Self-Employed Borrower Basics: Part I - Personal Tax Return Review

April 2020

Customer Education

Brought to you by: Genworth Customer Development and Process Consulting
Agenda

Business Income Concepts
Qualifying Income
General Underwriting Guidelines
Self-Employed Business Types
IRS Form 1040 Personal Tax Return
Profit and Loss Statement
Income Analysis Forms
Sole Proprietor Schedule C
  – Adjustments to Income
    • Non-reoccurring Income
    • Depreciation
    • Amortization
    • Depletion
    • Meals and Entertainment

Genworth Resources
Business Income Concepts

Four Concepts

– Business Income May Be Reported On Personal Tax Returns and/or Business Tax Returns

– Taxable Income
  • Calculated on Tax Returns
  • Income on Which Borrower Owes Taxes

– Qualifying Income
  • Money Available to Pay Mortgage
  • Taxed Income May Have Been Passed Through to The Borrower
  • Taxed Income May Not Be Available
    – Expensed Not Acknowledged
  • Untaxed Income May Be Available
    – Income Not Required To Be Reported As Taxable
    – Non-Cash Expenses Computed in Calculation of Taxable Income
Business Income Concepts

Four Concepts
  – Examine Past to Predict Future
    • 1 or 2 Year History With Documentation
    • Calculations Shown
      – Fannie Mae- Form 1084
      – Freddie Mac- Form 91
      – Lender Form
      – MI Co. Form

(Continues on Next Slide)
Qualifying Income

The only income that can be used to qualify your borrower is income that is:

– Steady,
– Stable,
– Likely to Continue, and
– Provable.

Generally: Two Year History Of Receipt, Three Year Continuance.

Specific Income Types May Vary.
General Underwriting Guidelines

Declining Personal Income
– Can the income be used to qualify?
– If so, use only the lower of the two years

Declining Business Income
– Conduct a Trend Analysis
  • Fannie Mae Comparative Income Form (Form 1088)
  • Cheat sheet located on our training page @ mi.Genworth.com

Income Trend

$150,000

$157,000

$150,000

$90,000
Self-Employed Business Types

Each business structure reports taxes as follows:

- Sole Proprietor
  - Completes IRS Form 1040
  - Schedule C

- Farm
  - Completes IRS Form 1040
  - Schedule F

(Continues on Next Slide)
Self-Employed Business Types

Each business structure reports taxes as follows: (Continued from previous slide)

– Partnership
  • Completes IRS Form 1065
  • Partners receive Form K-1s from the partnership reporting the partner’s profit/loss
    – IRS Form 1040 may reflect pass through income on B, C, D, E or F

– S-Corporation
  • Completes IRS Form 1120S
  • Shareholders receive Form K-1s from the S-Corp reporting the shareholder’s profit/loss
    – IRS Form 1040 may reflect pass through income on B, C, D, E or F

– Limited Liability Company
  • An LLC may complete Partnership or Corp returns
    – Single member, or husband/wife only may report on Form 1040, Schedule C
  • Income analyzed based on form completed, not business type

(Continues on Next Slide)
Self-Employed Business Types

Each business structure reports taxes as follows:  
(Continued from previous slide)

– Corporation
  • Completes IRS Form 1120.
  • Shareholders may receive
    – Wages reported on a W-2
    – Dividend reported on IRS Form 1040, Schedule B
IRS Form 1040 - Individual Tax Return
What Taxable Activities Has Your Borrower Filed?

This return shows two different types of income report:
– Taxable Interest
– Business Income Schedule C
The presence of a schedule prompts the mortgage file reviewer to investigate the activity posted.
What Taxable Activities Has Your Borrower Filed?

The **Example is Dan Designer**

Dan runs a business from home. The business is a Sole Proprietor and he files a Schedule C. He is a 100% owner.

**Review Line 7a to determine if there is a Schedule 1**
What Taxable Activities Has Your Borrower Filed?

The Example is Dan Designer

Dan runs a business from home. The business is a Sole Proprietor and he files a Schedule C. He is a 100% owner.

Review Line 3 to determine if there is a Schedule C
What Taxable Activities Has Your Borrower Filed?

Review Line 31 to determine if just 1 Schedule C has been filed.
Review Schedule C

Start with the Net Profit or Loss

Each schedule simply shows the math behind the sum that carried forward to the Form 1040.

After reviewing the schedule you may determine that adjustments need to be made to the taxable income reported to convert it to *qualifying income* for loan purposes.
The Profit and Loss Statement

What is it?

– Profit and Loss Statement (P&L) may also be referred to as The Income Statement or Earnings Statement
– The P&L Statement shows the total actions of a business over a period of time
  • It may represent a month, a quarter or a year
– A 1040 Schedule C & F and A Business Tax Return (1065, 1120S, 1120) are all a form of a Income Statement
Income Statement/ P&L Definitions

**NET SALES:** The total dollar volume of all cash or credit sales less returns, allowances, discounts and rebates.

**COST OF GOODS SOLD:**
- For a retail or wholesale business it is the total price paid for the products sold plus the cost of having it delivered to the store during the accounting period
- For a manufacturing firm it is the beginning inventory plus purchases, delivery costs, material, labor, and overhead minus the ending inventory

**GROSS PROFIT:** Profit before expenses and federal taxes have been deducted.

**EXPENSES:** The cost of doing business. It includes such items as: wages, telephone, insurance, depreciation, interest and advertising.

**NET PROFIT:** The amount left over after expenses plus interest and federal taxes. (Net profit is typically noted before paying federal taxes).
The Profit and Loss Statement/Income Statement

It begins when a sale is made…
- The first entry or account would be Sales. If the sale was $30,000 it would look like this:

| Sales          | $30,000 |

- The next entry would be the Cost of Goods Sold. If the cost was $22,000 it would be subtracted to show the Gross Profit.

<table>
<thead>
<tr>
<th>Sales</th>
<th>$30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Goods Sold</td>
<td>($22,000)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$ 8,000</td>
</tr>
</tbody>
</table>

- The next entries are the expenses connected to running the business. Expenses are either cash or accrued.
# PROFIT AND LOSS STATEMENT

**Company XYZ**  
January X Through March X, 20XX

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (Less Allowances and Discounts)</td>
<td>$700,000</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>(500,000)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>200,000</td>
</tr>
<tr>
<td>Drawings (Owners)</td>
<td>$74,000</td>
</tr>
<tr>
<td>Wages</td>
<td>65,000</td>
</tr>
<tr>
<td>Delivery</td>
<td>7,000</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>4,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,000</td>
</tr>
<tr>
<td>Taxes (Local)</td>
<td>8,000</td>
</tr>
<tr>
<td>Interest</td>
<td>8,700</td>
</tr>
<tr>
<td>Advertising</td>
<td>3,000</td>
</tr>
<tr>
<td>*Miscellaneous</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$184,700</strong></td>
</tr>
<tr>
<td><strong>Net Profit (Before Federal Taxes)</strong></td>
<td><strong>$15,300</strong></td>
</tr>
</tbody>
</table>

*Miscellaneous - This line item may include: donations, office and shop supplies, occupancy expenses, credit card expenses, leasing, legal, accounting, computer services, dues and subscriptions, entertainment, laundry, disposal, employer benefits…*
### Schedule C vs. Income Statement

#### Part I: Income

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total receipts or sales</td>
<td>308,700</td>
</tr>
<tr>
<td>2</td>
<td>Returns and allowances</td>
<td>12,775</td>
</tr>
<tr>
<td>3</td>
<td>Cost of goods sold (from line 42)</td>
<td>295,925</td>
</tr>
<tr>
<td>5</td>
<td>Gross profit. Subtract line 4 from line 3</td>
<td>295,925</td>
</tr>
<tr>
<td>6</td>
<td>Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)</td>
<td>295,925</td>
</tr>
<tr>
<td>7</td>
<td>Gross income. Add lines 5 and 6</td>
<td>295,925</td>
</tr>
</tbody>
</table>

#### Part II: Expenses

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Advertising</td>
<td>18,505</td>
</tr>
<tr>
<td>9</td>
<td>Car and truck expenses (see instructions)</td>
<td>43,461</td>
</tr>
<tr>
<td>10</td>
<td>Commissions and fees</td>
<td>37,800</td>
</tr>
<tr>
<td>11</td>
<td>Contract labor (see instructions)</td>
<td>1,788</td>
</tr>
<tr>
<td>12</td>
<td>Depletion</td>
<td>2,900</td>
</tr>
<tr>
<td>13</td>
<td>Employee benefit programs other than on line 19</td>
<td>977</td>
</tr>
<tr>
<td>17</td>
<td>Legal and professional services</td>
<td>21,199</td>
</tr>
</tbody>
</table>

Income Worksheets/Calculator
Income Worksheets/Calculator

Self-Employed Borrower Tools

We offer a valuable collection of downloadable calculators and reference guides to help you with calculating and analyzing the average monthly income of self-employed borrowers. They provide suggested guidance only and do not replace Fannie Mae or Freddie Mac instructions or applicable guidelines.

Fannie Mae Form 1084 Calculator (2018-2019)
Calculate and analyze cash flow to help you complete Fannie Mae form 1084.

Freddie Mac Form 91 Calculator (2018-2019)
Quick reference guide and income analysis for Freddie Mac Form 91.

Freddie Mac Form 92 Calculator (2018-2019)
Form 92 Net Rental Income Calculations – Schedule E

Calculate qualifying income from tax returns.

Rental Income Calculator (2018-2019)
Assists in calculating rental income from IRS form 1040 Schedule E.

Calculate working capital liquidity against current liabilities.
**Income Worksheets/Calculator**

**Calculator and Quick Reference Guide: Fannie Mae Cash Flow Analysis**

Please use the following quick reference guide to assist you in completing Fannie Mae Form 1084. It provides suggested guidance only and does not replace Fannie Mae instructions or applicable guidelines.

<table>
<thead>
<tr>
<th>IRS Form 1040 - Individual Income Tax Return</th>
<th>2010</th>
<th>2018</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. W-2 Income from Self-Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Schedule B: Interest and Ordinary Dividends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Interest Income from Self-Employment (Line 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dividends from Self-Employment (Line 5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Schedule C: Profit or Loss from Business (Sale of Property)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Net Profit or Loss (Line 20)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Non-Working Other Income (Line 70)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Taxes (Line 75)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Depreciation (Line 76)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Non-deductible Meals and Entertainment Expenses (Line 78)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. Business Use of Home (Line 79)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Schedule D: Capital Gains and Losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Realizing Capital Gains (from Self-Employment)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Schedule E: Other Income and Loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Business Use of Home (Line 137)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Total Expenses (Line 138)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Net Loss (Line 139)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal Schedule E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Schedule F: Gain or Loss from Farming</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Net Profit from Farming (Line 138)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Non-Taxable Gain or Loss from Farming - Line 139</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Depreciation (Line 140)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Amortization - Line 141</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Farm Use of Home (Line 142)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOTES:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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.

**Table 1: Income Calculations from IRS Form 1040**

<table>
<thead>
<tr>
<th>Income Source</th>
<th>2019</th>
<th>2018</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. W-2 Income from self-employment (reported on IRS Forms 1040 and 1042 or 1199)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal of W-2 Income from Self-Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Schedule B: Interest and Ordinary Dividends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Rented Income (Chapter 3B(1) Line 18)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dividends from Self-Employment (Line 11)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal of Dividends and Interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Schedule C: Profit or Loss from Business (Sale of Property) (Chapter 3B(1))</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal from Schedule C, Business</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 2: Schedule C**

<table>
<thead>
<tr>
<th>Business Income</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Depreciation (Line 139)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Miscellaneous Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal Schedule C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This calculator can be found at [https://www.genworth.com/self-employed-borrower-calculators](https://www.genworth.com/self-employed-borrower-calculators)
Sole Proprietor

Only one owner (100% ownership)
Income reported on schedule C
Taxed on personal rate

Advantages
– Easy to form
– Inexpensive
– 100% ownership

Disadvantages
– Unlimited personal liability
– Unable to raise large sums of money to invest in business
**Income Analysis Calculator**

### Schedule C - Profit or Loss from Business: Sole Proprietorship

<table>
<thead>
<tr>
<th>Item</th>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Net Profit or Loss (Line 31)</td>
<td>+/−</td>
<td></td>
</tr>
<tr>
<td>b. Nonrecurring Other (Income) Loss/Expenses (Line 6)</td>
<td>+/−</td>
<td></td>
</tr>
<tr>
<td>c. Depletion (Line 12)</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>d. Depreciation (Line 13)</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>e. Non-deductible Meals and Entertainment Expenses (Line 24b)</td>
<td>−</td>
<td></td>
</tr>
<tr>
<td>f. Business Use of Home (Line 30, Check applicable guidelines)</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>g. Amortization/Casualty Loss (Only add back Amort/Cas) - Review Schedule C Page 2, Part V*</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>

**Business Miles** (Page 2, Part IV, Line 44a OR Related 4562, Line 30)

\[
\text{Business Miles} = X \times \text{Depreciation Rate (2019-26c; 2018-25c)}
\]

\[
= \text{Total Mileage Depreciation} + 0.00
\]

**Subtotal Schedule C**

24
Adjustments To The Income

Common sense guides us through most of the adjustments.

If a business received income/revenue in the past tax year but was NOT expected to receive it in future years, can you rely on it to be a source of income for the borrower to make mortgage payments with?

**YES**
Adjustments To The Income

**Common sense guides us through most of the adjustments.**

If a business has acknowledged an expense that is considered a “non-cash” expense or a “paper loss” does the business still have the cash to be a source of income for the borrower to make mortgage payments with?

---

**Schedule C - Profit or Loss from Business: Sole Proprietorship**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Net Profit or Loss (Line 31)</td>
<td>+/-</td>
</tr>
<tr>
<td>b. Nonrecurring Other (Income) Loss/Expenses (Line 6)</td>
<td>+/-</td>
</tr>
<tr>
<td>c. Depletion (Line 12)</td>
<td>+</td>
</tr>
<tr>
<td>d. Depreciation (Line 13)</td>
<td>+</td>
</tr>
<tr>
<td>e. Non-deductible Meals and Entertainment Expenses (Line 24b)</td>
<td>-</td>
</tr>
<tr>
<td>f. Business Use of Home (Line 30, Check applicable guidelines)</td>
<td>+</td>
</tr>
<tr>
<td>g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part Vb)</td>
<td>+</td>
</tr>
<tr>
<td><strong>Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)</strong></td>
<td></td>
</tr>
<tr>
<td>X. Depreciation Rate (2019-26c; 2018-25c)</td>
<td>0.26</td>
</tr>
<tr>
<td>= Total Mileage Depreciation</td>
<td>+ 0.00</td>
</tr>
<tr>
<td><strong>Subtotal Schedule C</strong></td>
<td>= 0.00</td>
</tr>
</tbody>
</table>
Depreciation

Legal Definition of *depreciation*

1 : any decrease in the value of property (as machinery) for the purpose of taxation that cannot be offset by current repairs and is carried on company books as a yearly charge amortizing the original cost over the useful life of the property


Businesses depreciate long-term assets for both tax and accounting purposes.

For tax purposes, businesses can deduct the cost of the tangible assets they purchase as business expenses; however, businesses must depreciate these assets in accordance with IRS rules about how and when the deduction may be taken.

A taxpayer must use Form 4562, Depreciation and Amortization, to report depreciation on a tax return.
Property Classifications For Depreciation

**Example of straight line depreciation**

<table>
<thead>
<tr>
<th>Purchase Price of Race Horse</th>
<th>$20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Placed in Service Jan 1st 2015</td>
<td>Depreciation</td>
</tr>
<tr>
<td>1st Year write-off</td>
<td>$6,666.66</td>
</tr>
<tr>
<td>2nd Year write-off</td>
<td>$6,666.66</td>
</tr>
<tr>
<td>3rd Year write-off</td>
<td>$6,666.66</td>
</tr>
</tbody>
</table>

1. **3-year property**
   a. Tractor units for over-the-road use
   b. Any race horse over 2 years old when placed in service. (All race horses placed in service after December 31, 2008, and before January 1, 2017 are deemed to be 3-year property, regardless of age.)
   c. Any other horse (other than a race horse) over 12 years old when placed in service
   d. Qualified rent-to-own property (defined later)
Property Classifications For Depreciation

2. 5-year property
   a. Automobiles, taxis, buses, and trucks
   b. Computers and peripheral equipment
   c. Office machinery (such as typewriters, calculators, and copiers)
   d. Any property used in research and experimentation
   e. Breeding cattle and dairy cattle
   f. Appliances, carpets, furniture, etc. used in a residential rental real estate activity
   g. Certain geothermal, solar, and wind energy property
Property Classifications For Depreciation

3. 7-year property
   a. Office furniture and fixtures (such as desks, files, and safes)
   b. Agricultural machinery and equipment
   c. Railroad track
   d. Any property that does not have a class life and has not been designated by law as being in any other class
   e. Certain motorsports entertainment complex property (defined later) placed in service before January 1, 2017
The worksheet allows the mortgage file reviewer to review the asset that was considered.
Section 179

Essentially, Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment and/or software purchased or financed during the tax year.

That means that if you buy (or lease) a piece of qualifying equipment, you can deduct the FULL PURCHASE PRICE from your gross income.

It's an incentive created by the U.S. government to encourage businesses to buy equipment and invest in themselves.
Depreciation

The loss of value to an asset due to wear and tear.
A cost of doing business.
A non-cash expense.

+ Underwriting guideline: add it back!
Amortization

Amortization is a method of recovering (deducting) certain capital costs over a fixed period of time. It is similar to the straight line method of depreciation.

The Internal Revenue Service (IRS) allows taxpayers to take a deduction for certain amortized expenses:

– Geological and geophysical expenses incurred in oil and natural gas exploration
– Atmospheric pollution control facilities
– Bond premiums
– Research and development
– Lease acquisition
– Forestation and reforestation
– Certain intangibles such as goodwill, patents, copyrights and trademarks
Amortization

The depreciation of an intangible asset.

- Goodwill
- Trade Marks
- Copy Rights
- Patents

A non-cash expense.

+ Underwriting guideline: add it back!
Depletion is the using up of natural resources by mining, quarrying, drilling, or cutting.

The depletion deduction allows an owner or operator to account for the reduction of a product's reserves.
Depletion

The using up of a natural resource.
- Coal
- Timber
- Gas

A cost of doing business.
A non-cash expense.

+ Underwriting guideline: add it back!
Adjustments To The Income

Common sense guides us through most of the adjustments.

If a business has not acknowledged an expense but the expense resulted in a cash outlay from the business does the business still have the cash to be a source for the borrower to make mortgage payments with?
Meals And Entertainment Expenses = Enjoyment Tax

To qualify for a business expense the business owner would need to be present.

Meals
– Your borrower had to eat anyway!

Entertainment
– Your Borrower had a *Really* good time!

Regardless of the amount of people present, your borrower ate 50% and had a good time.

– Gary took 10 clients to a show and dinner. The check came to $2,700, *Gary can write off $1,350.*
– *Reduce income by line 24c*
Taxable Income

+ Paper Write-Offs
+ Untaxed Income
+ Losses Not Continuing

- Taxed Income Not Available
- Income Not Expected To Continue

Estimated Cash Available To Pay Mortgage In The Future
Genworth Underwriting Guidelines
Training Tools and Information
Training Tools and Information

Course Catalog

Genworth offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and ultimately best serve your borrowers. With more than 70 courses in our catalog, our team is here to help you stay up-to-date on the mortgage industry and regulatory environment. Classes are all offered at no cost to you. Check out our new Featured Series below!

Browse by Role

Mortgage Professional
Loan Officer
Loan Processor
Underwriter

Due to various internet browser versions, please download and save PDF before entering data. Please note, calculators are updated periodically.

- **Fannie Mae Form 1084 Calculator (2018-2019)**
  - Calculate and analyze cash flow to help you complete Fannie Mae Form 1084. **UPDATED**

- **Freddie Mac Form 91 Calculator (2018-2019)**
  - Quick reference guide and income analysis for Freddie Mac Form 91. **UPDATED**

- **Freddie Mac Form 92 Calculator (2018-2019)**
  - Form 92 Net Rental Income Calculations – Schedule E. **UPDATED**

  - Calculate qualifying income from tax returns. **UPDATED**

  - Assists in calculating rental income from IRS form 1040 Schedule E. **UPDATED**

  - Calculate an organization’s liquidity against current liabilities. **UPDATED**

- **Current Ratio – Liquidity Calculator (2018-2019)**
  - Calculates working capital liquidity against current liabilities. **UPDATED**

- **Fannie Mae Rental Guide (Calculator 1037)**
  - Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Residential 2 to 4 Unit Property). **UPDATED**

- **Fannie Mae Rental Guide (Calculator 1039)**
  - Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income from Investment Property). **UPDATED**

- **Fannie Mae Form 1088 Cheat Sheet (2017-2018)**
  - Use this quick reference guide for Fannie Mae’s Comparative Analysis Form (Form 1088). **UPDATED**

- **Fannie Mae Comparative Analysis Form 1088 (2017-2018)**
  - Calculate increases/decreases in gross income, expenses and taxable income. **UPDATED**

- **Income Calculation Worksheet**
  - Use this form to calculate income. **UPDATED**

Genworth
Additional MI Site Information

**What's New**
- Forbearance & Deferrals
- It's a YOU year!
- April Training

**Self-Employed Borrower Tools**
- Valuable income calculation tools and reference guides for calculating self-employed borrower income.
  - Fannie Mae Form 54 Calculator (2018-2019)
  - PMI Calculator (2018-2019)
  - Freddie Mac Form 64 Calculator (2018-2019)

**Homebuyer Education**
- Let's help first-time homebuyers prepare for buying a home.
- Your no-fee resource!

**Master Policy Agreement**
- Partner with us. A master policy agreement is the first step to submitting MI loans to Genworth.

**Contract Services Agreement**
- Offset fixed underwriting costs as you adjust to the latest industry demands. Request a contract services underwriting agreement.

**Genworth MI Community**
- Stay connected.

**Find My Sales Representative**
- ZIP Code: 27615
- View Your Team

**Genworth**
Your Genworth Resources

- ActionCenter®: 800 444.5664
- Your Local Genworth Regional Underwriter
- Your Genworth Sales Representative
Legal Disclaimer

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