

Should the income pertain to the borrower's spouse who is employed by a different organization and the income is to be included in the loan application, the partner's earnings require direct confirmation from their place of employment suitable to consider the partner's present income when evaluating the mortgage application. Any earnings that are income or excluded from qualification criteria ought to be subtracted from the debtor's liquidity stream.

Investment Income

Taxable interest and dividend earnings documented on Schedule B of IRS Form 1040 can potentially be considered as income. Earnings must be demonstrated for a minimum of 24 months to be considered reliable.

Nevertheless, the revenue will be disregarded if the individual is utilizing an asset that generates interest or dividends as the means to fund the initial payment or finalize the transaction.

expenses.

Non-recurring taxable interest or dividend income should be excluded from the borrower's cash flow calculation.

Non-taxable interest earnings can be considered reliable income provided they have been consistently received over the previous 24 months.

Should this prove true, the borrower's cash flow can be augmented by incorporating this revenue stream.

Tax Refunds from State and Municipal Governments

State and local tax refunds, credits, or offsets subject to taxation should be excluded from calculations including earnings as the income had already been reported on the prior year's tax filings.

Consequently, the cash flow of the borrower requires appropriate adjustment.

Spousal Support Income

Spousal support payments can be considered as eligible income provided they fulfill the criteria outlined in Section B3-3-1-09. Additional Sources of Income. Payments not recurring must be subtracted from the reported total the borrower's aggregate income as documented on their federal tax return (Form 1040).

Retirement Account Withdrawals, Pension Payments, Annuity Income, and Social Security Payouts

Revenue derived from Individual Retirement Account (IRA) payouts, pension plans, annuity payments, and Social Security entitlements can be considered as income. Refer to Section B3-3-1-09, Additional Sources of Income, for detailed criteria.

The tax-free component of this regular income should be incorporated into the borrower's cash flow calculations. The non-taxable component of earnings derived from these origins can be adjusted upward to account for tax benefits,

as outlined in Section B3-3-1-09. Should the revenue from these origins be classified as non-recurring, the earnings should be subtracted from the borrower's available funds.

Jobless Benefits

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Jobless benefits can potentially be counted as eligible income, provided they fulfill the necessary criteria.

outlined in B3-3.1-09, Additional Income Sources. Any declared unemployment benefits that are deemed