

Self Employed Borrower: Schedule C

September 2021

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Recommended Prerequisites

- **Understanding Desktop Underwriter®- The Basics**
- **Understanding Loan Product Advisor- The Basics**
- **Self Employed Income the Basics Part 1- Personal Return**
- **Self Employed Income the Basics Part 2- Business Return**

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Materials You Will Need

- Form 1084 Worksheet
- Tax Return 1040's for Dan Designer

Objective

Understand the meaning of “Self-Employed”

Learn to use Fannie Mae’s 1084 to calculate supportable income using tax returns.

Complete Fannie Mae’s 1084 Cashflow Analysis

- Review Schedule C

You'll Need

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Dan	Last name Designer	Your social security number XXX-XX-XXXX
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions.
1000 Decorator Drive Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below.
Raleigh State NC ZIP code 27615

Foreign country name Foreign province/state/county Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
☐ You ☐ Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind Spouse: ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> If qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

If more than four dependents, see instructions and check here ▶ ☐

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	
2a Tax-exempt interest	2a	
3a Qualified dividends	3a	
4a IRA distributions	4a	
5a Pensions and annuities	5a	
6a Social security benefits	6a	
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8 Other income from Schedule 1, line 9	8	66,270.
9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	68,414.
10 Adjustments to income:		
a From Schedule 1, line 22	10a	25,126.
b Charitable contributions if you take the standard deduction. See instructions	10b	
c Add lines 10a and 10b. These are your total adjustments to income	10c	25,126.
11 Subtract line 10c from line 9. This is your adjusted gross income	11	43,288.
12 Standard deduction or itemized deductions (from Schedule A)	12	29,541.
13 Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	2,749.
14 Add lines 12 and 13	14	32,290.
15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	10,998.

Attach Sch. B if required.

Standard Deduction for—
• Single or Married filing separately, \$12,400
• Married filing jointly or Qualifying widow(er), \$24,800
• Head of household, \$18,650
• If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2020)

Income Worksheets/Calculator

















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Self-Employed Borrower Tools by Enact MI

We get it, mental math is hard. That's why Enact provides a collection of downloadable calculators and reference guides to help you analyze a self-employed borrower's average monthly income and expenses.

Please note that these tools offer suggested gu

 PDF	Fannie Mae Form 1084 Calculator (2019-2020) Calculate and analyze cash flow to help you complete Fannie Mae form 1084. UPDATED	 XLSX	Fannie Mae Form 1084 Calculator XLS (2019-2020) Calculate and analyze cash flow to help you complete Fannie Mae form 1084. UPDATED	 PDF	Freddie Mac Form 91 Calculator (2019-2020) Quick reference guide and income analysis for Freddie Mac Form 91. UPDATED
 PDF	Freddie Mac Form 92 Calculator (2019-2020) Form 92 Net Rental Income Calculations – Schedule E. UPDATED	 PDF	Schedule Analysis Method (SAM) Calculator (2019-2020) Calculate qualifying income from tax returns. UPDATED	 PDF	Rental Income Calculator (2019-2020) Assists in calculating rental income from IRS form 1040 Schedule E. UPDATED
 PDF	Current Ratio – Liquidity Calculator (2019-2020) Calculate working capital liquidity against current liabilities. UPDATED	 PDF	Quick Ratio – Liquidity Calculator (2019-2020) Calculate an organization's liquidity against current liabilities. UPDATED	 PDF	Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 2- to 4-unit Property)
 PDF	Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income from Investment Property)	 PDF	Fannie Mae Form 1088 Cheat Sheet Use this quick reference guide for Fannie Mae's Comparative Analysis Form (Form 1088)	 PDF	Fannie Mae Comparative Analysis Form 1088 Calculate increases/decreases in gross income, expenses and taxable income.
 XLSX	Income Calculation Worksheet Use this form to calculate income. UPDATED	 XLSX	P&L Calculator Created as result of changes made by the GSEs to adapt to the COVID-19 pandemic.	 XLSX	Business Stability and Income Worksheet (2021) Created as result of changes made by the GSEs to adapt to the COVID-19 pandemic. UPDATED



Income Worksheets/Calculator



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Self-Employed Borrower Tools by Enact MI

We get it, mental math is hard. That's why Enact provides a collection of downloadable calculators and reference guides to help you calculate your average monthly income and expenses.

Please note that these tools offer suggested guidance, they don't replace instructions or applicable guidelines from



Fannie Mae Form 1084 Calculator (2019-2020)

Calculate and analyze cash flow to help you complete Fannie Mae form 1084. **UPDATED**



For full functionality, download and save PDF first before entering data.
Please download before each calculation as calculations are updated periodically.

Enact

Calculator and Quick Reference Guide: Fannie Mae Cash Flow Analysis

Please use the following quick reference guide to assist you in completing Fannie Mae Form 1084. It provides suggested guidance only and does not replace Fannie Mae instructions or applicable guidelines.
Note: For entries with the marker (+/-) type a "-" for entering a negative amount. Example: -10,345.67

IRS Form 1040 - Individual Income Tax Return	2020	2019	NOTES
1 W-2 Income from Self-Employment	+		
2 Schedule B - Interest and Ordinary Dividends			
a. Interest Income from Self-Employment (Line 6)	+		
b. Dividends from Self-Employment (Line 6)	+		
3 Schedule C - Profit or Loss from Business: Sole Proprietorship			
a. Net Profit or Loss (Line 31)	+/-		
b. Nonrecurring Other (Income) Loss/Expenses (Line 4)	+/-		
c. Depreciation (Line 13)	+		
d. Depreciation (Line 13)	+		
e. Non-deductible Meals and Entertainment Expenses (Line 24)	-		
f. Business Use of Home (Line 26, Check applicable guidelines)	+		
g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+		
h. Business Miles (Page 2, Part IV, Line 44a OR Related 4542, Line 20)			
i. Depreciation Rate (2020 - 27%; 2019 - 34%)		0.27	0.34
j. Total Mileage Depreciation	+	0.00	0.00
Subtotal Schedule C	=	0.00	0.00
4 Schedule D - Capital Gains and Losses			
a. Recurring Capital Gains (from Self-Employment)	+		
5 Schedule E - Supplemental Income and Loss			
Note: A lender may use Fannie Mae Rental Income Worksheets (Form 1027 or Form 1034) or a comparable form to calculate individual rental income (loss) reported on Schedule E.			
a. Royalties Received (Line 4)	+		
b. Total Expenses (Line 20)	-		
c. Depreciation (Line 16)	+		
Subtotal Schedule E	=	0.00	0.00
6 Schedule F - Profit or Loss from Farming			
a. Net Farm Profit or Loss (Line 34)	+/-		
b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 4a-b)	+/-		
c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-		
d. Depreciation (Line 14)	+		
e. Amortization/Casualty Loss/Depreciation (Line 22*)	+		
f. Business Use of Home (Line 32, Check applicable guidelines)	+		
Subtotal Schedule F	=	0.00	0.00
Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.			

This calculator can be found at <https://EnactMI.com/self-employed-borrower-calculator>

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Income Worksheets/Calculator



Freddie Mac Form 91 Calculator (2019- 2020)

Quick reference guide
and income analysis for
Freddie Mac Form 91
UPDATED



For full functionality, download PDF first before entering data. Please download before each calculation as calculators are updated periodically.

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Calculator and Quick Reference Guide: Form 91 Income Calculations

Please use the following quick reference guide to assist you in completing Freddie Mac Form 91. This form is for suggested guidance and does not replace Freddie Mac instructions or applicable guidelines.
Note: For entries with the marker (+/-) type a '-' for entering a negative amount. Example: -12,345.67

I. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return

		2020	2019	NOTES
1	W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)			
	Name of Business:			
	W-2 Income, Section 5304.1 (d)(1)	*		Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable
	Subtotal of W-2 Income From Self-employment	\$ 0.00	\$ 0.00	
2	Schedule B – Interest and Ordinary Dividends			
	Recurring interest income (Chapter 5305) (Line 1)	+		
	Recurring dividend income (Chapter 5305) (Line 5)	+		
	Dividend income from self-employment reported on IRS Form 1120	-		
	Subtotal of Dividends and Interest	\$ 0.00	\$ 0.00	
3	Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)			
	Name of Business #1:			
	Net profit or loss (Line 31)	+/-		
	Non-recurring other income or loss, or expenses (Line 6)	+/-		
	Depreciation (Line 12)	*		
	Depreciation - See three lines below for additional vehicle depreciation (Line 13)	*		
	Meals and entertainment exclusion (Line 24b)	-		
	Amortization or casualty loss - Only add back Amort/CL (Review C, Page 2, Part V)	*		
	Business use of home - Follow investor credit policy (Line 30, Form 8829 or Simplified Method Worksheet)	*		
	Business Miles (Page 2, Part IV, Line 44a or Related 4562, Line 30)			
	x Depreciation Rate (2020-27e and 2019-26d)	\$ 0.27	\$ 0.26	
	+ Total Mileage Depreciation	\$ 0.00	\$ 0.00	
	Subtotal from Schedule C, Business #1	\$ 0.00	\$ 0.00	

This calculator can be found at <https://EnactMI.com/self-employed-borrower-calculators>

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The Tax Return...

Form 1040 Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
Check only one box.
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial: Dan
Last name: Designer
Your social security number: XXX-XX-XXXX

If joint return, spouse's first name and middle initial: _____
Last name: _____
Spouse's social security number: _____

Home address (number and street). If you have a P.O. box, see instructions.
1000 Decorator Drive
City, town, or post office. If you have a foreign address, also complete spaces below.
Raleigh
State: NC ZIP code: 27615
Foreign country name: _____ Foreign province/state/country: _____ Foreign postal code: _____
Presidential Election Campaign: ☐ You ☐ Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction ☐ Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):
If more than four dependents, see instructions and check here ▶ ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRA distributions	4a	
5a	Pensions and annuities	5a	
6a	Social security benefits	6a	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7	
8	Other income from Schedule 1, line 9	8	66,270.
10	Adjustments to income:	10a	25,126.
11	Subtract line 10c from line 9. This is your adjusted gross income	11	43,288.
12	Standard deduction or itemized deductions (from Schedule A)	12	29,541.
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	2,749.
14	Add lines 12 and 13	14	32,290.
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	10,998.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2020)

The Example is Dan Designer

Dan runs a business from home. The business is a Sole Proprietor and he files a Schedule C. He is a 100% owner.

SCHEDULE 1 (Form 1040) **Additional Income and Adjustments to Income** OMB No. 1545-0074

Department of the Treasury Internal Revenue Service **2020** Attachment Sequence No. 01
▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR: Dan Designer
Your social security number: XXX-XX-XXXX

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶		
3	Business income or (loss). Attach Schedule C	3	66,270.
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income. List type and amount ▶	8	
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	9	66,270.

Review Line 8 to determine if a Schedule 1 has been filed

The Tax Return...

The Example is Dan Designer

Dan runs a business from home. The business is a Sole Proprietor and he files a Schedule C. He is a 100% owner.

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		<p>► Attach to Form 1040, 1040-SR, or 1040-NR.</p> <p>► Go to www.irs.gov/Form1040 for instructions and the latest information.</p>		<p>2020</p> <p>Attachment Sequence No. 01</p>
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Dan Designer			Your social security number XXX-XX-XXXX	
Part I Additional Income				
1	Taxable refunds, credits, or offsets of state and local income taxes	1		
2a	Alimony received	2a		
b	Date of original divorce or separation agreement (see instructions) ►			
3	Business income or (loss). Attach Schedule C	3	66,270.	
4	Other gains or (losses). Attach Form 4797	4		
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5		
6	Farm income or (loss). Attach Schedule F	6		
7	Unemployment compensation	7		
8	Other income. List type and amount ►	8		
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	9	66,270.	

3 Business income or (loss). Attach Schedule C 3 66,270.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (99)		<p>► Go to www.irs.gov/ScheduleC for instructions and the latest information.</p> <p>► Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.</p>		<p>2020</p> <p>Attachment Sequence No. 09</p>
Name of proprietor Dan Designer		Social security number (SSN) XXX-XX-XXXX		
A Principal business or profession, including product or service (see instructions) Interior Design		B Enter code from instructions 91411010		
C Business name, if no separate business name, leave blank.		D Employer ID number (EIN) (see 1041)		
E Business address (including suite or room no.) ► 1000 Decorator Drive City, town or post office, state, and ZIP code Raleigh, NC 27615				
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►				
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No				
H If you started or acquired this business during 2020, check here <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Part I Income				
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	297,800.	
2	Returns and allowances	2	14,888.	
3	Subtract line 2 from line 1	3	282,912.	
4	Cost of goods sold (from line 42)	4	0.	
5	Gross profit. Subtract line 4 from line 3	5	282,912.	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6		
7	Gross income. Add lines 5 and 6	7	282,912.	
Part II Expenses. Enter expenses for business use of your home only on line 30.				
8	Advertising	8	17,999.	
9	Car and truck expenses (see instructions)	9	25,082.	
10	Commissions and fees	10		
11	Contract labor (see instructions)	11	48,122.	
12	Depreciation	12		
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	3,120.	
14	Employee benefit programs (other than on line 19)	14		
15	Insurance (other than health)	15	3,100.	
16	Interest (see instructions):	16		
a	Mortgage (paid to banks, etc.)	16a	1,444.	
b	Professional services	16b	17,660.	
17	Office expense (see instructions)	17	17,555.	
18	Pension and profit-sharing plans	18		
19	Rent or lease (see instructions):	19		
a	Vehicles, machinery, and equipment	19a	22,700.	
b	Other business property	19b		
20	Repairs and maintenance	20		
21	Supplies (not included in Part III)	21	6,599.	
22	Taxes and licenses	22	3,750.	
23	Travel and meals:	23		
a	Travel	23a	7,855.	
b	Deductible meals (see instructions)	23b	1,172.	
24	Utilities	24		
25	Wages (less employment credits)	25		
26	Other expenses (from line 48)	26	13,929.	
27	Reserved for future use	27		
28	Less: before expenses for business use of home. Add lines 8 through 27a	28	188,087.	
29	Profit or (loss). Subtract line 28 from line 7	29	94,825.	
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home; and (b) the part of your home used for business Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	28,555.	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	66,270.	
32	If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	32		
32a	<input type="checkbox"/> All investment is at risk.	32a		
32b	<input type="checkbox"/> Some investment is not at risk.	32b		

Review Line 3 to determine if a Schedule C has been filed

The Tax Return...

SCHEDULE C (Form 1040) Profit or Loss From Business (Sole Proprietorship)

OMB No. 1545-0074
2020
Attachment Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor
Dan Designer

Social security number (SSN)
XXX-XX-XXXX

A Principal business or profession, including product or service (see instructions)
Interior Design

B Enter code from instructions
541400

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN) (see instructions)

E Business address (including suite or room no.)
1000 Decorator Drive
City, town or post office, state, and ZIP code
Raleigh, NC 27615

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) **▶**

G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses ☒ Yes ☐ No

H If you started or acquired this business during 2020, check here ☐ Yes ☒ No

I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions ☐ Yes ☒ No

J If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☒ No

Part I Income

3 Business income or (loss). Attach Schedule C 3 66,270.

4 Cost of goods sold (from line 42) **4 0.**

5 Gross profit. Subtract line 4 from line 3 **5 282,912.**

6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) **6**

7 Gross income. Add lines 5 and 6 **7 282,912.**

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising **8 17,999.** **16** Office expense (see instructions) **16 17,555.**

31 Net profit or (loss). Subtract line 30 from line 29.

- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you must go to line 32.

14 Employee benefit programs (other than on line 19) **14**

15 Insurance (other than health) **15 3,100.**

16 Interest (see instructions):

a Mortgage (paid to banks, etc.) **16a 1,444.**

b Other **16b 17,660.**

17 Legal and professional services **17 17,660.**

24a Travel **24a 7,855.**

24b Deductible meals (see instructions) **24b 1,172.**

25 Utilities **25**

26 Wages (less employment credits) **26**

27a Other expenses (from line 46) **27a 13,929.**

27b Reserved for future use **27b**

28 Total expenses before expenses for business use of home. Add lines 8 through 27a **28 188,087.**

29 Tentative profit or (loss). Subtract line 28 from line 7 **29 94,825.**

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.
Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 **30 28,555.**

31 Net profit or (loss). Subtract line 30 from line 29.

- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

- If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If you checked 32b, you must attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 02/15/21 TTW Schedule C (Form 1040) 2020

The **Example** is **Dan Designer**

Dan runs a business from home. The business is a Sole Proprietor and he files a Schedule C. He is a 100% owner.

Review Line 31 to determine if just 1 Schedule C has been filed

Review Schedule C

Start with the Net Profit or Loss

3	Schedule C - Profit or Loss from Business: Sole Proprietorship	
	a. Net Profit or Loss (Line 31)	+/-

- 31 Net profit or (loss).** Subtract line 30 from line 29.
- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
 - If a loss, you **must** go to line 32.

SCHEDULE C (Form 1040)		Profit or Loss from Business (Sole Proprietorship)		OMB No. 1545-0074 2020 Attachment Sequence No. 09	
Department of the Treasury Internal Revenue Service (99)		Go to www.irs.gov/ScheduleC for instructions and the latest information. Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.			
Name of proprietor Dan Designer		Social security number (SSN) XXX-XX-XXXX		B Enter code from instructions 541400	
A Principal business or profession, including product or service (see instructions) Interior Design		C Business name, if no separate business name, leave blank.		D Employer ID number (EIN) (see instructions)	
E Business address (including suite or room no.) City, town or post office, state, and ZIP code 1000 Decorator Drive Raleigh, NC 27615					
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) Cash		Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
G Did you "start or acquired this business during 2020, check here" <input type="checkbox"/>		H Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Part I Income					
1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	297,800.		
2	Returns and allowances	2	14,888.		
3	Subtract line 2 from line 1	3	282,912.		
4	Cost of goods sold (from line 42)	4	0.		
5	Gross profit. Subtract line 4 from line 3	5	282,912.		
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6			
7	Gross income. Add lines 5 and 6	7	282,912.		
Part II Expenses. Enter expenses for business use of your home only on line 30.					
8	Advertising	8	17,999.	18	Office expense (see instructions)
9	Car and truck expenses (see instructions)	9	25,082.	19	Pension and profit-sharing plans
10	Commissions and fees	10		20	Rent or lease (see instructions):
11	Contract labor (see instructions)	11	48,122.	20a	Vehicles, machinery, and equipment
12	Depreciation	12		20b	Other business property
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	3,120.	21	Repairs and maintenance
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)
15	Insurance (other than health)	15	3,100.	23	Taxes and licenses
16	Interest (see instructions):	16a		24	Travel and meals:
a	Mortgage (paid to banks, etc.)	16a		a	Travel
b	Other	16b	1,444.	b	Deductible meals (see instructions)
17	Legal and professional services	17	17,660.	25	Utilities
18				26	Wages (less employment credits)
19				27a	Other expenses (from line 48)
20				27b	Reserved for future use
21				28	Total expenses before expenses for business use of home. Add lines 8 through 27a
22				29	Tentative profit or (loss). Subtract line 28 from line 7
23				30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.
24				31	Net profit or (loss). Subtract line 30 from line 29.
25				32a	All investment is at risk.
26				32b	Some investment is not at risk.
27					
28					
29					
30					
31			66,270.		

For Paperwork Reduction Act Notice, see the separate instructions.

BAA

REV 02/15/21 TTW

Schedule C (Form 1040) 2020

Income Analysis Form 1084

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	
	c. Depletion (Line 12)	+	
	d. Depreciation (Line 13)	+	
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	66,270.00

b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-
---	-----

6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
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Examples include:

- Profit from postage, shipping or handling, if you **track it separately**
- **Interest** earned on notes or accounts receivable
- **Bad debts** you deducted in a previous year that were repaid (whole or in part) this year
- **Cash prizes and awards** that your business received, such as a \$500 prize from your local Chamber of Commerce for "Business of the Year"

Is “Other Income” Regular and Reoccurring?

Is a Gas or Fuel Credit?

Usually No - When in doubt - Take it out!

Income Analysis Form 1084

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	
	d. Depreciation (Line 13)	+	
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	66,270.00

c. Depletion (Line 12)

12 Depletion **12**

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	66,270.00

d. Depreciation (Line 13)

+

13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	3,120.
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3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	3,120.00
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	69,390.00

e. Non-deductible Meals and Entertainment Expenses (Line 24b)

—

24	Travel and meals:		
a	Travel	24a	7,855.
b	Deductible meals (see instructions)	24b	1,172.

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	3,120.00
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	—	1,172.00
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	68,218.00

Schedule C Meals

Business meal expenses.

You can deduct a percentage of the actual cost of a meal if the following conditions are met.

The meal expense was an ordinary and necessary expense in carrying on your trade or business;

The expense was not lavish or extravagant under the circumstances;

You or your employee was present at the meal;

The meal was provided to a current or potential business customer, client, consultant, or similar business contact; and

In the case of food or beverages provided during or at an entertainment event, the food and beverages were purchased separately from the entertainment, or the cost of the food and beverages was stated separately from the cost of the entertainment on one or more bills, invoices, or receipts.

Schedule C Meals

Amount of deduction.

In most cases, you can deduct only 50% of your business meal expenses, including meals incurred while away from home on business. However, for individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 80% for business meals consumed during, or incident to, any period of duty for which those limits are in effect. Individuals subject to the DOT hours of service limits include the following.

Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.

Interstate truck operators who are under DOT regulations.

Certain merchant mariners who are under Coast Guard regulations.

However, you can fully deduct meals and incidentals furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You also can fully deduct meals and incidentals provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-NEC. See Pub. 535 for details and other exceptions.

www.irs.gov

f. Business Use of Home (Line 30, Check applicable guidelines)	+	
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30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	28,555.
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Let's review the worksheet...

8829 Business Use of Home

Form 8829 Department of the Treasury Internal Revenue Service (99)	Expenses for Business Use of Your Home ▶ File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year. ▶ Go to www.irs.gov/Form8829 for instructions and the latest information.	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold; text-align: center;">2020</div> Attachment Sequence No. 176
Name(s) of proprietor(s) Dan Designer		Your social security number XXX-XX-XXXX

Part I Part of Your Home Used for Business	Interior Design
1 Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1 2,225
2 Total area of home	2 6,000
3 Divide line 1 by line 2. Enter the result as a percentage	3 37.08 %

Part II Figure Your Allowable Deduction	business, go to line 4. All others, go to line 7.
8 Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home, minus any loss from the trade or business not derived from the business use of your home. See instructions.	8 94,825.
9 See instructions for columns (a) and (b) before completing lines 9-22.	
9 Casualty losses (see instructions)	9 8,250.
10 Deductible mortgage interest (see instructions)	10 23,111.
11 Real estate taxes (see instructions)	11 18,400.
12 Add lines 9, 10, and 11	12 8,250.
13 Multiply line 12, column (b), by line 7	13 15,392.
14 Add line 12, column (a), and line 13	14 23,642.
15 Subtract line 14 from line 8. If zero or less, enter -0-	15 71,183.
16 Excess mortgage interest (see instructions)	16
17 Excess real estate taxes (see instructions)	17
18 Insurance	18 3,909.
19 Rent	19
20 Repairs and maintenance	20 1,877.
21 Utilities	21 7,855.
22 Other expenses (see instructions)	22 720.
23 Add lines 16 through 22	23 1,877.
24 Multiply line 23, column (b), by line 7	24 7,270.
25 Carryover of prior year operating expenses (see instructions)	25
26 Add line 23, column (a), line 24, and line 25	26 9,147.
27 Allowable operating expenses. Enter the smaller of line 15 or line 26	27 9,147.
28 Limit on excess casualty losses and depreciation. Subtract line 27 from line 15	28 62,036.
29 Excess casualty losses (see instructions)	29
30 Depreciation of your home from line 42 below	30 4,016.
31 Carryover of prior year excess casualty losses and depreciation (see instructions)	31
32 Add lines 29 through 31	32 4,016.
33 Allowable excess casualty losses and depreciation. Enter the smaller of line 28 or line 32	33 4,016.
34 Add lines 14, 27, and 33	34 36,805.
35 Casualty loss portion, if any, from lines 14 and 33. Carry amount to Form 4684. See instructions.	35 8,250.
36 Allowable expenses for business use of your home. Subtract line 35 from line 34. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.	36 28,555.

Part III Depreciation of Your Home	Part IV Carryover of Unallowed Expenses to 2021
37 Enter the smaller of your home's adjusted basis or its fair market value. See instructions	37 376,000.
38 Value of land included on line 37	38
39 Basis of building. Subtract line 38 from line 37	39 376,000.
40 Business basis of building. Multiply line 39 by line 7	40 139,421.
41 Depreciation percentage (see instructions)	41 2.5641 %
42 Depreciation allowable (see instructions). Multiply line 40 by line 41. Enter here and on line 30 above	42 4,016.
43 Operating expenses. Subtract line 27 from line 26. If less than zero, enter -0-	43 0.
44 Excess casualty losses and depreciation. Subtract line 33 from line 32. If less than zero, enter -0-	44 0.

For Paperwork Reduction Act Notice, see your tax return instructions. BAA REV 02/15/21 TTW Form **8829** (2020)

Income Analysis Form 1084

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	3,120.00
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	1,172.00
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	28,555.00
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	96,773.00

g. Amortization/Casualty Loss (Only add back Amort/CL -
Review Schedule C Page 2, Part V*)

+

Part II Expenses. Enter expenses for business use of your home only on line 30.							
8	Advertising	8	17,999.	18	Office expense (see instructions)	18	17,555.
9	Car and truck expenses (see instructions).	9	25,082.	19	Pension and profit-sharing plans .	19	
10	Commissions and fees .	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11	48,122.	a	Vehicles, machinery, and equipment	20a	
12	Depletion	12		b	Other business property	20b	22,700.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	3,120.	21	Repairs and maintenance	21	
14	Employee benefit programs (other than on line 19). .	14		22	Supplies (not included in Part III) .	22	6,599.
15	Insurance (other than health)	15	3,100.	23	Taxes and licenses	23	1,750.
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	7,855.
b	Other	16b	1,444.	b	Deductible meals (see instructions)	24b	1,172.
17	Legal and professional services	17	17,660.	25	Utilities	25	
				26	Wages (less employment credits).	26	
				27a	Other expenses (from line 48) . .	27a	13,929.
				b	Reserved for future use	27b	

Line 27a reveals there are other expenses, let's review page 2...

Income Analysis Form 1084

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.	
gifts	8,000.
Printing	4,579.
Magazines	250.
Dues	1,100.
48 Total other expenses. Enter here and on line 27a	48 13,929.

This section may indicate that the “other” expenses have been itemized on a statement.

Income Analysis Form 1084

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	3,120.00
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	1,172.00
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	28,555.00
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	0.00
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	0.00
	Subtotal Schedule C	=	96,773.00


Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
= Total Mileage Depreciation	+	0.00

If the customer has entered expenses on Line #9 they will have an entry on Part IV or a 4562 will be attached.

Part II Expenses. Enter expenses for business use of your vehicle.			
8	Advertising	8	17,999.
9	Car and truck expenses (see instructions).	9	25,082.

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month/day/year) ▶ _____

 **44** Of the total number of miles you drove your vehicle during 2020, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ **Yes** ☐ **No**

46 Do you (or your spouse) have another vehicle available for personal use?. ☐ **Yes** ☐ **No**

47a Do you have evidence to support your deduction? ☐ **Yes** ☐ **No**

b If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

Let's look for the 4562...

4562 Page 2

Form 4562 **Depreciation and Amortization**
(Including Information on Listed Property)
OMB No. 1545-0172
2020
Attachment Sequence No. 179

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return
Dan Designer

Business or activity to which this form relates
Sch C Interior Design

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1,040,000.
2	Total cost of section 179 property placed in service (see instructions)	3,976.
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	2,590,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	1,040,000.

(a) Description of property	(b) Cost (business use only)
Embroidery Machine	1,999.
Sony Video Camera	1,977.

7 Listed property. Enter the amount from line 29 **7**

8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7

9 Tentative deduction. Enter the smaller of line 5 or line 8

10 Carryover of disallowed deduction from line 13 of your 2019 Form 4562

11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5

12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11

13 Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12 **13**

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions

15 Property subject to section 168(f)(1) election

16 Other depreciation (including ACRS)

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2020

18 If you are electing to group any assets placed in service during the tax year into one or more asset accounts, check here

Section B—Assets Placed in Service During 2020 Tax Year Using the General Depreciation System (GDS)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention
19a 3-year property				
b 5-year property				
c 7-year property		999.	7.0	HY
d 10-year property				
e 15-year property				
f 20-year property				
g 25-year property			25 yrs.	
h Residential rental property			27.5 yrs.	MM
i Nonresidential real property			39 yrs.	MM

Section C—Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System (ADS)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention
20a Class life				
b 12-year			12 yrs.	
c 30-year			30 yrs.	MM
d 40-year			40 yrs.	MM

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28

Form 4562 (2020)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C.

Section A—Depreciation and Other Information (Caution: See the instructions.)

24a Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)
2018 Mercedes Benz GLS	01/01/2018	83.11 %		
		%		
		%		

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions

26 Property used more than 50% in a qualified business use:

27 Property used 50% or less in a qualified business use:

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 50% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles)	13,020				
31 Total commuting miles driven during the year					
32 Total other personal (noncommuting) miles driven	2,646				

33 Total miles driven during the year. Add lines 30 through 32 15,666

34 Was the vehicle available for personal use during off-duty hours? X

35 Was the vehicle used primarily by a more than 50% owner or related person? X

36 Is another vehicle available for personal use? X

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 50% owners or related persons. See instructions.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?

38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners

39 Do you treat all use of vehicles by employees as personal use?

40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?

41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2020 tax year (see instructions)					
43 Amortization of costs that began before your 2020 tax year					
44 Total. Add amounts in column (f). See the instructions for where to report					

Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
= Total Mileage Depreciation	+	0.00

Part II Expenses. Enter expenses for business use of your vehicle.		
8 Advertising	8	17,999.
9 Car and truck expenses (see instructions).	9	25,082.

If the customer has entered expenses on Line #9 they will have an entry on Part IV or a 4562 will be attached.

Form 4562 Department of the Treasury Internal Revenue Service (99)	Depreciation and Amortization (Including Information on Listed Property) ▶ Attach to your tax return. ▶ Go to www.irs.gov/Form4562 for instructions and the latest information.		OMB No. 1545-0172 2020 Attachment Sequence No. 179
	Name(s) shown on return Dan Designer	Business or activity to which this form relates Sch C Interior Design	Identifying number XXX-XX-XXXX

30 Total business/investment miles driven during the year (don't include commuting miles) .	(a) Vehicle 1 13,020
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If the borrower has a 4562 with related vehicle expenses, there is a Schedule C Car & Truck Worksheet. However, it is NOT included in the clients copy. The detailed copy typically is the tax preparer's files only. The Worksheet will give you the line itemized expenses totaling the line #9 amount.

Income Analysis Form 1084

3	Schedule C – Profit or Loss from Business: Sole Proprietorship		
	a. Net Profit or Loss (Line 31)	+/-	66,270.00
	b. Nonrecurring Other (Income) Loss/Expenses (Line 6)	+/-	0.00
	c. Depletion (Line 12)	+	0.00
	d. Depreciation (Line 13)	+	3,120.00
	e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-	1,172.00
	f. Business Use of Home (Line 30, Check applicable guidelines)	+	28,555.00
	g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part V*)	+	0.00
	Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		13,020.00
	X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
	= Total Mileage Depreciation	+	3,515.40
	Subtotal Schedule C	=	100,288.40

Subtotal Schedule C	=	100,288.40	0.00
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If a two-year average must be considered you must complete both years.



Income Trending

After the monthly year-to-date income amount is calculated, it must be compared to prior years' earnings using the borrower's W-2's or signed federal income tax returns (or a standard Verification of Employment completed by the lender or third-party employment verification vendor)

- If the trend in the amount of income is stable or increasing, the income amount should be averaged
- If the trend was declining, but has since stabilized and there is no reason to believe that the borrower will not continue to be employed at the current level, the current, lower amount of variable income must be used
- If the trend is declining, the income may not be stable. Additional analysis must be conducted to determine if any variable income should be used, but in no instance may it be averaged over the period when the declination occurred

Self-Employment Fannie Mae

The lender must prepare a written evaluation of its analysis of a self-employed borrower's personal income, including the business income or loss, reported on the borrower's individual income tax returns. The purpose of this written analysis is to determine the amount of stable and continuous income that will be available to the borrower. This is not required when a borrower is qualified using only income that is not derived from self-employment and self-employment is a secondary and separate source of income (or loss). Examples of income not derived from self-employment include salary and retirement income.

The lender may use Form 1084 or any other type of cash flow analysis, including automated tools, that applies the same principles as Fannie Mae's form.

A copy of the written analysis must be included as part of any loan application package that the lender submits to Fannie Mae for a mortgage that is selected for a post-purchase quality control review.

The lender may use a Fannie Mae-approved vendor tool to complete the written analysis and calculate self-employment income. The lender may receive representation and warranty enforcement relief of the calculated amount if certain requirements are met. See A2-2-04, Limited Waiver and Enforcement Relief of Representations and Warranties for Mortgages Submitted to DU and Fannie Mae's website for the list of [Approved Vendor Tools](#).

<https://selling-guide.fanniemae.com/>

Fannie Mae 2021 Selling Guide B3-3.2-01, Underwriting Factors and Documentation for a Self-Employed Borrower (12/04/2018)

Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

Requirements for borrowers using self-employment income to qualify

Effective: These policies became effective for loans with application dates on or after Jun. 11, 2020. The updated requirements to obtain three business depository account statements (increased from two statements) with an unaudited profit and loss statement and to review the depository account statements to support the level of business revenue reported in the current YTD profit and loss statement were effective for loan applications dated on and after Dec. 14, 2020. All policies are effective until further notice.

Income Analysis

Self-employment income is variable in nature and generally subject to changing market and economic conditions. Whether a business is impacted by an adverse event, such as COVID-19, and the extent to which business earnings are impacted can depend on the nature of the business or the demand for products or services offered by the business. Income from a business that has been negatively impacted by changing conditions is not necessarily ineligible for use in qualifying the borrower. However, the lender is required to determine if the borrower's income is stable and has a reasonable expectation of continuance.

Due to the pandemic's continuing impact on businesses throughout the country, lenders are now required to obtain the following additional documentation to support the decision that the self-employment income meets our requirements:

- an audited year-to-date profit and loss statement reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date; or
- an unaudited year-to-date profit and loss statement signed by the borrower reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and three business depository account(s) statements no older than the latest three months represented on the year-to-date profit and loss statement.
 - For example, the business depository account statements can be no older than Aug, Sep, Oct. for a year-to-date profit and loss statement dated through Oct. 31.
 - The lender must review the three most recent depository account statements to support the level of business revenue reported in the current year-to-date profit and loss statement. Otherwise, the lender must obtain additional statements or other documentation to support the on-going nature of business revenue reported in the current year-to-date profit and loss statement.

NOTE: The year-to-date profit and loss statement must be no older than 60 days old as of the note date consistent with current [Age of Documentation](#) requirements below.

Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

Lenders must review the profit and loss statement, and business depository accounts if required, and other relevant factors to determine the extent to which a business has been impacted by COVID-19. The lender can use the following guidance when performing the assessment of business operations and stability and must complete the business income assessment based on the minimum additional documentation above. In some instances, the lender may find it necessary to obtain supplemental documentation listed in the examples below.

Assessing the Impact of COVID-19	
Business operations	<ul style="list-style-type: none">▪ Have business operations been maintained or modified to support continued business income? <i>For example, review an updated business plan.</i>▪ Is the business continuing to operate in the current location or an alternate location suitable for business operations? <i>For example, perform an Internet search or verify through a third-party source.</i>▪ Is there a demand for the product or service currently offered by the business? <i>For example, obtain current business receipts or purchase contracts.</i>▪ Is the business operation and/or revenue temporarily restricted due to state shelter in place, stay at home or other similar state or local orders?▪ Is the impact to the business operations negligible due to the nature of the business? <i>For example, obtain a written explanation from the business owner or confirmation that income is seasonal apart from the event timeline.</i>

Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

Business Income	<p>The lender must complete a business income assessment by comparing the year-to-date net business income from the year-to-date profit and loss statement to historical business income calculated using the <i>Cash Flow Analysis</i> (Form 1084)* for a similar timeframe (such as monthly).</p> <ul style="list-style-type: none">▪ Lenders can make standard adjustments to business cash flow (net income on the profit and loss statement) in accordance with B3-3.4-04, Analyzing Profit and Loss Statements when making this determination.▪ When the lender determines net business income is impacted, but profit and loss details are not sufficient to determine the income is stable at the reduced level, the lender can obtain additional documentation to supplement the profit and loss statement (such as a month-to-month income trending analysis) to make this determination. If stability cannot be confirmed, the income is not eligible for qualifying purposes. See B3-3.1-01, General Income Information for details. <p>Example Historical monthly self-employment income calculated using Form 1084 = \$2,000</p> <p>Current level of stable monthly self-employment income as determined by the lender using details from the year-to-date profit and loss statement and other supplemental documentation = \$1,000</p> <p>The impact of the COVID 19 pandemic on current business income results in a 50% decline from historical levels. See Business Income Calculation Adjustment below for next steps.</p> <p>*Form 1084 or any other type of cash flow analysis form that applies the same principles.</p>
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Fannie Mae LL-2021-03

Effective for applications taken June 11, 2020 and until further notice

Business Stability	<ul style="list-style-type: none">▪ Does the profit and loss identify a significant imbalance between expenses and revenue that may impact financial stability? Or have modifications to current business operations been made to correct this imbalance? (Consider documenting with an updated business plan)▪ Do prior year business tax returns demonstrate ample financial liquidity due to a history of retained earnings?▪ Do current business account balances (excluding Paycheck Protection Program (PPP) or other similar COVID-19 related loans or grants) support the financial ability of the business to operate given current market and economic conditions? <p>A current balance sheet may be used to support the lender's determination of business stability, in conjunction with the profit loss statement.</p>
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Business Income Calculation Adjustment

Effective for applications taken June 11, 2020 and until further notice

Business Income Calculation Adjustment

When the lender determines current year net business income has been impacted by the COVID-19 pandemic and is

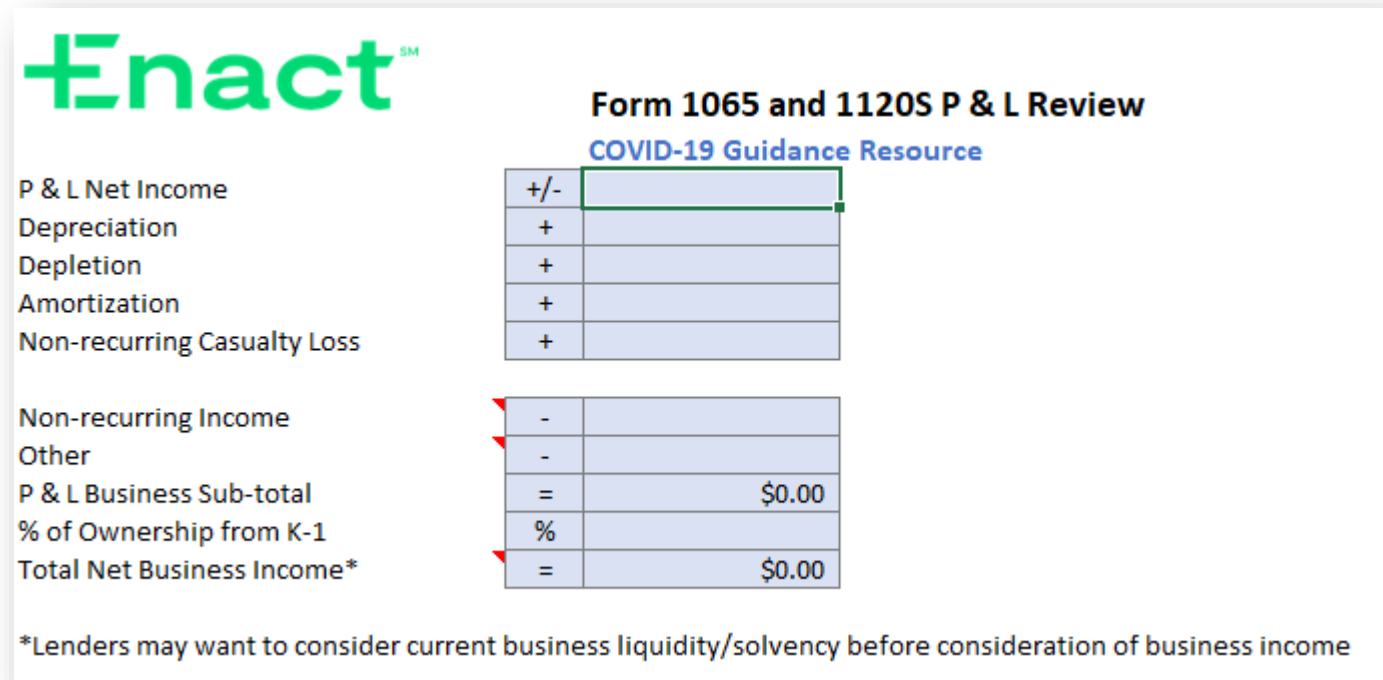
- less than the historical monthly income calculated using Form 1084, but is stable at its current level, the lender must reduce the amount of qualifying income calculated using Form 1084 to no more than the current level of stable income as determined by the lender (see Business Income above).
- more than the historical income calculated using Form 1084, the lender must use no more than the currently stable level of income calculated using Form 1084 to qualify the borrower.

In all cases, qualifying income must be supported by documentation, including any supplemental documentation obtained by the lender.

The Process

Use the P & L Calculator to Adjust the Income From the P & L

Click on tab for type of business you are reviewing



The screenshot shows the Enact software interface for a "Form 1065 and 1120S P & L Review". It includes a "COVID-19 Guidance Resource" link and a table for inputting various income and deduction items. The table has three columns: a description, a sign (+/-), and a numerical value. The "P & L Net Income" field is highlighted with a green border. Below the table, a note states: "*Lenders may want to consider current business liquidity/solvency before consideration of business income".

	+	-	
P & L Net Income	+	-	
Depreciation	+	-	
Depletion	+	-	
Amortization	+	-	
Non-recurring Casualty Loss	+	-	
Non-recurring Income	-	+	
Other	-	+	
P & L Business Sub-total	=		\$0.00
% of Ownership from K-1	%		
Total Net Business Income*	=		\$0.00

*Lenders may want to consider current business liquidity/solvency before consideration of business income



Schedule C & F **Form 1065 & 1120S** Form 1120

Business Stability And Income Worksheet



Business Stability and Income Review Worksheet & UW Certification COVID-19 Guidance Resource

Lender Loan #:

Borrowers Name:

Business Name:

Tax form:

Tax Form

(1065/1120S/1120/Schedule C/Schedule F)

Income Assessment comparing YTD net business income from the year to date P&L statement to historical business income

Cash Flow Analysis for tax returns provided in file

Year(s) used for qualifying income

Year used for Qualifying Income

Total Net Business Income

W2 Earnings from business

Select option that corresponds to Year/Years used for Total Qualifying Income from Business (for example - 2019 *if 2019 was used for qualifying purposes, *

*This amount should be the Total Business Income you calculated for that individual business per Self-Employed Cash Flow Analysis Form in file

*This should be Borrower's W2 Earnings from the associated Business if applicable

Historical Business Income used to

Qualify:

\$0.00

Based on Self-Employed Cash Flow Analysis Form in file - *this amount should correspond with Total New Business Income above (B15 + B16) / 12 months

P&L Analysis - ***Make sure to complete a Cash Flow Analysis of the Business P&L, then transfer applicable figures to this worksheet**

Total Net Business Income

W2 Earnings/guaranteed payments
from business

Number of Months Covered

Net Income / Number of Months
Covered

#DIV/0!

Period ending date of P&L (Enter Month/Day/Year)

☐ P & L Analysis includes information from a prior Year P & L also

*Verify the consistency of the declared expenses on the P & L to the historical expenses declared on the business tax return

Business Income Calculation Adjustment when the lender determines current year net business income has been impacted by Covid19

#DIV/0!

1)If current business income impacted by Covid19 is less than historical monthly income calculated using the Form 1084/91 Cash Flow Analysis, but is stable at its current level, reduce the amount of qualifying income calculated on the Cash Flow Analysis to no more than the current level of stable income as determined by the business income adjustments

2)If current business income impacted by Covid19 is more than the historical income calculated using the Form 1084/91 Cash Flow Analysis, no more than the current stable level of income calculated using Form 1084 can be used to qualify the borrower

This amount is lessor of Scenario 1 & 2 for qualifying- However, IF income is NOT stable, NO income can be used to qualify

LINKS to Fannie Mae / Freddie Mac Bulletins for details on how to Assess the Impact of COVID-19 on Business:

[LINK to Fannie Mae Bulletin for additional details](#)

[LINK to Freddie Mac Bulletin for additional details](#)



Business Stability And Income Worksheet

Confirm the following to Assess the Impact of COVID-19 to Business Operation:

Have business operations been maintained or modified to support continued business income?
 Is the business continuing to operate in the current location or an alternate location suitable for business operations?
 Is there a demand for the product or service currently offered by the business?
 Is the business operation and/or revenue temporarily restricted due to state shelter in place, stay at home or other similar state or local orders?
 Is the impact to the business operations negligible due to the nature of the business?

(Yes,No,N/A)

Confirm the following to Assess the Impact of COVID-19 to Business Stability:

Does the P&L identify a significant imbalance between expenses and revenue that may impact financial stability? Or have modifications to current business operations been made to correct this imbalance?
 Do prior years business tax returns demonstrate ample financial liquidity due to a history of retained earnings?
 Do current business account balances (excluding Paycheck Protection Program) PPP or other similar Covid19 related loans or grant(s) support the financial ability of the business to operate given current market and economic conditions?

(Yes,No,N/A)

BUSINESS ASSETS REVIEWED: *Only required if Unaudited P&L or Additional Documentation is required

Month One		Month Two		Month Three	
Bank Name:		Bank Name:		Bank Name:	
Beginning Balance		Beginning Balance		Beginning Balance	
Deposits		Deposits		Deposits	
Debits and Checks		Debits and Checks		Debits and Checks	
Ending Balance		Ending Balance		Ending Balance	

Month One		Month Two		Month Three	
Bank Name:		Bank Name:		Bank Name:	
Beginning Balance		Beginning Balance		Beginning Balance	
Deposits		Deposits		Deposits	
Debits and Checks		Debits and Checks		Debits and Checks	
Ending Balance		Ending Balance		Ending Balance	

Month One		Month Two		Month Three	
Bank Name:		Bank Name:		Bank Name:	
Beginning Balance		Beginning Balance		Beginning Balance	
Deposits		Deposits		Deposits	
Debits and Checks		Debits and Checks		Debits and Checks	
Ending Balance		Ending Balance		Ending Balance	

Confirm business is depositing sufficient funds to support income used in qualifying

I certify that I have reviewed the required documentation and validated that the income from all qualifying businesses is acceptable to proceed

 Underwriter Name Date

We offer this calculator to help you with calculating and analyzing purposes.

This calculator provides suggested guidance only and does not replace Lender, Investor or GSE instructions or applicable guidelines.

In no event shall Genworth be liable for any direct, indirect, incidental, punitive, or consequential damages of any kind whatsoever with respect to the use of this calculator.

Reminder: Any Paycheck Protection Program (PPP) Funds or other similar COVID-19 related loans or grants must be excluded from Deposits and Qualifying Balance

Enact Rate *Express*®

The screenshot shows the Enact website homepage. At the top left, it says "Genworth MI is now" followed by the Enact logo. On the top right, there is a phone number "800 444.5664", social media icons, a search bar, and a "LOG IN TO:" button with links for "ORDER MI", "MANAGE MI", and "VIEW ACCOUNT". A navigation bar in the center contains links for "MI & RATES", "UNDERWRITING & GUIDES", "LOS & CONNECTIONS", "ENACT TOOLKIT", "TRAINING", "OUR BLOG", and "ABOUT US". A dropdown menu is open under "MI & RATES", showing "Rate Express" (highlighted with an orange box), "Rate Cards and Risk-Based Pricing", "About MI", "Master Policy Resources", and "High LTV Refi Info Tool". The main banner features a green background with a butterfly wing on the right and a large white plus sign. The text reads: "We've changed to remain focused on you. Genworth MI is now Enact." Below this is a blue "LEARN MORE" button. At the bottom, there are three white boxes: "Underwriting" with a pencil icon and "KNOW MORE" link, "Rate Express" with a percentage icon and "GET A QUOTE NOW" link (highlighted with an orange box), and "Training" with a person icon and "LEARN NOW" link.

Genworth MI is now
Enact™

800 444.5664 |

LOG IN TO:
• ORDER MI
• MANAGE MI
• VIEW ACCOUNT

Search

MI & RATES | UNDERWRITING & GUIDES | LOS & CONNECTIONS | ENACT TOOLKIT | TRAINING | OUR BLOG | ABOUT US

Rate Express
Rate Cards and Risk-Based Pricing
About MI
Master Policy Resources
High LTV Refi Info Tool

We've changed to remain focused on you.
Genworth MI is now Enact.

LEARN MORE

Underwriting
Innovate Underwriting
KNOW MORE

Rate Express
Find Rates Quick
GET A QUOTE NOW

Training
Boost Your Knowledge
LEARN NOW

Enact Underwriting Guidelines

The screenshot shows the Enact website homepage. At the top left, it says "Genworth MI is now" followed by the Enact logo. On the top right, there is a phone number "800 444.5664", a search bar, and a "LOG IN TO:" button with links for "ORDER MI", "MANAGE MI", and "VIEW ACCOUNT". A navigation bar below the header includes links for "MI & RATES", "UNDERWRITING & GUIDES", "LOS & CONNECTIONS", "ENACT TOOLKIT", "TRAINING", "OUR BLOG", and "ABOUT US". The main banner features a green background with a butterfly wing graphic and the text "We changed to remain focused on you. Genworth MI is now Enact." with a "LEARN MORE" button. A dropdown menu is open under "UNDERWRITING & GUIDES", listing "Underwriting Guides & Credit Policy Updates", "Regulatory Resources", "Contract Services Underwriting", "Underwriting Tips", and "COVID-19". At the bottom, there are three highlighted boxes: "Underwriting Innovate Underwriting" with a pencil icon and "KNOW MORE" link, "Rate Express Find Rates Quick" with a percentage icon and "GET A QUOTE NOW" link, and "Training Boost Your Knowledge" with a person icon and "LEARN NOW" link.

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LOG IN TO:
● ORDER MI
● MANAGE MI
● VIEW ACCOUNT

Search

MI & RATES | UNDERWRITING & GUIDES | LOS & CONNECTIONS | ENACT TOOLKIT | TRAINING | OUR BLOG | ABOUT US

Underwriting Guides & Credit Policy Updates
Regulatory Resources
Contract Services Underwriting
Underwriting Tips
COVID-19

We changed to remain focused on you.
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LEARN MORE

Underwriting
Innovate Underwriting
KNOW MORE

Rate Express
Find Rates Quick
GET A QUOTE NOW

Training
Boost Your Knowledge
LEARN NOW

Enact Training Resources

The screenshot displays the Enact website interface. At the top, a header bar includes the text "Genworth MI is now" followed by the Enact logo. To the right of the logo is a contact number "800 444.5664" and a search bar. Further right is a "LOG IN TO:" button with links for "ORDER MI", "MANAGE MI", and "VIEW ACCOUNT". Below the header is a navigation menu with links: "MI & RATES", "UNDERWRITING & GUIDES", "LOS & CONNECTIONS", "ENACT TOOLKIT", "TRAINING", "LOG", and "ABOUT US". The "TRAINING" link is highlighted with an orange box, and an orange arrow points to it. A dropdown menu is visible under "TRAINING", listing "Course Catalog", "Live Webinar Calendar", "Self-Employed Borrower Calculators", and "Our Trainers". The main content area features a large green banner with the text "We've changed to remain focused on you. Genworth MI is now Enact." and a "LEARN MORE" button. Below the banner are three promotional cards: "Underwriting Innovate Underwriting KNOW MORE", "Rate Express Find Rates Quick GET A QUOTE NOW", and "Training Boost Your Knowledge LEARN NOW". The "Training" card is highlighted with an orange border. A large white plus sign is overlaid on the right side of the banner.

Genworth MI is now
EnactSM

800 444.5664 |

LOG IN TO:
● ORDER MI
● MANAGE MI
● VIEW ACCOUNT

MI & RATES | UNDERWRITING & GUIDES | LOS & CONNECTIONS | ENACT TOOLKIT | **TRAINING** | LOG | ABOUT US

Course Catalog
Live Webinar Calendar
Self-Employed Borrower Calculators
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KNOW MORE

Rate Express
Find Rates Quick
GET A QUOTE NOW

Training
Boost Your Knowledge
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Self-Employed Borrower Tools by Enact MI

We get it, mental math is hard. That's why Enact provides a collection of downloadable calculators and reference guides to help you analyze a self-employed borrower's average monthly income and expenses.

Please note that these tools offer suggested guidance, they don't replace instructions or applicable guidelines from the GSEs.

Due to various internet browser versions, please download and save PDF before entering data. Please note, calculators are updated periodically.

 Fannie Mae Form 1084 Calculator (2019-2020) Calculate and analyze cash flow to help you complete Fannie Mae form 1084. UPDATED	 Fannie Mae Form 1084 Calculator XLS (2019-2020) Calculate and analyze cash flow to help you complete Fannie Mae form 1084. UPDATED	 Freddie Mac Form 91 Calculator (2019-2020) Quick reference guide and income analysis for Freddie Mac Form 91. UPDATED
 Freddie Mac Form 92 Calculator (2019-2020) Form 92 Net Rental Income Calculations - Schedule E UPDATED	 Schedule Analysis Method (SAM) Calculator (2019-2020) Calculate qualifying income from tax returns. UPDATED	 Rental Income Calculator (2019-2020) Assists in calculating rental income from IRS form 1040 Schedule E. UPDATED
 Current Ratio - Liquidity Calculator (2019-2020) Calculate working capital liquidity against current liabilities. UPDATED	 Quick Ratio - Liquidity Calculator (2019-2020) Calculate an organization's liquidity against current liabilities. UPDATED	 Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1037 (Principal Residence, 2- to 4-unit Property).
 Fannie Mae Rental Guide (Calculator 1039) Calculate qualifying rental income for Fannie Mae Form 1039 (Business Rental Income from Investment Property).	 Fannie Mae Form 1088 Cheat Sheet Use this quick reference guide for Fannie Mae's Comparative Analysis Form (Form 1088).	 Fannie Mae Comparative Analysis Form 1088 Calculate increases/decreases in gross income, expenses and taxable income.

Your Enact Resources

- ActionCenter® : 800 444.5664
- Your Local Enact Regional Underwriter
- Your Enact Sales Representative

Legal Disclaimer

Enact Mortgage Insurance is happy to provide you with these training materials. While we strive for accuracy, we also know that any discussion of laws and their application to particular facts is subject to individual interpretation, change, and other uncertainties. Our training is not intended as legal advice and is not a substitute for advice of counsel. You should always check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

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