



Workbook User Guide

Table of Contents

LoanBeam Overview	3
Workbook	
Basic Functionality	4
Cover Page	9
Summary Sheet	
FNMA SEI 1084 (Fannie Mae)	10
Form 91 (Freddie Mac)	13
Main Sheet	14
Wage Income	15
Schedule C	20
Schedule E - Rental	
Fannie Mae Form 1038/1037	22
Freddie Mac Form 92	24
Manual Entry	25
Schedule E - Royalty	26
Schedule F - Farm	26
Trust	27
Partnership	28
Liquidity Analysis	32
S Corporation	33
Liquidity Analysis	37
Corporation	38
Transcript Comparison	40
Copyright & Confidentiality	41

LoanBeam Income Overview

LoanBeam dramatically reduces the time and effort a lender must spend reviewing and calculating a loan application. Using innovative Optical Character Recognition (OCR) technology and advanced algorithms, LoanBeam extracts data from documents, analyzes the data, and produces an Excel file containing the borrower's qualifying income.

Documents Scanned

LoanBeam scans and analyzes the following income documents:

<ul style="list-style-type: none"> • Paystubs • Form W-2 • Forms 1040, 1040A, 1040EZ • Schedules A, B, C, D, E, F • Schedules 1, 2, 3, 4, 5, 6 • Form 1065 Partnership Tax Return • Form 1120S S Corp Tax Return • Form 1120 Corp Tax Return • Partnership K-1 (1065) 	<ul style="list-style-type: none"> • S Corp K-1 (1120S) • Trust K-1 (1041) • Form 2106 Employee Expenses • Form 4562 Deprec & Amort • Form 4797 Sale of Bus Property • Form 6252 Installment Sale • Form 8825 R/E Income • Form 8829 Bus Use of Home • 4506-T
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Basic Functionality

LoanBeam's patented calculation technology scans borrower's documents for relevant income data, and then produces an easy-to-read Excel workbook with the borrower's qualifying income. Investor underwriting guidelines pre-applied to the calculations – leaving you with just a few fields to review or update.

Before exploring the tabs of the Excel workbook, there are a few general concepts you should understand about the book.

Tabs

LoanBeam's Excel workbook has multiple tabs that help calculate qualifying income. Each tab represents a discrete income stream.

Important! All income tabs appear in the workbook, regardless of whether the borrower has income from that income stream.



Calculation Methods

For Wage Income, the default calculation method is “Current Average,” but the calculation method may be overridden via a drop-down field. The four calculation method options are:

- Current Average
- YTD Average
- YTD + 12
- YTD + 24

Total Income	Calculation Method	Qualifying Income
Fixed Income QI	Current Average	\$ 4,333.33
Variable Income QI	Current Average	\$ -
Total Monthly QI	=	\$ 4,333.33
	YTD Average	
	YTD + 12	
	YTD + 24	

For all other income, the workbook automatically calculates two-year (24 month) averaging based on income trend. The workbook compares the Current Year (CY) income to Prior Year (PY), and selects the more conservative calculation formula based on the following:

- If CY is lower than PY, LoanBeam will use CY.
- If CY is equal to or greater than PY, LoanBeam will use the 24-month average.

However, the default value can be overridden using the drop-down field.

Description		Annual Figures (P)	
		2023	
Royalty income	Borrower 1	79 NEWPORT BEACH 01	
Total Royalty Received (Line 4)	+	\$	50,000
Depletion (Line 18)	+	\$	6,400
Total Expenses (Line 20)	-	\$	20,350
Schedule E Royalty Income		\$	36,050
Qualifying Income Per Tax Returns (Annual)		\$	36,050.00
Qualifying Income Per Tax Returns (Monthly)		\$	3,004.17
What was considered for QI, 2 Yr Avg. or CY?		CY	
Percentage of change from Previous Year to Current Year		CY	
		2 Yr Avg	

Basic Functionality (cont.)

Source Document Referencing

Cells marked with a red triangle in the upper-right corner indicate that the data contained in that cell was extracted directly from the borrower's income documents. Hovering over these cells shows the dollar amount, file name, and form number the income was extracted from.

Important! The note will always display the value(s) extracted from the source documentation, even if the value in the cell was manually overridden.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income		79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ 80,000	\$ 80,000		
Depletion (line 18)	+	\$ 2,430	\$ 2,430		
Total Expenses (line 20)	-	\$ 15,015	\$ 15,015		
Schedule E Royalty Income		\$ 67,415	\$ 67,415		
Qualifying Income Per Tax Returns (Annual)		\$ 60,762.50	\$ 60,762.50		
Qualifying Income Per Tax Returns (Monthly)		\$ 5,063.54	\$ 5,063.54		
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg	2 Yr Avg		
Percentage of change from Previous Year to Current Year		24.59%	24.59%		

Value: 80000
 File: Jack Anderson 2017 Form 1040.pdf, PageNo: 13
 Form Type: Schedule E- Royalties income & loss
 Line 4 Royalties Received

Repeated Income Groups

LoanBeam's "Repeated Income Group" functionality dynamically increases or decreases the number of income sources of a specific type based on what was discovered in the documents. Whether there are two businesses or two hundred, LoanBeam will evaluate them.

Description	Borrower 2	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Farm Name (Line A)		AGRICULTURAL PRODUCT	AGRICULTURAL PRODUCT		
Net Farm Profit/loss (Line 34)	+	\$ 129,430	\$ 100,980		
Non-Tax Portion Ongoing Co-op and CCC Payments (Lines 3,4,5,6)	+	\$ -	\$ -		
Nonrecurring Other Income/Loss (Line 8)	Included -	\$ 1,400	\$ 5,000		
<i>Note: Income is negated and loss is added back by default. Change the drop down to 'Excluded' to ignore Other Income/Loss from the cash flow.</i>					
Depreciation (Line 14)	+	\$ 5,850	\$ 4,630		
Amortization (Line 32)	+	\$ 3,120	\$ -		
Casualty Loss (Line 32)	+	\$ -	\$ -		
Depletion (Line 32)	+	\$ -	\$ -		
Business Use of Home (Line 32)	+	\$ 5,000	\$ -		
Schedule F Income		\$ 142,000	\$ 100,610		
Qualifying Income Per Tax Returns (Annual)		\$ 121,305.00	\$ 121,305.00	"X" to exclude income from calculation	
Qualifying Income Per Tax Returns (Monthly)		\$ 10,108.75	\$ 10,108.75		
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg	2 Yr Avg		
Percentage of change from Previous Year to Current Year		41.14%	41.14%		

Basic Functionality (cont.)

Cumulative Income Totals

The cumulative qualifying income and/or total income for all entities on each income tab is aggregated at the top of the sheet. This amount flows to the Summary Sheet and Main Sheet.

Schedule C Analysis Details of Current Year & Prior Year			
Cells shaded in 'aqua' require manual entry.			
Schedule C Total Income	\$	68,581.00	\$ 95,173.00
Schedule C Qualifying Income Grand Total (Annual)	\$	61,353.50	
Schedule C Qualifying Income Grand Total (Monthly)	\$	5,112.79	

Including and Excluding Income

When calculating qualifying income, LoanBeam includes income that is designated as "Included," and excludes income that is "Excluded."

Whether an income stream defaults to included or excluded depends on each investor template's guidelines. Users can manually change the default designation to include or exclude income via two methods: light blue drop-down boxes or "X to Exclude/Include" text boxes.

Drop-down

Drop-down boxes are available throughout the workbook.

I	FORM 1040 - INDIVIDUAL INCOME TAX RETURN			2017	2016
B1	Borrower Wages, salaries considered elsewhere (Line 7)	Included	+	\$ 16,800	\$ 10,000
B2	Co-Borrower's Portion of Wages (Line 7)	Included	+		
B1	Tax-Exempt Interest Income (Line 8b)	Excluded	-	\$ 23,300	\$ 16,600
B1	State and Local Tax Refunds (Line 10)	Included	+	\$ 15,600	\$ 4,488
B1	Alimony Received (Line 11)	Included	+	\$ 6,900	\$ 4,400
B1	IRAs, Pensions & Annuities (Line 15a/15b + 16a/16b)	Included	+	\$ 98,000	\$ 43,400
B1	Unemployment Compensation (Line 19)	Excluded	+	\$ 7,850	\$ 4,520

Ignore Loss

In some cases where line-item values are subtracted from income totals, there is a third drop-down option: Ignore Loss. This is the default value where subtracting a loss from the calculations increases income. In these cases, "Ignore Loss" leaves the income unchanged, so as to not increase income when losses occur. As with the other drop-down boxes, the default designation can be manually overridden.

Description	Annual Figures (Per Tax Returns)	Manual Overrides			
		2017	2016		
Business Name (Line C)	Borrower 1	GALAXY	GALAXY		
Net Profit / Loss (Line 31)		\$ 11,337	\$ (1,385)		
Nonrecurring Other Income Loss/Expenses (Line 6)	Ignore Loss	\$ 7,800	\$ 5,000		
<i>Note: Loss/Expenses is ignored by default (making no adjustment for loss/expenses) to Include or Exclude to Ignore Income Loss/Expenses from adjustment.</i>					
Depletion (Line 12)		\$ 845	\$ 742		
Depreciation (Line 13)		\$ 9,400	\$ 8,400		

Basic Functionality (cont.)

Including and Excluding Income (cont.)

X to Exclude

To exclude a particular income source from the borrower's qualifying income altogether, type an 'X' in the "X to exclude from calculation" box. The entity's income will turn gray, and will be excluded from the totals at the top of the tab, as well as excluded from the borrower's qualifying income on the Summary Sheet and Main Sheet.

Description	Annual Figures (Per Tax Returns)		Manual Overrides	
	2017	2016	2017	2016
Trust Name :	ANDERSON TRUST	ANDERSON TRUST		
EIN #	20-1234567	20-1234567		
Beneficiary Name:	JACK ANDERSON	JACK ANDERSON		
Ordinary Income (Loss) : (Line 6)	\$ 15,980	\$ 4,582		
Net Rental Income(Loss): (Line 7)	\$ 21,000	\$ 6,033		
Other Rental Income (Loss): (Line 8)	\$ -	\$ 4,505		
Interest: (Line 1)	\$ 8,960	\$ 7,636		
Dividends: (Line 2a)	\$ 16,000	\$ 8,935		
Other Adjustments:				
Total Income (Schedule K-1)	\$ 61,940			
Qualifying Income Per Tax Returns (Annual)	\$ 46,815.50	X "X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)	\$ 3,901.29			
What was considered for QI, 2 Yr Avg. or CY?	2 Yr Avg			
Percentage of change from Previous Year to Current Year	95.45%			

Borrower 1 vs. Borrower 2

By default, income is assigned to Borrower 1. To assign the income to Borrower 2, click the "B1" or "Borrower 1" drop-down and select Borrower 2 to re-assign the income. This provides a convenient way to categorize income by borrower.

Important! Assigning income to Borrower 2 does not change the cumulative qualifying income total — it only changes who the income is assigned to.

Business Name (Line C)	Borrower 1	GALAXY	GALAXY
	Borrower 2		

Notes

Use the Notes section at the bottom of each "repeated income group" to comment on the reason for manual overrides or any other changes made to the business.

Qualifying Income (Annual)	\$ 17,932.00
Qualifying Income (Monthly)	\$ 1,494.33
Notes:	

Basic Functionality (cont.)

Manual Overrides

Manual override columns are provided to amend data extracted from uploaded documents. Always remember to add documentation in the notes section when changing, removing, or adding income.

Important! Figures in the “Annual Figures (Per Tax Returns)” columns are scanned directly from the borrower’s tax documents and are protected. They can only be altered by using the Manual Overrides columns. In addition, line items that are the result of calculations cannot be manually changed.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income		79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ 80,000	\$ 77,000		
Depletion (line 18)	+	\$ 2,430	\$ 2,710		
Total Expenses (line 20)	-	\$ 15,015	\$ 25,600		

The values entered in the Manual Override columns will appear in the corresponding Annual Figures column, adjusting the Qualifying Income accordingly. There are three ways to use LoanBeam's Manual Override functionality.

1) Input a specific dollar amount. This example shows a manual override replacing the original value with \$40,000.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income		79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ 40,000	\$ 77,000	\$ 40,000	
Depletion (line 18)	+	\$ 2,430	\$ 2,710		
Total Expenses (line 20)	-	\$ 15,015	\$ 25,600		

2) Input \$0 to remove income entirely. This example shows a manual override removing the original value, replacing it with \$0.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income		79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ -	\$ 77,000	\$ -	
Depletion (line 18)	+	\$ 2,430	\$ 2,710		
Total Expenses (line 20)	-	\$ 15,015	\$ 25,600		

3) Delete an override to return to the original amount. This example shows a deleted manual override, replacing the overridden value with the original value of \$80,000.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income		79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ 80,000	\$ 77,000		
Depletion (line 18)	+	\$ 2,430	\$ 2,710		
Total Expenses (line 20)	-	\$ 15,015	\$ 25,600		

Cover Page

The first tab in the Excel workbook is the Cover Page. This tab details borrower and loan information, including the Application ID, Reference Number, and files uploaded. In addition, this tab displays a list of application alerts (e.g., missing documents) defined as “Findings.” This data may be used to improve income calculation.

Important! The number contained in LoanBeam’s “Reference No” cell may be used in Freddie Mac’s Loan Product Advisor (LPA) to receive Rep & Warrant relief.

LoanBeam					
I LoanBeam Announcements					
II Application Details					
Application ID	12122018	Loan Processor’s Name	Mike Smith		
Reference No	654987256	Underwriter’s Name	Janet Jones		
Other ID	Created for file prep class	Location Name	Corporate		
Borrower’s First Name	Jack	Template Name	2017-2016 FNMA SEI 1084		
Borrower’s Last Name	Anderson				
III Findings					
#	Category	Severity	Title	Notes	Resolved
					No
					No
IV Files Uploaded					
#	File Name				
1	Jack Anderson 2016 Form 1040.pdf				
2	Jack Anderson 2017 Form 1040.pdf				
V Notes					

Summary Sheet (FNMA SEI 1084) (cont.)

The income found on the FNMA SEI 1084 is divided into two main sections: "Monthly Self-Employment Income" which is the QI Fannie Mae uses for their Self-Employed Rep & Warranty program, and the borrower's total qualifying income.

Monthly Self-Employment Income

Displays the qualifying income totals for all self-employment income per Fannie Mae's guidelines. Currently, only Schedule C, Partnerships, S Corps, and C Corps are participating in the program. The income totals for these entities may be used in Desktop Underwriter (DU) to receive Rep & Warranty relief.

Important! According to the [Fannie Mae Selling Guide](#), the Monthly Self-Employment Income amount calculated by LoanBeam is only eligible for Rep & Warranty if the line indicators display "No Change."

Monthly Self-Employment Income		\$	30,246.46	(Combined Borrower 1 & Borrower 2)		
Schedule C				Total	\$ 6,607.13	
	GALAXY	\$	1,494.33	\$	-	No Change
	LIMCA LTD	\$	3,760.92	\$	-	No Change
	LIPTOP INC	\$	1,351.88	\$	-	No Change
Partnership Income				Total	\$ (962.33)	
	TNT PARTNERSHIP	\$	-	\$	-	No change
	TNT PARTNERSHIP	\$	(962.33)	\$	-	No change
S-Corporation Income				Total	\$ 2,540.75	
	CNBC CORPORATION	\$	-	\$	-	No Change
	PNBC SOLUTIONS INC	\$	2,540.75	\$	-	No Change
Corporation Income				Total	\$ 22,060.92	
	ABC CORPORATION	\$	22,060.92	\$	-	No Change

Other Income Types

The borrower's qualifying income from income sources other than self-employment appears in the Other Income Types section at the bottom of the tab. This income may be used to qualify the borrower for a loan, but is NOT included in the scope of the Fannie Mae Rep & Warranty program.

Important! Wage Income may be included from either the **Wages (Paystubs/W-2)** row or from the **Wages (Form 1040, Line 1z)** row, but income cannot be included from both sources simultaneously. See the Wage Income section for further information.

Other Income Types	Borrower 1	Borrower 2	Other Wage Borrowers' Income
Wages (Paystubs / W-2)	\$ 5,328.59	\$ 5,666.27	\$ -
Wages (Form 1040, Line 1z)	\$ 700.00	\$ -	\$ -
Tax-Exempt Interest	\$ 295.83	\$ -	\$ -
State and Local Tax Refunds	\$ -	\$ -	\$ -
Alimony	\$ 766.67	\$ -	\$ -
IRA, Pensions & Annuities	\$ 1,483.33	\$ -	\$ -
Unemployment Compensation	\$ 416.67	\$ -	\$ -
Social Security	\$ 800.00	\$ -	\$ -
Other Income	\$ 625.00	\$ -	\$ -
Manual Adjustments	\$ -	\$ -	\$ -
2106 Expenses	\$ (1,889.33)	\$ -	\$ -
Interest	\$ 2,110.00	\$ -	\$ -
Dividends	\$ 1,908.33	\$ -	\$ -
Capital Gains / Loss	\$ 1,450.00	\$ -	\$ -
Sales of Business Property	\$ 416.67	\$ -	\$ -
Installment Sale Income	\$ -	\$ -	\$ -
Schedule E - Rental			Total \$ -
100.AMBAZAR, IRVINE, CA 92614 01	\$ 3,077.50	\$ -	\$ -
108.PALMER RESIDEN, IRVINE, CA 92461 01	\$ 5,083.33	\$ -	\$ -
Schedule E - Royalty			Total \$ 3,004.17
79.NEWPORT BEACH 01	\$ 3,004.17	\$ -	\$ -
Farm Income			Total \$ (428.33)
AGRICULTURAL PRODUCT	\$ (428.33)	\$ -	\$ -
Trust			Total \$ -
	\$ -	\$ -	\$ -
Rental (Manual)			Total \$ -
	\$ -	\$ -	\$ -

Summary Sheet (FNMA SEI 1084) (cont.)

Cumulative Qualifying Income

The borrower's Monthly Self-Employment Income and Other Income Types are combined at the bottom of the tab.

This is the monthly income the borrower qualifies for per Fannie Mae's guidelines, but is not guaranteed under the Rep & Warrant program.

Schedule C			Total	\$	11,183.87	
	GALAXY	\$	3,427.97	\$	-	No Change
	LIMCA LTD	\$	4,894.67	\$	-	No Change
	LIPTOP INC	\$	2,861.23	\$	-	No Change
Partnership Income				Total	\$	-
		\$	-	\$		No change
S-Corporation Income				Total	\$	-
		\$	-	\$		No Change
Corporation Income				Total	\$	-
		\$	-	\$		No Change

Other Income Types	Borrower 1		Borrower 2	Other Wage Borrowers' Income
Wages (Paystubs / W-2)	\$ 5,328.59	\$	5,666.27	\$ -
Wages (Form 1040, Line 1z)	\$ 700.00	\$	-	
Tax-Exempt Interest	\$ 295.83	\$	-	
State and Local Tax Refunds	\$ -	\$	-	
Alimony	\$ 766.67	\$	-	
IRA, Pensions & Annuities	\$ 1,483.33	\$	-	
Unemployment Compensation	\$ 416.67	\$	-	
Social Security	\$ 800.00	\$	-	
Other Income	\$ 625.00	\$	-	
Manual Adjustments	\$ -	\$	-	
2106 Expenses	\$ (1,889.33)	\$	-	
Interest	\$ 2,110.00	\$	-	
Dividends	\$ 1,908.33	\$	-	
Capital Gains / Loss	\$ 1,450.00	\$	-	
Sales of Business Property	\$ 416.67	\$	-	
Installment Sale Income	\$ -	\$	-	
Schedule E - Rental			Total	\$ -
100.AMBAZAR, IRVINE, CA 92614 01	\$ 3,077.50	\$	-	
108 PALMER RESIDEN, IRVINE, CA 92461 01	\$ 5,083.33	\$	-	
Schedule E - Royalty			Total	\$ 3,004.17
79 NEWPORT BEACH 01	\$ 3,004.17	\$	-	
Farm Income			Total	\$ (428.33)
AGRICULTURAL PRODUCT	\$ (428.33)	\$	-	
Trust			Total	\$ -
	\$ -	\$	-	
Rental (Manual)			Total	\$ -
	\$ -	\$	-	
	\$ -	\$	-	
	\$ -	\$	-	
	\$ -	\$	-	
	\$ -	\$	-	
	\$ -	\$	-	
	\$ -	\$	-	
Total Income per Borrower	\$ 17,198.96	\$	5,666.27	

Summary Sheet (Freddie Mac Form 91)

The Summary Sheet tab aggregates your borrower's qualifying income in a single, simple-to-read location. The borrower's total qualifying income is a combination of the data found on the other tabs. It is important to verify the borrower's information on all tabs before considering the qualifying income on the Summary Sheet as an overall total.

Important! Wage Income may be included from either the **Wages (Paystubs/W-2)** row or from the **Wages (Form 1040, Line 1z)** row, but income cannot be included from both sources simultaneously. See the Wage Income section for further information.

2023-2022 Income Calculation Summary				
	Borrower 1	Borrower 2	Other Borrowers	
Tax Payer: JACK ANDERSON	(JACK ANDERSON)	(MARY ANDERSON)		
Spouse: MARY ANDERSON				
Monthly Income				
Net Qualifying Income per Borrower	\$ 15,287.03	\$ 5,666.27	\$ -	
Wage Income (Paystubs / W-2s)	\$ 4,333.33	\$ 5,666.27	\$ -	
Wages (Line 1z Form 1040)	\$ 700.00	\$ -	\$ -	
Tax-Exempt Interest	\$ 295.83	\$ -	\$ -	
Alimony	\$ 766.67	\$ -	\$ -	
IRAs Pensions & Annuities	\$ 1,483.33	\$ -	\$ -	
Unemployment Compensation	\$ 416.67	\$ -	\$ -	
Social Security	\$ 800.00	\$ -	\$ -	
Other Income	\$ 625.00	\$ -	\$ -	
Manual Adjustments	\$ -	\$ -	\$ -	
2106 Expenses	\$ (1,889.33)	\$ -	\$ -	
Interest	\$ 2,110.00	\$ -	\$ -	
Dividends	\$ 1,908.33	\$ -	\$ -	
Capital Gains / Loss	\$ 2,616.67	\$ -	\$ -	
Installment Sale Income	\$ 1,750.00	\$ -	\$ -	
Schedule C				
GALAXY	\$ 3,427.97	\$ -	\$ -	
LIMCA LTD	\$ 4,894.67	\$ -	\$ -	
LIPTOP INC	\$ 2,861.23	\$ -	\$ -	
Schedule E - Rental				
100.AMBAZAR, IRVINE, CA 92614 01	\$ 3,077.50	\$ -	\$ -	
108 PALMER RESIDEN, IRVINE, CA 92461 01	\$ 5,083.33	\$ -	\$ -	
Schedule E - Royalty				
79 NEWPORT BEACH 01	\$ 3,004.17	\$ -	\$ -	
Farm Income				
AGRICULTURAL PRODUCT	\$ (1,345.00)	\$ -	\$ -	
Partnership Income				
	\$ -	\$ -	\$ -	
S-Corporation Income				
	\$ -	\$ -	\$ -	
Corporation Income				
	\$ -	\$ -	\$ -	
Trust				
	\$ -	\$ -	\$ -	
Rental (Manual)				
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	

Wage Income for borrowers other than (JACK ANDERSON) and (MARY ANDERSON).

Main Sheet

The Main Sheet tab contains the borrower's 1040 income, along with income totals from the other tabs. While values from Form 1040, Form 2106, Schedule B, Schedule D, and Forms 4797 and 6252 are populated solely on the Main Sheet, information from multi-instance forms, like Schedule C, Rental, Partnership, etc., are detailed on their own individual tabs — and only their cumulative totals are passed back to the Main Sheet.

CASH - FLOW ANALYSIS (Form 1084)										
LoanBeam is used as a tool and should be used with the understanding that the results generated do not constitute an approval. Calls shaded in 'aqua' require manual input. The results must be validated by an underwriter.										
Put X to ignore 2022 Income										
Manual Override										
I	Form 1040 / 1040-SR			2023	2022	Q1 (Annual)	Q1 (Monthly)	2 Yr Avg. / CY?	2023	2022
B1	Borrower Wages, salaries considered elsewhere (Line 1z)	Excluded	+	\$ 8,400	\$ -	\$ -	\$ -	CY		
B2	Co-Borrower's Portion of Wages (Line 1z)	Excluded	+			\$ -	\$ -			
B1	Tax-Exempt Interest Income (Line 2a)	Excluded	+	\$ 3,550	\$ -	\$ -	\$ -	CY		
B1	State and Local Tax Refunds (Sch 1 Line 1)	Excluded	+	\$ -	\$ -	\$ -	\$ -			
B1	Alimony Received (Sch 1 Line 2a)	Excluded	+	\$ 9,200	\$ -	\$ -	\$ -	CY		
B1	IRAs, Pensions & Annuities (Line 4a/4b + 5a/5b)	Excluded	+	\$ 17,800	\$ -	\$ -	\$ -			
B1	Unemployment Compensation (Sch 1 Line 7)	Excluded	+	\$ 5,000	\$ -	\$ -	\$ -	CY		
	a) Social Security benefits (Line 6a)			\$ 9,600	\$ -					
	b) Taxable amount (Line 6b)			\$ 8,160	\$ -					
B1	Total Social Security: Enter SS Gross up %	Excluded	+	\$ 9,600.00	\$ -	\$ -	\$ -	CY		
B1	Total Other Income (Sch 1, Line 9)	Excluded	+	\$ 7,500	\$ -	\$ -	\$ -	CY		
B1	Other:		+			\$ -	\$ -			
II	FORM 2106 - EMPLOYEE BUSINESS EXPENSES	Included		2023	2022	Q1 (Annual)	Q1 (Monthly)	2 Yr Avg. / CY?	2023	2022
	Total Expenses (Line 8a)+(Line 8b)		-	\$ 23,672	\$ -					
	Depreciation (Line 28; if Actual Method)		+	\$ 1,000	\$ -					
	Business Miles: LINE 13			1,200	0					
	x Depreciation Rate			\$ 0.28	\$ 0.26					
	= Total Mileage Depreciation			\$ -	\$ -					
B1	Form 2106 Total			\$ (22,672.00)	\$ -	\$ (22,672.00)	\$ (1,889.33)	CY		
III	SCHEDULE B - INTEREST AND DIVIDEND INCOME			2023	2022	Q1 (Annual)	Q1 (Monthly)	2 Yr Avg. / CY?	2023	2022
B1	Interest Income (Line 2b)	Excluded	+	\$ 25,320	\$ -	\$ -	\$ -	CY		
B1	Dividend Income (Line 3b)	Excluded	+	\$ 22,900	\$ -	\$ -	\$ -	CY		
IV	SCHEDULE C - PROFIT OR LOSS FROM BUSINESS: SOLE PROPRIETORSHIP			2023	2022	Q1 (Annual)	Q1 (Monthly)			
	Total Schedule C Income	Included	+	\$ 134,206.40	\$ -	\$ 134,206.40	\$ 11,183.87			View breakdown

To easily access detailed information about multi-instance forms and schedules from the Main Sheet, click the "View breakdown" hyperlink next to the corresponding income stream.

VIII	SCHEDULE E - SUPPLEMENTAL INCOME AND LOSS			2017	2016	Q1 (Annual)	Q1 (Monthly)	
	Total Royalty Income	Included	+	\$ 67,415.00	\$ 54,110.00	\$ 60,762.50	\$ 5,063.54	View breakdown
	Total Rental Income	Excluded	+	\$ 51,595.00	\$ 83,020.00	\$ -	\$ -	View breakdown
	Total Rental Income (Manual)		+			\$ -	\$ -	View breakdown

Wage Income

The Wage Income tab displays the calculated wage income earned by the borrower(s), separated by employer.

Description										Manual Overrides		
Employer	GALAXY											
Employee	Other	Jack Anderson										
Pay Period	Bi-Weekly	1/7/2024			to			1/20/2024				
YTD Number of Months	1.00											
W-2 Income										Manual Overrides		
		2023 W-2		2022 W-2				2023 W-2		2022 W-2		
Box 1			\$ 62,028.71	\$ 48,681.81								
Box 5			\$ 65,242.79	\$ 49,214.96								
Fixed Income		Calculation Method	Current Pay	Current Pay Monthly	YTD Earnings	YTD Monthly	2023 W-2 Monthly	2022 W-2 Monthly	Manual Overrides			
Base		+	\$ 2,000.00	\$ 4,333.33	\$ 17,716.75	\$ 4,129.78			Current Pay	YTD Earnings		
PTO		+	\$ -	\$ -	\$ 1,500.00							
Holiday		+	\$ -	\$ -	\$ 800.00							
Non-Taxable		+	\$ -	\$ -								
Fixed Income Total		=	\$ 2,000.00	\$ 4,333.33	\$ 20,016.75	\$ 4,129.78	\$ 5,436.90	\$ 4,101.25				
Variable Income		Calculation Method	Current Pay	Current Pay Monthly	YTD Earnings	YTD Monthly	2023 W-2 Monthly	2022 W-2 Monthly	Manual Overrides			
Overtime	Included	Current Average +	\$ 400.88	\$ 868.57	\$ 2,856.04	\$ 868.57			Current Pay	YTD Earnings		
Commissions	Included	Current Average +	\$ -	\$ -	\$ -	\$ -						
Bonus	Included	Current Average +	\$ 58.47	\$ 126.68	\$ 584.70	\$ 136.29						
Shift Differential	Included	Current Average +	\$ -	\$ -	\$ -	\$ -						
Tips	Included	Current Average +	\$ -	\$ -	\$ -	\$ -						
Mileage / Trip	Included	Current Average +	\$ -	\$ -	\$ -	\$ -						
Other	Included	Current Average +	\$ -	\$ -	\$ -	\$ -						
Variable Income Total		=	\$ 459.35	\$ 995.25	\$ 3,440.74	\$ 1,004.86	\$ -	\$ -				
Total Income		Calculation Method	Q1									
Fixed Income Q1		Current Average +	\$ 4,333.33									
Variable Income Q1		+	\$ 995.25									
Total Monthly Q1		=	\$ 5,328.58									
Qualifying Income (Monthly)			\$	5,328.58								

The Description section displays Employer and Employee information, along with the borrower's Pay Period, Pay Frequency, and the number of months YTD based on the most recent Paystub submitted.

Paystub wages are automatically assigned to Borrower 1 or Borrower 2 based on borrower name matching. If a Paystub name does not match a borrower, the Paystub will be assigned to "Other." All income assigned as "Other" is aggregated on the Summary Sheet under "Other Borrowers."

To manually assign the income to a borrower, select the appropriate borrower via the Employee drop-down.

Description											
Employer	GALAXY										
Employee	Other	Jack Anderson									
Pay Period	Bi-Weekly	1/7/2024			to			1/20/2024			
YTD Number of Months	1.00										

If the only documents uploaded to LoanBeam are W-2 wage documents (and no tax documents are present), then all wage income will be assigned to Borrower 1 by default. To assign the income to Borrower 2 or Other, use the Employee drop-down.

Wage Income (cont.)

W-2 Income

W-2 Income is extracted from Box 1 and Box 5 of Form W-2 for the previous two years. This income is used for the **YTD + 12** and **YTD + 24** calculation methods, if selected.

W-2 Income can be updated via the Manual Overrides columns.

W-2 Income	2023 W-2		2022 W-2		Manual Overrides	
	2023 W-2	2022 W-2	2023 W-2	2022 W-2	2023 W-2	2022 W-2
Box 1	\$ 52,467.21	\$ 48,681.81	\$ 52,467.21			
Box 5	\$ 46,587.23	\$ 49,214.96	\$ 46,587.23			

Paystub Income

Wage income sections are broken down by income type and sub-type. They break down as follows:

- Fixed Income (top section)
 - Base
 - PTO
 - Holiday
 - Non-Taxable
- Variable Income (bottom section)
 - Overtime
 - Commissions
 - Bonus
 - Shift Differential
 - Tips
 - Mileage/Trip
 - Other (any income the system could not identify)

Fixed Income		Calculation Method	Current Pay	Current Pay Monthly	YTD Earnings	YTD Monthly	2023 W-2 Monthly	2022 W-2 Monthly	Manual Overrides	
									Current Pay	YTD Earnings
Base		+	\$ 2,000.00	\$ 4,333.33	\$ 17,716.75	\$ 4,129.78				
PTO		+	\$ -	\$ -	\$ 1,500.00					
Holiday		+	\$ -	\$ -	\$ 800.00					
Non-Taxable		+	\$ -	\$ -						
Fixed Income Total		=	\$ 2,000.00	\$ 4,333.33	\$ 20,016.75	\$ 4,129.78	\$ 5,436.90	\$ 4,101.25		
Variable Income		Calculation Method	Current Pay	Current Pay Monthly	YTD Earnings	YTD Monthly	2023 W-2 Monthly	2022 W-2 Monthly	Manual Overrides	
									Current Pay	YTD Earnings
Overtime	Included	Current Average +	\$ 400.88	\$ 868.57	\$ 2,856.04	\$ 868.57				
Commissions	Included	Current Average +	\$ -	\$ -	\$ -	\$ -				
Bonus	Included	Current Average +	\$ 58.47	\$ 126.68	\$ 584.70	\$ 136.29				
Shift Differential	Included	Current Average +	\$ -	\$ -	\$ -	\$ -				
Tips	Included	Current Average +	\$ -	\$ -	\$ -	\$ -				
Mileage / Trip	Included	Current Average +	\$ -	\$ -	\$ -	\$ -				
Other	Included	Current Average +	\$ -	\$ -	\$ -	\$ -				
Variable Income Total		=	\$ 459.35	\$ 995.25	\$ 3,440.74	\$ 1,004.86	\$ -	\$ -		

To present the most conservative default calculation, variable income is excluded by default, but each income stream may be included individually.

Variable Income	
Overtime	Excluded
Commissions	Excluded
Bonus	Excluded
Shift Differential	Excluded
Tips	Excluded
Mileage / Trip	Excluded
Other	Excluded
Variable Income Total	

Wage Income (cont.)

Calculating Fixed Income

Fixed income is calculated as a group (Base, PTO, Holiday, and Non-Taxable) and the default calculation method is Current Average.

To change the default calculation, use the Calculation Method drop-down, which provides four standard calculation methods: Current Average, YTD Average, YTD + 12, and YTD + 24.

Total Income	Calculation Method	QI
Fixed Income QI	Current Average	\$ 4,333.33
Variable Income QI	Current Average	\$ 995.25
Total Monthly QI	=	\$ 5,328.58
Qualifying Income (Monthly)		\$ 5,328.58

Calculating Variable Income

Variable income is excluded by default for all variable income types. To include variable income in Qualifying Income, click the row's Included/Excluded drop-down and select Included.

Once you've included a row, use the Calculation Method drop-down to choose from four standard calculation methods: Current Average, YTD Average, YTD + 12, and YTD + 24.

Variable Income	Included/Excluded	Calculation Method	Current Pay	Current Pay Monthly	YTD Earnings	YTD Monthly	2023 W-2 Monthly	2022 W-2 Monthly	Manual Overrides	
Overtime	Included	Current Average	\$ 400.88	\$ 868.57	\$ 2,856.04	\$ 868.57				
Commissions	Included	Current Average	\$ -	\$ -	\$ -	\$ -				
Bonus	Included	YTD Average	\$ 58.47	\$ 126.68	\$ 584.70	\$ 136.29				
Shift Differential	Included	YTD + 12	\$ -	\$ -	\$ -	\$ -				
Tips	Included	YTD + 24	\$ -	\$ -	\$ -	\$ -				
Mileage / Trip	Included	Current Average	\$ -	\$ -	\$ -	\$ -				
Other	Included	Current Average	\$ -	\$ -	\$ -	\$ -				
Variable Income Total			\$ 459.35	\$ 995.25	\$ 3,440.74	\$ 1,004.86	\$ -	\$ -		

Cumulative Wage Total Income

The Monthly Qualifying Income for each of your borrower's employers is included by default in the cumulative Wage Total Income value at the top of the Wage Income tab. To exclude income from an Employer, change the drop-down from Included to Excluded.

Total Income	Calculation Method	Qualifying Income
Fixed Income QI	Current Average +	\$ 5,487.50
Variable Income QI	+	\$ -
Total Monthly QI	=	\$ 5,487.50
Qualifying Income (Monthly)		\$ 5,487.50
		Included
		Included
		Excluded
Notes		

Wage Income (cont.)

Including Wages in Net Qualifying Income

When paystubs are uploaded and Wage Income is calculated, **Wages (Line 1z Form 1040)** is deactivated and **Wage Income (Paystubs/W-2s)** is activated on the Summary Sheet.

Net Qualifying Income per Borrower	\$ 10,953.70	\$ -
Wage Income (Paystubs / W-2s)	\$ 5,328.59	\$ 5,487.50
Wages (Line1z Form 1040)	\$ 700.00	\$ -
Tax-Exempt Interest	\$ 295.83	\$ -
Alimony	\$ 766.67	\$ -
IRAs Pensions & Annuities	\$ 1,483.33	\$ -

If, however, you would prefer to use wage data from Line 1z of the borrower's Form 1040 instead of the calculated value from the Wage Income tab, change the **Borrower Wages, salaries considered elsewhere (Line 1z)** row on the Main Sheet to "Included."

I	Form 1040 / 1040-SR		2023	2022	Q1 (Annual)	Q1 (Monthly)
B1	Borrower Wages, salaries considered elsewhere (Line 1z)	Included	\$ 8,400	\$ -	\$ 8,400.00	\$ 700.00
B2	Co-Borrower's Portion of Wages (Line 1z)	Included			\$ -	\$ -

This will activate **Wages (Line 1z Form 1040)** on the Summary Sheet and deactivate **Wage Income (Paystubs/W-2s)**.

Net Qualifying Income per Borrower	\$ 11,653.70	\$ -
Wage Income (Paystubs / W-2s)	\$ 5,328.59	\$ 5,487.50
Wages (Line1z Form 1040)	\$ 700.00	\$ -
Tax-Exempt Interest	\$ 295.83	\$ -
Alimony	\$ 766.67	\$ -

Schedule C

Repeated Income Groups

LoanBeam's technology captures all Schedule C businesses found in the borrowers income documents and combines them into a single tab using "Repeated Income Groups." Each Schedule C business is displayed on this tab as a separate income group.

Schedule C Analysis Details of Current Year & Prior Year					
Cells shaded in 'aqua' require manual entry.				Go Back to Main Sheet	
Schedule C Total Income		\$	99,681.00	\$	99,937.00
Schedule C Qualifying Income Grand Total (Annual)		\$	79,285.50		
Schedule C Qualifying Income Grand Total (Monthly)		\$	6,607.13		
Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Business Name (Line C)	Borrower 1	GALAXY	GALAXY		
Net Profit / Loss (Line 31)	+	\$ 11,337	\$ (1,385)		
Nonrecurring Other Income Loss/Expenses (Line 6)	Ignore Loss -	\$ 7,800	\$ 5,000		
<i>Note: Loss/Expenses is ignored by default (making no adjustment for loss/expense). Change drop down to 'Include' to include or 'Exclude' to ignore Income Loss/Expenses from adjustment.</i>					
Depletion (Line 12)	+	\$ 845	\$ 742		
Depreciation (Line 13)	+	\$ 9,400	\$ 8,400		
Meals and Entertainment Expenses: LINE 24b	-	\$ 3,250	\$ 8,513		
Business Use of Home (Line 30)	+	\$ 12,680	\$ 9,800		
Business Miles: page 2, part IV, LINE 44a		1,800	3,000		
x Depreciation Rate		\$0.25	\$0.24		
= Total Mileage Depreciation	+	\$ 450.00	\$ 720.00		
Amortization (Part V)	+	\$ 1,878	\$ -		
Casualty Loss (Part V)	+	\$ 5,560	\$ -		
Schedule C Income		\$ 31,100.00	\$ 4,764.00		
Qualifying Income Per Tax Returns (Annual)		\$ 17,932.00	"X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)		\$ 1,494.33			
What was considered for Q1, 2 Yr Avg. or CY?		2 Yr Avg			
Percentage of change from Previous Year to Current Year		552.81%			

Manual Overrides

In the event that any values from the income documents need to be changed, users may update the income via the Manual Overrides columns. Once updated, the Annual and Monthly Qualifying Income values will adjust accordingly.

Description	Borrower 1	Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Business Name (Line C)	Borrower 1	GALAXY	GALAXY		
Net Profit / Loss (Line 31)	+	\$ 11,337	\$ (1,385)		
Nonrecurring Other Income Loss/Expenses (Line 6)	Ignore Loss -	\$ 7,800	\$ 5,000		
<i>Note: Loss/Expenses is ignored by default (making no adjustment for loss/expense). Change drop down to 'Include' to include or 'Exclude' to ignore Income Loss/Expenses from adjustment.</i>					
Depletion (Line 12)	+	\$ 845	\$ 742		
Depreciation (Line 13)	+	\$ 9,400	\$ 8,400		
Meals and Entertainment Expenses: LINE 24b	-	\$ 3,250	\$ 8,513		
Business Use of Home (Line 30)	+	\$ 12,680	\$ 9,800		
Business Miles: page 2, part IV, LINE 44a		1,800	3,000		
x Depreciation Rate		\$0.25	\$0.24		
= Total Mileage Depreciation	+	\$ 450.00	\$ 720.00		
Amortization (Part V)	+	\$ 1,878	\$ -		
Casualty Loss (Part V)	+	\$ 5,560	\$ -		
Schedule C Income		\$ 31,100.00	\$ 4,764.00		
Qualifying Income Per Tax Returns (Annual)		\$ 17,932.00	"X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)		\$ 1,494.33			
What was considered for Q1, 2 Yr Avg. or CY?		2 Yr Avg			
Percentage of change from Previous Year to Current Year		552.81%			

Schedule C (cont.)

Calculation Method Alert

If the default calculation method (i.e. 2 Yr Avg. or Current Year) has been overridden by changing the drop-down option, a message indicating that the default value has been changed will appear.

Schedule C Income	\$ 31,100.00	\$ 4,764.00
Qualifying Income Per Tax Returns (Annual)	\$ 31,100.00	"X" to exclude income from calculation
Qualifying Income Per Tax Returns (Monthly)	\$ 2,591.67	
What was considered for QI, 2 Yr Avg. or CY?	CY	The default value of the CY/2 Yr Avg drop down has been overridden. Please verify.
Percentage of change from Previous Year to Current Year	CY	
	2 Yr Avg	

X to Exclude Income

To exclude the income of any business from your borrower's Qualifying Income, type an "X" in the box provided. The income or loss will be excluded and grayed out.

Description		Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Business Name (Line C)	Borrower 1	GALAXY	GALAXY		
Net Profit / Loss (Line 31)	+	\$ 11,337	\$ (1,385)		
Nonrecurring Other Income Loss/Expenses (Line 6)	Ignore Loss -	\$ 7,800	\$ 5,000		
<i>Note: Loss/Expenses is ignored by default (making no adjustment for loss/expense). Change drop down to 'Include' to Include or 'Exclude' to Ignore Income Loss/Expenses from adjustment.</i>					
Depletion (Line 12)	+	\$ 845	\$ 742		
Depreciation (Line 13)	+	\$ 9,400	\$ 8,400		
Meals and Entertainment Expenses: LINE 24b	-	\$ 3,250	\$ 8,513		
Business Use of Home (Line 30)	+	\$ 12,680	\$ 9,800		
Business Miles: page 2, part IV, LINE 44a		1,800	3,000		
x Depreciation Rate		\$0.25	\$0.24		
= Total Mileage Depreciation	+	\$ 450.00	\$ 720.00		
Amortization (Part V)	+	\$ 1,878	\$ -		
Casualty Loss (Part V)	+	\$ 5,560	\$ -		
Schedule C Income		\$ 31,100.00			
Qualifying Income Per Tax Returns (Annual)		\$ 17,932.00		X "X" to exclude income from calculation	
Qualifying Income Per Tax Returns (Monthly)		\$ 1,494.33			
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg			
Percentage of change from Previous Year to Current Year		552.81%			

Schedule E - Rental (Fannie Mae Form 1037/1038)

The Fannie workbook uses Fannie Mae guidelines to calculate rental income or loss. There is no limit to the number of rental properties that LoanBeam will analyze.

Rental Income Worksheet					
Individual Rental Income from Investment Property(s): Monthly Qualifying Rental Income (or Loss)					
Select 'Form 1037' or 'Form 1038' from the drop down -->		Form 1038		Manual Overrides	
		Annual Figures (Per Tax Returns)		2023	2022
		2023	2022		
Documentation Required:		Borrower 1			
<ul style="list-style-type: none"> Schedule E (IRS Form 1040) OR Lease Agreement or Fannie Mae Form 1007 or Form 1025 		Location Of Rental Property		Location Of Rental Property	
		100,AMBAZAR, IRVINE, CA 92614 01			
Step 1. Result: The number of days the property was in service:		365		365	
Step 2. Calculate 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 (lines 3):	(+)	\$ 48,000	(+)	\$ -
A2	Subtract: Total Expenses (line 20)	(-)	\$ 23,470	(-)	\$ -
A3	Add back: Insurance Expenses (line 9)	(+)	\$ 2,100	(+)	\$ -
A4	Add back: Mortgage Interest paid (line 12)	(+)	\$ 900	(+)	\$ -
A5	Add back: Tax expense (line 16)	(+)	\$ 2,400	(+)	\$ -
A7	Add back: Depreciation expense (line 18)	(+)	\$ 7,000	(+)	\$ -
A8	Add back: Casualty Loss (Line 19)	(+)	\$ -	(+)	\$ -
A9	Add back: Homeowner's Association Dues (Line 19)	(+)	\$ -	(+)	\$ -
A10	Add back: Amortization (Line 19)	(+)	\$ -	(+)	\$ -
A11	Add back: Any one time extraordinary expense (e.g.,XXXXX)	(+)	\$ -	(+)	\$ -
Equals adjusted Annual rental income:		\$ 36,930		\$ -	
A12	Divide by the no. of months the property was in service (Step 1 Result)	12.00		12.00	
Equals adjusted Monthly rental income:		\$ 3,077.50		\$ -	
A13	Subtract Monthly proposed PITIA (for subject property) or existing PITIA (for non-subject property).	(-)	\$ -	(-)	\$ -
Step 2A. Result: Monthly qualifying rental income (or loss):		\$ 3,077.50		\$ -	
Step 2 B. Lease Agreement or Fannie Mae Form 1007 or Form 1025					
<i>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.</i>					
B1	Enter the gross monthly rent (from the lease agreement) or market rent (reported on Form 1007 or Form 1025).				
B2	Multiply gross monthly rent or market rent by 75%. The remaining 25% accounts for vacancy loss, maintenance, and management expenses.	(x)	75%	(x)	75%
Equals adjusted monthly rental income:		\$ -		\$ -	
B3	Monthly Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property).	(-)	\$ -	(-)	\$ -
Equals adjusted annual rental income:		\$ -		\$ -	
Step 2B. Result: Monthly qualifying rental income (loss):		\$ -		\$ -	
Qualifying Income (Gross Monthly Rent):		\$ 3,077.50		Step 2A	
Qualifying Income (Net Monthly Rent):		\$ 3,077.50		*X* to exclude income from calculation.	
What was considered for QI, 2 Yr Avg. or CY?:		CY			
Percentage of change from Previous Year to Current Year:		-			
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.					\$ 3,078

Select either Form 1037 or Form 1038 from the drop-down options. By default, Form 1038 is selected.

Rental Income Worksheet					
Individual Rental Income from Investment Property(s): Monthly Qualifying Rental Income (or Loss)					
Select 'Form 1037' or 'Form 1038' from the drop down -->		Form 1038		Manual Overrides	
		Annual Figures (Per Tax Returns)		2016	2016
		2016	2016		
Documentation Required:		Borrower 1			
<ul style="list-style-type: none"> Schedule E (IRS Form 1040) OR Lease Agreement or Fannie Mae Form 1007 or Form 1025 		Location Of Rental Property		Location Of Rental Property	
		100,AMBAZAR, IRVINE, CA 92614		100,AMBAZAR, IRVINE, CA 92614	

If Form 1037 is manually selected, the PITIA fields will be grayed out and PITIA income or loss will not be included in the Qualifying Income calculations.

A7	Add back: Depreciation expense or Depletion (line 18)	(+)	\$ 5,950	(+)	\$ 4,100
A8	Add back: Casualty Loss / Homeowner's Association Dues (Line 19)	(+)	\$ -	(+)	\$ -
A9	Add back: Any one time extraordinary expense (e.g.,XXXXX)	(+)	\$ -	(+)	\$ -
Equals adjusted Annual rental income:		\$ 20,860		\$ 22,350	
A10	Divide by the no. of months the property was in service (Step 1 Result)	12.00		12.00	
Equals adjusted Monthly rental income:		\$ 1,738.33		\$ 1,862.50	
Step 2A. Result: Monthly qualifying rental income (or loss):		\$ 1,738.33		\$ 1,862.50	

Schedule E - Rental (Fannie Mae Form 1037/1038) (cont.)

Three-step calculations are performed for each rental property

Step 1: The number of days the property was in service is populated from the tax return.

Documentation Required: • Schedule E (IRS Form 1040) OR • Lease Agreement or Fannie Mae Form 1025	Borrower 1	Location Of Rental Property	Location Of Rental Property
		100,AMBAZAR, IRVINE, CA 92614	100,AMBAZAR, IRVINE, CA 92614
	Step 1. Result: The number of days the property was in service:	365	366

Step 2: Step 2 has two options. Step 2A uses the tax returns to calculate monthly qualifying rental income or loss, while Step 2B uses the property's lease agreement to calculate qualifying income. (For example, Step 2B might be used if the monthly rent was increased, but was not yet reflected on the tax returns.)

Select which method to use via the drop-down field at the bottom of each repeated income group.

Step 2 A. Schedule E - Part I					
A1	Enter Total Rents Received (lines 3):	(+)	\$ 48,000	(+)	\$ -
A2	Subtract: Total Expenses (line 20)	(-)	\$ 23,470	(-)	\$ -
A3	Add back: Insurance Expenses (line 9)	(+)	\$ 2,100	(+)	\$ -
A4	Add back: Mortgage Interest paid (line 12)	(+)	\$ 900	(+)	\$ -
A5	Add back: Tax expense (line 16)	(+)	\$ 2,400	(+)	\$ -
A7	Add back: Depreciation expense (line 18)	(+)	\$ 7,000	(+)	\$ -
A8	Add back: Casualty Loss (Line 19)	(+)	\$ -	(+)	\$ -
A9	Add back: Homeowner's Association Dues (Line 19)	(+)	\$ -	(+)	\$ -
A10	Add back: Amortization (Line 19)	(+)	\$ -	(+)	\$ -
A11	Add back: Any one time extraordinary expense (e.g.,XXXXXX)	(+)		(+)	
Equals adjusted Annual rental income:			\$ 36,930		\$ -
A12	Divide by the no. of months the property was in service (Step 1 Result)		12.00		12.00
Equals adjusted Monthly rental income:			\$ 3,077.50		\$ -
A13	Subtract Monthly proposed PITIA (for subject property) or existing PITIA (for non-subject property).	(-)		(-)	
Step 2A. Result: Monthly qualifying rental income (or loss):			\$ 3,077.50		\$ -
Step 2 B. Lease Agreement or Fannie Mae Form 1007 or Form 1025					
<i>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.</i>					
B1	Enter the gross monthly rent (from the lease agreement) or market rent (reported on Form 1007 or Form 1025).				
B2	Multiply gross monthly rent or market rent by 75%. The remaining 25% accounts for vacancy loss, maintenance, and management expenses.	(x)	75%	(x)	75%
Equals adjusted monthly rental income:			\$ -		\$ -
B3	Monthly Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property).	(-)		(-)	
Equals adjusted annual rental income:			\$ -		\$ -
Step 2B. Result: Monthly qualifying rental income (loss):			\$ -		\$ -
Qualifying Income (Gross Monthly Rent):			\$ 3,077.50	Step 2A	<---- Select Step 2A or Step 2B from Drop
Qualifying Income (Net Monthly Rent):			\$ 3,077.50		
What was considered for QI, 2 Yr Avg. or CY?:			CY		
Percentage of change from Previous Year to Current Year:			-		

Step 3: The qualifying income is determined using the results from Step 1 and either Step 2A or Step 2B.

Step 3. Determine the qualifying impact using the result of step 2A or step 2B		
Add the monthly qualifying rental income to the borrower's monthly qualifying income.		\$ 1,738
Identify the full amount of the PITIA as the borrower's primary housing expense and include it in the debt-to-income ratio. Use proposed PITIA when the subject property; existing PITIA when not the subject property.		\$ -
DU Data Entry	Monthly Income and Combined Housing Expenses	Mortgage Liabilities
Subject Property	Enter the amount of the monthly qualifying income in "Subject Net Cash."	Include as the borrower's primary housing expense. For refinance transactions, identify the mortgage as a subject property line.
Non-Subject Property	Enter the amount of the monthly qualifying income in "Net Rental."	Include as the borrower's primary housing expense.
Notes:-		

Schedule E - Rental (Freddie Mac Form 92)

The Freddie workbook uses Freddie Mac guidelines to calculate rental income or loss. There is no limit to the number of rental properties that LoanBeam will analyze.

Select '2-to-4-unit Primary Residence', 'Subject' or 'Non-Subject Investment Property' - IRS 1040 Schedule E - Supplemental Income and Loss		Net Rental Income Calculation(s)		Manual Override	
		Non-Subject Investment Property		2017	2016
Location Of Rental Property (Line 1)	Borrower 1	100,AMBAZAR, IRVINE, CA 92614	100,AMBAZAR, IRVINE, CA 92614		
Fair Rental Days		365	366		
Number of Months - Maximum 12		12	12		
Rents Received (line 3)	+	\$ 30,000	\$ 25,000		
Less total expenses (line 20)	-	\$ 20,810	\$ 11,300		
Insurance (line 9)	+	\$ 750	\$ 350		
Mortgage interest paid to bank, ect. (line 12)	+	\$ 2,480	\$ 1,000		
Taxes (real estate only) (line 16)	+	\$ 2,490	\$ 3,200		
Depreciation and/or depletion (line 18)	+	\$ 5,950	\$ 4,100		
Homeowners association (HOA) dues (if specifically reported as an expense) (line 19)	+	\$ -	\$ -		
One time losses e.g., casualty loss if documented (line19)	+	\$ -	\$ -		
Net Rental Income (Annual)		\$ 20,860	\$ 22,350		
Net Rental Income (Monthly)		\$ 1,738	\$ 1,863		
Monthly Mortgage Payment (PITIA)					
Schedule E Rental Income		\$ 20,860	\$ 22,350		
Qualifying Rental Income (Monthly)		\$ 1,738.33			
What was considered for QI, 2 Yr Avg. or CY?		CY	"X" to exclude income		
Percentage of change from Previous Year to Current Year		(6.67%)			

Form 92 Information
Noticed a declining trend in the income. Please review documentation that shows evidence of stabilization of the income.

Select either Non-Subject Investment Property, Subject Investment Property, or Subject 2-4 Unit Primary Residence from the drop-down options. By default, Non-Subject Investment Property is selected.

Select '2-to-4-unit Primary Residence', 'Subject' or 'Non-Subject Investment Property' - IRS 1040 Schedule E - Supplemental Income and Loss		Net Rental Income Calculation(s)	
		Non-Subject Investment Property	
Location Of Rental Property (Line 1)	Borrower 1	92614	92614

Subject 2- to 4-unit Primary Residence
Subject Investment Property
Non-Subject Investment Property

If Subject 2-4 Unit Primary Residence is manually selected, the PITIA fields will be grayed out and PITIA income or loss will not be included in the qualifying income calculations.

Net Rental Income (Annual)	\$ 20,860	\$ 22,350	
Net Rental Income (Monthly)	\$ 1,738	\$ 1,863	
Monthly Mortgage Payment (PITIA)			
Schedule E Rental Income	\$ 20,860	\$ 22,350	
Qualifying Rental Income (Monthly)	\$ 1,738.33		
What was considered for QI, 2 Yr Avg. or CY?	CY	"X" to exclude income	
Percentage of change from Previous Year to Current Year	(6.67%)		

Rental (Manual)

The Rental (Manual) tab allows users to capture income or loss from newly-purchased (unseasoned) rental properties that are not yet reflected on the tax returns.

Using the light blue cells, manually enter the property address, the monthly rent, and PITIA if necessary to calculate qualifying income or loss.

The tab contains five unpopulated repeated income groups to record the income or loss for up to five rental properties.

Schedule E Analysis Details of Current Year & Prior Year		2018	
Cells shaded in 'aqua' require manual entry.		Go Back to Main Sheet	
Schedule E Qualifying Income (Net Monthly Rental)		\$	-
Manual Rental Income Worksheet #1		2018	
Documentation Required: Lease Agreement or Fannie Mae Form 1007 or Form 1025		Borrower 1	Location Of Rental Property
Lease Agreement or Fannie Mae Form 1007 or Form 1025			
B1	Enter the gross monthly rent (from the lease agreement) or market rent (reported on Form 1007 or Form 1025).		
B2	Multiply gross monthly rent or market rent by 75%. <i>The remaining 25% accounts for vacancy loss, maintenance, and management expenses.</i>	(75%
Equals adjusted monthly rental income:		\$	-
B3	Monthly Subtract proposed PITIA (for subject property) or existing PITIA (for non-subject property).	(
Step 2B. Result: Monthly qualifying rental income (loss):		\$	-
Qualifying Income (Gross Monthly Rent):		\$	-
Qualifying Income (Net Monthly Rent):		\$	-
Refer to the Rental Income topic in the Selling Guide for additional guidance.			"X" to exclude income
Notes			

Schedule E - Royalty

The Royalty tab is populated with Schedule E income or losses that are designated as “Royalty” income. Each entity is displayed on this tab as a separate repeated income group, and cumulative royalty qualifying income or loss is aggregated at the top of the tab.

Description		Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Royalty income	Borrower 1	79 NEWPORT BEACH	79 NEWPORT BEACH		
Total Royalty Received (lines 4)	+	\$ 80,000	\$ 77,000		
Depletion (line 18)	+	\$ 2,430	\$ 2,710		
Total Expenses (line 20)	-	\$ 15,015	\$ 25,600		
Schedule E Royalty Income		\$ 67,415	\$ 54,110		
Qualifying Income Per Tax Returns (Annual)		\$ 60,762.50	"X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)		\$ 5,063.54			
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg			
Percentage of change from Previous Year to Current Year		24.59%			
Notes:-					

Schedule F - Farm

The Schedule F tab helps in the analysis of a borrower’s Farm income or loss. Each Schedule F entity is displayed on this tab as a separate repeated income group, and cumulative farm qualifying income or loss is aggregated at the top of the tab.

Description		Annual Figures (Per Tax Returns)		Manual Overrides	
		2017	2016	2017	2016
Farm Name (Line A)	Borrower 2	AGRICULTURAL PRODUCT	AGRICULTURAL PRODUCT		
Net Farm Profit/loss (Line 34)	+	\$ 129,430	\$ 100,980		
Non-Tax Portion Ongoing Co-op and CCC Payments (Lines 3,4,5,6)	+	\$ -	\$ -		
Nonrecurring Other Income/Loss (Line 8)	Included -	\$ 1,400	\$ 5,000		
<i>Note: Income is negated and loss is added back by default. Change the drop down to 'Excluded' to ignore Other Income/Loss from the cash flow.</i>					
Depreciation (Line 14)	+	\$ 5,850	\$ 4,630		
Amortization (Line 32)	+	\$ 3,120	\$ -		
Casualty Loss (Line 32)	+	\$ -	\$ -		
Depletion (Line 32)	+	\$ -	\$ -		
Business Use of Home (Line 32)	+	\$ 5,000	\$ -		
Schedule F Income		\$ 142,000	\$ 100,610		
Qualifying Income Per Tax Returns (Annual)		\$ 121,305.00	"X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)		\$ 10,108.75			
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg			
Percentage of change from Previous Year to Current Year		41.14%			

Trust

Trust income or loss is collected on the Trust tab.

Description	Annual Figures (Per Tax Returns)		Manual Overrides	
	2017	2016	2017	2016
Trust Name :	ANDERSON TRUST	ANDERSON TRUST		
EIN #	20-1234567	20-1234567		
Beneficiary Name:	Borrower 1 JACK ANDERSON	JACK ANDERSON		
Ordinary Income (Loss) : (Line 6)	\$ 15,980	\$ 4,582		
Net Rental Income(Loss): (Line 7)	\$ 21,000	\$ 6,033		
Other Rental Income (Loss): (Line 8)	\$ -	\$ 4,505		
Interest: (Line 1)	\$ 8,960	\$ 7,636		
Dividends: (Line 2a)	\$ 16,000	\$ 8,935		
Other Adjustments:				
Total Income (Schedule K-1)	\$ 61,940	\$ 31,691		
Qualifying Income Per Tax Returns (Annual)	\$ 46,815.50	"X" to exclude income from calculation		
Qualifying Income Per Tax Returns (Monthly)	\$ 3,901.29			
What was considered for QI, 2 Yr Avg. or CY?	2 Yr Avg			
Percentage of change from Previous Year to Current Year	95.45%			
Notes:-				

Each repeated income group will include the Trust's Name, EIN, and Beneficiary.

Description	Annual Figures (Per Tax Returns)	
	2017	2016
Trust Name :	ANDERSON TRUST	ANDERSON TRUST
EIN #	20-1234567	20-1234567

If necessary, make adjustments to income in the fields labeled "Other Adjustments."

Description	Annual Figures (Per Tax Returns)	
	2017	2016
Trust Name :	ANDERSON TRUST	ANDERSON TRUST
EIN #	20-1234567	20-1234567
Beneficiary Name:	Borrower 1 JACK ANDERSON	JACK ANDERSON
Ordinary Income (Loss) : (Line 6)	\$ 15,980	\$ 4,582
Net Rental Income(Loss): (Line 7)	\$ 21,000	\$ 6,033
Other Rental Income (Loss): (Line 8)	\$ -	\$ 4,505
Interest: (Line 1)	\$ 8,960	\$ 7,636
Dividends: (Line 2a)	\$ 16,000	\$ 8,935
Other Adjustments:		
Total Income (Schedule K-1)	\$ 61,940	\$ 31,691
Qualifying Income Per Tax Returns (Annual)	\$ 46,815.50	"X" to exclude income from
Qualifying Income Per Tax Returns (Monthly)	\$ 3,901.29	
What was considered for QI, 2 Yr Avg. or CY?	2 Yr Avg	
Percentage of change from Previous Year to Current Year	95.45%	

Partnership

The Partnership tab populates the borrower's income or loss from K-1s, as well as adjustments to the income from Form 1065.

The 1065 adjustments to business cash flow [C] are applied to the Partnership's schedule K-1 income [B], and are reflected as the Partnership Total [D]. Qualifying Income is calculated from this total.

Description	Annual Figures (Per Tax Returns)				Manual Overrides	
	2022		2021		2022	2021
Partnership's name		TNT PARTNERSHIP		TNT PARTNERSHIP		
Partner's name	Borrower 1	John Doe		John Doe		
Liquidity Ratios	Current Ratio	0.28		0.28		
Distributions (Line 19A)				\$ -	\$ 3,550	
Part 1: Partnership Schedule K-1s						
[A] Entity Information						
Final K-1 Checkmark :						
Ordinary Income/Loss (Sch K-1, Line 1)	(+)	\$ 219,885	(+)	\$ 219,885		
Net Rental Real Estate Income(Loss), Other Net Rental Income(Loss) (Sch K-1, Line 2,3)	(+)	\$ 480	(+)	\$ 480		
Basis for Annual Income		-		Up to Distributions		
Annual Income		\$ -		\$ 3,550		
Guaranteed Payments to Partner - (Sch K-1, Line 4c)	Included (+)	\$ 1,050	(+)	\$ 1,050		
Total K-1 Income:		\$ 1,050		\$ 4,600		
Part 2: Form 1065 Adjustments to Business Cash Flow						
[C] 1065 Adjustments						
Final Business Return Checkmark :						
Ordinary Income/Loss from Other Partnerships (Line 4)	Included (-)	\$ 5,000	(-)	\$ 5,000		
<i>Note: Income is negated and loss is added back by default. Change the drop down to 'Excluded' to ignore Income/Loss from cash flow.</i>						
Nonrecurring Net Farm Profit/Loss (Line 5)	Ignore Loss (-)	\$ 7,000	(-)	\$ 7,000		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to include Profit/Loss or 'Excluded' to ignore Profit/Loss from adjustment.</i>						
Nonrecurring Net Gain/Loss (Line 6)	Ignore Loss (-)	\$ 700	(-)	\$ 700		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to include Gain/Loss or 'Excluded' to ignore Gain/Loss from adjustment.</i>						
Nonrecurring Other Income/Loss (Line 7)	Ignore Loss (-)	\$ 7,500	(-)	\$ 7,500		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to include Income/Loss or 'Excluded' to ignore Income/Loss from adjustment.</i>						
Depreciation (Form 1065 Line 16c)	(+)	\$ 6,300	(+)	\$ 6,300		
Depreciation (Form 8825 Line 14)	(+)	\$ 9,000	(+)	\$ 9,000		
Depletion (Line 17)	(+)	\$ 1,000	(+)	\$ 1,000		
Amortization (Line 20)	(+)	\$ -	(+)	\$ -		
Amortization (Form 8825 Line 15)	(+)	\$ -	(+)	\$ -		
Casualty Loss (Line 20)	(+)	\$ -	(+)	\$ -		
Casualty Loss (Form 8825 Line 15)	(+)	\$ -	(+)	\$ -		
Mortgage interest expense in less than 1 year (Sch. E, Line 16-a)	Included (-)	\$ 18,000	(-)	\$ 18,000		
Meals and Entertainment Exclusion (Sch. M-1, Line 4b)	(-)	\$ 4,900	(-)	\$ 4,900		
Adjustments Subtotal:		\$ (26,800)		\$ (26,800)		
Ownership % (Sch. K-1, Line J)	Capital Ending (X)	50.00%	(X)	50.00%		
Proportionate Share of Adjustments to Business Cash Flows		\$ (13,400.00)		\$ (13,400.00)		<input type="checkbox"/> "X" to exclude Adjustments
Partnership Cash Flow Subtotal						
Wages Paid from Partnership to Borrower	(+)		(+)			
Other Manual Adjustments - Enter Negative Amount to Negate	(+)		(+)			
Partnership Total		\$ (12,350.00)		\$ (8,800.00)		<input checked="" type="checkbox"/> "X" to include income
Qualifying Income Per Tax Returns (Annual)		\$ (12,350.00)				<input type="checkbox"/> "X" to use the Profit and Loss
Qualifying Income Per Tax Returns (Monthly)		\$ (1,029.17)				
What was considered for QI, 2 Yr Avg. or CY?		CY				
Percentage of change from Previous Year to Current Year		(40.34%)				

Partnership (cont.)

Each partnership “repeated income group” is divided into four sections.

[A] Entity Information

The entity information at the top of each group displays the Partnership name, partner name, liquidity ratios (with quick and current ratios), and distributions.

Description	Annual Figures (Per Tax Returns)				Manual Overrides	
	2017		2016		2017	2016
Partnership's name		TNT PARTNERSHIP		TNT PARTNERSHIP		
Partner's name	Borrower 1	JACK ANDERSON		JACK ANDERSON		
<u>Liquidity Ratios</u>	Current Ratio	0.54		0.77		
		View Breakdown				<input type="checkbox"/> "X" if the Business is Inventory Based
	Distributions (Line 19A)	\$ 37,500		\$ 2,925		

If, for any reason, the borrower or co-borrower’s social security number is redacted, obscured, or does not match the document, LoanBeam Income cannot link the income to your borrower. In these cases, income will be disabled by default and a message will appear in the top right of the repeated income group. If the income can be verified as belonging to the borrower, place an “X” in the “X to include income” box in [D].

Description	Annual Figures (Per Tax Returns)				Manual Overrides	
	2017		2016		2017	2016
Partnership's name		TNT PARTNERSHIP		TNT PARTNERSHIP		
Partner's name	N/A	John Doe		John Doe		
<u>Liquidity Ratios</u>	Current Ratio	N/A		N/A		
		View Breakdown				<input type="checkbox"/> "X" if the Business is Inventory Based
	Distributions (Line 19A)	\$ 22,500		\$ 1,755		

The SSN for this K-1 does not match with borrower's personal return (Form 1040). Please manually verify all amounts, if you want to include income.

[B] Part 1 (Partnership K-1)

LoanBeam Income analyzes K-1 income from the tax returns and calculates K-1 income or loss for each tax year.

Final K-1

Partnerships marked as Final K-1 will not be considered in the qualifying income analysis. A message indicates if an entity is Final, and its income or loss is grayed out.

If, however, the K-1 was marked Final by mistake and you wish to include the income in qualifying income, use the “X to include income” box in [D].

Description	Annual Figures (Per Tax Returns)				Manual Overrides	
	2017		2016		2017	2016
Partnership's name		TNT PARTNERSHIP		TNT PARTNERSHIP		
Partner's name	Borrower 1	JACK ANDERSON		JACK ANDERSON		
<u>Liquidity Ratios</u>	Current Ratio	N/A		N/A		
		View Breakdown				<input type="checkbox"/> "X" if the Business is Inventory Based
	Distributions (Line 19A)	\$ 37,500		\$ 2,925		
Part 1: Partnership Schedule K-1s						
Final K-1 Checkmark:		X				
Ordinary Income/(Loss), (per K-1, Line 2)	(+)		(-)	\$ 158,724		
Net Rental Real Estate Income/(Loss), Other Net Rental Income/(Loss) (Sch K-1, Line 2,3)	(+)	\$ (8,925)	(+)	\$ 2,664		

This Partnership was marked as final
Type an 'X' in cell 'I122' to include this income

Partnership (cont.)

Basis for Annual Income

LoanBeam Income uses either “K-1 Lines 1,2,3” or “Up to Distributions” as the Basis for Annual Income when calculating Total K-1 Income. The FNMA SEI and SAM templates use the business’ liquidity ratios in deciding which income to use as the basis for the calculations.

If the entity’s liquidity ratio is 1.0 or greater, then “K-1 Lines 1,2,3” is used as the Basis for Annual Income. If, however, the entity’s liquidity ratio is less than 1.0, then it is considered not liquid and “Up to Distributions” (up to the value of K-1 Lines 1,2,3) is used. The “Basis for Annual Income” may be manually overridden by the underwriter.

Part 1: Partnership Schedule K-1s					
Final K-1 Checkmark :					
Ordinary Income/Loss, (Sch K-1, Line 1)	(+)	\$	222,410	(+)	\$ 158,724
Net Rental Real Estate Income/(Loss), Other Net Rental Income/(Loss) (Sch K-1, Line 2,3)	(+)	\$	(8,925)	(+)	\$ 2,664
Basis for Annual Income			Up to Distributions		Up to Distributions
Guaranteed Payments to Partner - (Sch K-1, Line 4)	Included	(+)	\$ 2,750	(+)	\$ 15,750
Total K-1 Income:		\$	40,250		\$ 18,675

[C] Part 2 (1065 Adjustments)

In the next section of the tab, LoanBeam Income calculates the 1065 Adjustments to Business Cash Flow.

Part 2: Form 1065 Adjustments to Business Cash Flow					
Final Business Return Checkmark :					
Ordinary Income/Loss from Other Partnerships (Line 4)	Included	(-)	\$ 160,000	(-)	\$ 98,500
<i>Note: Income is negated and loss is added back by default. Change the drop down to 'Excluded' to ignore Income/Loss from cash flow.</i>					
Nonrecurring Net Farm Profit/Loss (Line 5)	Ignore Loss	(-)	\$ 5,600	(-)	\$ -
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Profit/Loss or 'Excluded' to Ignore Profit/Loss from adjustment.</i>					
Nonrecurring Net Gain/Loss (Line 6)	Ignore Loss	(-)	\$ -	(-)	\$ -
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Gain/Loss or 'Excluded' to Ignore Gain/Loss from adjustment.</i>					
Nonrecurring Other Income/Loss (Line 7)	Ignore Loss	(-)	\$ 5,000	(-)	\$ 7,179
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Income/Loss or 'Excluded' to Ignore Income/Loss from adjustment.</i>					
Depreciation (Form 1065 Line 16c)		(+)	\$ 4,580	(+)	\$ 6,300
Depreciation (Form 8825 Line 14)		(+)	\$ 5,560	(+)	\$ 450
Depletion (Line 17)		(+)	\$ 1,200	(+)	\$ 4,800
Amortization (Line 20)		(+)	\$ -	(+)	\$ -
Amortization (Form 8825 Line 15)		(+)	\$ -	(+)	\$ -
Casualty Loss (Line 20)		(+)	\$ -	(+)	\$ -
Casualty Loss (Form 8825 Line 15)		(+)	\$ -	(+)	\$ -
Mortgage or Notes Payable in Less than 1 Year (Sch. L, Line 16d)	Included	(-)	\$ 16,500	(-)	\$ 45,000
Meals and Entertainment Exclusion (Sch. M-1, Line 4b)		(-)	\$ 6,675	(-)	\$ 6,520
Adjustments Subtotal:			\$ (182,435)		\$ (145,649)
Ownership % (Sch. K-1, Line J)	Capital Ending	(X)	25.00%	(X)	25.00%
Proportionate Share of Adjustments to Business Cash Flows			\$ (45,608.75)		\$ (36,412.25)
					"X" to exclude Adjustments

Partnership (cont.)

[D] Totals

In the Totals section, the 1065 Adjustments are applied to the K-1 income or loss, ultimately giving us our qualifying income for the business.

Ownership Percentage

Ownership percentage is extracted from the borrower's K-1 automatically. By default, the ownership percentage is set to Capital Ending, but may be manually updated to Profit Ending or Loss Ending.

	Adjustments Subtotal:	\$	(182,435)		\$	(145,649)
Ownership % (Sch. K-1, Line J)	Capital Ending		50.00%	(X)		50.00%
Proportionate Share of Adjustments to	Profit Ending	\$	(91,217.50)		\$	(72,824.50)
	Loss Ending					
	Capital Ending					

Wages Paid to Borrower

If wages from the partnership were paid to the borrower, they may be manually entered on the line highlighted below.

Important! Wages paid to the borrower from their partnership may already be included in "Borrower Wages, salaries considered elsewhere" section of the Main Sheet. Including the income on the partnership's "Wages Paid from Partnership to Borrower" line may "double dip" those wages. If you would prefer to move income from the Main Sheet to the Partnership tab, be sure to remove it from the "Borrower Wages" line on the Main Sheet via manual override.

Partnership Cash Flow Subtotal						
Wages Paid from Partnership to Borrower	(+)		(+)			
Other Manual Adjustments						
Partnership Total		\$	(5,358.75)		\$	(17,737.25)
Qualifying Income Per Tax Returns (Annual)		\$	(11,548.00)			
Qualifying Income Per Tax Returns (Monthly)		\$	(962.33)			
What was considered for QI, 2 Yr Avg. or CY?			2 Yr Avg			
Percentage of change from Previous Year to Current Year			69.79%			

"X" to exclude income

"X" to use the Profit and Loss Statement

Partnership Liquidity Analysis

LoanBeam Income performs a Liquidity Analysis — using both Current and Quick Ratios — for each Partnership. The liquidity information is pulled directly from the Schedule L.

The ratio will appear green if the Partnership is liquid (ratio > 1.0). If the business is not solvent (ratio < 1.0), the ratio will appear red.

If the Schedule L is not present or has no values, the liquidity ratios will be zero, and the entity will not be considered solvent.

Partnership's name	TNT PARTNERSHIP	TNT PARTNERSHIP	Manual Overrides	
Partner's name	JACK ANDERSON	JACK ANDERSON		
Current Assets (Schedule L)	2017	2016	2017	2016
Cash (Line 1d)	\$ 50,000	\$ 40,000		
Accounts Receivables (Line 2b -(d))	\$ (2,870)	\$ 2,600		
Inventories (Line 3 -(d))	\$ 5,000	\$ 51,000		
U.S Gov't Securities (Line 4)	\$ 1,500	\$ 7,500		
Tax-exempt securities (Line 5)	\$ 2,100	\$ 6,900		
Other Current Assets (Line 6d)	\$ 6,800	\$ 2,000		
Total - Adjusted Current Assets	\$ 62,530	\$ 110,000		
Current Liabilities (Schedule L)	2017	2016	2017	2016
Accounts Payable (Line 15d)	\$ 75,500	\$ 70,000		
Mortgage or Notes Payable in Less than 1 Year (Line 16d)	\$ 16,500	\$ 45,000		
Other Current Liabilities (Line 17d)	\$ 23,600	\$ 28,000		
Total - Adjusted Current Liabilities	\$ 115,600	\$ 143,000		
Liquidity Ratios				
Current Ratio	0.54	0.77		
Quick Ratio	0.50	0.41		

Click the ratio name under the Liquidity Ratios header to view the formulas used to calculate the Current and Quick Ratios.

Liquidity Ratios	
Current Ratio	+
Quick Ratio	
<div style="border: 1px solid black; padding: 5px;"> Current Ratio: Total Adjusted Current Assets / Total Current Liabilities </div>	

Liquidity Ratios	
Current Ratio	
Quick Ratio	+
<div style="border: 1px solid black; padding: 5px;"> Quick Ratio Calculation: (Total Adjusted Current Assets - Inventories) / Total Current Liabilities </div>	

Important! Partnership liquidity calculated on the FNMA SEI and SAM templates will help determine the Qualifying Income of the business. Liquidity on the Freddie Mac Form 91 template is informational only and does not affect the Qualifying Income of the business.

S Corporation

The S Corporation tab populates the borrower's income or loss from K-1s, as well as adjustments to the income from Form 1120S.

The 1120S adjustments to business cash flow [C] are applied to the S Corporation's schedule K-1 income [B], and is reflected as the S Corporation Total [D]. Qualifying Income is calculated from this total.

Description	Annual Figures (Per Tax Returns)				Manual Overrides	
	2022		2021		2022	2021
[A] Entity Information						
S Corporation's name		PNBC SOLUTIONS INC		PNBC SOLUTIONS INC		
Shareholder's name	Borrower 1	JACK ANDERSON		JACK ANDERSON		
Liquidity Ratios	Current Ratio	1.62		1.62		
View Breakdown						
Distributions (Line 16D) <input type="checkbox"/> "X" if the Business is Inventory Based						
[B] K-1 Income						
Part 1: S Corporation Schedule K-1s						
Final K-1 Checkmark :						
Ordinary Income/(Loss), (Sch K-1, Line 1)	(+)	\$	496,127	(+)	\$	496,127
Net Rental Real Estate Income/(Loss), Other Net Rental Income/(Loss) (Sch K-1, Line 2,3)	(+)	\$	5,220	(+)	\$	5,220
Basis for annual income	(+)	K-1 Line 1,2,3		(+)	K-1 Line 1,2,3	
Total K-1 Income:		\$	501,347	\$	501,347	
[C] 1120S Adjustments						
Form 1120S - Adjustments to Business Cash Flow						
Final Business Return Checkmark :						
Nonrecurring Net Gain/Loss (Line 4)	Ignore Loss (-)	\$	4,000	(-)	\$	4,000
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to include Gain/Loss or 'Excluded' to ignore Gain/Loss from adjustment.</i>						
Nonrecurring Other Income/Loss (Line 5)	Ignore Loss (-)	\$	9,000	(-)	\$	9,000
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to include Income/Loss or 'Excluded' to ignore Income/Loss from adjustment.</i>						
Depreciation (Form 1120S Line 14)	(+)	\$	3,333	(+)	\$	3,333
Depreciation (Form 8825 Line 14)	(+)	\$	20,000	(+)	\$	20,000
Depletion (Line 15)	(+)	\$	6,100	(+)	\$	6,100
Amortization (Line 19)	(+)	\$	-	(+)	\$	-
Amortization (Form 8825 Line 15)	(+)	\$	-	(+)	\$	-
Casualty Loss (Line 19)	(+)	\$	-	(+)	\$	-
Casualty Loss (Form 8825 Line 15)	(+)	\$	-	(+)	\$	-
Mortgage or notes payable in less than 1 year (Sch. L, Line 17)	Included (-)	\$	35,000	(-)	\$	35,000
Meals and Entertainment Exclusion (Sch. M-1, Line 3b)	(-)	\$	6,250	(-)	\$	6,250
Adjustments Subtotal:		\$	(24,817)	\$	(24,817)	
Ownership % (Sch. K-1, Line F)	(x)	100.00%		(x)	100.00%	
Proportionate Share of Adjustments to Business Cash Flows		\$	(24,817.00)	\$	(24,817.00)	<input type="checkbox"/> "X" to exclude Adjustments
[D] Totals						
S Corporation Cash Flow Subtotal						
Wages Paid from S Corporation to Borrower	(+)			(+)		
Other Manual Adjustments - Enter Negative Amount to Negate	(+)			(+)		
S Corporation Total		\$	476,530.00	\$	476,530.00	
Qualifying Income Per Tax Returns (Annual)		\$	476,530.00			<input type="checkbox"/> "X" to exclude income
Qualifying Income Per Tax Returns (Monthly)		\$	39,710.83			
What was considered for QI, 2 Yr Avg, or CY?		CY				
Percentage of change from Previous Year to Current Year		0.00%				
<input type="checkbox"/> "X" to use the Profit and Loss Statement If P&L is used, the QI is lesser of tax returns, P&L						

S Corporation (cont.)

Each S Corporation “repeated income group” is divided into four sections.

[A] Entity Information

The entity information at the top of each group displays the S Corporation name, shareholder name, liquidity ratios (with quick and current ratios), and distributions.

Description	Annual Figures (Per Tax Returns)		Manual Overrides	
	2017	2016	2017	2016
S Corporation's name	PNBC SOLUTIONS INC	PNBC SOLUTIONS INC		
Shareholder's name	Borrower 1 JACK ANDERSON	JACK ANDERSON		
Liquidity Ratios	Current Ratio	1.56	1.10	
		View Breakdown	<input type="checkbox"/>	"X" if the Business is Inventory Based
Distributions (Line 16D)	\$ 1,500	\$ 500		

If, for any reason, the borrower's Social Security number is redacted, obscured, or does not match the document, LoanBeam Income cannot link the document to your borrower. In these cases, income will be disabled by default and a message will appear in the top right of the repeated income group. If the income can be verified as belonging to the borrower, place an X in the “X to include income” box in [D].

Description	Annual Figures (Per Tax Returns)		Manual Overrides	
	2017	2016	2017	2016
S Corporation's name	PNBC SOLUTIONS INC	PNBC SOLUTIONS INC		
Shareholder's name	N/A JOHN DOE	JOHN DOE		
Liquidity Ratios	Current Ratio	N/A		
		View Breakdown	<input type="checkbox"/>	"X" if the Business is Inventory Based
Distributions (Line 16D)	\$ 1,500	\$ 500		

The SSN for this K-1 does not match with borrower's personal return (Form 1040). Please manually verify all amounts, if you want to include income.

[B] Part 1 (S Corporation K-1)

LoanBeam Income analyzes K-1 income from the tax returns and calculates K-1 income or loss for each tax year.

Final K-1

S Corporations marked as Final K-1 will not be considered in the qualifying income analysis. A message indicates if an entity is Final, and its income or loss is grayed out.

If, however, the K-1 was marked Final by mistake and you wish to include the income in qualifying income, use the “X to include income” box in [D].

Description	Annual Figures (Per Tax Returns)		Manual Overrides	
	2017	2016	2017	2016
S Corporation's name	PNBC SOLUTIONS INC	PNBC SOLUTIONS INC		
Shareholder's name	Borrower 1 JACK ANDERSON	JACK ANDERSON		
Liquidity Ratios	Current Ratio	N/A		
		View Breakdown	<input type="checkbox"/>	"X" if the Business is Inventory Based
Distributions (Line 16D)	\$ 1,500	\$ 500		
Part 1: S Corporation Schedule K-1s				
Final K-1 Checkmark :		X		
Net Rental Real Estate Income/(Loss), Other Net Rental Income/(Loss) (Sch K-1, Line 2,3)	(+)	\$ 12,898	(+)	\$ 32,222
Basis for annual income	(+)	\$ 12,898	(+)	\$ 32,222
Total K-1 Income:	\$ 1,500	\$ 500		

This S Corporation was marked as final
Type an 'X' in cell 'I110' to include this income

S Corporation (cont.)

Basis for Annual Income

LoanBeam Income uses either "K-1 Lines 1,2,3" or "Up to Distributions" as the Basis for Annual Income when calculating Total K-1 Income. The FNMA SEI and SAM templates use the business' liquidity ratios in deciding which income to use as the basis for the calculations.

If the entity's liquidity ratio is 1.0 or greater, then "K-1 Lines 1,2,3" is used as the Basis for Annual Income. If, however, the entity's liquidity ratio is less than 1.0, then it is considered not liquid and "Up to Distributions" (up to the value of K-1 Lines 1,2,3) is used. The "Basis for Annual Income" may be manually overridden by the underwriter.

Part 1: S Corporation Schedule K-1s					
Final K-1 Checkmark :					
Ordinary Income/(Loss), (Sch K-1, Line 1)	(+)	\$	169,640	(+)	\$ 13,842
Net Rental Real Estate Income/(Loss), Other Net Rental Income/(Loss) (Sch K-1, Line 2,3)	(+)	\$	12,898	(+)	\$ 32,222
Basis for annual income	(+)		K-1 Line 1,2,3	(+)	K-1 Line 1,2,3

[C] Part 2 (1120S Adjustments)

In the next section of the tab, LoanBeam calculates the 1120S Adjustments to Business Cash Flow.

Form 1120S - Adjustments to Business Cash Flow					
Final Business Return Checkmark :					
Nonrecurring Other Income/Loss (Lines 4 and 5)	Included	(-)	\$ 89,500	(-)	\$ 12,280
<i>Note: Income is negated and loss is added back by default. Change the drop down to 'Excluded' to ignore Other Income/Loss from the cash flow.</i>					
Depreciation (Form 1120S Line 14)		(+)	\$ 1,440	(+)	\$ 1,440
Depreciation (Form 8825 Line 14)		(+)	\$ 576	(+)	\$ 960
Depletion (Line 15)		(+)	\$ 2,560	(+)	\$ 320
Amortization (Line 19)		(+)	\$ -	(+)	\$ -
Amortization (Form 8825 Line 15)		(+)	\$ -	(+)	\$ -
Casualty Loss (Line 19)		(+)	\$ -	(+)	\$ -
Casualty Loss (Form 8825 Line 15)		(+)	\$ -	(+)	\$ -
Mortgage or Notes Payable in Less than 1 Year (Sch. L, Line 17d)	Included	(-)	\$ 25,690	(-)	\$ 32,500
Travel and Entertainment Expenses (Sch. M-1, Line 3b)		(-)	\$ 7,900	(-)	\$ 7,050
Adjustments Subtotal:			\$ (118,514)		\$ (49,110)
Ownership % (Sch. K-1, Line F)		(x)	100.00%	(x)	100.00%
Proportionate Share of Adjustments to Business Cash Flows			\$ (118,514.00)		\$ (49,110.00)
"X" to exclude Adjustments					

S Corporation (cont.)

[D] Totals

In the Totals section, the 1120S Adjustments are applied to the K-1 income or loss, ultimately giving us our qualifying income for the business.

Wages Paid to Borrower (FNMA SEI 1084)

On the Fannie Mae SEI template, if wages from the S Corporation were paid to the borrower, they may be manually entered on the line highlighted below.

Important! Wages paid to the borrower from their S Corporation may already be included in “Borrower Wages, salaries considered elsewhere” section of the Main Sheet. Including the income on the S Corporation’s “Wages Paid from S Corporation to Borrower” line may “double dip” those wages. If you would prefer to move income from the Main Sheet to the S Corporation tab, be sure to remove it from the “Borrower Wages” line on the Main Sheet via manual override.

S Corporation Cash Flow Subtotal			
Wages Paid from S Corporation to Borrower	(+)		(+)
Other Manual Adjustments - Enter Negative Amount to Negate	(+)		(+)
S Corporation Total		\$ 64,024.00	\$ (3,046.00)
Qualifying Income Per Tax Returns (Annual)		\$ 30,489.00	
Qualifying Income Per Tax Returns (Monthly)		\$ 2,540.75	
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg	
Percentage of change from Previous Year to Current Year		2201.90%	

"X" to exclude income
 "X" to use the Profit and Loss Statement
 If P&L is used, the QI is lesser of tax returns, P&L

Wages Paid to Borrower (Freddie Mac Form 91)

On the Freddie template, if wages from the S Corporation were paid to the borrower and the W-2 was scanned by LoanBeam, the wages will automatically populate the Wages Paid fields. If the W-2 was not scanned, wages may be manually entered via the override columns to the right.

Important! Wages paid to the borrower from their S Corporation may already be included in “Borrower Wages, salaries considered elsewhere” section of the Main Sheet. Including the income on the S Corporation’s “Wages Paid from S Corporation to Borrower” line may “double dip” those wages. If you would prefer to move income from the Main Sheet to the S Corporation tab, be sure to remove it from the “Borrower Wages” line on the Main Sheet via manual override.

Net S Corporation Subtotal:			
Wages Paid from S Corporation to Borrower	(+)	\$ 45,215.00	(+) \$ 36,598.00
Other Manual Adjustments - Enter Negative Amount to Negate	(+)		(+)
S Corporation Total		\$ 109,239.00	\$ 33,552.00
Qualifying Income Per Tax Returns (Annual)		\$ 71,395.50	
Qualifying Income Per Tax Returns (Monthly)		\$ 5,949.63	
What was considered for QI, 2 Yr Avg. or CY?		2 Yr Avg	
Percentage of change from Previous Year to Current Year		225.58%	

"X" to exclude income
 "X" to use the Profit and Loss Statement
 If P&L is used, the QI is lesser of tax returns, P&L

S Corporation Liquidity

LoanBeam Income performs a Liquidity Analysis — using both Current and Quick Ratios — for each S Corporation. The liquidity information is pulled directly from the Schedule L.

The ratio will appear green if the S Corporation is liquid (ratio > 1.0). If the business is not solvent (ratio < 1.0), the ratio will appear red.

If the Schedule L is not present or has no values, the liquidity ratios will be zero, and the entity will not be considered solvent.

S Corporation's name	PNBC SOLUTIONS INC		PNBC SOLUTIONS INC		Manual Overrides	
Shareholder's name	JACK ANDERSON		JACK ANDERSON			
Current Assets (Schedule L)	2017	2016	2017	2016		
Cash (Line 1)	\$ 38,000	\$ 30,000				
Accounts Receivables (Line 2b -(d))	\$ 5,230	\$ 1,530				
Inventories (Line 3 -(d))	\$ 4,800	\$ 6,300				
U.S Gov't Securities (Line 4)	\$ 2,450	\$ 4,800				
Tax-exempt securities (Line 5)	\$ 16,500	\$ 2,450				
Other Current Assets (Line 6)	\$ 21,000	\$ 15,000				
Total - Adjusted Current Assets	\$ 87,980	\$ 60,080				
Current Liabilities (Schedule L)	2017	2016	2017	2016		
Accounts Payable (Line 16)	\$ 11,600	\$ 8,450				
Mortgage, notes, bonds payable in less than 1 year (Line 17d)	\$ 25,690	\$ 32,500				
Other Current Liabilities (Line 18)	\$ 18,950	\$ 13,500				
Total - Adjusted Current Liabilities	\$ 56,240	\$ 54,450				
Liquidity Ratios						
Current Ratio	1.56	1.10				
Quick Ratio	1.48	0.99				

Click the ratio name under the Liquidity Ratios header to view the formulas used to calculate the Current and Quick Ratios.

Liquidity Ratios	
Current Ratio	+
Quick Ratio	

Current Ratio:
Total Adjusted Current Assets / Total Current Liabilities

Liquidity Ratios	
Current Ratio	
Quick Ratio	+

Quick Ratio Calculation:
(Total Adjusted Current Assets - Inventories) / Total Current Liabilities

Important! S Corp liquidity calculated on the FNMA SEI and SAM templates will help determine the Qualifying Income of the business. Liquidity on the Freddie Mac Form 91 template is informational only and does not affect the Qualifying Income of the business.

Corporation

Income or loss from type C Corporations (Tax Form 1120) will appear on the Corporation tab.

Description		Annual Figures (Per Tax Returns)		Manual Overrides	
		2022	2021	2022	2021
Corporation Name	Borrower 1	ABC CORPORATION	ABC CORPORATION		
Final Business Return Checkmark :					
Taxable Income/Loss (Line 30)	+	\$ 82,205	\$ 82,205		
Total Tax (Line 31)	-	\$ 17,263	\$ 17,263		
Nonrecurring Capital Net Gains/Losses (Lines 8)	Ignore Loss	\$ -	\$ -		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'include' to include Gains/Losses or 'Excluded' to ignore Gains/Losses from adjustment.</i>					
Nonrecurring Net Gains/Losses (Lines 9)	Ignore Loss	\$ -	\$ -		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'include' to include Gains/Losses or 'Excluded' to ignore Gains/Losses from adjustment.</i>					
Nonrecurring Other Income/Loss (Line 10)	Ignore Loss	\$ 2,500	\$ 2,500		
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'include' to include income/Loss or 'Excluded' to ignore income/Loss from adjustment.</i>					
Depreciation (Line 20)	+	\$ 10,000	\$ 10,000		
Depletion (Line 21)	+	\$ 4,100	\$ 4,100		
Amortization/Casualty Loss (Line 26)	+	\$ -	\$ -		
Net Operating Loss and Special Deductions (Line 29a and Line 29b)	+	\$ -	\$ -		
Mortgage or Notes Payable in Less than 1 Year (Sch. L, Line 17d)	Included	\$ 21,000	\$ 21,000		
Meals and Entertainment Exclusion (Sch. M-1, Line 5c)	-	\$ 7,700	\$ 7,700		
Subtotal [a]		\$ 47,842	\$ 47,842		
Ownership % (1125-E - Line 1d)				Please enter ownership % for the year 2022 & 2021.	
Corporation Total [a*b]		\$ -	\$ -		
Dividends Paid to Borrower - Sch. C, Line 19 (Line 4)	-	\$ -	\$ -		
Corporation Subtotal		\$ -	\$ -		
Wages Paid to Borrower from Corporation	+				
Corporation Net Total		\$ -	\$ -		
Qualifying Income Per Tax Returns (Annual)		\$ -	\$ -		
Qualifying Income Per Tax Returns (Monthly)		\$ -	\$ -	"X" to exclude income	
What was considered for QI, 2 Yr Avg. or CY?		CY			
Percentage of change from Previous Year to Current Year		-			

Users must manually enter the borrower's ownership percentage, as this information is not included in the tax returns. Until this field is manually entered, a flag appears: "Please enter ownership % for the tax years."

Important! If the borrower's ownership percentage is not manually entered, the borrower will get no credit for the income or loss.

Subtotal [a]		\$ 271,431	\$ 349,924		
Ownership % (1125-E - Line 1d)				Please enter ownership % for the year 2017 & 2016.	
Corporation Total [a*b]		\$ -	\$ -		
Dividends Paid to Borrower - Sch. C, Line 19 (Line 4)	-	\$ 6,700	\$ 9,200		
Corporation Sub Total		\$ -	\$ -		
Wages Paid to Borrower from Corporation	+				
Corporation Net Total		\$ -	\$ -		
Qualifying Income Per Tax Returns (Annual)		\$ -	\$ -		
Qualifying Income Per Tax Returns (Monthly)		\$ -	\$ -	"X" to exclude income	
What was considered for QI, 2 Yr Avg. or CY?		CY			
Percentage of change from Previous Year to Current Year		-			

Once the ownership percentage is manually entered, the borrower's qualifying income or loss and associated information is revealed.

Subtotal [a]		\$ 271,431	\$ 349,924		
Ownership % (1125-E - Line 1d)		100%	100%		
Corporation Total [a*b]		\$ 271,431.00	\$ 349,924.00		
Dividends Paid to Borrower - Sch. C, Line 19 (Line 4)	-	\$ 6,700	\$ 9,200		
Corporation Sub Total		\$ 264,731.00	\$ 340,724.00		
Wages Paid to Borrower from Corporation	+				
Corporation Net Total		\$ 264,731.00	\$ 340,724.00		
Qualifying Income Per Tax Returns (Annual)		\$ 264,731.00	\$ 340,724.00		
Qualifying Income Per Tax Returns (Monthly)		\$ 22,060.92	\$ 28,393.67	"X" to exclude income	
What was considered for QI, 2 Yr Avg. or CY?		CY			
Percentage of change from Previous Year to Current Year		(22.30%)			

LB Noticed a declining trend in the income. Please review documentation that shows evidence of stabilization of the income.

Corporation (cont.)

By default, Corporation “nonrecurring” income is set to “Ignore Loss.” This income can be manually assigned to Included or Excluded, if desired.

Nonrecurring Capital Net Gains/Losses (Lines 8)	Ignore Loss	-	\$ 2,500	\$ 3,000
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Gains/Losses or 'Excluded' to Ignore Gains/Losses from adjustment.</i>				
Nonrecurring Net Gains/Losses (Lines 9)	Ignore Loss	-	\$ 3,000	\$ 2,500
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Gains/Losses or 'Excluded' to Ignore Gains/Losses from adjustment.</i>				
Nonrecurring Other Income/Loss (Line 10)	Ignore Loss		\$ 7,450	\$ 3,500
<i>Note: Loss is ignored by default (making no adjustment for loss). Change drop down to 'Include' to Include Income/Loss or 'Excluded' to Ignore Income/Loss from adjustment.</i>				
Depreciation (Line 20)			\$ 576	\$ 47,260



Transcripts Comparison

The Transcripts Comparison tab may be used to quickly assess whether the income documents presented to you match what was sent to the IRS. Upload the borrower's tax transcript results PDF using the Transcript Comparison tab. Specific data values will be extracted and compared.

Line Item	2017			2016		
	Amount (Form 1040)	Amount (Tax Transcript)	Difference	Amount (Form 1040)	Amount (Tax Transcript)	Difference
Wages, Salaries, tips, Etc. : (Form 1040, Line# 7)	\$ 63,250	\$ 63,250	Data Matched	\$ 66,000	\$ 66,000	Data Matched
Total Income : (Form 1040, Line# 22)	\$ 80,076	\$ -	N/A	\$ 82,685	\$ 82,685	Data Matched
Adjusted Gross Income (Form 1040, Line# 37)	\$ 80,076	\$ 80,076	Data Matched	\$ 82,685	\$ 82,685	Data Matched
Unreimbursed Employee Expenses (Schedule A,Line# 21)	\$ -	\$ -	N/A	\$ -	\$ -	N/A
Schedule C Income : (Form 1040, Line# 12)	\$ -	\$ -	N/A	\$ -	\$ -	N/A
Schedule E Income : (Form 1040, Line# 17)	\$ -	\$ -	N/A	\$ -	\$ -	N/A

Copyright

Copyright © 2024 LoanLogics, ALL RIGHTS RESERVED. This documentation and the information, data, software product described, and other material contained herein (collectively, "Documentation") is protected by United States and international copyright laws and is distributed under a software license agreement signed by you ("Agreement") restricting its use, copying, distribution, and recompilation. No part of this Documentation or the software product described herein may be reproduced, utilized, or transmitted in any form by any means whatsoever without prior written authorization from LoanLogics.

Confidentiality

The software product and technology described in this Documentation is confidential and proprietary to LoanLogics and contains trade secrets of LoanLogics. Your use of this Documentation is subject to the restrictions specified in the Agreement under which you obtained specific and limited rights to use this Documentation.

EXCEPT AS EXPRESSLY STATED IN THE AGREEMENT, THIS DOCUMENTATION IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL LOANLOGICS BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES ASSOCIATED WITH ANY USE OF THIS DOCUMENTATION.

These training materials are intended to familiarize clients with LoanLogics services. These training materials are not to be distributed outside your organization and are intended for your internal use only. Any changes made to these training materials by you, as a client, are done at your own risk and may not accurately reflect the functionality of the services provided by LoanLogics. Consequently, LoanLogics accepts no responsibility or liability resulting from changes to these materials that you make for your internal purposes.