



valuating the Self-Employed Borrower

Documentation Checklist

The following checklist identifies the documentation you need from self-employed borrowers. The information is divided into four different business structures. Please note: All documents must be from the most recent 2-year period. The borrower must sign all tax returns and year-to-date information. Business tax returns are required when the borrower has 25% or greater ownership interest in a business.

Sole Proprietorship

If the borrower receives income from a sole proprietorship, the following documentation is required:

- US Federal 1040 with all applicable schedules attached,
- Schedule C (Profit & Loss from Business),
- Schedule D (Capital Gains & Losses),
- Schedule F (Profit & Loss from Farming), and
- Year-to-date Profit & Loss statement, as applicable.

Partnership (General, Limited or LLC)

If the borrower is a partner in a general or limited partnership, or is a limited liability company member, the following documentation is required:

- US Federal 1040 with all applicable schedules attached,
- Schedule E, Part II (Income or Loss from Partnerships),
- Schedule K-1 1065 (Partner's Share of Income, Credits, Deductions, etc.),
- Form 1065 (US Partnership Return of Income) with all applicable schedules attached,
- Year-to-date Profit & Loss statement, as applicable, and
- Partnership Agreement (may be required).

S Corporation

If the borrower receives income from an S Corporation, the following documentation is required:

- US Federal 1040 with all applicable schedules attached,
- Schedule E, Part II (Income or Loss from S Corporations),
- Schedule K-1 1120S (Shareholder's Share of Income, Credits, Deductions, etc.),
- Form 1120S (US Income Tax Return for an S Corporation) with all applicable schedules attached, and
- Year-to-date Profit & Loss statement, as applicable.

Corporation

If the borrower receives income from a corporation, the following documentation is required:

- US Federal 1040 with all applicable schedules attached,
- Form 1120 (US Corporate Income Tax Return) with all applicable schedules attached, and
- Year-to-date Profit & Loss statement, as applicable.