

## Income 101

- Income is calculated MONTHLY for Mortgages. We use the pre-tax figure.
- It directly impacts how much you can afford. In many cases 2 YEARS of Income are required.

### Income TYPES can include:

Hourly	Salary	Commission	Bonuses	Overtime
Rental Income	Dividends	Housing allowances	Pension Distributions	Disability Income
Social Security/	Alimony	Child Support	2 <sup>nd</sup> job with 2 year history	

### INCOME DOCUMENTS:

Tax Returns	W2s	1099s	Pay Stubs	Verification of Employment
-------------	-----	-------	-----------	----------------------------

#### When Borrower has 2 jobs:

- Must be able to demonstrate they have been able to hold 2 jobs for 2+ years in order to use both incomes, and can't be declining.

#### Overtime:

-Must be able to demonstrate overtime income for 2+ years in order to use, and can't be declining.

### INCOME TIPS FOR HOME BUYERS:

- Major career changes can affect your ability for a mortgage! Make them wisely and remember lenders want to best predict your stability in a position and industry.
- Try to keep a consistent number of hours worked in the months leading up to your purchase
- Keep copies of your checks if you do not have direct deposit
- Future raises in pay can often be used, just ask for a letter from HR showing when/how much
- Rental Income from 2-4 Unit properties can be used to help qualify

**\*\*\*Keep in mind that each rule has exceptions and every individual's income and scenario is different.**

**Make sure to speak with your loan officer if you have any questions!\*\*\***

