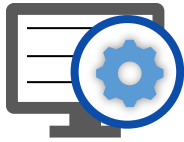


# Blueprint: Self-Employed Income Request



The **Self-Employed Income Request (SEIR)** allows users a quick way to get borrower bank statements analyzed by an underwriter for SmartSelf Non-QM loans.



SmartSelf income calculation reviews give users an advantage in qualifying self-employed borrowers with an underwriting analysis of the borrowers' bank statements.

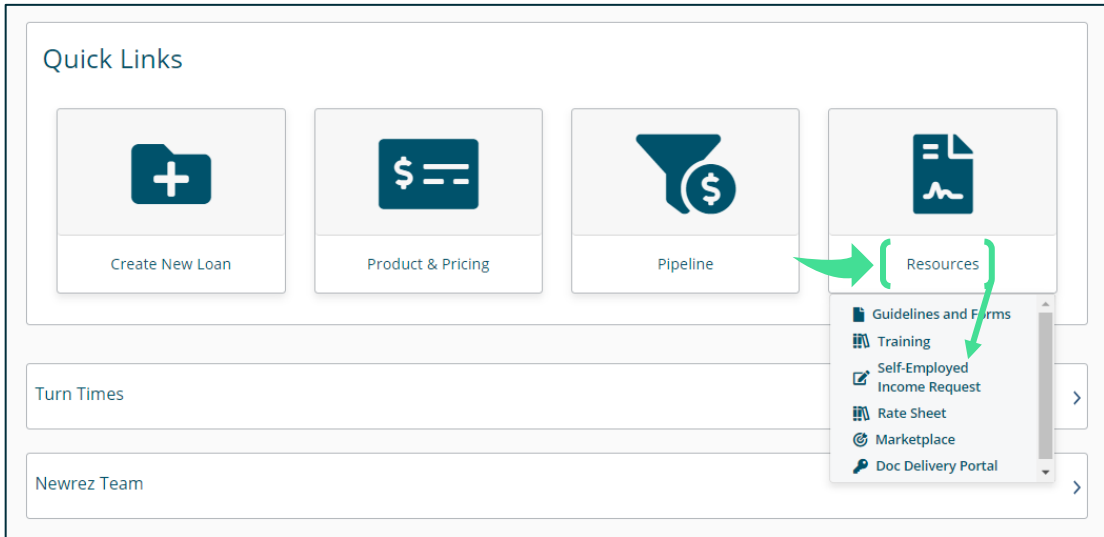
The screenshot shows the Newrez Self-Employed Income Request form. The form is titled "Self-Employed Income Request" and includes a "Submit" button. Below the title, there is a note: "This option for Self-Employment Income Request is to be used for Income Calculations for the Smart Self Bank statement program ONLY." and a "Clear All Fields" link. The form contains several input fields and radio buttons:

- Subject Line\***: A text input field.
- Loan Number (if Applicable)**: A text input field.
- List All Borrowers on the Loan\***: A text input field with a note "Separate borrowers with commas".
- Bank Statement Type\***: Radio buttons for "Business Statements", "Personal Statements (Combined, no separate business account)", and "Personal Statements with separate 3-month Business Statements".
- Name of Business For Qualification\***: A text input field.
- Type of Business (industry)\***: A text input field.
- Borrower's Personal Percentage of Ownership\***: A text input field with a "%" sign.
- Optional Expense Factor**: A text input field with a "%" sign and a note "Business/Combined Statements only if not using default 50%".
- Months of Bank Statements\***: Radio buttons for "12 months" and "24 months".
- Years of Ownership in the Business\***: A text input field with a note "Only numeric value accepted".
- Income Request Attachment\***: A file upload area with a "Drag & Drop Files Here" instruction, supported file types ".pdf, .jpg, .png, .tiff", and a "Browse..." button.
- Description/Additional Notes\***: A text input field.

Below the file upload area, there is a note: "For any calculation to be completed a full 12 or 24 month business or personal bank statements must be provided including all pages and in consecutive order. If utilizing personal bank statements for the calculation with no expense factor, it must be accompanied by 3 months operating business bank statements for the business being used to qualify." and another note: "If rental income is included on the loan application, additional due diligence will apply and may impact the income calculation."

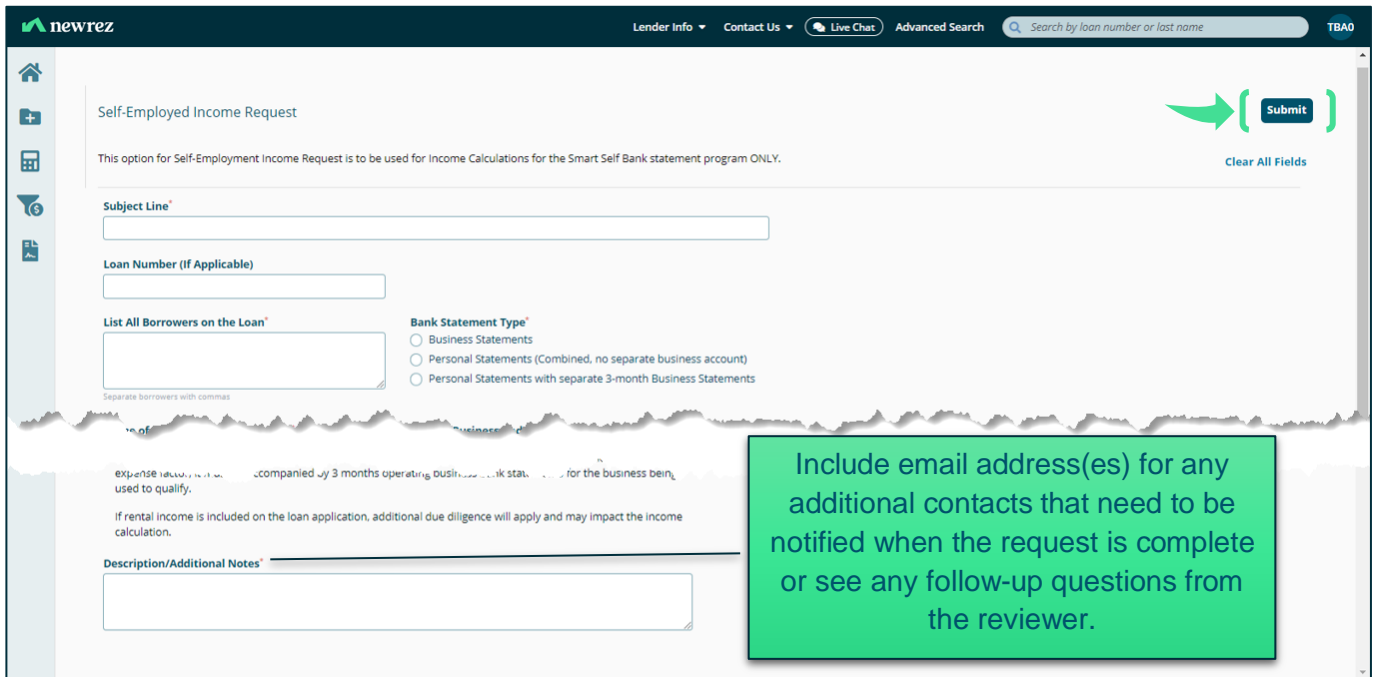
## Step

**1** Hover over “Resources” and select “Self-Employed Income Request”



**2** Fill in all required fields as indicated with the red asterisk \* and upload all page of the income documentation, then click “Submit”

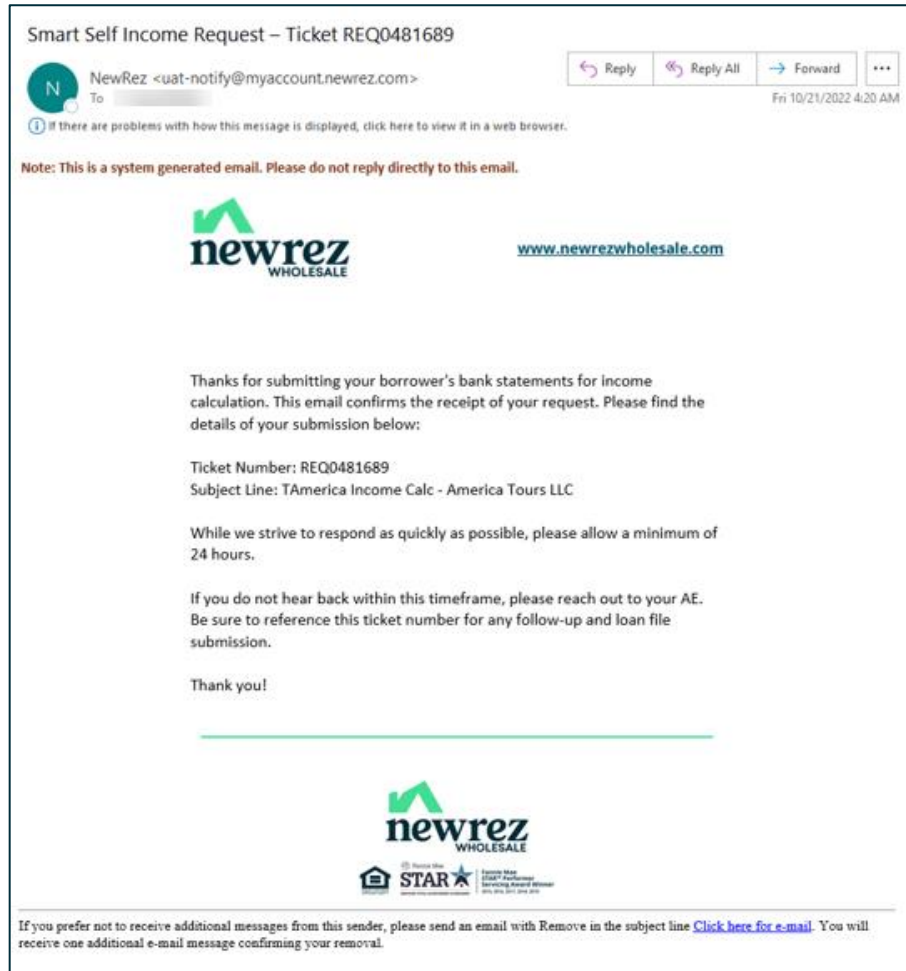
- Up to 150 files can be uploaded in a single submission.





Step

- 3 **Email Confirmation (no action required)**
  - The requestor and their assigned Account Executive will both receive an email notification containing a REQ number, which can be used to follow up with any questions or trailing information needed by the reviewer.



## Step

### 4 Review the income calculation PDF provided by the UW and enter the qualifying income in the 1003 within Blueprint

| Select # of Months: |      | Business and Combined Bank Statement Worksheet  |                |                    |               |          |  |  |  |  |     | MONTHLY NET DEPOSITS |
|---------------------|------|---|----------------|--------------------|---------------|----------|--|--|--|--|-----|----------------------|
| 12 Months           |      | Any atypical large deposits should be adequately explained and documented if necessary. |                |                    |               |          |  |  |  |  |     | MONTHLY NET DEPOSITS |
| #                   | YEAR | MONTH   | GROSS DEPOSITS | Excluded Deposits: |               |          |  |  |  |  | NSF | MONTHLY NET DEPOSITS |
| 1                   | 2022 | August  | \$ 185,961.23  | \$ -               |               |          |  |  |  |  | 0   | \$ 185,961.23        |
| 2                   | 2022 | July  | \$ 250,761.57  | \$ -               |               |          |  |  |  |  | 0   | \$ 250,761.57        |
| 3                   | 2022 | June  | \$ 236,398.56  | \$ -               |               |          |  |  |  |  | 0   | \$ 236,398.56        |
| 4                   | 2022 | May   | \$ 461,184.38  | \$ 82,800.00       |               |          |  |  |  |  | 0   | \$ 378,384.38        |
| 5                   | 2022 | April   | \$ 171,746.86  | \$ -               |               |          |  |  |  |  | 0   | \$ 171,746.86        |
| 6                   | 2022 | March   | \$ 322,745.84  | \$ -               |               |          |  |  |  |  | 0   | \$ 322,745.84        |
| 7                   | 2022 | February  | \$ 161,858.11  | \$ -               |               |          |  |  |  |  | 0   | \$ 161,858.11        |
| 8                   | 2022 | January   | \$ 385,771.58  | \$ -               |               |          |  |  |  |  | 0   | \$ 385,771.58        |
| 9                   | 2021 | December  | \$ 99,036.74   | \$ -               |               |          |  |  |  |  | 0   | \$ 99,036.74         |
| 10                  | 2021 | November  | \$ 660,889.09  | \$ 0.01            | \$ 535,146.28 | \$ 71.80 |  |  |  |  | 0   | \$ 125,671.00        |
| 11                  | 2021 | October   | \$ 60,887.55   | \$ -               |               |          |  |  |  |  | 0   | \$ 60,887.55         |
| 12                  | 2021 | September   | \$ 86,482.76   | \$ -               |               |          |  |  |  |  | 0   | \$ 86,482.76         |

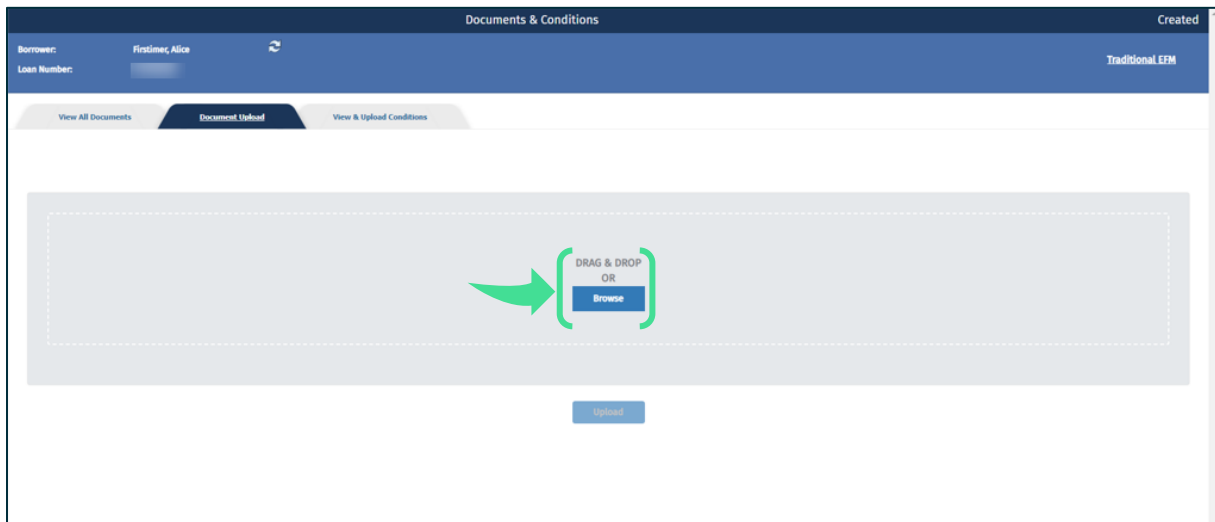
| Borrower Name:         |              | INCOME ANALYSIS FOR BUSINESS BANK STATEMENTS                        |   | AMOUNT              | AVERAGE       | QUALIFYING INCOME         |   |
|------------------------|--------------|---|---|---------------------|---------------|---------------------------|---|
| Bank & Account Number: | Joanne Smith | Total deposits over the most recent 12 months:                      |   | \$ 2,465,706.18     |               | \$102,737.76              |   |
| Loan Number:           | Chase #XXXX  | Total deposits for the last 24 months:                              |   | NA                  |               | YEAR OVER YEAR COMPARISON |   |
| Calculated By:         | REQ1112223   | Total Income - 12 months: (deposits * expense factor * ownership %) |   | \$ 1,232,853.09     | \$ 102,737.76 | NA                        |   |
| Expense Factor %:      | Jamie Atzeni | Total Income - 24 months: (deposits * expense factor * ownership %) |   | NA                  | NA            |                           |   |
| Business Ownership %:  | 50.00%       | Total NSF   | 0 | Prior 12 Months NSF | 0             | Current 12 Months NSF     | 0 |
| Business Name:         | 100.00%      | Joanne Smith MD   |   |                     |               |                           |   |

**Comments:**  
 \*Industry: doctor's office ; 3 years as per ticket (REQ1112223); business statements 9/1/21-8/31/22  
 \*Excluded deposits: transfers, returns/refunds, SBA/PPP Loans  
 \*Comments in ticket state there are 7 employees (if the industry is medical and there are more than 20 employees, it becomes a capital intensive industry)

**Conditions:**  
 \*Provide CPA letter or licensed tax preparer (with PTIN) letter confirming % of ownership and length of ownership  
 \*Borrower must complete the Smart Product Business Impact and Continuity Attestation. (copy of form is available in AllRegs)  
 \*Provide documentation confirming number of employees. If 20 or less employees, the default expense factor is 50%. If there are more than 20 employees, a CPA or Licensed Tax Preparer (with PTIN) will be required to use a 50% expense factor or the default 70% expense factor must be used.

### 5 Upload Income Calculation PDF into the Documents & Conditions Manager (DCM)

- Users can upload documents into the DCM by selecting **Upload Docs** from the **Loan Actions** dropdown in Blueprint..





## Important Notes

- **Include as many details as you can about the customer's business** – what the nature of the business is, any changes in ownership, type of business (partnership, corporation, etc.), that would help the reviewer make sense of the cash flow. The name of the business alone doesn't always tell the full story!
- **Include any details that you know about the bank statements themselves** – for example, if the customer moved bank accounts within the past 1-2 years, or if there are any outlier deposits or non-sufficient funds/overdraft charges, provide a brief explanation to help the reviewer better understand any unique circumstances. If using personal bank statements, include details about any known deposits that are not from the customer's business, such as gifts, tax refunds, separate income, or non-employment deposits from joint account holders, etc., as these may need to be excluded from the income calculation for the business.
- **Years of ownership of the business** – should be your customer's ownership time, not necessarily how long the business has been in existence. For example, maybe it's a trucking company that's been around for 10 years, but your customer took it over 3 years ago.
- **Expense Factor** – Make sure to add details if using a custom factor other than the default 50% for standard businesses, or default 70% for capital-intensive businesses.
- **Bank Statements** – make sure to include most recent 12 or 24 months complete, consecutive statements (with all pages) for all accounts being considered, so the reviewer has a complete financial picture from the start. If funds are repeatedly being transferred between accounts, make sure to include 1-2 years of each to save questions later. Please use 1 ticket request for all of the borrower's bank statements, even if they have more than one bank account that you would like to use to qualify.
- **Multiple businesses and/or multiple self-employed borrowers on same loan** – complete the request form for the primary borrower and primary business and add detail about the additional businesses and/or self-employed borrowers in the notes. For example, if the customer owns 100% of a bookstore, and 33% of a tutoring business, and wants to qualify on both incomes, or if a married couple each owns 50% of the business and wants to qualify on both incomes. Personal bank statements where multiple businesses are depositing funds to the same account generally cannot be used as it is difficult for the reviewer to determine which deposits are from which businesses.
- **Multiple borrowers on the loan** - please be sure to list in the request all borrowers that are going on the loan, even if they do not have ownership in the business.





- You will receive an email PDF income calculation from the reviewer which you can use to enter income on your loan and include in your loan submission file (along with the bank statements used to calculate the income) - - *the scenario reviewer will generally not be the credit underwriter on the actual loan file, so please make sure to include the PDF calculation and statements when submitting the loan to Newrez!*
- If the reviewer has any questions or needs clarification on your request, they will call you and follow up with an email. If any additional documents are needed, you can respond to the reviewer with the required items.
- The Newrez underwriter that is assigned to the loan will honor the income calculation completed by the scenario reviewer. *If there are any additional items needed at time of loan approval (for example, if a month or two has gone by since the initial scenario calculation was completed, and additional bank statements are now needed) the original calculation may be affected by the new information.*
- Requests are usually worked within 1 business day and occasionally, there may be delays in review based on volume of requests. If you have any questions on a particular request, or have any general questions, please contact your Account Executive.
- The SmartSelf Income Calculation review link is for loans that have not been submitted and are not assigned to a Newrez credit underwriter. Credit and income calculation questions on a loan that is already in process must be directed to the assigned underwriter.





# Record of Revisions

| Revision Date: | Revision Reason:                   | Created By:   | Approved By:   | Effective Date: |
|----------------|------------------------------------|---------------|--|-----------------|
| 12/26/23       | Created                            | Brian Rummell | Christine George, Bob Long, Shelly McDougald, Tony Kottenbrock | 01/03/2024      |
| 09/20/24       | Update screenshots for revised UI. | Brian Rummell | Christine George, Bob Long                                     | 09/20/2024      |
|                |                                    |               |  |                 |
|                |                                    |               |  |                 |

