

Documentation and Analysis Job Aid for Temporary GSE Guidance for SEB Loans

Guidance is effective for loan applications dated on or after June 11, 2020 and is in effect until further notice. As a reminder, when self-employment income is used to qualify, verification that the borrower's business is open and operating must be confirmed within 20 business days of the Note date.

Borrower's Name _____

Business Name _____

I. Additional Documentation Requirements

An **unaudited** year-to-date profit and loss statement signed by the borrower reporting business revenue (for example, gross receipts or sales), expenses and net income up to and including the most recent month preceding the loan application date and dated no more than 60 calendar days prior to the Note date.

AND

Three months' business depository account(s) statements no older than the latest three months presented by the unaudited year-to-date profit and loss statement.

OR

An **audited** year-to-date profit and loss statement reporting business revenue (for example, gross receipts or sales), expenses and net income up to and including the most recent month preceding the loan application date and no more than 60 days prior to the Note date.

II. Supplemental Documentation (as deemed applicable)

YES NO

Month-to-month income trending analysis.

Additional months business depository account(s) statements.

Current balance sheet.

Other additional documentation (describe): *List and describe on Page 2, Part VIII.*

III. Analysis of Year-to-Date Profit and Loss Statement

For the calculations to properly function, you must enter the Ownership % and Number of Months covered by the Profit and Loss Statement (below) before entering other data.

Revenue (gross receipts or sales)		\$	_____
Expenses (including costs of goods sold)		\$	_____
Net Income		\$	_____
	Allowable Add Backs to Net Income		
Depreciation	+	\$	_____
Depletion	+	\$	_____
Amortization	+	\$	_____
One-Time Expense (describe and document): <i>List on Page 2, Part VIII.</i>	+	\$	_____
Casualty Loss	+	\$	_____
Business Use of Home	+	\$	_____
Year-to-Date Taxes Paid [unless business is a Corporation (1120)]	+	\$	_____
Other Allowable Add Backs to Income (describe): _____	+	\$	_____
	Total Add Backs	=	\$ _____
	Required Deductions from Net Income		
Non-Recurring Income (including pass-through income): <i>List on Page 2, Part VIII.</i>	-	\$	_____
Meals Exclusion	-	\$	_____
Other Required Deductions to Income (describe): _____	-	\$	_____
	Total Deductions	=	\$ _____
	Business Subtotal (Net Income, Add Backs, Deductions)	=	\$ _____
Ownership % _____			
	Borrower YTD Adjusted Gross	=	\$ _____
Number of Months covered by Profit and Loss Statement _____			
	Average Monthly Borrower Income Determined by YTD P&L	=	\$ _____

IV. Profit and Loss Revenue vs. Business Account(s) Deposits

Average **Monthly** Profit and Loss Statement Revenue:
(Total Profit and Loss Revenue ÷ Number of Months of Revenue)

Average **Monthly** Business Account(s) Deposits:
(Total Business Account(s) Deposits ÷ Number of Months of Statements)

\$ _____

\$ _____

Is the **Revenue** on the Profit and Loss Statement supported by the Average Monthly Business Account(s) **Deposits**?

If **NO**, do you have other documentation to support that the income is stable?

If applicable, describe the other documentation and your conclusion: *List and describe on Page 2, Part VIII.*

V. Reconciliation

Complete this section and proceed ONLY if you've determined the business income to be STABLE.

- a. **Average Monthly Borrower Income** (Determined by the Year-to-Date Profit and Loss Statement). \$ _____
- b. **Monthly Salary** [If applicable – must be an expense on the Year-to-Date Profit and Loss Statement AND be documented as received (e.g. year-to-date paystub)]. + \$ _____
- c. **Manual Adjustments** (If applicable). - \$ _____
List and describe below, Part VIII

Stable Monthly Year-to-Date Income (Total of above a. through c. and **Supported** by Business Account(s) Deposits and/or other documentation). = \$ _____
This amount is totaled for you based on your entries directly above. Entries must be supported.

Explain how you determined that the income is stable: *Explain and describe below, Part VIII.*

VI. Tax Return Analysis vs. Profit and Loss/Deposits Analysis

Monthly Income Determined by Tax Returns (enter the amount determined by the AMITRAC, 1084 Form, Form 91 or other Tax Return Analysis Worksheet/Calculator):

\$ _____

Stable Monthly Income Determined by Year-to-Date Profit and Loss Statement and Supported by Business Account(s) Deposits and/or other Documentation:

\$ _____

VII. Stable Monthly Qualifying Income

\$ _____

Lesser of the two amounts from Part VI.

VIII. Descriptions, Comments and Notes

Other additional documentation:

One-time expenses:

Non-recurring income:

Documentation used to support that the profit and loss statement average monthly revenue is stable if it is not supported by average monthly business account(s) deposits:

Additional notes and comments:
