

Bank Statement

For Self Employed Borrowers

Submission Checklist

- ❖ **Bank Statement requirements**
- ❖ **Borrowers who maintain separate personal and business accounts and will qualify using personal bank statements, then request;**
 - The most recent 12 months personal bank statements
 - 3 months of the most recent business bank statements
 - 100% of the allowable deposits in the personal account may be used towards the income calculation

*Deposits will need to explained
- ❖ **Borrowers who comingle funds into one bank account or are qualifying with only a business bank account, then request;**
 - The most recent 12 months of consecutive bank statements
 - 50% expense factor may be used for income calculation purposes
 - If using less than 50% expense factor, *Third party (CPA/Tax Preparer/Bookkeeper) expense factor letter detailing expense factor. Third party vericator’s name must be on company letterhead, Signed & Dated.
- ❖ **Documents to verify Self-Employment**
 - A business license or,
 - A signed written statement from a CPA or a Third-Party Tax Preparer or,
 - A Partnership agreement or,
 - A business certificate filed with a governmental agency
- ❖ **Business narrative describing the business operations and number of employees**
 - A description of their business operations
 - Number of full-time employees
 - Any additional pertinent information
- ❖ **\$2,500 minimum residual income requirement**
 - \$3,500 minimum residual income when DTI >50%
- ❖ **Reserves = Provide 2 months bank statements to support reserve requirements**

Loan Amount	Required Reserves (PITIA) for Subject Property
≤ \$2,000,000	6 months
> \$2,000,000	12 months

- Cash-out transactions may use cash-out as reserves
- R/T transactions, reserve requirements may be waived (see guidelines)

Investor
For Borrowers with Positive Cash Flow Properties
Submission Checklist

- ❖ Lease agreement
- ❖ Short term rentals allowed
 - 12 month account summary
- ❖ Mortgage statement/coupon
- ❖ Homeowner’s insurance declarations page
- ❖ Debt Service Coverage Ratio calculation (DSCR)
 - Gross Rent/PITIA of subject property = DSCR
- ❖ Reserves = Provide 2 months bank statements to support reserve requirements

Loan Amount	Required Reserves (PITIA) for Subject Property
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- Cash-out transactions may use cash-out as reserves
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Asset Qualification Submission Checklist

- ❖ 6 months of statements for each account being used
- ❖ Eligible Asset Types
 - Checking, Saving, Money Market accounts = 100%
 - Publicly traded stocks and bonds = 90%
 - Mutual Funds = 90%
- ❖ Retirement accounts
 - Can only be used if distribution is not already set up
 - 401(k) or IRA, SEP or KEOUGH accounts = 70% if not retirement age, 80% if retirement age and no early withdrawal penalty
- ❖ Cash value of a vested life insurance policy = 100%
- ❖ Completed Asset Qualification Calculator
 - The Calculator can be found at <https://impacwholesale.com/Products/Asset-Qualification>
- ❖ \$2,500 minimum residual income requirement
- ❖ Reserves = Provide 2 months bank statements to support reserve requirements

Loan Amount	Required Reserves (PITIA) for Subject Property
≤ \$2,000,000	6 months
> \$2,000,000	12 months

- Cash out for reserves is **NOT ALLOWED**
- R/T transactions, reserve requirements may be waived (see guidelines)

Agency Plus Submission Checklist

❖ Two Year Option

❖ Wage Earner

- Most recent paystub covering 30 days
- W-2 or transcripts covering 2 years

❖ Self Employed

- 2 years' tax returns with all schedules (Personal and/or Business)
- YTD P&L and Balance Sheet are not required
- If most recent tax year is filing is under extension, signed P&L will be required for that period

❖ One Year Option

❖ Wage Earner

- Most recent paystub covering 30 days
- W-2 or transcripts covering 1 year
- WVOE for variable income (bonus, commission or OT)

❖ Self Employed

- 1 years' tax returns with all schedules (Personal and/or Business)
- YTD P&L and Balance Sheet are not required, Unless year filing is under extension.(see guidelines)
- Tax transcripts (personal) may be obtained in lieu of actual tax returns only in cases where the tax transcripts provide all detail required to qualify borrower's income. *Business transcripts are **NOT** required*
- Note: If an extension has been filed for the current tax year and the tax returns cannot be validated by tax transcripts, One Year Option cannot be utilized (e.g. 2019 tax returns that have not been filed and validated by tax transcripts as of 4/15/20 are not eligible)

❖ \$2,500 minimum residual income requirement

- \$3,500 Min residual income when DTI >50%

❖ Reserves = Provide 2 months bank statements to support reserve requirements

Loan Amount	Required Reserves (PITIA) for Subject Property
≤ \$2,000,000	6 months
> \$2,000,000	12 months

- Cash-out transactions may use cash-out as reserves
- R/T transactions, reserve requirements may be waived (see guidelines)