

# 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)