © Enter Data ① ○ Import ① Start New Evaluation	Originator NMLS ID 0	Optional Not found	Existing Evaluation Search Income Calculator ID unt on Form 1040, Line 8 or W-2, Box 57 Evaluation	θ
			alculator ID D123ABC doe nd to an active evaluation		

Potential reasons for error:

- The Income Calculator ID was mistyped. Check for pattern D123ABC. Note all letters must be capitalized. Check that a space was not added at the end of the ID.
- The challenge question was not answered correctly.
- The number of unsuccessful attempts was excessive.
- A previous user selected the "Hide Data" button making the evaluation unsearchable.
- The Income Calculator evaluation was originally submitted through an integrated connection with an authorized technology service provider (TSP). Updates to these evaluations must be handled through the TSP.

You may contact Income_Calculator@fanniemae.com for assistance.

b When Income Calculator search is successful, additional actions will be presented.

\equiv 🚳 Income Calculator	Income Calculator ID: D488QFD Reference Name: Partnership User Guide	
Verticome Start Start Length of Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Forms Select Tax Forms Input Tax Data S023 Forms S023 Forms Note Tax Data S023 Forms Note Tax Data S023 Forms S023 Form 1040 Sch 1 F	Clark Calculator ID: D488QED Reference Name: Partnership User Guide Clark Calculator ID: D488QED Clark Calculation Clark Calculation Clark Calculator ID Clark Calculator Clark Calculato	
Form 1040 Form 1040 Form 1040 Sub 1 K1 Form 1045 Losses And Exponses Findings Report Save or Manage Data	Back Continue	

- **4** Four action options are available from the user's successful search:
 - a Select "Update" to add, remove or modify information associated to this Income Calculator ID.
 - **b** Select "**Clone Evaluation**" to create a new Income Calculator evaluation using data copied from an existing Income Calculator evaluation. Cloning an existing evaluation will create a new Income Calculator ID.
 - **C** Select "**Export Data**" to create a file that contains the Income Calculator input data.
 - **d** Select "**View Findings Report**" to skip directly to the Income Calculator Findings Report screen.
- 5 Click the "**Continue**" button to take the requested action.

Income Type screen

Use this screen to inform Income Calculator of the kind of income you want to evaluate.

- 1 Select "**Self-Employed**" if you want Income Calculator to evaluate income from a sole proprietorship (Schedule C), a partnership, an S corporation (S corp), a standard corporation (C corp), or a limited liability company (LLC).
- 2 Select "**Rental**" if you want Income Calculator to evaluate income from a rental property reported by the borrower on personal federal income tax returns (Schedule E, Part I). Rental income reported on business tax returns is not currently supported.

= 🎯 Income Calculator			
 Welcome Start 	Income Type	0	
Income Type	Self-Employed or Business Owner		
Ø Employment Name	Rental		
Ø Length of Employment			
Ø Desktop Underwriter	Back Continue		
Ø Business Structure			

3 Click the "**Continue**" button to advance to the next screen.

Reference Name screen

Use this screen to create an optional reference name for the data from this income source. Creating a name will help you identify and track the correct income data when a borrower has more than one self-employment, owned business, or rental property.

If you assign a name, it will appear on each Income Calculator screen and will be printed on the Income Calculator Findings Report. You may use the actual business name or street address, or you may use a generic name, such as "Borrower 1/Business 1" or "Rental Property #3."

	Welcome Start	Reference Name (Optional)	0
0	Income Type	You may optionally create a reference name for the data from this employment or rental property. Do not provide personally identifiable information, such as individual names or addresses.	
0	Reference Name		
0	Length of Employment	e.g. Business Name	
Ø	Desktop Underwriter		
0	Business Structure		
0	Select Tax Year	Back Continue	
0	Select Tax Forms		

- 1 Enter text information in the box. You should ensure the reference name you select does not contain any NPI, such as the borrower's full Social Security number or the borrower's full name. Up to 100 characters are permitted.
- 2 Click the "Continue" button to advance to the next screen.

Length of Employment screen (self-employed or business ownership)

Use this screen to provide the date the borrower began this employment based on the tax return data.

Income Calculator requires an accurate employment start date to correctly calculate the monthly qualifying income. The date provided must match the employment start date provided to DU, if applicable.

=	Income Calculator		Reference Name: Not Provided
	Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Forms Input Tax Data Findings Report	Encycle the employment start date () MM/DD/WYY Back Continue	0

Enter using the date format of MM/DD/YYYY

Fannie Mae

2 Click the "**Continue**" button to advance to the next screen.

If Income Calculator determines the length of employment is between 12 and 23 months, **additional employment history information** will be required.

1	l Income Calculator	Re	ference Name: Not Provided
	Welcome Start Income Type	Length of Employment Provide the employment start date 9	0
000	Employment Name Length of Employment Desktop Underwriter	12/31/2022 There is less than a 2-year history of self-employment. Describe the self-employment history: ①	
0 0 0	Business Structure Select Tax Year Select Tax Forms	 The employment or occupation history is similar to the current self-employment, and the loan file contains documentation to support receipt of prior is from the similar employment/occupation at the same (or greater) level than the current self-employed business. The employment or occupation history is not similar to the current self employment, or the loan file does not contain documentation to receipt of inco the similar employment/occupation at the same (or greater) level than the current self-employed business. 	
_	Input Tax Data	Back	

If Income Calculator determines the borrower's most recently filed tax returns do not reflect a full 12 months of self-employment income, **a warning message** will appear.

Welcome Length of Employment Start Length of Employment Income Type Provide the employment start date 0 Length of Employment 02/01/2023 Length of Employment Back Continue
 Select Tax Yar Select Tax Forms Input Tax Data Findings Report Based on the Employment Start Date, the borrower's most recent tax returns do not reflect a full 12 months of self-employment norms. The Fannie Mae Selling Guide income requirements cannot be met. Vou may continue to provide tax return data for informational purposes, but income Calculator will not return a qualifying income amount.

Desktop Underwriter screen

If the loan has been evaluated by Desktop Underwriter (DU), you can optionally associate (link) or disassociate (unlink) this Income Calculator evaluation to the DU Casefile ID.

Associating a DU Casefile ID is optional. However, to **obtain enforcement relief from representations and warranties** on the calculated income amount, an associated **DU Casefile ID is required in Income Calculator prior to delivery** of the loan.

=	🗉 🎯 Income Calculator		Reference Name: Not Provided
	Start Income Type Employment Name	Desktop Underwriter (DU) Associate this Income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional) Desktop Underwriter Casefile ID (optional) Back Continue	0

Enter a valid **DU Casefile ID** to associate (link) it to your Income Calculator data. Income Calculator will retrieve loan data from DU and may use it to populate some of the Income Calculator information. Income Calculator does not overwrite any DU submission data. Users must ensure their DU submissions contain the correct qualifying income amount. Currently, DU does not generate any messages related to Income Calculator.





NOTE: To associate the DU Casefile ID, be sure to have the following information on hand from the DU submission:
Five-digit or nine-digit ZIP code of the borrower's current residence

2 Enter **answers to two challenge questions** from the DU submission data. For self-employment or business ownership, the borrower's employment start date on the Length of Employment screen will automatically be carried over to populate the employment start date on the Desktop Underwriter screen. Changes to the borrower's employment start date should be made on the Length of Employment screen.

For rental properties, the five-digit or nine-digit ZIP code of the rental property must be provided.

=	Income Calculator		Reference Name: Not Provided
	Welcome Start Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Year Select Tax Year Select Tax Forms onput Tax Data	Desktop Underwriter (DU) Associate this income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional) Desktop Underwriter Casefile ID Optional 1234567886 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? • MM/DD/YYYY Back Continue	0

- **3** Click the "**Continue**" button to advance to the next screen.
- 4 Income Calculator will attempt to associate the evaluation with the indicated DU Casefile ID.
 - a If Income Calculator cannot associate the DU Casefile ID, an error will appear.

 Welcome Start 	Desktop Underwriter (DU)	0
autors Employment Name Length of Employment Deckop Underwriter	Associate this income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional) Desktop Underwriter Casefile ID Optional 1234567890	
Business Structure Select Tax Year Select Tax Forms	What is the 5-digit or 9-d ssion? O	
Input Tax Data Findings Report	What is the borrower's e Not found Unable to complete association to Desktop	
Save or Manage Data	Back Continue Complete Displayability of Continue	



Potential reasons for an error:

- The DU Casefile ID was mistyped. Check for 10 digits.
- The challenge questions were not correctly answered.
- The number of unsuccessful attempts was excessive.
- The loan submitted to DU does not contain any self-employment, business ownership, or rental income.

You may contact Income_Calculator@fanniemae.com for assistance.

- **b** If Income Calculator associates the DU Casefile ID, the user will be advanced to the next screen.
- **C** If a user has previously associated a DU Casefile ID to an Income Calculator evaluation and needs to remove the association to DU, the user should navigate to the Desktop Underwriter screen (either by clicking through the screens or using the left navigation bar) and take the following actions:

=	🛞 Income Calculator		Income Calculator ID: D638GYQ Reference Name: Not Provid	ded
	Income Type	Desktop Underwriter (DU) Associate this income Calculator evaluation to an existing Desktop Underwriter Caseflie ID (optional) Desktop Underwriter Caseflie ID Optional 2007450109 2007450109 Back Continue	0	

- Use the trash can icon to remove the association (unlink).
- Click the "Continue" button.
- User will be provided a confirmation request.

= 🕲 Income Calculator		Income Calculator ID: D638GYQ Reference Name: Not Provided
Watcome Start start income type Employment Name Lengith of Employment Genetation determiter	Desktop Underwriter (DU) Associate this Income Calculator evaluation to an existing Desktop Underwriter Caseffle ID (optional) Desktop Underwriter Caseffle ID: (optional) 20074501285 @ 02/17/2014 23:02/557 (Inate of Desktop Linderwriter Submission)	0
Business Structure Salect Tax Year Salect Tax Forms Input Tax Data Printings Report	Back Continue	
Sive or Hanage Bata	Are you sure? Remove the association with casefile ID 2007450189 Remove Association Cancel	

• If the user clicks the "**Cancel**" button, the DU Casefile ID will remain associated with the Income Calculator case.

• If the user clicks the "**Remove Association**" button, the association between the DU Casefile ID and the Income Calculator evaluation will be removed, and the user will receive the following confirmation message:

=	Income Calculator		Income Calculator ID: D638GYQ Reference Name: Not Provided
0000	Wilcome Start Income Type Employment Name Length of Lumployment Desktop Underwriter Desktop Underwriter	Desktop Underwriter (DU) Associate this income Calculator evaluation to an existing Desktop Underwriter Casefile ID (optional) @ Desktop Underwriter Casefile ID: Optional	0
0	Boomers Structure Select Tax Form Input Tax Data - Findings Report	Back Continue	
	Seve or Manage Data	Removed! Association with casefile ID null has been removed	

• The user must click the "**OK**" button to acknowledge the action.

Business Structure screen (self-employed or business ownership)

Use this screen to identify the business' structure. If you're not sure, Income Calculator can help identify the correct business structure. Knowing the business structure will enable Income Calculator to streamline tax return data collection.

	🛞 Income Calculator	
0	Welcome Start	Business Structure
\oslash	Income Type	Thinking about the business you want Income Calculator to evaluate, select the business structure.
\oslash	Employment Name	Sole Proprietorship (Schedule C) 0
\oslash	Length of Employment	O S Corporation 3
Ø	Desktop Underwriter	O Partnership 1
0	Business Structure	○ Corporation 0
\oslash	Select Tax Year	 Limited Liability Company (LLC) Idon't know
\oslash	Select Tax Forms	t
	Input Tax Data -	
\oslash	Findings Report	Back Continue

- **1** Select the **appropriate business structure** to be evaluated by Income Calculator.
- 2 Select "I don't know" to allow Income Calculator to help guide you through the business structure determination.
- 3 Click the "**Continue**" button to advance to the next screen.





NOTE: Select "Limited Liability Corporation (LLC)" if applicable. The Select Tax Forms screen and other data collection will identify whether the business is a partnership LLC, an S corporation LLC, or a single-member (sole proprietor) LLC.



NOTE: When "Limited Liability Corporation (LLC)" or "I don't know" is selected on the Business Structure screen, Income Calculator will try to identify the correct business structure by presenting a variety of tax return form screens. If the tax return form is not present or not applicable to the business being evaluated, click the "**Skip**" button at the bottom of the screen.

Select Tax Year screen

Use this screen to provide information about whether the borrower has filed their tax returns for the most recent tax year.

=	l Income Calculator		
000000000000000000000000000000000000000	Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter Business Structure Select Tax Year Select Tax Para	Select Tax Year Has the borrower filed tax returns for tax year 2023? Yes No Back Continue	,
0	Findings Report		

- **1** Select "**Yes**" if the borrower has filed their federal income tax returns for the most recent calendar year. For example, if the current date is February 19, 2024, and the borrower has filed their 2023 federal income tax return, select "Yes."
- 2 Select "**No**" if the borrower has not filed their federal income tax returns for the most recent calendar year. For example, if the current date is February 19, 2024, and the borrower has not filed their 2023 federal income tax return, select "No."
- **3** Click the "**Continue**" button to advance to the next screen.



Select Tax Forms screen

Use this screen to take an inventory of the IRS tax return forms you have related to this income source. At minimum, you must have the most recent year's individual (personal) tax returns.

Some selections may be grayed out (not able to be selected). Income Calculator will determine which tax return forms to enable based on selections made on the Income Type and Business Structure screens. If "LLC" or "I don't know" was selected on the Business Structure screen, several options on the Select Tax Forms screen will be presented to the user to help drive the determination of the correct business structure.

Selections made for the current tax year will dynamically adjust which options are enabled for the previous year.

Users must select at least "Form 1040," "Form 1040-SR," or "Form 1040-NR" for the most recent year. For self-employment or business ownership, **one** of the following is required to continue:

- Two years of personal and business federal tax returns
- One year of personal and business federal tax returns (permitted under certain conditions)
- Two years of personal federal tax returns (waiver of business tax returns may be permitted under certain conditions)

= 🚳 Income Calculator		
Velcome Start Income Type Employment Name Length of Employment Desktop Underwriter Susiness Structure Select Tax Year Select Tax Forms Input Tax Data 2023 Forms	Select Tax Forms Thinking about the business you want Income Calculator to evaluate, what IRS tax return form(s) do you have? (select all that apply) Tax Year - 2023 2023 Form 1040 - U.S. Individual Income Tax Return 2023 Form 1040SR - U.S. Tax Return for Seniors 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2023 Form 1065 - U.S. Return of Partnership Income 2023 Form 1120S - U.S. Longone Tax Return 2023 Form 1120S - U.S. Income Tax Return	¢
	Tax Year - 2022 2022 Form 1040 - U.S. Individual Income Tax Return 2022 Form 1040SR - U.S. Tax Return for Seniors 2022 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2022 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2022 Form 1040NR - U.S. Nonresident Alien Income Tax Return 2022 Form 105 - U.S. Return of Partnership Income 2022 Form 1120 - U.S. Corporation Income Tax Return 2022 Form 11205 - U.S. Income Tax Return for an S Corporation	~

Income Calculator evaluates whatever tax return data is provided by the user. If the borrower provides information beyond what is required in the *Selling Guide*, you may provide it to Income Calculator for consideration.

Deselect the tax return forms for the prior year to remove that data from the Income Calculator evaluation. Note that this action cannot be undone. If you deselect a prior tax year, you will need to re-enter it if you want it considered in the evaluation.

• If the user selects "I don't have any tax returns" and then clicks the "Continue" button, the following error will be presented. The user must click the "OK" button and select the appropriate tax forms for their submission.

😑 🕙 Income Calculator				
Ø welcome	Thinking about the business y	ou want income Calculator to evaluate, what IRS tax return form(s) do	you have? (select all that apply)	
Ø Start	Tax Year - 2023		~	
Ø Income Type	🗍 2023 Form 1040 - U.S. Ind	lividual Income Tax Return		
Ø Employment Name	🗆 2023 Form 1040SR - U	J.S. Tax Return for Seniors		
Ø Length of Employment	2023 Form 1040N			
O Desktop Underwriter	2023 Form 1065 - U.S.			
Business Structure	2023 Form 1120 U.S.			
Select Tax Year	2023 Form 1120S - U.			
Select Tax Forms		\bigcirc		
Input Tax Data	Tax Year - 2022	Input Required	~	
2023 Forms -	2022 Form 1040 - U.S.			
 Form 1040 Sch 1 		Income Calculator requires data from US tax returns to perform its analysis. Please obtain the tax returns to		
Ø к.1	2022 Form 1040S	continue.		
Ø Form 1065	2022 Form 1040N			
Losses And Expenses	2022 Form 1065 - U.S.	ОК		
2022 Forms •	2022 Form 1120 - U.S.			
Form 1040 Form 1040 Sch 1	2022 Form 11205 - U.S. In	ncome Tax Return for an S Corporation		
Ø K-1				
Ø Form 1065	I don't have any tax returns			
O Losses And Expenses				
Ø Findings Report	Back Continue			

• If the prior year's tax returns are not selected for self-employment or business ownership, the user may be prompted to confirm exclusion.

😑 🕙 Income Calculator		
Welcome Start income Type	Select Tax Forms	()
Income Type Employment Name Length of Employment Desktop Underwriter	т. ?	~
Business Structure Select Tax Year	Do you want to skip prior year tax returns?	
 Select Tax Forms Input Tax Data 2023 Forms Form 1040 Form 1040 Sch 1 K-1 Form 1085 Losses And Expenses Findings Report 	 The Desktop Underwriter (DU) Casefile ID was created prior to January 1, 2024, and DU has issued a message permitting income to be documented with one year of personal and business tax returns, or 2. the borrower has had 25% or more ownership interest in the business for a minimum of five (5) years as reflected on the Uniform Residential Loan Application. Confirm the tax returns reflect at least 12 months of self-employment income. Income Calculator calculates the borrower's maximum qualifying income based on the provided tax return data are provided. 	~
	C I don't have any tax returns	

• If the user clicks the "Skip Prior Year" button, the user will be taken to the first screen in the "Input Tax Data" section.

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- If the user clicks the "**Provide Prior Year**" button, the user will return to the "**Select Tax Forms**" screen to make additional selections.
- If a DU Casefile ID has been associated to the Income Calculator evaluation, DU issued a message requiring two years of tax returns, and the previous year's tax returns are not selected by the user, a **warning message** will appear prompting confirmation of exclusion.

= 🛞 Income Calculator	Income Calculator ID: D224XBR Reference Name: Not Provided
Weekcome Shart Shart Shart Income Type Employment Name Length of Employment Business Structure Select Tax Year Select Tax Forms Input Tax Data	Income Calculator ID: D224XBR Reference Name: Not Provided Upply) WARNING! Desktop Underwriter has issued a message requiring two years of tax returns Vertice of tax returns? Do you want to skip prior year tax returns? Do you want to skip prior year day returns
2023 Form 1940 © Form 1940 Sch 1 © Form 1940 Sch C © Losses And Expenses © Findings Report Save or Manage Data	 the Desktop Underwriter (DU) Casefile ID was created prior to January 1, 2024, and DU has issued a message permitting income to be documented with one year of personal and business tax returns, or the borrower has had 25% or more ownership interest in the business for a minimum of five (5) years as reflected on the Uniform Residential Loan Application. Confirm the tax returns reflect at least 12 months of self-employment income. Income Calculator calculates the borrower's maximum qualifying income based on the provided tax return data. It is possible a higher qualifying income amount could be returned if two years of tax return data are provided. Skip Prior Year

- If the user clicks the "Skip Prior Year" button, the user will be taken to the first screen in the "Input Tax Data" section.
- If the user clicks the "**Provide Prior Year**" button, the user will return to the "**Select Tax Forms**" screen to make additional selections.



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NOTE: See *Desktop Underwriter screen* for instructions to associate or remove association of a DU Casefile ID to an Income Calculator evaluation.

1 If the business structure is a corporation, an LLC, a partnership, or an S corporation, but no business return selections are made on the "**Select Tax Forms**" screen, the user will be prompted to confirm the current selection:

😑 🍓 Income Calculator		Reference Name: Not Provided
Ø Welcome	Thinking about the business you want income Calculator to evaluate, what IRS tax return form(s) do you have? (select all that apply)	
Ø Start	Tax Year - 2023	~
O Income Type	2023 Form 1040 - U.S. Individual Income Tax Return	
Employment Name		
O Length of Employment		
Ø Desktop Underwriter		
Business Structure		
Ø Select Tax Year		
Select Tax Forms	Do you want to waive Business tax returns?	
	Tax X Business tax returns may ONLY be waived if: the borrower has been self-employed in the same business for at least five years, the borrower is using his or her own personal funds to pay the down payment and closing costs and satisfy applicable reserve requirements, and the borrower's individual tax returns show an increase in self-employment income over the past two years	~
2022 Forms - Ø Form 1040 Ø Form 1040 Sch 1 Ø K:1 Ø Losses And Expenses	OK Cancel	
Findings Report	I don't have any tax returns	
	Back Continue	Pring: Terris

- 2 If the user clicks the "OK" button, the user will be taken to the first screen in the "**Input Tax Data**" section.
- **3** If the user clicks the "**Cancel**" button, the user will return to the "**Select Tax Forms**" screen to make additional selections.

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Input Tax Data screen

Once the user has selected the income type and business structure, indicated the most recent federal income tax year that the borrower has filed, and selected the tax return forms to be used in the evaluation, Income Calculator will present screens enabling entry of the tax return information.

The user will be provided an example of the federal income tax form highlighting where the relevant data is located on the form.

Users should provide all requested tax return information **exactly as it appears on the tax return** form. Users should **follow all screen instructions** for data entry. Do not adjust input amounts of tax return information based on underwriting assessments, such as whether an income or loss amount is recurring or nonrecurring.

3	Income Calculator							Refe	rence Name: User Guide
0000000	Welcome Start Income Type Employment Name Desktop Underwriter Business Structure Select Tax Forer Select Tax Forer	For the business you want Income Calculator to evaluate, find IRS tax return form 1040 for 2023. Provide all requested data exactly as it appears on the tax returns. Line 1a0 E Inter Total amount from Form(s) W-2, box 1 C There is no amount on this line Line 1z0	9	For the year Jan. Your first name I If joint return, sp Home address (r	Describer of the Transport - Internat America America U.S. Individual Incomes Tat 1046 et 3, 2004, or store tas york beginning 	. 2023, enting Last name Last name instructions. Trajete spaces below. Elast Fareign province/state/ocurfs	Act. In ZIP code y Foreign p	no.	Not once in page 1 to take. The segred is a total-con- figured - and a subty mode device in the second compare Constant of the second compare Constant of the second compare Constant of the second compare to take and
20 © © ©	Form 1040 Form 1040 Sch 1 Form 1040 Sch C Losses And Expenses 22 Forms Form 1040 Form 1040 Sch 1	 Enter Wages, Salaries, Tips, etc. (add lines 1a-1h) There is no amount on this line Line 8 0 Enter Other Income Schedule 1 There is no amount on this line Line 9 0 		Assets Standard Deduction Age/Bindness	Hand fing spinith (seen if only of the seenable of the se	name dy income) Iname dy jour spoule. If you che urdepandez: Inite (de a medid, aneled, er pays at assort par d'anousal initiate a Inite (de a medid, aneled, er pays at assort par d'anousal initiate) Inite (de a medid, aneled, er pays at assort par d'anousal initiate) Inite (de a medid, aneled, er pays Initiate) Initiate Init	ent for property or ser a digital asset)? (See i a dependent 	a spouse (i box, enter vices): or (instruction January 2, hack the bo Ohid tax or	

- 1 All fields must include an answer. If there is no data on the field requested, the user should select "There is no amount/value/date on this line."
- 2 The user must enter all data and click the "**Continue**" button to progress through each tax form and each year provided.
- **3** Each income type/business structure has a unique set of tax return screens and forms.
- 4 The tax return screens are dynamically generated. As the user provides tax return information, additional screens may be displayed.
- 5 Tax return information may be conditionally displayed or disabled. As the user provides tax return information, collection of additional tax return data or supplemental data may be enabled.
- 6 Users may provide supplemental, non-tax return data that Income Calculator will use in the application of Fannie Mae's *Selling Guide* policies for income calculation. The Income Calculator Findings Report will generate messages confirming supplemental data was provided.



Findings Report screen

Income Calculator's evaluation results are displayed in a findings report containing multiple sections. Users have the option to "**Export Data**" and/or "**View/Save/Print PDF.**"

Findings summary:

This section contains important information including the Income Calculator ID and the amount of monthly qualifying income for which Fannie Mae will offer enforcement relief from representations and warranties.



Tax return and Income Calculator side by side comparison (cashflow):

The columns highlighted in gray show the data the user provided in the Input Tax Data screens. The columns highlighted in blue show the data used to calculate the monthly qualifying income amount.

Use the pencil icons to quickly navigate to the specific data input location.

🗉 🛞 Income Calco	ulator				Inco	me Calculator ID: D562	ZLQ Reference Nar	ne: Test S-Cor
Welcome Start Income Type Employment Name Length of Employment Desktop Underwriter	Findings Report Income Calculator ID Monthly Qualifying Income Business Structure / Ownership % Employment Start Date Comparative Income Analysis Business Cinculty Analysis	D5522LQ ① \$6,974.08 ① 5-Corporation / 100% ① 05/14/2019 ① ✓ ①						
Business Structure Select Tax Year Select Tax Forms	Borrower's income from K-1		2022	Tax Returns	1	Income Ca	lculator 2021	Change
Input Tax Data	Ordinary business income (loss) 🚯		\$76,637.00			\$76,637.00	\$68,111.00	12.52%
 Form 1040 Form 1040 Sch 1 	Net rental real estate income (loss)	•	\$0.00	\$ 50.0	10 /	\$0.00	\$0.00	N/A
 K-1 Form W2 	Other net rental income (loss) 🚯		\$0.00	× \$0.0	0 /	\$0.00	\$0.00	N/A
Form 11205	K-1 Income					\$76,637.00	\$68,111.00	12.52%
Form 4562	K-1 Distributions ()		\$79,712.00	\$52,386.0	0 /	\$79,712.00	\$52,386.00	52.16%

Click the hyperlinks to learn more about amounts that may appear inconsistent.



Monthly qualifying income calculation and other analyses:

The monthly qualifying income is transparently calculated.

For self-employed or business ownership, click the expansion links (">" at the far right of each line) to display the full comparative income analysis and business liquidity analysis.

Note: A **green check mark** is an indication that the analysis is acceptable. A red warning triangle will indicate when lender review is needed.

= 🛞 Income Ca	culator		Ş	Income Calculator ID: D562ZLQ	Reference Nan	ne: Test S-Corp
Ø Welcome	Borrower's Share of Business Income 9			-\$2,617.00	\$5,295.00	
Start Income Type	W-2 Medicare wages ()	\$0.00 🖌	\$0.00 🎤	\$0.00	\$0.00	N/A
Employment Name	Compensation of Officers 🖯	\$20,000.00	\$24,000.00	\$20,000.00	\$0.00	N/A
 Length of Employment 	K-1 Income or Distributions (from above) 0			\$76,637.00	\$68,111.00	
Desktop Underwriter Business Structure	TOTAL			\$94,020.00	\$73,406.00	28.08%
Ø Select Tax Year						
Ø Select Tax Forms	Monthly Qualifying income \$94,020.00 + \$73,406.00 = \$167,426.00 / 24 months = \$6,976.08					
Input Tax Data	Comparative Income Analysis 🗸 0					>
 Form 1040 Form 1040 Sch 1 K-1 	Business Liquidity Analysis 🖌 0					>

Comparative income analysis (self-employed or business ownership)

The year-over-year comparison of gross income, expenses, and taxable income is displayed, along with the narrative trend of "Increasing," "Level," or "Declining."

Note: A "Declining" trend will generate a message requiring the lender to ensure the loan file contains documentation that supports that the borrower's self-employed income has stabilized if the income is to be used for loan qualification.

Welcome	Comparative Income Analysis 🖌 🔁				
Start		2022	2021	Change	
Income Type		2022	2021	Change	
Employment Name	Gross Receipts or Sales	\$135,263.00 🖍	\$128,778.00 🖌		
Length of Employment Desktop Underwriter	Returns and Allowances	\$0.00	\$0.00 🥓		
Business Structure	Gross Income	\$135,263.00	\$128,778.00	5.0496	
Select Tax Year Select Tax Forms	Cost of Goods Sold	\$0.00	\$0.00		
Input Tax Data	Total Deductions	\$48,626.00 🖋	\$60,667.00		
2022 Forms •	Expenses	\$48,626.00	\$60,667.00	-19.85%	
 Form 1040 Sch 1 K-1 	Expenses / Gross Income	35.95%	47.11%		
 K-1 Form W2 	Taxable Income	\$86,637.00 🖍	\$68,111.00 🖌	27.20%	
 Form 11205 Form 4562 	Taxable Income / Gross Income	64.05%	52.89%		

Business liquidity analysis (self-employed or business ownership)

The liquidity ratios are transparently calculated. Income Calculator will assess the distributions, quick ratio, and current ratio to determine if the business has adequate liquidity to support the withdrawal of earnings. In accordance with the Fannie Mae *Selling Guide*, **lenders may perform their own liquidity analysis** (outside of Income Calculator). Users can indicate that they wish to use the lender's own liquidity analysis on the K-1 screen.

100000000000000	Business Liquidity Analysis 🗸 🖯				
Welcome Start	Liquidity Ratios				
Income Type	Cash	\$15,804.00	Accounts Payable	\$5,000.00	
Employment Name Length of Employment	Accounts receivable	\$0.00	Mortgages, notes, bonds payable in less than 1 year	\$20,000.00	
Desktop Underwriter	U.S. government obligations	\$0.00			
Business Structure Select Tax Year	Tax-exempt securities	\$0.00	Other current liabilities	\$0.00	
Select Tax Forms	Other current assets	\$25,000.00	Total Current Liabilities	\$25,000.00	
Input Tax Data • 1022 Forms •	Assets Excluding Inventory	\$40,804.00	Quick Ratio (Acid-Test Ratio) 🚯 \$40,804.00 / \$25,000.00	1.63	
 Form 1040 Form 1040 Sch 1 	Inventory	\$0.00 🇨	Current Ratio (Working Capital Ratio) 🚯 \$40,804.00 / \$25,000.00	1.63	
О К-1 О Form W2	Total Current Assets	\$40,804.00			

Income Calculator messages:

Risk/eligibility messages

This section of the Findings Report contains important information related to the income calculation or eligibility for enforcement relief from representations and warranties.

	(Income Calcula	tor Income Calculator ID: D562ZLQ Reference Name: Test S-Corp
Ø	Welcome	Income Calculator Messages
0	Start	
\oslash	Income Type	Risk / Eligibility
\oslash	Employment Name	1. Income Calculator determined the Monthly Qualifying Income from this employment is \$6,976.08. The lender remains responsible for the integrity of the data submitted to Income Calculator.
Ø	Length of Employment	2. Income Calculator has not included the Compensation of officers amount for tax year 2021 because the user indicated it was not included in the borrower's personal tax returns.
Ø	Desktop Underwriter	

Data integrity messages

This section of the Findings Report contains important information related to discrepancies in input data. Users should confirm the accuracy of the provided data. If accurate, no additional information, documentation, or explanation is required.

	🕘 🛞 Income Calcula	ator Income Calculator ID: D562ZLQ Reference Name: Test S-Corp
Ø	Welcome	Data Integrity
\oslash	Start	3. No W-2 information was provided for this evaluation. The 524,000.00 Compensation of officers amount from Line 7 of Form 11205 is an indication that wages may have been paid to the borrower in tax year 2021.
Ø	Income Type	 no mean indication in sevaluation. The sevaluation in onlines and inclusion on onlines and online in or formatizes an indication fractionary and new been paid to the borrower in tax year 2021. Confirm the accuracy of the W-2-income data dresubint as necessary.
0	Employment Name	

Verifications/condition messages

This section of the Findings Report contains important information related to the income calculation and required loan file documentation.

If a DU Casefile ID was not associated, messages will be displayed to remind users how to correctly report self-employment income in DU, along with other DU message reminders. Once a DU Casefile ID has been associated, the DU reminder messages will not display.

E 🛞 Income Calculator ID: D562ZLQ Reference Name: Test S-Corp	
) Welcome	Verifications / Conditions
) Start	4. The loan file must contain a completed Income Calculator Findings Report. This report may be stored in the loan file in lieu of Fannie Mae Forms 1084 and 1088 or similar forms.
) Income Type	5. The lender determined the business had extraordinary one-time expenses. The loan file must contain the lender's underwriting analysis describing the circumstances that justify the extraordinary and one-time
Employment Name	3. The letter of externing the business had extraordinary one-sine expenses, the total metering analysis describing analysis describing the circumstances that justing the extraordinary one-sine extraordinary and one-sine extraordinary one-sine extraord
Length of Employment	6. Income Calculator has deducted a portion of the total Mortgages, notes, and bonds payable in less than 1 year for tax year 2022. The loan file must contain supporting documentation that the non-deducted amout of Mortgages, notes, and bonds payable in less than 1 year rollover regularly or are a line of credit.
Desktop Underwriter	
Business Structure	7. Perform and document a verbal verification of employment in accordance with the Fannie Mae Selling Guide.
Select Tax Year	8. The lender must: (1) comply with any DU messages, (2) determine that age of documentation requirements are met, and (3) determine the eligibility of the income being used to qualify.
Select Tax Forms	
Input Tax Data	9. Self-employment income must be entered as Monthly Income (or Loss) in Section 1b/1c of the Uniform Residential Loan Application. Also, the checkboxes 'Check if you are the Business Owner or are Self-Employ and 'I have an ownership share of 25% or more' must be selected. Do not enter self-employed income as Other Income. If the borrower has self-employment income from multiple businesses, enter each source as
2022 Forms	and that an ownership share to 25% or more most be secreted, to not enter seme-employed income as other income, in the borrower has seme-employment income from multiple businesses, enter each source as a separate employment/busines share on the Unform Residential Loan Application.
Ø Form 1040	10. Business income is included in the monthly qualifying income. The loan file must contain a signed IRS Form 4506-C for each personal and business tax return documenting income used to qualify for the loan.
Ø Form 1040 Sch 1	
🖉 к-1	11. Obtain a completed and signed IRS Form 4506-C for each borrower whose income is used to qualify for the loan at or before closing. An alternate form is also acceptable if it authorizes the release of comparable
Form W2	tax information from the IRS. Refer to the Fannie Mae Selling Guide for additional information.
Ø Form 11205	12. Income Calculator has included the Compensation of officers amount for tax year 2022 because the user indicated it was included in the borrower's personal tax returns.
Ø Form 4562	13. The qualifying monthly income has been calculated using tax returns that are more than one year old. The disbursement date and loan file documents must meet the Fannie Mae Selling Guide requirements for
O Losses And Expenses	allowable age of Federal Income Tax Returns. Based on the loan application date and disbursement date, additional IRS tax documents may be required and the lender may need to perform additional income
2021 Forms -	stability analysis outside of Income Calculator. If this loan disburses on or after 1/1/2025, the loan must be requalified with income from 2023 tax returns.
Ø Form 1040	14. The loan file must contain the borrower's federal individual (personal) and business income tax returns: Form 1040 with all schedules and Form 11205 with all schedules (including the borrower's Schedule K-1) fax years 2022 and 2021.
Ø Form 1040 Sch 1	

Observation messages

This section of the Findings Report contains important information related to the income calculation and overall evaluation.

If a DU Casefile ID was associated, a message will display DU information including the DU submission date and submission count. This DU information is provided as a method to help you track resubmissions between DU and Income Calculator. The DU submission count and Income Calculator submission count are not meant to align.

Users can "Export Data" and/or "View/Save/Print the PDF" file:

= 🕙 Income Calc	rulator Income Calculator ID: D562ZLQ Reference Name: Test S-Corp
 Form 1040 Form 1040 Sch 1 	Observations
 К-1 Form W2 	15. Other Income from Form 11205 Line 5 is included in the Ordinary Business income (or Loss) from Schedule K-1 Line 1 and has been included in the Monthly Qualifying Income. No additional documentation is required to support Other Income.
 Form 11205 Form 4562 	16. Income Calculator has determined the business has adequate liquidity to support the withdrawal of earnings. The full amount of Ordinary income from Schedule K-1 and Adjustments to Business Cashflow have been included in the qualifying income.
 Losses And Expenses 2021 Forms 	17. Income Calculator determined the income trend is "increasing"; monthly qualifying income has been averaged using two years of tax return data. No additional documentation is required to support Income stability.
Form 1040 Form 1040 Sch 1 K-1 Form W2	18. A year-to-date profit and loss statement is not required. The lender may choose to use a profit and loss statement-audited or unaudited- to support its determination of the stability or continuance of the borrower's income. If a profit and loss statement is provided in the loan flic, the lender must consider it to determine that the qualifying income is stable and likely to continue. If the income is not stable or there is reason to believe the borrower will not continue to be employed at the current level, the income may not be used for loan qualification. The lender may need to collect additional documentation to support the qualifying income if a profit and loss statement is provided.
Form 11205 Form 4562 Losses And Expenses	19. Income was submitted to Income Calculator version 2.12 on 03/28/2024 22:22:59. The following information is associated with this evaluation: The Income Calculator ID is D562ZLQ, the submission number is 3, the employment start date is 05/14/2019, the user provided employment name is Test S. Corp and the business structure is S. Corporation.
 Findings Report Save or Manage Data 	Back View/Save/Print PDF
1	T T T

Recommendations and reminders:

- Submit the loan to DU using the monthly qualifying income on the Findings Report.
- Associate this evaluation to DU on the Desktop Underwriter screen in Income Calculator prior to delivery.
- The lender remains responsible for the data's integrity (ensuring the data was transcribed correctly from the tax returns to Income Calculator).
 - 1 Click the "View/Save/Print PDF" button to print the Income Calculator Findings Report. The Income Calculator Findings Report must be stored in the Ioan file to obtain enforcement relief from representations and warranties.
 - 2 Click the "**Export Data**" button to create a file that contains the data displayed on the Income Calculator Findings Report along with calculations and key input data used in the Income Calculator evaluation.
 - **3** Click the "**Back**" button to return to the previous screen or select a screen using the left navigation bar.
 - 4 Click the "**Save or Manage Data**" button to return to the Start or Welcome screens or to exit.

Chapter 5: Additional Income Calculator Resources

To learn more about Income Calculator, please visit the Income Calculator Resource page.

Questions regarding specific Income Calculator evaluations can be sent to: Income_Calculator@fanniemae.com. Include the Income Calculator ID (e.g., D123ABC) in your email, if available.