

## **Tips to getting a mortgage**

When [getting a mortgage](#), just show your pay stubs and your W-2s and you'll be good to go. I'm simplifying things (there could be exceptions, of course), but when you work for others, you shouldn't really have a problem.

Things get a little different when you're self-employed. Verifying your income requires us to ask for several tax documents and other official forms that prove you're still actively employed. Like I said above, when you work for a company, it's very easy for us to verify your income. When you're self-employed, there are a few extra things you'll have to show us to make sure we know the mortgage is a legitimate and follows all underwriting guidelines. The full list is below, but it includes such items as tax forms, bond insurance, business licenses, etc.

Knowing these documents will be required ahead of time will help you prepare for your mortgage and make thing MUCH faster. Trust me on that. Of course, your Home Loan Experts will help you every step of the way and set expectations up front on what you'll need to qualify (particular to your loan and situation), but knowing as much as possible going into the process will help speed things tremendously.

Here's the list of the things you may need to show us to verify your income when you're self-employed:

## **Tax Forms a Mortgage Lender May Require You to Present to Prove Self-Employment**

### **Schedule C**

- Used to document profit or loss from a business
- Typically filed when your business is a sole proprietorship

### **Schedule E**

- Used for rental real estate, royalties, partnerships, S corps, estates, trusts and REMICs (Real Estate Mortgage Investment Conduit)

### **Form 1120S**

- S Corporation
- Report of profit or loss

### **K-1**

- Shareholder's or partner's percentage of profit or loss

## **Profit and loss statement**

- A financial statement that summarizes the revenues, costs and expenses incurred during a specific period of time.

## **Additional Documents that May be Requested by the Lender**

Finally, here are some other documents that a mortgage lender may ask you to show. Some might seem a little extreme, but they help make sure the loan is legal and legitimate. It's a good idea to have these ready to go when applying for a mortgage if you're self-employed. Keep in mind, these requirements can vary by state, so check with us if you have any questions.

### **Business license**

- Issued by state, city or county
- Mortgage applicant named as business owner
- Name of business (if applicable)

### **Letter from companies that a self-employed mortgage applicant services**

- Minimum of one letter must come from a legitimate business
- Any type of self-employed person working on a service level or contract basis:
  - On letterhead
  - Contact information for business
  - Name of mortgage applicant
  - Type of service used
  - Dates of service

### **Bond insurance**

- For example: builders, contractors, repair workers, car dealers, paralegals, brokers/lenders
  - Mortgage applicant named as policy holder
  - Date policy was instated (must be at least two years ago)

### **Membership in professional organization in his/her line of work**

- Ex. ADA (Dentist), AMA (Medical Doctor), Realtors, Builders
  - Letter on letterhead including:
    - Contact information for organization
    - Client's name
    - Verification that you're currently self-employed (at least two years)

### **DBA (Doing Business As)**

- Issued by state, city or county containing:

- Date DBA was obtained (at least two years)
- Mortgage applicant named as business owner
- You may be required to provide additional docs for current self-employment

### **Signed CPA letter**

- Verify existence and ownership of business
- Verification of the CPA included

### **Signed EA letter**

- Verify existence and ownership of the business

### **Signed letter from tax preparer with PTIN (Preparer Tax Identification Number)**

- Should verify existence of business and ownership of business

### **Workers comp or employer's liability insurance**

- Current statement that contains:
  - Evidence policy is active
  - Client named as policy holder

We know this is a long list, but our goal is to get you the best mortgage to reach your financial goals even if you're self-employed. We hope this info up front helps make that happen.

Need help.

Contact: <http://mortgagesforselfemployed.com> and have one of our representatives help you get the mortgage you need.