

Borrower(s) Name(s)	Loan Number
<input type="text"/>	<input type="text"/>
Property Address	
<input type="text"/>	

Calculator and Quick Reference Guide: Form 91 Income Calculations

Please use the following quick reference guide to assist you in completing Freddie Mac Form 91. This form is for suggested guidance and does not replace Freddie Mac instructions or applicable guidelines.

Note: For entries with the marker (+/-) type a '-' for entering a negative amount. Example: -12,345.67

I. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return

1	W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)		2016	2017	NOTES
	Name of Business: _____				
	IRS Form 1040, Line 7 (Section 5304.1 (d)) ¹ (Review W-2 document)	+			¹ Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable
	Subtotal of W-2 Income From Self-employment		\$	\$	

2	Schedule B - Interest and Ordinary Dividends		2016	2017	NOTES
	Recurring interest income (Chapter 5305) (Line 2)	+			
	Recurring dividend income (Chapter 5305) (Line 6)	+			
	Dividend income from self-employment reported on IRS Form 1120	-			
	Subtotal of Dividends and Interest		\$	\$	

3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2016	2017	NOTES
	Name of Business #1: _____				
	Net profit or loss (Line 31)	+/-			
	Non-recurring other income or loss, or expenses (Line 6)	+/-			
	Depletion (Line 12)	+			
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+			
	Meals and entertainment exclusion (Line 24b)	-			
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+			
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	+			
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)				
	x Depreciation Rate (2016-24¢ and 2017-25¢)		\$	\$	
	= Total Mileage Depreciation	+	\$	\$	
	Subtotal from Schedule C, Business #1		\$	\$	

4	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)		2016	2017	NOTES
	Name of Business #2: _____				
	Net profit or loss (Line 31)	+/-			
	Non-recurring other income or loss, or expenses (Line 6)	+/-			
	Depletion (Line 12)	+			
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	+			
	Meals and entertainment exclusion (Line 24b)	-			
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	+			
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or the Simplified Method Worksheet)	+			
	Business Miles (Page 2, Part IV, Line 44a or Related 4562)				
	x Depreciation Rate (2016-24¢ and 2015-25¢)		\$	\$	
	= Total Mileage Depreciation	+	\$	\$	
	Subtotal from Schedule C, Business #2		\$	\$	
5	Schedule D – Capital Gains and Losses (Chapter 5305)		2016	2017	NOTES
	Recurring capital gains and/or losses	+/-			
	Subtotal from Schedule D, Capital Gains and Losses		\$	\$	
6	Schedule E ¹ – Supplemental Income or Loss (Royalties) (Chapter 5305)		2016	2017	NOTES
	Royalties received (Lines 4)	+			¹ Refer to Form 92 for net rental income calculations using IRS Schedule E
	Total expenses (Line 20)	-			
	Depletion (Line 18)	+			
	Subtotal Schedule E, from Royalties		\$	\$	
7	Schedule F – Profit or Loss from Farming (Chapter 5304)		2016	2017	NOTES
	Net Farm Profit of Loss (Line 34)	+/-			
	Non-taxable portion of recurring cooperative & CCC payments (Lines 3, 4, 6a-b)	+			
	Non-recurring other income or loss (Lines 5c and 8)	+/-			
	Depreciation (Line 14)	+			
	Amortization/Casualty loss/Depletion only if listed (Line 32)	+			
	Business use of home only if listed (Line 32)	+			
	Subtotal from Schedule F, Farming		\$	\$	
	Combined Total from IRS Form 1040		\$	\$	

II. Income Calculations from IRS Schedule K-1 and IRS form 1065

8. Partnership Income (Refer to Chapter 5304)

Name of Business: _____

Partnership – Schedule K-1 (IRS Form 1065)		2016	2017	NOTES
Ordinary business income or loss (Line 1)	+/-			
Net rental real estate income or loss (Lines 2 and 3) if verified recurring	+/-			
Guaranteed payments (Line 4)	+			
Subtotal from Schedule K-1 (IRS Form 1065)		\$	\$	

Partnership Income from IRS Form 1065		2016	2017	NOTES
Depreciation (IRS Form 1065) (Line 16c)	+			*Only add back the eligible "Other" line items, such as Amortization or a non-recurring Casualty Loss.
Depreciation (IRS Form 8825) (Guide Section 5304.1(d)) (Line 14) if applicable	+			
Depletion (Line 17)	+			**Seller must analyze the terms of the mortgage and notes payable in less than one year and determine whether the income should be reduced by the debt when performing the income analysis.
Amortization or casualty loss (Review attachment related to Line 20)*	+			
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 16d)**	-			
Other non-recurring income or loss (Lines 4, 5, 6 and 7)	+/-			
Travel and entertainment exclusion (Schedule M-1, Line 4b)	-			
Subtotal Prior to Application of Ownership Interest Percentage		\$	\$	
Multiply by total percentage of ownership (on Schedule K -1)	X			
Subtotal from IRS Form 1065		\$	\$	

Combined Total from Partnership		\$	\$	
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III. Income Calculations from IRS Schedule K-1 and IRS Form 1120S

9. S Corporation Income (Refer to Chapter 5304)

Name of Business: _____

S Corporation Schedule K-1 (IRS Form 1120S)		2016	2017	NOTES
Ordinary business income or loss (Line 1)	+/-			
Net rental real estate income or loss (Lines 2 and 3) if verified recurring	+/-			
Subtotal from Schedule K-1 (IRS Form 1120S)		\$	\$	

S Corporation Income from IRS Form 1120S		2016	2017	NOTES
Depreciation (IRS Form 1120S) (Line 14)	+			*Only add back the eligible "Other" line items, such as Amortization or a non-recurring Casualty Loss.
Depreciation (IRS Form 8825) (Guide Section 5304.1(d)) (Line 14) if applicable	+			
Depletion (Line 15)	+			**Seller must analyze the terms of the mortgage and notes payable in less than one year and determine whether the income should be reduced by the debt when performing the income analysis.
Amortization or casualty loss (Review attachment related to Line 19)*	+			
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 17d)**	-			
Other non-recurring income or loss (Lines 4 and 5)	+/-			
Travel and entertainment exclusion (Schedule M-1, Line 3b)	-			
Subtotal Prior to Application of Ownership Interest Percentage		\$	\$	
Multiply by total percentage of ownership (on Schedule K -1)	X			
Subtotal from IRS Form 1120S		\$	\$	

Combined Total from S Corporation		\$	\$	
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IV. Income Calculations from IRS Form 1120

10. Corporation Income (Refer to Chapter 5304)

Name of Business: _____

Corporation Income from IRS Form 1120		2016	2017	NOTES
Depreciation (Line 20)	+			*Only add back the eligible "Other" line items, such as Amortization or a non-recurring Casualty Loss. **Seller must analyze the terms of the mortgage and notes payable in less than one year and determine whether the income should be reduced by the debt when performing the income analysis.
Depletion (Line 21)	+			
Amortization or casualty loss (Review attachment related to Line 26)*	+			
Net operating loss (Line 29c)	+			
Taxable income or loss (Line 30)	+/-			
Total tax (Line 31)	-			
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d)) (Schedule L, Line 17d)**	-			
Other non-recurring income or loss (Lines 8, 9 and 10)	+/-			
Travel and entertainment exclusion (Schedule M-1, Line 5c)	-			
Subtotal Prior to Application of Ownership Interest Percentage		\$	\$	
Multiply by total percentage of ownership	X			
Subtotal from IRS Form 1120		\$	\$	

Total from Corporation		\$	\$	
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V. SUMMARY OF INCOME FROM SELF-EMPLOYMENT

IRS Form 1040 (Chapters 5304 and 5305)	2016	2017	NOTES
Subtotal of W-2 income from self-employment (Business name: _____)	\$	\$	
Subtotal from Schedule B-Interest and Ordinary Dividends	\$	\$	
Subtotal from Schedule C-Profit or Loss from Business (Sole Proprietorship) (Business #1 name: _____)	\$	\$	
Subtotal from Schedule C-Profit or Loss from Business (Sole Proprietorship) (Business #2 name: _____)	\$	\$	
Subtotal from Schedule D-Capital Gains and Losses	\$	\$	
Subtotal from Schedule E-Supplemental Income or Loss (Royalties)	\$	\$	
Subtotal from Schedule F-Profit or Loss from Farming	\$	\$	
Combined Total from IRS Form 1040	\$	\$	

Partnership Income (Chapter 5304)	2016	2017	NOTES
Subtotal from Schedule K -1 (IRS Form 1065)	\$	\$	
Subtotal from IRS Form 1065	\$	\$	
Combined Total from Partnership (Business name: _____)	\$	\$	

S Corporation Income (Chapter 5304)	2016	2017	NOTES
Subtotal from Schedule K -1 (IRS Form 1120S)	\$	\$	
Subtotal from IRS Form 1120S	\$	\$	
Combined Total from S Corporation (Business name: _____)	\$	\$	

Corporate Income from IRS Form 1120 (Chapter 5304)	2016	2017	NOTES
Subtotal from IRS Form 1120	\$	\$	
Total from Corporation (Business name: _____)	\$	\$	

Seller's Calculation of Stable Monthly Income	2016	2017	NOTES
Sum of combined subtotals	\$	\$	
Total income for both years Comments:	\$		
Divided by number of months ¹			
Total Stable Monthly Income²	\$		

Manually Input Data Below if Using a Different Total Income to Determine Stable Monthly Income			NOTES
Total Income Used to Determine Stable Monthly Income ¹	\$		
Comments			
Divided by number of months ¹			
Total Alternate Calculation²	\$		Click red button to calculate result

¹Manual input: The Seller must determine the appropriate amount of income to use based on the requirements and guidance for the analysis and treatment of income for self-employed Borrowers as described in Chapters 5304 and 5305

²The Seller must determine that the total stable monthly income meets the requirements and guidance for the determination of stable monthly income in Topic 5300

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