

Calculating Rental Income

Fannie Mae And Freddie Mac

February 2018



Welcome to the Webinar

A Few Reminders:

- Do you have Participant materials printed
 - Genworth Rental Calculator
 - 2016 Schedule E for Larry Landlord
- Use the “questions” tab on your control panel for questions or problems
- Follow guidelines set by your specific investor; They may have additional overlays to Fannie and Freddie requirements


Objectives



What we will cover:


- General guidelines for calculation of rental income for Fannie Mae and Freddie Mac
- Recent changes relating to rental properties from Fannie Mae Announcements and Freddie Mac Bulletins
- Overview of Fannie Mae Rental Forms 1037, 1038, 1039
- Overview of Freddie Mac Rental Form 92
- Calculation of rental income from the Schedule E
- Questions

Training Tools and Information

The screenshot displays the Genworth website's navigation and training resources. At the top left is the Genworth logo. To its right is a contact number (800 444.5664) and icons for email and chat. A search bar is positioned below the contact information. On the top right, there is a 'LOG IN TO:' button with three options: 'ORDER MI', 'MANAGE MI', and 'VIEW ACCOUNT'. A dark navigation bar contains several menu items: 'MI & RATES', 'UNDERWRITING & GUIDES', 'LOS & CONNECTIONS', 'GENWORTH TOOLKIT', and 'TRAINING'. The 'TRAINING' menu item is highlighted with a red box, and a dropdown menu is open below it, listing various training resources. A red arrow points to the 'Self-Employed Borrower Calculators' item in the dropdown. Below the navigation bar is a banner with the text 'Let's help someone buy a house today.' and 'Genworth Mo'. The main content area features a large image of a smiling couple in front of a house, with the text 'The dream of HOMEOWNERSHIP. It's alive and well with MORTGAGE INSURANCE.' Below this are three colored boxes: 'Underwriting' (blue), 'Rate Express' (green), and 'LOS' (orange). Each box contains an icon, a brief description, and a 'GET A QUOTE NOW' or 'LET'S GO' link. The 'Underwriting' box also includes a 'KNOW MORE' link.

Genworth 

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Self-Employed Borrower Calculators

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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 90 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.

Topic

Browse by Topic

- Mortgage Industry Skills
- Professional Development Skills
- That Mi Guy
- Tutorials

Browse by Role

- Mortgage Professional
- Loan Officer
- Loan Processor
- Underwriter

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

<p>Fannie Mae Form 1084 Calculator (2015-2016) Calculate self-employment help you complete Fannie Mae Form 1084.</p>	<p>Freddie Mac Form 91 Calculator (2015-2016) Quick reference guide and income analysis for Freddie Mac Form 91. <small>UPDATED</small></p>	<p>Freddie Mac Form 92 Calculator (2015-2016) Form 92 Self-Retail Income Calculators - Schedule E. <small>UPDATED</small></p>
<p>Schedule Analysis Method (SAM) Calculator (2015-2016) Calculate qualifying rental income from tax returns.</p>	<p>Rental Income Calculator (2015-2016) Assess calculating rental income from IRS Form 1040 Schedule E.</p>	<p>Quick Ratio - Liquidity Calculator (2015-2016) Calculate an applicant's liquidity against current liabilities.</p>
<p>Current Ratio - Liquidity Calculator (2015-2016) Calculate working capital liquidity against current liabilities.</p>	<p>Fannie Mae Rental Guide (Calculator 1037) Use this calculator to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 1-3, 4 and Property).</p>	<p>Fannie Mae Rental Guide (Calculator 1038) Use this calculator to calculate qualifying rental income for Fannie Mae Form 1038 (Other Rental Income From Shared Property).</p>
<p>Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income From Shared Property).</p>	<p>Fannie Mae Comparative Analysis Guide (Form 1086) Calculate increased/borrower's gross income, expenses and net rental income.</p>	



For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Borrower(s) Name(s)

 Loan Number



Calculator and Quick Reference Guide: Rental Income

Please use the following calculator and quick reference guide to assist in calculating rental income from IRS Form 1040 Schedule E. It provides suggested guidance only and does not replace Fannie Mae or Freddie Mac instructions or applicable guidelines. This method should not be used when calculating rental income on a borrower's primary residence. Check applicable guidelines when rental income is declining year to year. Please check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

Property 1 **Calculator Usage Note: Click Gray Buttons to Divide for Monthly Totals**

Rental Income Calculation		2016	2015	NOTES
1	Gross Rents (Line 3)			*Only include if using the full PITI payment on Line 12 of this calculator or qualifying ratios.
2	Expenses (Line 20)	-		
3	Depreciation (Line 18)	+		
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+		**Net rental losses are typically included with liabilities when calculating the debt ratio.
5	Insurance (Line 9)*	+		
6	Mortgage Interest (Line 12)*	+		
7	Taxes (Line 16)*	+		***Check applicable guidelines if not using 12 months.
8	Other: +/-			
9	Annual Rental Income/Loss	- \$ 0.00	\$ 0.00	
10	Number of Months Considered (Line 2)***	/		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	- \$ 0.00	\$ 0.00	

Property 2

Rental Income Calculation		2016	2015	NOTES
1	Gross Rents (Line 3)			*Only include if using the full PITI payment on Line 12 of this calculator or qualifying ratios.
2	Expenses (Line 20)	-		
3	Depreciation (Line 18)	+		
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+		**Net rental losses are typically included with liabilities when calculating the debt ratio.
5	Insurance (Line 9)*	+		
6	Mortgage Interest (Line 12)*	+		
7	Taxes (Line 16)*	+		***Check applicable guidelines if not using 12 months.
8	Other: +/-			
9	Annual Rental Income/Loss	- \$ 0.00	\$ 0.00	
10	Number of Months Considered (Line 2)***	/		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	- \$ 0.00	\$ 0.00	

Rental Income

Basics about rental income requirements:

- Rental income must be supported by the borrower’s most recent personal tax returns if used for qualification purposes*
 - Follow the underwrite you are utilizing
 - Desktop Underwriter® follow the DU findings report
 - Loan Product Advisor® follow the Feedback certificate
 - Manual underwrite, follow the appropriate seller guide for your investor as the documentation rules vary
- Use of rental income (boarder income) from a single family property is typically not allowed except for certain Affordable Lending Products
- Rental income from a second home is not allowed for qualifying purposes
- A Primary residence that applicant’s intend to “convert”, make sure occupancy makes sense. Check for investor overlays such as arms length tenant. Conversion date must be documented.
- Gift funds are not allowed for investment property transactions

*Documentation will vary, See www.freddiemac.com or <https://www.fanniemae.com/singlefamily/index>

Updates For Freddie Mac 2017-12

Effective for loans with settlement dates on or after **November 30, 2018**
Sellers may implement immediately

- Short-term and long-term rental income sources for refinance transactions
- Updates policy for rental properties NOT owned in the prior calendar year
- Reintroduces Guide Form 1000 and retires Operating Income Form 998
- Expanding requirements, additional specificity and guidance for
 - Accessory units
 - Leases
 - Net rental income calculations
 - Establishment of DTI ratios
 - Rental Income from form 8825
- New Rental Form 92
- Revised Form 91 (Income Calculations)



Bulletin

TO: Freddie Mac Sellers

August 9, 2017 | 2017-12

SUBJECT: REVISIONS TO RENTAL INCOME REQUIREMENTS

This Guide Bulletin announces revised rental income requirements and guidance.

Additionally, we are making minor Guide updates to support the revisions for self-employed income announced in Bulletin 2016-19 and updating the effective date for MultiLender Swap posting information and Forms 15A and 15C announced in Bulletin 2017-7.

RENTAL INCOME

Effective for Mortgages with Settlement Dates on and after February 9, 2018; however, Sellers may implement the changes in their entirety immediately

In Guide Bulletin 2016-19 we indicated we would address rental income requirements in a future Guide Bulletin. We are now announcing revised rental income requirements and guidance with a focus on housing industry trends and matters impacting the current and historical analysis of stable monthly rental income.

The revisions:

- Proactively address evolving housing industry trends in the rental market such as short-term rental income (e.g., rental income typically derived from sources where a lease is not utilized)
- Support successful and sustainable homeownership through responsible lending practices
- Include expanded requirements, additional specificity and guidance to support the determination of stability, reasonable expectation of continuance and calculation of rental income, resulting in continued support of purchase certainty

Freddie Mac considered Seller inquiries and feedback, broad industry practices and internal review and analysis in developing these revisions. We are updating Guide Chapter 5308 to reflect the revised requirements and additional specificity in chart format, as appropriate, to support ease of use.

The highlights below summarize the key updates. Additional detail is available in [Attachment A](#) of this Bulletin.

Short-term and long-term rental income sources: refinance transactions for properties owned in the prior calendar year(s)

The changes below apply to refinance transactions when using rental income from properties owned in the prior calendar year(s) for:

- 2- to 4-unit Primary Residences
- 1- to 4-unit Investment Properties, and
- Non-subject investment properties

Short-term rental income sources

We are adding requirements and guidance to address the stability of rental income derived from short-term rental income sources (e.g., rental income from a source where a lease is not utilized) to support evolving housing industry trends in the rental market. A two-year history of rental income from a short-term source is required. The income must be documented on Schedule E and the property must have been used for the purposes of producing rental income for this period of time. Short-term rental income is typically fluctuating so historical analysis of the associated degree of volatility and/or irregularity is necessary to determine income stability.



Summary of Rental Income Revisions

TO: Freddie Mac Sellers

August 9, 2017 | 2017-12

For a summary of changes related to rental income requirements made with Bulletin 2017-12, please review the following table:

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Section 5306.1(e) and Chapter 5304	IRS Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation	<ul style="list-style-type: none"> Partnership and S Corporation Rental Income and Expense reported on IRS Form 8825 and IRS Schedule K-1: <ul style="list-style-type: none"> Adding reference to Chapter 5304 in support of income revisions announced in Bulletin 2016-19 Specifying that all Mortgage related expenses must be reported on IRS Form 8825 Specifying that all rental real estate held in a partnership or S corporation is treated as self-employed income, regardless of the Borrower's ownership interest in the business 																																										
Section 5306.1(f)	Data delivery requirements for rental income	Consolidating ULDD Data Point information into one section. This does not represent a change in requirements.																																										
Section 5306.1(g)	Other Guide provisions related to rental income	Providing a comprehensive listing of other Guide provisions related to the rental income topic for ease of reference																																										
Section 5401.2(a)(6)	Liabilities included in the monthly debt payment-to-income ratio	Replacing existing language with referrals to Chapters 5304 or 5306, as applicable, for requirements with respect to treatment of mortgage debt when using rental income. Making this revision for alignment but does not represent a requirement change.																																										
Form 91	Form 91, Income Calculations	Revising Schedule E rental income calculations and moving to new Form 92																																										
Form 92	Form 92, Net Rental Income Calculations - Schedule E	Adding Form 92 to support the calculation of net rental income when Schedule E is being used. Three categories are provided for use when determining the DTI ratio, as follows: <ul style="list-style-type: none"> Subject 2- to 4- unit Properties 																																										

SUBJECT: REVISIONS TO RENTAL INCOME REQUIREMENTS

This Guide Bulletin announces revised rental income requirements and guidance.

Additionally, we are making minor Guide updates to support the revisions for self-employed income announced in Bulletin 2016-19 and updating the effective date for MultiLender Swap posting information and Forms 15A and 15C announced in Bulletin 2017-7.

RENTAL INCOME

Effective for Mortgages with Settlement Dates on and after February 9, 2018; however, Sellers may implement the changes in their entirety immediately

In 2016-19 we indicated we would address rental income requirements in a future Guide Bulletin. We are now announcing revised rental income requirements and guidance with a focus on housing industry trends in the rental market such as short-term rental

Let's Review The New Form 92 And The Bulletin

Freddie Mac Update



Single-Family Update

We're extending the February 9, 2018, effective date for the revised rental income requirements we announced in *Single-Family Seller/Servicer Guide* Bulletin 2017-12. The revised requirements will now be effective for mortgages with Freddie Mac settlement dates on and after **November 30, 2018**.

We're also informing Seller/Servicers that our approved mortgage insurance (MI) companies will issue new MI master policies later this year that will reflect the revised rescission relief principles Freddie Mac and Fannie Mae are mandating.

January 10, 2018

[Back to News Center](#)

We value the feedback we receive from our Sellers. As a result, we're extending the effective date for the revised rental income requirements announced in *Single-Family Seller/Servicer Guide* (Guide) Bulletin [2017-12](#) [PDF].

The revised requirements will now be effective for mortgages with Freddie Mac settlement dates on and after **November 30, 2018**, rather than February 9, 2018, as originally announced.

We will update the Guide to reflect the new effective date when we issue a Bulletin later this month.

The extension will provide us the opportunity to further review your feedback and consider if there are requirements that could be fine-tuned through additional specificity and/or revision for your ease of use.

You may continue to originate, underwrite and deliver loans based on the existing rental income requirements published in the Guide (either those announced in Bulletin 2017-12, in their entirety or those that were in effect prior to Bulletin 2017-12, in their entirety).

If we make any changes to the requirements or guidance announced in Bulletin 2017-12, we will issue a Bulletin prior to November 30, 2018, and provide you with enough time to implement the applicable revisions.



Freddie Mac Form 92



Form 92

Net Rental Income Calculations – Schedule E

Form 92 is to be used to document the Seller's calculation of net rental income from Schedule E. This form is a tool to help the Seller calculate the net rental income from Schedule E; the Seller's calculations must be based on the requirements and guidance for the determination of stable monthly income in Guide Chapter 5306. This form does not replace the requirements and guidance for the analysis and treatment of rental income as described in Chapter 5306.

I. Net Rental Income from Schedule E (Subject 2- to 4-unit Primary Residence)

SUBJECT 2- TO 4-UNIT PRIMARY RESIDENCE NET RENTAL INCOME CALCULATION – SCHEDULE E ¹ Refinance Transaction owned in the prior year(s)		
IRS 1040 Schedule E – Supplemental Income and Loss	Subject Property Address: _____	
	Year:	Year:
Rents received	(+)	(+)
Less total expenses	(-)	(-)
Insurance ²	(+)	(+)
Mortgage interest paid to banks, etc. ²	(+)	(+)
Taxes (real estate only) ^{2,3}	(+)	(+)
Depreciation and/or depletion	(+)	(+)
Homeowners association (HOA) dues (if specifically reported as an expense) ²	(+)	(+)
One time losses (e.g., casualty loss) if documented	(+)	(+)
Subtotal(s)	\$	\$
Result: Net Rental Income (calculated to a monthly amount)⁴ <i>(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)</i>	\$ _____ / _____ = \$ _____	

¹ Refer to Section 5306.1(c)(8) for net rental income calculation requirements

² This expense, if added back, must be included in the monthly housing expense being used to establish the DTI ratio

³ The taxes added back must represent only real estate taxes included in the monthly housing expense

II. Net Rental Income from Schedule E (Subject Investment Property)

SUBJECT INVESTMENT PROPERTY NET RENTAL INCOME CALCULATION – SCHEDULE E ¹ Refinance Transaction owned in the prior year(s)		
IRS 1040 Schedule E – Supplemental Income and Loss	Subject Property Address: _____	
	Year:	Year:
Rents received	(+)	(+)
Less total expenses	(-)	(-)
Insurance ²	(+)	(+)
Mortgage interest paid to banks, etc. ²	(+)	(+)
Taxes (real estate only) ^{2,3}	(+)	(+)
Depreciation and/or depletion	(+)	(+)
HOA dues (if specifically reported as an expense) ²	(+)	(+)
One time losses (e.g., casualty loss) if documented	(+)	(+)
Subtotal(s)	\$	\$
Result: Net Rental Income (calculated to a monthly amount)⁴ <i>(Sum of subtotal(s) divided by number of applicable months = Net Rental Income)</i>	\$ _____ / _____ = \$ _____	

¹ Refer to Section 5306.1(c)(8) for net rental income calculation requirements

² This expense, if added back, must be included in the monthly payment amount being used to establish the DTI ratio

³ The taxes added back must represent only real estate taxes included in the monthly payment amount

⁴ **Establishing DTI ratio (Section 5306.1(d)):** Subtract the monthly payment amount from the net rental income. If the result is positive, it may be added to income; if the result is negative, add it to the monthly liabilities

Check Out Genworth Website for Calculator

Freddie Mac Form 92

III. Net Rental Income from Schedule E (Non-subject investment property(s))

NON-SUBJECT INVESTMENT PROPERTY(S) NET RENTAL INCOME CALCULATION – SCHEDULE E ^{1,2} Refinance Transactions owned in the prior year(s)						
Property Address ³	Property Address #1:		Property Address #2:		Property Address #3:	
	Year:	Year:	Year:	Year:	Year:	Year:
IRS 1040 Schedule E – Supplemental Income and Loss	(+)	(+)	(+)	(+)	(+)	(+)
Rents received	(-)	(-)	(-)	(-)	(-)	(-)
Less total expenses:	(+)	(+)	(+)	(+)	(+)	(+)
Insurance ⁴	(+)	(+)	(+)	(+)	(+)	(+)
Mortgage interest paid to banks, etc. ⁵	(+)	(+)	(+)	(+)	(+)	(+)
Taxes (real estate only) ^{6,7}	(+)	(+)	(+)	(+)	(+)	(+)
Depreciation and/or depletion	(+)	(+)	(+)	(+)	(+)	(+)
HOA dues (if specifically reported as an expense) ⁸	(+)	(+)	(+)	(+)	(+)	(+)
One time losses (e.g., casualty loss) if documented	(+)	(+)	(+)	(+)	(+)	(+)
Subtotals	\$	\$	\$	\$	\$	\$
Result: Net Rental Income (calculated to a monthly amount) ⁹	\$ _____ / _____ = \$ _____ ⁷		\$ _____ / _____ = \$ _____ ⁷		\$ _____ / _____ = \$ _____ ⁷	

¹ Refer to Section 5306.1(c)(8) for net rental income calculation requirements.

² Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 992, regardless of Borrower's percentage of ownership interest in the business or whether the Borrower is personally obligated on the note.

³ Review rental properties on Schedule E against Uniform Residential Loan Application ("URLA"). If properties are on the tax return(s) but not on the URLA, provide evidence the Borrower no longer owns the property.

⁴ This expense, if added back, must be included in the monthly payment amount used to establish the DTI ratio.

⁵ The taxes added back must represent only real estate taxes that are included in the monthly payment amount used to establish the DTI ratio.

⁶ Establishing DTI ratio (Section 5306.1(d)): Subtract the monthly payment amount from the net rental income. For one property, if the result is positive, add it to the income; if the result is negative, add it to the monthly liabilities. For multiple properties, subtract the monthly payment amount from the net rental income for each property. Combine the results and if the combined result is positive, add it to the income; if the combined result is negative, add it to the monthly liabilities.

⁷ Net Rental Income = sum of the subtotal(s) divided by the number of applicable months.

NON-SUBJECT INVESTMENT PROPERTY(S) NET RENTAL INCOME CALCULATION – SCHEDULE E ^{1,2} Refinance Transactions owned in the prior year(s)						
Property Address ³	Property Address #1:		Property Address #2:		Property Address #3:	
	Year:	Year:	Year:	Year:	Year:	Year:
IRS 1040 Schedule E – Supplemental Income and Loss	(+)	(+)	(+)	(+)	(+)	(+)
Rents received	(-)	(-)	(-)	(-)	(-)	(-)
Less total expenses:	(+)	(+)	(+)	(+)	(+)	(+)
Insurance ⁴	(+)	(+)	(+)	(+)	(+)	(+)
Mortgage interest paid to banks, etc. ⁵	(+)	(+)	(+)	(+)	(+)	(+)
Taxes (real estate only) ^{6,7}	(+)	(+)	(+)	(+)	(+)	(+)
Depreciation and/or depletion	(+)	(+)	(+)	(+)	(+)	(+)
HOA dues (if specifically reported as an expense) ⁸	(+)	(+)	(+)	(+)	(+)	(+)
One time losses (e.g., casualty loss) if documented	(+)	(+)	(+)	(+)	(+)	(+)
Subtotals	\$	\$	\$	\$	\$	\$
Result: Net Rental Income (calculated to a monthly amount) ⁹	\$ _____ / _____ = \$ _____ ⁷		\$ _____ / _____ = \$ _____ ⁷		\$ _____ / _____ = \$ _____ ⁷	

¹ Refer to Section 5306.1(c)(8) for net rental income calculation requirements.

² Refer to Chapter 5304 and Form 91 for the treatment of all rental real estate income or loss reported on IRS Form 992, regardless of Borrower's percentage of ownership interest in the business or whether the Borrower is personally obligated on the Note.

³ Review rental properties on Schedule E against URLA. If properties are on the tax return(s) but not on the URLA, provide evidence the Borrower no longer owns the property.

⁴ This expense, if added back, must be included in the monthly payment amount used to establish the DTI ratio.

⁵ The taxes added back must represent only real estate taxes that are included in the monthly payment amount used to establish the DTI ratio.

⁶ Establishing DTI ratio (Section 5306.1(d)): For multiple properties, subtract the monthly payment amount from the net rental income for each property. Combine the results and if the combined result is positive, add it to the income; if the combined result is negative, add it to the monthly liabilities.

⁷ Net Rental Income = sum of the subtotal(s) divided by the number of applicable months.

DTI Ratio Calculation for Multiple Non-Subject Investment Properties (Section 5306.1(d))			
Property	Monthly Net Rental Income	Less Monthly Payment Amount (Section 5401.2(a)(7))	Result (+) Positive / (-) Negative
Property #1	\$	\$	(+) \$
Property #2	\$	\$	(-) \$
Property #3	\$	\$	(+) \$
Property #4	\$	\$	(-) \$
Property #5	\$	\$	(+) \$
Property #6	\$	\$	(-) \$
Combined Result (positive, add to income; negative, add to liabilities)			(+) \$

Check Out Genworth Website for Calculator

Freddie Mac Seller/Service Guide

Chapter 5306: Rental Income

5306.1: Rental income (08/09/17)

Refer to Bulletin implemented pri

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- Investment pr

5306.1: Rental income (Future effective date 02/09/18)

November 30, 2018

This chapter contains requirements and guidance for the use of rental income:

- General eligibility requirements (Refer to Section 5306.1(a))
- Rental income from the Borrower's 1-unit Primary Residence (Refer to Section 5306.1(b))
- Rental income from the Borrower's subject 2- to 4-unit Primary Residence, subject 1- to 4-unit Investment Property and non-subject investment property (Refer to Section 5306.1(c))
- Establishing the debt payment-to-income ratio (Refer to Section 5306.1(d))
- IRS Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation (Refer to Section 5306.1(e))
- Data delivery requirements for rental income (Refer to Section 5306.1(f))

Rental Income Section Has Been Updated; Examples Included, Additional Guidelines Fully Addressed

Short Term Rental Income Sources

Short-term rental income sources –refinance transactions for subject properties and non-subject investment properties owned in prior calendar year :

- Short-term rental income sources where a lease is NOT utilized (less than one year term)
- Two-year history of rental income reported on Schedule E is required
- Property must have been used for the purposes of producing rental income for a consecutive period of 24 months
- If tax returns are more than six months old based on ending date of the last tax year:
 - A current year-to-date gross rental income statement from the independent third party that rents and disburses same to borrower and year-end statement or IRS Form 1099-K, Payment Card and Third party Network Transactions, if applicable that supports the gross rental income and source reported on the tax returns is required OR
 - If a gross rental income statement is not provided to the Borrower, other equivalent supporting documentation must be obtained to justify the stability of the rental

See Examples in Seller/Service Guide

Long Term Rental Income

Long-term rental income sources - refinance transactions for subject properties owned in prior calendar year and non-subject owned in the prior year:

- One-year history of the rental income reported on Schedule E is required with availability of a current one-year term lease.
 - If lease is in an automatically renewable month-to-month phase of an original one-year term lease, then a month-to-month term is acceptable
- The seller may determine the rental income is stable **without** obtaining a current lease if:
 - Fair rental days reported on Schedule E for most recent year document rental income consistent with long-term lease (e.g., 360 days)
 - The tax returns are no more than six months old based on the ending date of the last tax year and;
 - No information is present that would contradict a reasonable expectation of income stability or continuance or current receipt of rental income from a lease.

See Examples in Seller/Service Guide

Long Term Rental Income-NEW

One-year management history or limitation on net rental income

- Applies to subject purchase, subject refinance or non-subject transactions when property was purchased or placed in service for use as a rental in the current calendar year.
- 30% Rental Income Rule

- The Borrower must have a minimum one-year history of investment property management experience occurring within the most recent 36 months. The management experience must be documented with at least the most recent year of complete federal income tax returns for which the investment property was in service.

or

- The net rental income, as described in Section 5306.1(c)(iii), may only be considered in an amount up to 30% of the sum of the net rental income and all other stable monthly income (e.g., employment earnings) that is used to qualify the Borrower for the Mortgage

If there are multiple properties that are subject to the 30% requirement (e.g., a subject property purchase transaction and a non-subject investment property purchased in the current calendar year), the 30% requirement applies to the combined total of net rental income.

Examples of how to apply these calculations are shown in the following chart:

Examples: Calculations of the maximum amount of net rental income that is eligible to be included in the stable monthly income				
Employment earnings	Net rental income (Section 5306.1(c)(iii))	Sum of net rental income plus employment earnings	Calculation	Eligible net rental income
\$5,000	\$1,500	\$6,500	$\$6,500 \times 30\% = \$1,950$	\$1,500
\$2,500	\$2,625	\$5,125	$\$5,125 \times 30\% = \$1,537.50$	\$1,537.50

Leases and Income Calculations

Expanded requirements, additional specificity and guidance:

- Leases (Section 5306.19c)(ii)) Specifying that leases must be current and fully executed, with a minimum original term of one year (with an allowance for a month-to-month term if in the automatically renewable stage) for all transactions

Subject property purchase transaction	<ul style="list-style-type: none">• Lease availability: If a lease is available, it must be obtained and used to determine the net rental income• Reasonable efforts to determine lease availability: Include review of the appraisal, comparable rent data, purchase contract, a discussion with the Borrower and/or any other applicable and reasonable method• Seller has knowledge that the Borrower does not intend to use a lease (e.g., short-term rental): Rental income is ineligible• Market rents: May be used to determine the net rental income if it has been determined a lease is not obtainable
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- Income calculations revised to reflect calculation based on net rental income less the mortgage payment rather than the net aggregate calculation.

Additional Updates

Expanded requirements, additional specificity and guidance:

- Removes requirement to verify operating expenses when rental income is not used to qualify
- Removes requirement for completion of Income approach on appraisal
- Rental income reported on IRS form 8825, Section 5306.1(e) and 5304.1(d) to specify all rental real estate held by an partnership or S Corp is treated as self-employed **regardless** of the borrower's ownership interest in the business

(e) IRS Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation

Refer to Chapter 5304 for the treatment of all rental real estate income or loss reported on the IRS Form 8825, which reflects all income and expenses for the rental property and the IRS Schedule K-1, which reflects the Borrower's proportionate share of the net rental income or loss. The requirements of Chapter 5304 are applicable regardless of the Borrower's percentage of ownership interest in the partnership or S corporation and regardless of whether the Borrower is personally obligated on the Note.

Form Updates


Guide Impacts:

- Guide Form 1000 *Comparable Rent Schedule* reintroduced
 - Used on a purchased when NO lease is available and property will be rented out long term (one year)
- Form 998, *Operating Income Statement*, being retired
- Form 91, *Income Calculations*- Updated to remove the Schedule E rental income
- Form 92, *Net Rental Income Calculations – Schedule E*-
 - Introducing Form 92 to support calculation of net rental income when Schedule E is being used.
 - Three sections are provided for ease of use when determining the debt payment-to-income ratio
 - Subject 2-4 unit Primary Residence
 - Subject Investment property
 - Non-Subject investment Property

Updates For Freddie Mac 2015-12

Effective for loans with settlement dates October 26, 2015

- Increases number of financed properties to six when the subject is a second home or investment



TO: Freddie Mac Sellers July 15, 2015 | 2015-12

SUBJECT: SELLING UPDATES

This *Single-Family Seller/Service Guide* ("Guide") Bulletin announces:

Loan Prospector®

- Updates to the Guide to reflect [free Loan Prospector](#)

Credit and underwriting

- Updates to our [credit and underwriting requirements](#) pertaining to, among others, the following:
 - The [maximum number of financed properties](#) that the Borrower may own or be obligated on when the transaction is a second home or an Investment Property Mortgage
 - The [use of income from Investment Properties](#) for qualification purposes
 - The minimum [monthly payment amount required to be included in the debt payment-to-income ratio when a student loan is deferred or in forbearance](#)

Property eligibility

- The [extension of the effective date for the comparable sales selection](#) changes announced in Bulletin 2015-7

Guarantor program and loan-level buyup and buydown program

- The addition of [Guarantor Pricing \(as defined in new Guide Section 11.11.1\) and buyup and buydown terms](#)

Delivery

- [Uniform Loan Delivery Dataset \(ULDD\)-related updates](#)
- Updates impacting [Document Custodians](#)

In addition to the changes listed above, we are making further updates and revisions as described in the ["Additional Guide Updates and Reminders"](#) section of this Bulletin.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

LOAN PROSPECTOR IS FREE

Effective June 1, 2015

As announced in our Single-Family News Center article on May 29, 2015, Loan Prospector is free for all new submissions. Freddie Mac is committed to providing liquidity to the market. Loan Prospector facilitates access to credit and delivers our policies and standards in a streamlined way.

Section 2.2.1 and Guide Exhibits 15, 16 and 18 have been updated to reflect this change.

CREDIT AND UNDERWRITING

In response to Seller inquiries, we have evaluated our requirements and are making certain revisions as stated below. The Freddie Mac Selling System and the impacted Loan Prospector feedback messages will be updated prior to the applicable effective dates.

Reserve Policy - Chapter 5501.2

Subject property	Required reserves
Primary Residence - 1-unit	None
Primary Residence - 2- to 4-unit	Six months for the subject property
Second home	Two months for the subject property
Investment Property	Six months for the subject property

Calculating Required Reserves is Getting Easier

To streamline your underwriting process, we're updating Loan Product Advisor to automatically calculate the additional required reserves when the subject property is a second home or an investment property **effective for all submissions and resubmissions on and after November 12, 2017.**

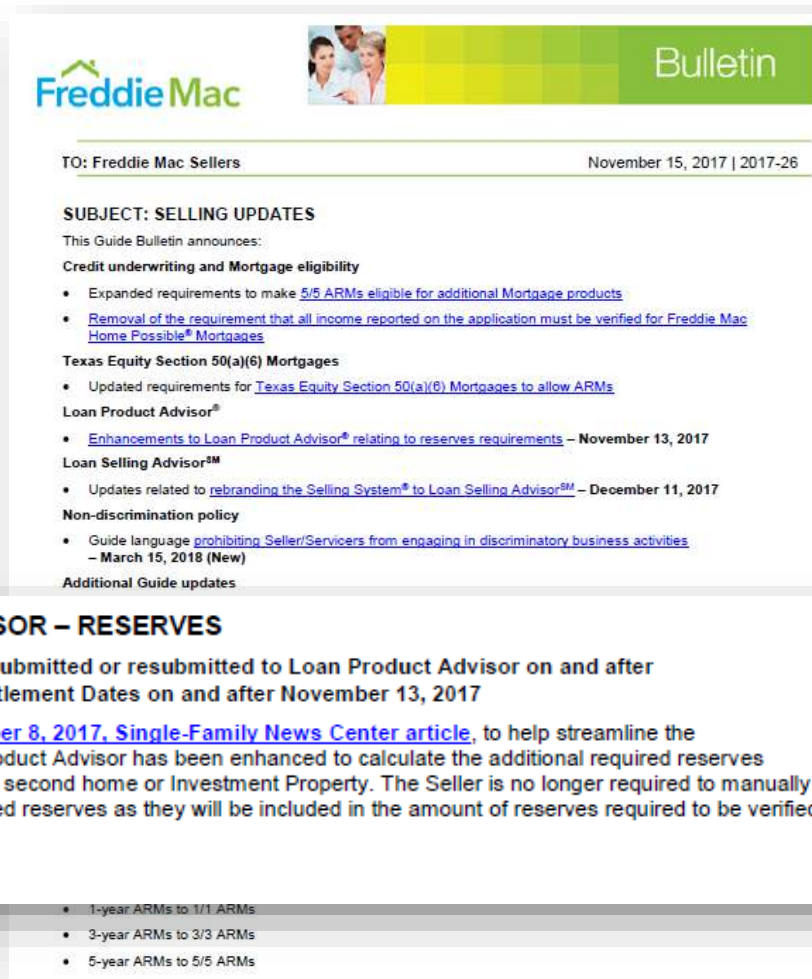
This means that you should no longer *manually* calculate the additional required reserves when your borrower has additional financed second homes or investment properties for which the borrower is obligated.* This amount will *automatically* be included in the Required Reserves field on the Loan Product Advisor Feedback Certificate.

***Note:** If manual calculation of additional required reserves is performed on and after November 12, the required reserves calculation will be incorrect – it will result in an over-calculation of the amount of reserves required.

Important Updates About Reserves

Effective For Loans Submitted and Resubmitted On Or After November 12, 2017

- Loan Product Advisor will determine reserves for additional properties owned and obligated on when subject is a second home or investment property
- Data accuracy is critical
- Enter all eligible assets
- Enter details for each additional 1-4 unit residential property in which the borrower has ownership interest and is obligated on the financing
- Specifically:
 - Property disposition
 - Subject property
 - Current Resident
 - Liabilities associated with each property?



The image shows a screenshot of a Freddie Mac bulletin. At the top left is the Freddie Mac logo. To its right is a small photo of three people. Further right is a green bar with the word "Bulletin" in white. Below this is a horizontal line. Under the line, on the left, it says "TO: Freddie Mac Sellers" and on the right, "November 15, 2017 | 2017-26". Below that, it says "SUBJECT: SELLING UPDATES". Then it says "This Guide Bulletin announces:" followed by "Credit underwriting and Mortgage eligibility". There are three bullet points: "Expanded requirements to make 5/5 ARMs eligible for additional Mortgage products", "Removal of the requirement that all income reported on the application must be verified for Freddie Mac Home Possible® Mortgages", and "Texas Equity Section 50(a)(6) Mortgages". Below these are two more bullet points: "Updated requirements for Texas Equity Section 50(a)(6) Mortgages to allow ARMs" and "Loan Product Advisor®". Then there are two more bullet points: "Enhancements to Loan Product Advisor® relating to reserves requirements – November 13, 2017" and "Updates related to rebranding the Selling System® to Loan Selling Advisor® – December 11, 2017". Below that is "Non-discrimination policy" with a bullet point: "Guide language prohibiting Seller/Service providers from engaging in discriminatory business activities – March 15, 2018 (New)". Finally, it says "Additional Guide updates".

LOAN PRODUCT ADVISOR – RESERVES

Effective for all Mortgages submitted or resubmitted to Loan Product Advisor on and after November 12, 2017 with Settlement Dates on and after November 13, 2017

As announced in our [November 8, 2017, Single-Family News Center article](#), to help streamline the underwriting process Loan Product Advisor has been enhanced to calculate the additional required reserves when the subject property is a second home or Investment Property. The Seller is no longer required to manually calculate the additional required reserves as they will be included in the amount of reserves required to be verified on the Feedback Certificate.

Guide impact: Section 5501.2


- 1-year ARMs to 1/1 ARMs
- 3-year ARMs to 3/3 ARMs
- 5-year ARMs to 5/5 ARMs

Freddie Mac Rental Income

Use Rental Income Matrix

- Stable Rental Income used for qualifying
 - Tax Returns or leases
- Form 998
- Need for Tax Returns
- Income Approach
- Reserves
- Gift Funds
- Max number of financed properties

Freddie Mac Rental Income Matrix



Rental income may be used in qualifying the borrower(s) provided that the requirements of Guide Section 5306.1 and the documentation requirements contained in Guide Sections 5102.3 and 5102.4 and Chapter 5302 are met. Use the following chart as a tool to help summarize these rental income requirements.

Topic	Rental Income is from...		
	Subject Property: 2- to 4-unit Primary Residence	Subject Property: 1- to 4-unit Investment Property	Investment property owned by the borrower other than the Subject Property
Rental Income used as Stable Monthly Income for Qualifying Purposes	Use the following to determine and document income: <ul style="list-style-type: none"> The borrower's prior year federal tax return if reported on Schedule E and borrower has owned the property for at least 1 year, or Form 998, Operating Income Statement Rental income used to qualify the borrower must be substantiated with using: <ul style="list-style-type: none"> Income approach on the appraisal and Copies of the present lease(s), if applicable Negative net rental income from Schedule E of the borrower's tax returns or negative Net Cash Flow from Form 998 must be considered a liability for qualification purposes.	Positive net rental income from Schedule E of the borrower's tax returns or positive Net Cash Flow from Form 998 may be considered stable monthly income, provided the borrower meets the reserve requirements, and the income approach on the appraisal and copies of current leases substantiate the rental income used to qualify the borrower.	Use the following to determine and document income: <ul style="list-style-type: none"> Schedule E of the borrower's tax returns to determine the net rental income when rental income from the other investment properties owned by the borrower in the previous tax year is reported on the borrower's individual federal tax returns, or Verified net rental income from signed lease(s) may be used to determine the net rental income for an investment property not owned during the previous year. Aggregate net rental income may be counted as stable monthly income, provided the reliability of receipt is clearly supported by the documentation in the file. Aggregate net rental loss from Investment Properties and 2- to 4-unit Primary Residences must be considered a liability for qualification purposes.

Note: Vertical revision bars "*" are used in the margin of this quick reference to highlight new requirements and significant changes.

July 2017
www.FreddieMac.com/learn/

Freddie Mac Rental Income

Topic	Rental Income is from...		
	Subject Property: 2- to 4-unit Primary Residence	Subject Property: 1- to 4-unit Investment Property	Investment property owned by the borrower other than the Subject Property
Rental Income used as Stable Monthly Income for Qualifying Purposes	<p>Use the following to determine and document income:</p> <ul style="list-style-type: none"> The borrower's prior year federal tax return if reported on Schedule E and borrower has owned the property for at least 1 year, or Form 998, Operating Income Statement <p>Rental income used to qualify the borrower must be substantiated with using:</p> <ul style="list-style-type: none"> Income approach on the appraisal and Copies of the present lease(s), if applicable <p>Negative net rental income from Schedule E of the borrower's tax returns or negative Net Cash Flow from Form 998 must be considered a liability for qualification purposes.</p>		<p>Use the following to determine and document income:</p> <ul style="list-style-type: none"> Schedule E of the borrower's tax returns to determine the net rental income when rental income from the other investment properties owned by the borrower in the previous tax year is reported on the borrower's individual federal tax returns, or Verified net rental income from signed lease(s) may be used to determine the net rental income for an investment property not owned during the previous year. <p>Aggregate net rental income may be counted as stable monthly income, provided the reliability of receipt is clearly supported by the documentation in the file.</p> <p>Aggregate net rental loss from Investment Properties and 2- to 4-unit Primary Residences must be considered a liability for qualification purposes.</p>
	<p>Positive net rental income from Schedule E of the borrower's tax returns or positive Net Cash Flow from Form 998 may be considered stable monthly income, provided, the borrower meets the reserve requirements and the income approach on the appraisal and copies of current leases substantiate the rental income used to qualify the borrower.</p>	<p>Positive net rental income from Schedule E of the borrower's tax returns or positive Net Cash Flow from Form 998 may be considered stable monthly income, provided, the borrower and meets the reserve requirements, and the income approach on the appraisal and copies of current leases substantiate the rental income used to qualify the borrower.</p>	

Fannie Mae Seller Guide

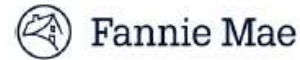
General Guidelines and Rental Income Forms

- Borrowers that have a history of renting the subject or another property, typically income is reported on IRS Form 1040 Schedule E
- Properties owned by businesses, such as an LLC or S Corp or Partnership, rental income is found on IRS Form 8825 (attached to the business return)
- If borrower's tax returns do not accurately reflect the ongoing income and expenses of the property, lenders may be justified in using fully executed current leases for:
 - Purchases
 - Refinance in which the borrower purchased the rental during or subsequent to the last tax return filing and is properly documented
 - Refinance of a property that experienced significant rental interruptions such as renovation or a casualty loss that is properly documented
- When the subject property will generate rental income and is NOT on the tax returns, one of the following Fannie Mae forms must be used to support the income-earning potential
 - One-unit properties: *Single-Family Comparable Rent Schedule (Form 1007)*
 - For two-to-four unit properties: *Small Residential Income Appraisal Report (Form 1025)*

Fannie Mae Seller Guide Updates

2017-02 Updates Market Rent

- Use 75% of the market rents (from form 1007 or form 1025) or leases, whichever is less.



Selling Guide Announcement SEL-2017-02

February 28, 2017

Selling Guide Updates

The *Selling Guide* has been updated to include changes to the following:

- IRS Form 4506-T for Loans with Validated Income
- Homebuyer Education and Counseling
- Calculation of Rental Income When Using Market Rent

The updates described below simplify and clarify several policies. The affected topics for each policy change are listed on the Attachment. Lenders should review each topic to gain a full understanding of the policy changes. The updated topics are dated February 28, 2017.

Calculation of Rental Income When Using Market Rent

We have clarified how to calculate monthly qualifying rental income (or loss) when using market rents reported on Form 1007 or Form 1025. There is now consistency in the calculation, whether using lease agreements or market rents, by using 75% of the monthly lease or market rent amount.

This clarification is effective immediately.

Homebuyer Education and Counseling

In response to lender feedback, we have updated the *Selling Guide* to clarify our requirements pertaining to homeownership education and housing counseling. Clarifications include updated definitions that more clearly distinguish homeownership education from housing counseling, and more specific information about when education or counseling must be completed. We have also updated and renamed the *Certificate of Completion of Housing Counseling (Form 1017)* to align with the changes in the Guide.

Effective Date


This clarification is effective immediately.



Calculation of Rental Income When Using Market Rent


We have clarified how to calculate monthly qualifying rental income (or loss) when using market rents reported on Form 1007 or Form 1025. There is now consistency in the calculation, whether using lease agreements or market rents, by using 75% of the monthly lease or market rent amount.

Training Tools and Information

The screenshot displays the Genworth website's navigation and promotional content. At the top left is the Genworth logo. To its right is a contact number (800 444.5664), email, and chat icons, along with a search bar. Further right is a 'LOG IN TO:' button with links for 'ORDER MI', 'MANAGE MI', and 'VIEW ACCOUNT'. A dark navigation bar contains links for 'MI & RATES', 'UNDERWRITING & GUIDES', 'LOS & CONNECTIONS', 'GENWORTH TOOLKIT', and 'TRAINING'. The 'TRAINING' link is highlighted with a red box, and a dropdown menu is open, listing several training resources. A red arrow points to the 'Self-Employed Borrower Calculators' item in the dropdown. Below the navigation is a banner for 'HOMEOWNERSHIP' and 'MORTGAGE INSURANCE' featuring a couple in front of a house. Below the banner are three colored boxes: 'Underwriting' (blue), 'Rate Express' (green), and 'LOS' (orange), each with an icon and a 'KNOW MORE' or 'LET'S GO' link.

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KNOW MORE >>

Rate Express
 Find a rate.
Share the results.
GET A QUOTE NOW >>

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you in your LOS.
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Featured 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. *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 (2015-2016) Calculate self-employment help you complete Fannie Mae Form 1084.	 Freddie Mac Form 91 Calculator (2015-2016) Quick reference guide and income analysis for Freddie Mac Form 91. <small>UPDATED</small>	 Freddie Mac Form 92 Calculator (2015-2016) Form 92 Self-Employed Income Calculators - Schedule E. <small>UPDATED</small>
 Schedule Analysis Method (SAM) Calculator (2015-2016) Calculate qualifying rental income from tax returns.	 Rental Income Calculator (2015-2016) Assess calculating rental income from IRS Form 1040 Schedule E.	 Quick Ratio - Liquidity Calculator (2015-2016) Calculate an applicant's liquidity against current liabilities.
 Current Ratio - Liquidity Calculator (2015-2016) Calculate working capital liquidity against current liabilities.	 Fannie Mae Rental Guide (Calculator 1037) Use this calculator to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, S, D, U and Property).	 Fannie Mae Rental Guide (Calculator 1038) Method for calculating qualifying rental income for Fannie Mae Form 1038 (Other Rental Income From Investment Property).
 Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income From Investment Property).	 Fannie Mae Comparative Analysis Guide (Form 1086) Calculate increased/borrower's gross income, expenses and net rental income.	

DOWNLOAD FULL COURSE CATALOG

PDF

LIVE WEBINAR CALENDAR



Self-Employed Borrower Tools



Income Calculation Tools and Reference Guides

Fannie Mae Rental Calculators

FannieMae
 For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Rental Income Worksheet
Principal Residence, 2- to 4-unit Property: Monthly Qualifying Rental Income.

Documentation Required:
 • Schedule E (IRS Form 1040) OR
 • Lease Agreement or Fannie Mae Form 1023

Enter Rental Unit: Result:

Step 1. When using Schedule E, determine the number of months the property was in service by dividing the Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter period.
Step 1. Result: The number of months the property was in service: Result:

Step 2. Calculate the monthly qualifying rental income using Step 2A: Schedule E OR Step 2B: Lease Agreement or Fannie Mae Form 1023.

Step 2 A. Schedule E - Part I			
A1	Enter total rents received (from the non-owner-occupied units). May enter rent from individual units or combine. <i>Schedule E, Line 3</i>	Enter	
A2	Subtract total expenses. <i>Schedule E, Line 20</i>	Subtract	
A3	Add back insurance expense. <i>Schedule E, Line 9</i>	Add	
A4	Add back mortgage interest paid. <i>Schedule E, Line 12</i>	Add	
A5	Add back tax expense. <i>Schedule E, Line 15</i>	Add	
A6	Add back homeowners' association dues. <i>Check Schedule E, Line 19. This expense must be specifically identified on Schedule E in order to add it back.</i>	Add	
A7	Add back depreciation expense or depletion. <i>Schedule E, Line 18</i>	Add	
A8	Add back any one-time extraordinary expense (e.g., casualty loss). There must be evidence of the nature of the one-time extraordinary expense. <i>Rev. Lines 5-19. Equals adjusted rental income. Click gray button to calculate adjusted monthly rent.</i>	Add	
A9	Divide by the number of months the property was in service (Step 1 Result). <i>If Line A9 is zero, "error" will show.</i>	Divide	0.00
Step 2A. Result: Monthly qualifying rental income: <input type="text"/> Result: <input type="text"/>			

Step 2 B. Lease Agreement or Fannie Mae Form 1023
 This method is used when the transaction is a purchase or the property was acquired subsequent to the most recent tax filing or the lender has justification for using a lease agreement.

B1	Enter gross monthly rent (from the lease agreement) or market rent (from Form 1025) for the applicable rental unit.	Enter	
B2	Multiply gross monthly rent or market rent by 75% (.75). The remaining 25% accounts for vacancy loss, maintenance, and management expenses.	Multiply	x .75
B3	Combine the monthly rental income of all non-owner-occupied rental units (up to a maximum of 3 rental units since rental income is not eligible on the unit occupied by a borrower).	Add	\$ 0.00
Step 2B. Result: Monthly qualifying rental income: <input type="text"/> Result: <input type="text"/>			

Step 3. Determine the qualifying impact using the combined result of Step 2A or Step 2B.

DU Data Entry			
Subject Property	Monthly Income and Combined Housing Expenses	Mortgage	
Subject Property	Enter the amount of the monthly qualifying income in "Subject Net Cash."	Include as the borrower expense. For refinanced mortgage as a subject property.	
Non-Subject Property	Enter the amount of the monthly qualifying income in "Net Rental."	Include as the borrower expense.	

FannieMae
 For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Rental Income Worksheet
Individual Rental Income from Investment Property(s): Monthly Qualifying Rental Income.

Documentation Required:
 • Schedule E (IRS Form 1040) OR
 • Lease Agreement or Fannie Mae Form 1007 or Form 1025

Enter Rental Unit: Result:

Step 1. When using Schedule E, determine the number of months the property was in service by dividing the Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter period.
Step 1. Result: The number of months the property was in service: Result:

Step 2. Calculate the monthly qualifying rental income (loss) using Step 2A: Schedule E OR Step 2B: Lease Agreement or Fannie Mae Form 1007 or Form 1025.

Step 2 A. Schedule E - Part I			
A1	Enter total rents received. <i>Schedule E, Line 1</i>	Enter	
A2	Subtract total expenses. <i>Schedule E, Line 20</i>	Subtract	
A3	Add back insurance expense. <i>Schedule E, Line 9</i>	Add	
A4	Add back mortgage interest paid. <i>Schedule E, Line 12</i>	Add	
A5	Add back tax expense. <i>Schedule E, Line 15</i>	Add	
A6	Add back homeowners' association dues. <i>Schedule E, Line 19. This expense must be specifically identified on Schedule E in order to add it back.</i>	Add	
A7	Add back depreciation expense or depletion. <i>Schedule E, Line 18</i>	Add	
A8	Add back any one-time extraordinary expense (e.g., casualty loss). There must be evidence of the nature of the one-time extraordinary expense.	Add	
A9	Divide by the number of months the property was in service (Step 1 Result). <i>Click the gray button to calculate the adjusted monthly rental income.</i>	Divide	
A10	Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property). <i>Verified, inc. taxes, ins. and HOA.</i>	Subtract	
Step 2A. Result: Monthly qualifying rental income (or loss): <input type="text"/> Result: <input type="text"/>			

Step 2 B. Lease Agreement OR Fannie Mae Form 1007 or Form 1025
 This method is used when the transaction is a purchase, the property was acquired subsequent to the most recent tax filing or the lender has justification for using a lease agreement.

B1	Enter the gross monthly rent (from the lease agreement) or market rent (reported on Form 1007 or Form 1025). For multi-unit properties, combine gross rent from all rental units.	Enter	
B2	Multiply gross monthly rent or market rent by 75% (.75). The remaining 25% accounts for vacancy loss, maintenance, and management expenses.	Multiply	
B3	Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property). <i>Verified, inc. taxes, ins. and HOA.</i>	Subtract	
Step 2B. Result: Monthly qualifying rental income (or loss): <input type="text"/> Result: <input type="text"/>			

Step 3. Determine the qualifying impact using the result of Step 2A or Step 2B.
 If the combined result of Step 2A or 2B is positive, add the positive amount to the borrower's monthly qualifying income. Because the PITIA expense was included in the calculations above, do not add it to the debt-to-income (DTI) ratio.
 If the combined result of Step 2A or 2B is negative, include the amount of the loss in the borrower's monthly expenses when calculating the DTI ratio.

DU Data Entry			
Subject Property	Monthly Income and Combined Housing Expenses	Mortgage	
Subject Property	Enter the amount of the monthly qualifying income (positive result) or monthly qualifying loss (negative result) in "Subject Net Cash."	Include as the borrower expense. For refinanced mortgage as a subject property.	
Non-Subject Property	Enter the amount of the monthly qualifying income (positive result) or monthly qualifying loss (negative result) in "Net Rental."	Include as the borrower expense.	

Fannie Mae Form 1038
 Calculator provided courtesy of Genworth
 For more information, visit <http://MortgageInsurance.Genworth.com/Training>

Refer to the Rental Income topic in the Selling Guide for additional guidance.

FannieMae
 For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Rental Income Worksheet
Business Rental Income from Investment Property(s): Qualifying Impact of Mortgages Investment Property PITIA Expense

Documentation Required:
 • IRS Form 8825 (filed with either IRS Form 1065 or 1120S) OR
 • Lease Agreement

Enter the mortgage and the mortgage loan account number. Enter Mortgage # Mortgage #

Step 1. When using IRS Form 8825, determine the number of months the property was in service by dividing the Fair Rental Days by 30. If Fair Rental Days are not reported, the property is considered to be in service for 12 months unless there is evidence of a shorter term of service.
Step 1. Result: The number of months the property was in service: Result:

Step 2. Calculate monthly property cash flow using Step 2A: IRS Form 8825 OR Step 2B: Lease Agreement.

Step 2 A. IRS Form 8825 (IRS Form 1065 or 1120S)			
A1	Enter gross rents received. <i>Form 8825, Line 2</i>	Enter	
A2	Subtract total expenses. <i>Form 8825, Line 16</i>	Subtract	
A3	Add back insurance expense. <i>Form 8825, Line 7</i>	Add	
A4	Add back mortgage interest paid. <i>Form 8825, Line 9</i>	Add	
A5	Add back tax expense. <i>Form 8825, Line 11</i>	Add	
A6	Add back homeowners' association dues. <i>Review Form 8825, Line 15. This expense must be specifically identified on Form 8825 in order to add it back.</i>	Add	
A7	Add back depreciation expense or depletion. <i>Form 8825, Line 14</i>	Add	
A8	Add back any one-time extraordinary expense (e.g., casualty loss). There must be evidence of the nature of the one-time extraordinary expense. <i>Review Form 8825, Lines 3-5.</i>	Add	
A9	Divide by the number of months the property was in service (Step 1 Result). <i>Click the gray button to calculate the adjusted monthly rental income. If A9 is 0, error shows.</i>	Divide	0.00
A10	Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property). <i>Verified, inc. taxes, insurance and HOA dues are included.</i>	Subtract	
Step 2A. Result: Monthly property cash flow: <input type="text"/> Result: <input type="text"/>			

Step 2 B. Lease Agreement
 This method is used in certain circumstances (e.g., when the property was acquired subsequent to the most recent tax filing or the lender has justification for using a lease agreement).

B1	Enter the gross monthly rent (from the lease agreement).	Enter	
B2	Multiply gross monthly rent or market rent by 75% (.75). The remaining 25% accounts for vacancy loss, maintenance, and management expenses.	Multiply	x .75
B3	Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property).	Subtract	\$ 0.00
Step 2B. Result: Monthly property cash flow: <input type="text"/> Result: <input type="text"/>			

Step 3. Determine qualifying impact of the mortgages investment property PITIA expense.
 If the result of Step 2A or 2B is negative, include this loss, not to exceed the monthly PITIA expense, in the debt-to-income ratio.
 If the result of Step 2A or 2B is positive, the full amount of the PITIA expense has been offset. Do not include it in the debt-to-income ratio.

DU Data Entry			
Subject Property	Monthly Income and Combined Housing Expenses	Mortgage Liabilities	Real Estate Owned
Subject Property	Enter the amount of the negative monthly property cash flow in "Subject Net Cash." If the monthly property cash flow is positive, enter \$0.00.	For refinanced transactions, identify the mortgage as a subject property lien.	If IRO Schedule is completed, confirm that the "Net Rental Income" field reflects either: • the amount of the property cash flow if it is negative, or • \$0.00 if the monthly property cash flow is positive.
Non-Subject Property	Enter the amount of the negative monthly property cash flow in "Net Rental." If the monthly property cash flow is positive, enter \$0.00.	Identify the mortgage as a rental property lien.	

Fannie Mae Form 1039
 Calculator provided courtesy of Genworth
 For more information, visit <http://MortgageInsurance.Genworth.com/Training>

Refer to Rental Income topic in the Selling Guide for additional guidance.

<https://mortgageinsurance.genworth.com/Training/SelfEmployedBorrower.aspx>

Borrowers with Multiple Financed Properties

DU uses the number of financed properties to apply the following eligibility guidelines:

- A minimum credit score of 720 is required for borrowers with 7-10 financed properties
- Borrowers are limited to a maximum of 10 financed properties

Multiple Financed Properties Fannie Mae

B2-2-03: Multiple Financed Properties for the Same Borrower (03/29/2016) 

Limits on the Number of Financed Properties

If the mortgage loan being delivered to Fannie Mae is secured by the borrower's principal residence, there are no limitations on the number of other properties that the borrower will have financed. If the mortgage is secured by a second home or an investment property, the multiple financed properties policy applies. The maximum number of financed properties that are permitted is based on the underwriting method, as described later in this topic.

The financed property limit

- applies to the number of one- to four-unit residential properties where the borrower is personally obligated on the mortgage(s);
- applies to the total number of properties financed, not to the number of mortgages on the property or the number of mortgages sold to Fannie Mae;
- includes the borrower's principal residence if it is financed; and
- is cumulative for all borrowers (though jointly financed properties are only counted once).

The following property types are not subject to these limitations, even if the borrower is personally obligated on a mortgage on the property:

- commercial real estate,
- multifamily property consisting of more than four units,
- ownership in a timeshare,
- ownership of a vacant lot (residential or commercial), or
- ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on the home).

Applies When The Subject Transaction Is A Second Home Or Investment Property AND The Borrower is Personal Obligated On The Financing

Reserves- Fannie Mae Multiple Financed Properties DU 10.0

Calculation of Reserves for Multiple Financed Properties

If the borrower owns other financed properties (determined in accordance with [B2-2-03, Multiple Financed Properties for the Same Borrower](#)), additional reserves must be calculated and documented for financed properties other than the subject property and the borrower's principal residence. The other financed properties reserves amount must be determined by applying a specific percentage to the aggregate of the outstanding unpaid principal balance (UPB) for mortgages and HELOCs on these other financed properties. The percentages are based on the number of financed properties:

- 2% of the aggregate UPB if the borrower has one to four financed properties,
- 4% of the aggregate UPB if the borrower has five to six financed properties, or
- 6% of the aggregate UPB if the borrower has seven to ten financed properties (DU only).

The aggregate UPB calculation does not include the mortgages and HELOCs that are on

- the subject property,
- the borrower's principal residence,
- properties that are sold or pending sale, and
- accounts that will be paid by closing (or omitted in DU on the online loan application).

Note: DU will also include in the UPB calculation open mortgages and HELOCs on the credit report that are not disclosed on the online loan application.

Applies When The Subject Transaction Is A Second Home Or Investment Property AND The Borrower is Personal Obligated On The Financing

Reserves- Fannie Mae Multiple Financed Property Examples

Examples of Reserves Calculations

The following tables contain examples of reserves calculations for borrowers with multiple financed properties.

Example 1: Three Financed Properties

Occupancy	Outstanding UPB	Monthly PITIA	Reserves Calculations	
Subject: Second Home	\$78,750	\$776	2 Months PITIA =	\$1,552
Principal	\$0	\$179	N/A	\$0
Investor	\$87,550	\$787	\$230,050 x 2% =	\$4,601
Investor	\$142,500	\$905		
	\$230,050		Total =	\$6,153

Applies When The Subject Transaction Is A Second Home Or Investment Property AND The Borrower is Personal Obligated On The Financing

Rental Income-Fannie Mae

Fannie Mae Requirements 2-4 Unit Primary Residence

- Purchase: Gross income is calculated from Form 1025 (small residential properties).
- Net rental income is determined by taking the lesser of 75% of the gross rent from form 1025 or 75% of the existing leases. Note: Do NOT subtract to mortgage payment as this is the primary housing payment.
- Refinance: Document the rental cash flow by obtaining copies of the borrower's most recent one years signed federal tax returns.

Fannie Mae Requirements 1-4 Unit Investment

- Purchase: Gross income is calculated from Form 1025 (2-4 unit properties) or *Single Family Rent Schedule* Form 1007 for a single family property.
- Net rental income is determined by taking the lesser of 75% of the gross rent (from Form 1025 or Form 1007) minus the full mortgage payment for the property or 75% of the existing leases.
- Refinance: Document the rental cash flow by obtaining copies of the borrower's most recent one years signed federal tax returns.

You Need....

- 2016 Schedule "E" handout
- Rental Income Calculation Form
 - Impounded/non-impounded are calculated the same
 - Training today assume a escrowed or impounded loan

SCHEDULE E (Form 1040)		Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)				OMB No. 1545-0074 2016 Attachment Sequence No. 13	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee .				Your social security number 200-44-6000	
Name(s) shown on return Larry Landlord							
Part I Income or Loss From Rental Real Estate and Royalties <small>Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.</small>							
A Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
B If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No							
1a Physical address of each property (street, city, state, ZIP code)							
A 8 Renters Way Ocean Grove NJ 07754							
B							
C							
1b Type of Property (from list below)		2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days		Personal Use Days	
A 1				365		0	
B							
C							
Type of Property: 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)							
Income:				Properties:			
3 Rents received				3 46,777.			
4 Royalties received				4			
Expenses:							
5 Advertising				5			
6 Auto and travel (see instructions)				6			
7 Cleaning and maintenance				7 1,433.			
8 Commissions				8			
9 Insurance				9 1,799.			
10 Legal and other professional fees				10			
11 Management fees				11			
12 Mortgage interest paid to banks, etc. (see instructions)				12 21,866.			
13 Other interest				13			
14 Repairs				14 1,344.			
15 Supplies				15			
16 Taxes				16 9,122.			
17 Utilities				17 409.			
18 Depreciation expense or depletion				18 3,661.			
19 Other (list) ▶ HOA				19 800.			
20 Total expenses. Add lines 5 through 19				20 40,434.			
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a loss, see instructions to find out if you must file Form 6198				21 6,343.			
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)				22			
23a Total of all amounts reported on line 3 for all rental properties				23a 46,777.			
b Total of all amounts reported on line 4 for all royalty properties				23b			
c Total of all amounts reported on line 12 for all properties				23c 21,866.			
d Total of all amounts reported on line 18 for all properties				23d 3,661.			
e Total of all amounts reported on line 20 for all properties				23e 40,434.			
24 Income. Add positive amounts shown on line 21. Do not include any losses				24 6,343.			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here				25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				26 6,343.			
For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 01/25/17 TTW Schedule E (Form 1040) 2016							

Schedule E Handout

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Larry Landlord

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No. 1545-0074

2016

Attachment
Sequence No. 13

Your social security number

200-44-6000

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) Yes No

B If "Yes," did you or will you file required Forms 1099? Yes No

1a Physical address of each property (street, city, state, ZIP code)

A 8 Renters Way Ocean Grove NJ 07754

B

C

1b Type of Property
(from list below)

A 1

B

C

2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.

Fair Rental
Days

365

Personal Use
Days

0

QJV

A

B

C

Mortgage Statement/Payment Coupon

Always ask for one

- If loan is impounded or escrowed
- What property the mortgage payment is associated with
- If non impounded, obtain current tax and insurance information
- If condo, PUD or Coop, most investors want verification of current HOA dues

YOUR MORTGAGE COMPANY

Return Mail Operations
PO Box 12345
Any Town, USA 12345-0000

01234567 1 AT 1.123 012345678901234 012 01 ABCDEF012

JOE HOMEOWNER
1234 MAIN STREET
SMALLTOWN USA 00000-1234

Summary

Payment (Principal and/or Interest, Escrow)	\$1,033.50
Optional Product(s)	\$0.00
Current Monthly Payment	\$1,033.50
Overdue Payments	\$0.00
Unpaid Late Charge(s)	\$0.00

Quarterly Mortgage Statement

Statement Date 03/16/09
Payment Due Date 04/01/09
Loan Number 01234567890

Customer Service

Online
yourmortgagecompany.com

Telephone
(866) 012-3456

Fax
(866) 012-0123

Payments
PO Box 01234
Big City, USA 01234

Correspondence
PO Box 56789
Any Town, USA 56789

Property Address
1234 MAIN STREET
SMALLTOWN USA 00000-1234

Unpaid Principal Balance \$128,022.58
(Contact Customer Service for your payoff address)

Interest Rate 5.875%
Interest Paid Year-to-Date \$1,801.90

Monthly Mortgage Payment (Verified) -

Date	Description	Total	Principal	Interest	Escrow	Late Charge	Other
03/01	PAYMENT	\$1,033.50	\$293.15	\$629.03	\$111.29		
02/01	PAYMENT	\$1,033.50	\$290.84	\$631.27	\$111.29		
01/01	PAYMENT	\$1,033.50	\$288.70	\$633.50	\$111.29		

Mortgage Statement/Payment Coupon

Mortgage Liabilities (HELOC, Mortgage)

To indicate which mortgage and HELOC liabilities are associated with the subject property and/or a rental property, click Subject Property Lien and Rental Property Lien, as appropriate. If you need to enter REO information for your purposes or for a government loan, please use the Full 1003.

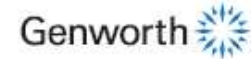
Omit	Paid By Close	Account Owner	Creditor Name	Liability Type	Monthly Payment	Balance	Subject Property Lien	Rental Property Lien
<input type="checkbox"/>	<input type="checkbox"/>	JOHN H <input type="text"/>	mortgage on rental	Mortgage <input type="text"/>	\$2750	\$100,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	HOA DUES <input type="text"/>	\$67	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

Payment Above Came From Mortgage Statement And HOA Coupon From Borrower And Is Impounded; For Non-impounded Loans Obtain Tax And Insurance Information

For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

Borrower(s) Name(s)

Loan Number



Calculator and Quick Reference Guide: Rental Income

Please use the following calculator and quick reference guide to assist in calculating rental income from IRS Form 1040 Schedule E. It provides suggested guidance only and does not replace Fannie Mae or Freddie Mac instructions or applicable guidelines. This method should not be used when calculating rental income on a borrower's primary residence. Check applicable guidelines when rental income is declining year to year. Please check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

Property 1 Calculator Usage Note: Click Gray Buttons to Divide for Monthly Totals

Rental Income Calculation		2016	2015	NOTES
1	Gross Rents (Line 3)			*Only include if using the full PITI payment on Line 12 of this calculator or qualifying ratios.
2	Expenses (Line 20)	-		
3	Depreciation (Line 18)	+		
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+		**Net rental losses are typically included with liabilities when calculating the debt ratio.
5	Insurance (Line 9)*	+		
6	Mortgage Interest (Line 12)*	+		
7	Taxes (Line 16)*	+		***Check applicable guidelines if not using 12 months.
8	Other: +/-			
9	Annual Rental Income/Loss	-	\$ 0.00	\$ 0.00
10	Number of Months Considered (Line 2)*	/		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00	\$ 0.00

Property 2

Rental Income Calculation		2016	2015	NOTES
1	Gross Rents (Line 3)			*Only include if using the full PITI payment on Line 12 of this calculator or qualifying ratios.
2	Expenses (Line 20)	-		
3	Depreciation (Line 18)	+		
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+		**Net rental losses are typically included with liabilities when calculating the debt ratio.
5	Insurance (Line 9)*	+		
6	Mortgage Interest (Line 12)*	+		
7	Taxes (Line 16)*	+		***Check applicable guidelines if not using 12 months.
8	Other: +/-			
9	Annual Rental Income/Loss	-	\$ 0.00	\$ 0.00
10	Number of Months Considered (Line 2)*	/		
11	Monthly Income/Loss	-		
12	Monthly Mortgage Payment (Verified)	-		
13	Monthly Net Rental Income/Loss**	-	\$ 0.00	\$ 0.00

2016 Schedule E Rental Income

Property 1 <input type="text"/>		Calculator Us	
Rental Income Calculation			2016
1	Gross Rents (Line 3)		
2	Expenses (Line 20)	-	
3	Depreciation (Line 18)	+	
4	Amortization/Casualty Loss/Nonrecurring Expenses (Line 19)	+	
5	Insurance (Line 9)*	+	
6	Mortgage Interest (Line 12)*	+	
7	Taxes (Line 16)*	+	
8	Other:	+/-	
9	Annual Rental Income/Loss	=	\$ 0.00
10	Number of Months Considered (Line 2)***	/	
11	Monthly Income/Loss	=	
12	Monthly Mortgage Payment (Verified)	-	
13	Monthly Net Rental Income/Loss**	=	\$ 0.00



Net Rental Income

Compare “rental income” figure with your 1003 or loan application

- Most systems calculate rental income from the REO section of the 1003.
- Review the 1003 to verify what appears as rental income/rental loss.
- If the number is different, override your system to reflect the true income/loss based on the tax returns.

Monthly Income and Combined Housing Expenses

Gross Monthly Income

	JOHN H	MARY H
Base Income	\$5,200.00	\$0.00
Overtime	\$0.00	\$0.00
Bonuses	\$0.00	\$0.00
Commissions	\$0.00	\$0.00
Dividends/Interest	\$0.00	\$0.00
Other	\$0.00	\$0.00
Subtotal	\$5,200.00	\$0.00
Net Rental		
Subject Net Cash	\$0.00	\$0.00
Total	\$6015	\$0.00

Net Rental Income

Do not use leases, use the “Cash Flow” from the property

- Be sure to flag the mortgage payment in your system as a rental property lien so that it will NOT count it in the debt ratio.

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
44 Renters Way	R	\$225000	\$ 180,400	\$ 3,500	\$ 2,500	\$ 875	\$

Mortgage Liabilities (HELOC, Mortgage)

To indicate which mortgage and HELOC liabilities are associated with the subject property and/or a rental property, click **Subject Property Lien** and **Rental Property Lien**, as appropriate. If you need to enter REO information for your purposes or for a government loan, please use the Full 1003.

Omit	Paid By Close	Account Owner	Creditor Name	Liability Type	Monthly Payment	Balance	Subject Property Lien	Rental Property Lien
<input type="checkbox"/>	<input type="checkbox"/>	JOHN H	mortgage on rental	Mortgage	\$2817	\$100,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>


Genworth Underwriting Guidelines



The screenshot displays the Genworth website interface. At the top left is the Genworth logo. To the right, there is a contact number (800 444.5664), icons for email and chat, a search bar, and a 'LOG IN TO:' button with links for 'ORDER MI', 'MANAGE MI', and 'VIEW ACCOUNT'. A navigation bar contains 'MI & RATES', 'UNDERWRITING & GUIDES' (highlighted with a red box), 'LOS & CONNECTIONS', 'GENWORTH TOOLKIT', and 'TRAINING'. A dropdown menu for 'UNDERWRITING & GUIDES' lists: 'View Underwriting Guides', 'Access Regulatory Resources', 'About Contract Services UW', and 'Get UW Tips & Policies'. Below the navigation is a hero section with the text 'Let's help some...' and 'Genworth Mortgage Insurance'. The main content area features a background image of a smiling couple and the text 'The dream of HOMEOWNERSHIP. It's alive and well with MORTGAGE INSURANCE.' Below this are three service tiles: 'Underwriting' (blue header, red box), 'Rate Express' (green header), and 'LOS' (orange header). The 'Underwriting' tile includes an icon of a document and pencil, the text 'Technology. Innovation. We're changing the way the MI industry approaches underwriting.', and a 'KNOW MORE >>' link. A red arrow points from the 'Underwriting' tile to the 'Rate Express' tile. The 'Rate Express' tile includes a percentage icon, the text 'Find a rate. Share the results.', and a 'GET A QUOTE NOW >>' link. The 'LOS' tile includes a hand icon, the text 'We'll meet you in your LOS.', and a 'LET'S GO >>' link.

Genworth Rate Express®

The screenshot shows the Genworth website's navigation and promotional elements. At the top left is the Genworth logo. To its right is the contact number 800 444.5664, followed by icons for email and chat. A search bar is positioned below the contact information. On the far right, a 'LOG IN TO:' button is accompanied by three links: 'ORDER MI', 'MANAGE MI', and 'VIEW ACCOUNT'. A dark grey navigation bar contains five menu items: 'MI & RATES' (highlighted with a red box), 'UNDERWRITING & GUIDES', 'LOS & CONNECTIONS', 'GENWORTH TOOLKIT', and 'TRAINING'. Below the navigation bar is a large banner image of a smiling couple in front of a house. The banner text includes 'buy a house today.', 'Genworth Mortgage Insurance', and 'HOMEOWNERSHIP. and well with GE INSURANCE.'. On the left side of the banner, a vertical menu lists: 'Get A Quote - Rate Express', 'View Rate Cards', 'Explore MI Products', 'Learn About MI', 'Understand Your Master Policy', and 'Compare MI & FHA'. Below the banner are three colored boxes: a blue 'Underwriting' box with a document icon and text 'Technology. Innovation. We're changing the way the MI industry approaches underwriting. KNOW MORE >>', a green 'Rate Express' box (highlighted with a red box) with a percentage icon and text 'Find a rate. Share the results. GET A QUOTE NOW >>', and an orange 'LOS' box with a hand icon and text 'We'll meet you in your LOS. LET'S GO >>'.

LOS Connections

Genworth 

800 444.5664 |  | 

LOG IN TO:
• ORDER MI
• MANAGE MI
• VIEW ACCOUNT


MI & RATES | UNDERWRITING & GUIDES | **LOS & CONNECTIONS** | GENWORTH TOOLKIT | TRAINING


Let's help someone buy a house today.


Genworth Mortgage Insurance

The dream of **HOMEOWNERS**
It's alive and well with
MORTGAGE INSURANCE.

Submit on our Site
Submit with your LOS
Use Optimal Blue & Doc Delivery
Access Paper Applications


Underwriting
 Technology. Innovation.
We're changing the way
the MI industry approaches
underwriting.
KNOW MORE >>



Rate *Express*
 Find a rate.
Share the results.
GET A QUOTE NOW >>


LOS
 We'll meet
you in your LOS.
LET'S GO >>

Training Tools and Information

The screenshot displays the Genworth website interface. At the top left is the Genworth logo. To its right is a contact number (800 444.5664) and icons for email and chat. A search bar is positioned below the contact information. On the top right, there is a 'LOG IN TO:' button with three options: 'ORDER MI', 'MANAGE MI', and 'VIEW ACCOUNT'. A dark navigation bar contains several menu items: 'MI & RATES', 'UNDERWRITING & GUIDES', 'LOS & CONNECTIONS', 'GENWORTH TOOLKIT', and 'TRAINING'. The 'TRAINING' menu item is highlighted with a red box, and a dropdown menu is open below it, listing several training resources. Two red arrows point to the 'Browse Course Catalog' and 'View Live Webinar Calendar' items in the dropdown. Below the navigation bar is a banner with the text 'Let's help someone buy a house today.' and 'Genworth Mo'. The main content area features a large image of a smiling couple in front of a house, with the text 'The dream of HOMEOWNERSHIP. It's alive and well with MORTGAGE INSURANCE.' Below this are three colored boxes: 'Underwriting' (blue), 'Rate Express' (green), and 'LOS' (orange). Each box contains an icon, a brief description, and a 'GET A QUOTE NOW' or 'LET'S GO' link. The 'Underwriting' box also includes a 'KNOW MORE' link.

Genworth 

800 444.5664 |  | 

Search 

LOG IN TO:


- ORDER MI
- MANAGE MI
- VIEW ACCOUNT

MI & RATES | UNDERWRITING & GUIDES | LOS & CONNECTIONS | GENWORTH TOOLKIT | **TRAINING**


Let's help someone buy a house today. Genworth Mo

The dream of **HOMEOWNERSHIP**.
It's alive and well with
MORTGAGE INSURANCE.


Underwriting

 Technology. Innovation.
We're changing the way
the MI industry approaches
underwriting.
KNOW MORE >>

Rate Express

 Find a rate.
Share the results.
GET A QUOTE NOW >>

LOS

 We'll meet
you in your LOS.
LET'S GO >>

Browse Course Catalog

View Live Webinar Calendar

Self-Employed Borrower Calculators

Get to Know Our Trainers

Learn About That MI Guy

Get Answers to FAQs

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 90 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.

Topic

Browse by Topic

- Mortgage Industry Skills
- Professional Development Skills
- That Mi Guy
- Tutorials

Browse by Role

- Mortgage Professional
- Loan Officer
- Loan Processor
- Underwriter

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

<p>Fannie Mae Form 1084 Calculator (2015-2016) Calculate self-employment help you complete Fannie Mae Form 1084.</p>	<p>Freddie Mac Form 91 Calculator (2015-2016) Quick reference guide and income analysis for Freddie Mac Form 91. UPDATED</p>	<p>Freddie Mac Form 92 Calculator (2015-2016) Form 92 Self-Retail Income Calculators - Schedule E. UPDATED</p>
<p>Schedule Analysis Method (SAM) Calculator (2015-2016) Calculate qualifying rental income from tax returns.</p>	<p>Rental Income Calculator (2015-2016) Assess calculating rental income from IRS Form 1040 Schedule E.</p>	<p>Quick Ratio - Liquidity Calculator (2015-2016) Calculate an applicant's liquidity against current liabilities.</p>
<p>Current Ratio - Liquidity Calculator (2015-2016) Calculate working capital liquidity against current liabilities.</p>	<p>Fannie Mae Rental Guide (Calculator 1037) Use this calculator to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 1-3, 4 and Property).</p>	<p>Fannie Mae Rental Guide (Calculator 1038) Use this calculator to calculate qualifying rental income for Fannie Mae Form 1038 (Other Rental Income, Income From Shared Property).</p>
<p>Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income From Shared Property).</p>	<p>Fannie Mae Comparative Analysis Guide (Form 1086) Calculate increased/borrower's gross income, expenses and net rental income.</p>	



Additional MI Site Information

What's New

- We Know
- Rate Express®
- Chat
- Training
- Homebuyer Report




Genworth's First-Time Homebuyer Market Report


Get it on our blog!



Self-Employed Borrower Tools

Valuable income calculation tools and reference guides for calculating self-employed borrower income.

 Fannie Mae Form 1094 Calculator (2015-2016)
  Freddie Mac Form 91 Calculator (2015-2016)
  Schedule Analysis Method (SAM) Calculator (2015-2016)

 Rental Income Calculator (2015-2016)

[More Tools](#)

Homebuyer Education

Help first-time homebuyers prepare for the homebuying process. Your no-fee resource!



Master Policy Agreement

Partner with us. A master policy agreement is the first step to submitting MI loans to Genworth.

[GET STARTED](#)


Genworth MI Community

Genworth MI @GenworthMI

Did you know our NEW website visually tracks every part of the MI application process? Learn more: ow.ly/ANBL30g7uKf via @MktInsider


New Genworth Mortgage Insurance Web...
RICHMOND, Va., Oct. 19, 2017 /PRNewswire/ - Genworth Mortgage Insurance, an operating

[STAY CONNECTED](#)




Find My Sales Representative

ZIP Code: [View Your Team](#)



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Mike Haboush
Regional Vice President
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📧 Mike.Haboush@genworth.com

Your Genworth Resources

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

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