

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

# Calculator and Quick Reference Guide: Schedule Analysis Method (SAM)

Please use the following calculator and quick reference guide to assist you in calculating qualifying income from tax returns. It provides suggested guidance only and does not replace Fannie Mae, Freddie Mac, Lender or Investor instructions or applicable guidelines.

I Schedule B - Interest and Dividends From Self Employment			2019	2018	NOTES
1	Recurring Interest Income (Line 1) or Line 2b	+			
2	Recurring Dividend Income (Line 5) or Line 3b	+			
Schedule B Subtotal					

II Schedule C - Sole Proprietorship			2019	2018	NOTES
3	Net Profit or Loss (Line 31)	+/-			
4	Nonrecurring Other (Income) Loss or Expenses (Line 6)	+/-			
5	Depletion (Line 12)	+			
6	Depreciation (Line 13)	+			
7	Meal and Entertainment Exclusion (Line 24b)	-			
8	Business Use of Home (Line 30, Form 8829)	+			
9	Business Miles, Page 2, Part IV (Line 44a or 4562, Line 30)				
10a	x Depreciation Rate (2019-26¢; 2018-25¢)				
10b	= Total Mileage Depreciation	+			
11	Amortization/Casualty Loss only if noted (Page 2, Part V)	+			
Schedule C Subtotal					

III Schedule D - Capital Gains or Losses			2019	2018	NOTES
12	Recurring Capital Gains or Loss, Page 2, (Line 16, Details on Form 8949)*	+/-			*Verify no recurring losses that need to be considered.
Schedule D Subtotal					

IV Schedule E - Supplemental Income and Loss*			2019	2018	NOTES
13	Royalty Income (Line 4)	+			*Rental income is calculated separately and not included with the SAM Form.
14	Total Expenses (Line 20)	-			
15	Depletion (Line 18)	+			
Subtotal					

V Schedule F - Farm Income			2019	2018	NOTES
16	Net Profit or Loss (Line 34)	+/-			
17	Non-Tax Portion Ongoing Co-op & CCC Pmts (Lines 3a-3b, 4a-4b, 6a-6b)	+/-			
18	Nonrecurring Other (Income) or Loss (Lines 5c and 8)	+/-			
19	Depreciation (Line 14)	+			
20	Amortization/Casualty Loss only if noted (Line 32)	+			
21	Business Use of Home only if noted (Line 32)	+			
Farm Income Subtotal					

## Partnership Cash Flow

### Schedule K-1 (and Form 1065) Cash Flow

Evaluate the K-1 income and the business income as required by your investor.

VI Partnership Schedule K-1 (Form 1065)			2019	2018	NOTES
22	Ordinary Income or Loss (Line 1)*	+/-			*Review line 19 for a distribution.
23	Net Rental Income (Loss) (Lines 2 and 3)*	+/-			
24	Guaranteed Payments to Partner (2019 Line 4c, 2018 Line 4)	+			
Subtotal					
VII Partnership (Form 1065)			2019	2018	NOTES
25	Passthrough (Income) Loss from Other Partnerships (Line 4)	+/-			*Follow specific investor guidelines; Adjustments may not be required if there is evidence these roll over regularly, these are verified to be a line of credit or if the business has sufficient assets to cover the liability.
26	Nonrecurring Other (Income) Loss (Lines 5, 6 and 7)	+/-			
27	Depreciation (Line 16a)	+			
28	Depreciation Form 8825 (Line 14)	+			
29	Depletion (Line 17)	+			
30	Amortization/Casualty Loss (Line 20 - only if noted on attached statement)	+			
31	Mortgages or Notes Payable in Less Than 1 Year (Schedule L, Line 16, Column d)*	-			
32	Travel and Entertainment Exclusion (Schedule M-1, Line 4b)	-			
Subtotal			=		
33	Multiplied by Ownership Percentage	x	%	%	
Partner's Total Share of Income					

## S Corporation Cash Flow

### Schedule K-1, W-2 Wages and Form 1120S Cash Flow

Evaluate K-1 income, W-2 wage and business income as required by your investor.

VIII S Corporation Schedule K-1			2019	2018	NOTES
34	Ordinary Income or Loss (Line 1)*	+/-			*Review line 16d for a distribution.
35	Net Rental Income (Loss) (Lines 2 and 3)*	+/-			
Subtotal					
IX Form W-2			2019	2018	NOTES
36	W-2 Wages	+/-			
Subtotal					
X S Corporation (Form 1120S)			2019	2018	NOTES
37	Nonrecurring Other (Income) Loss (Lines 4 and 5)	+/-			*Follow specific investor guidelines; Adjustments may not be required if there is evidence these roll over regularly, these are verified to be a line of credit or if the business has sufficient assets to cover the liability.
38	Depreciation (Line 14)	+			
39	Depreciation Form 8825 (Line 14)	+			
40	Depletion (Line 15)	+			
41	Amortization/Casualty Loss (Line 19 - only if noted on attached statement)	+			
42	Mortgages or Notes Payable in Less Than 1 Year (Schedule L, Line 17, Column d)*	-			
43	Travel and Entertainment Exclusion (Schedule M-1, Line 3b)	-			
Subtotal			=		
44	Multiplied by Ownership Percentage	x	%	%	
Shareholder's Total Share of Income					

## Corporation (Form 1120) Cash Flow

When considering using income from a Corporation, it is important to determine the viability of the business as well as the borrower's ability to access funds if they will be used to qualify. In addition, check your investor guidelines.

XI Self Employed W-2 Wages from Form 1120			2019	2018	NOTES
45	W-2 Wages	+/-			
	<b>Subtotal</b>				

  

XII Corporation (Form 1120)			2019	2018	NOTES
46	Taxable Income (Line 30)	+			*Follow specific investor guidelines; Adjustments may not be required if there is evidence these roll over regularly, these are verified to be a line of credit or if the business has sufficient assets to cover the liability.
47	Total Tax (Line 31)	-			
48	Nonrecurring (Gains) Losses (Lines 8 and 9)	+/-			
49	Nonrecurring Other (Income) Loss (Line 10)	+/-			
50	Depreciation (Line 20)	+			
51	Depletion (Line 21)	+			**Check guidelines if ownership < 100% and subtotal is positive.
52	Domestic Production Activities Deduction (Line 25)	+			
53	Amortization/Casualty Loss (only if noted) (Line 26 from attached schedule)	+			
54	Net Operating Loss and Special Deductions (Lines 29a and b)	+			
55	Mortgages or Notes Payable in Less Than 1 Year (Schedule L, Line 17, Column d)*	-			
56	Travel and Entertainment Exclusion (Schedule M-1, Line 5c)	-			
	<b>Subtotal**</b>	=			
57	Percentage of Ownership (Form 1125-E, if required)	x	%	%	
	Subtotal Multiplied by Ownership Percentage	=			
58	Dividends Paid to Borrower (Form 1040, Schedule B, Line 5)	-			
	<b>Corporation - Total Share of Income</b>				

## Cash Flow Analysis Summary

- A. To exclude Subtotals from Qualifying Income, check the empty box next to the dollar amount in the Subtotal column below. The income/loss amount will disappear from the "Qualifying Income Column" and will no longer be included in Qualifying Income.
- B. To modify number of months of income in the #mo. column below, change the 12 in the box to to the correct number of months
- C. Remember to click on the calculate button to the right of the Qualifying Income column after any change throughout the calculator. This will refresh the calculations.

p.1 Personal Cash Flow Subtotals:		2019	2018	No. of Months	Qualifying Income
I	Schedule B				
II	Schedule C				
III	Schedule D				
IV	Schedule E				
V	Schedule F				
p.2 Partnership & S Corporation Cash Flow Subtotals:		2019	2018	No. of Months	Qualifying Income
VI	K-1 (Form 1065)				
VII	Form 1065				
	<b>Partnership Subtotal</b>				
VIII	K-1 (Form 1120S)				
IX	W-2 Wages				
X	Form 1120S				
	<b>S Corporation Subtotal</b>				
p.3 Corporation Cash Flow Subtotals:		2019	2018	No. of Months	Qualifying Income
XI	W-2 Wages				
XII	Form 1120 - Corporate Total Income				
	<b>Corporation Subtotal</b>				
	<b>Average Monthly Cash Flow</b>				

\*Check investor guidelines on use of business income to qualify.

Year to Date Profit and Loss Statement

When using or evaluating profit and loss statements, always consult all applicable guidelines, including lender, investor, GSE and, where applicable, federally mandated ability to repay requirements. Generally, the lender may use a profit and loss statement—audited or unaudited—for a self-employed borrower’s business only to support its determination of the stability or continuance of the borrower’s income. A typical profit and loss statement has a format similar to IRS Form 1040, Schedule C. Allowable addbacks include depreciation, depletion and other non-cash expenses as identified on previous pages.

Year-to-Date Profit and Loss Statement

Salary/Draw to Individual			
Net Profit		X	% Ownership =
Total Allowable Addbacks		X	% Ownership =
Year-to-Date Total			

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