

Property Address



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.

Form 1040 – Individual Income Tax Return			2012	2011	NOTES
1	Total Income (Line 22)				<p>*Tax-exempt interest income is not self-employed income and should not be entered on this form.</p> <p>**Always subtract non-SEB income; if needed and eligible as qualifying income, can be included on application (Form 1003/65).</p>
2	Wages, salaries considered elsewhere (Non-SEB W-2, Line 1)	-			
3	Tax-Exempt Interest Income (Enter Zero)*	+			
4	State and Local Tax Refunds (Line 10)	-			
5	Alimony Received (Line 11)**	-			
6	Negate Schedule D Income/Loss and 4797 Income/Loss (Lines 13 and 14)	+/-			
7	Taxable Pension and/or IRA Distribution (Lines 15b and 16b)**	-			
8	Negate Schedule E Income/Loss (Line 17)	+/-			
9	Unemployment Compensation (Line 19)**	-			
10	Taxable Social Security Benefit (Line 20b)**	-			
11	Other Income/Loss (Line 21)	+/-			
12	Other:	+/-			

Form 2106 – Employee Business Expenses			2012	2011	NOTES
13	Total Expenses (Lines 8a + 8b)	-			
14	Depreciation <i>If Actual Expense Method Used</i> (Line 28)	+			
*	Depreciation <i>If Mileage Method Used</i> (Business Miles, Line 13)				
	<i>x Depreciation Rate (2012 23¢; 2011 22¢)</i>		\$		
	<i>= Total Mileage Depreciation</i>	+	\$		

Schedule B – Interest and Dividend Income			2012	2011	NOTES
15	Interest Income (Line 4)*	-			*See note in 1040 section of this calculator.
16	Dividend Income (Line 6)*	-			

Schedule C – Profit or Loss from Business: (Sole Proprietorship)			2012	2011	NOTES
17	Nonrecurring Other Income/Losses/Expenses (Line 6)	+/-			
18	Depletion (Line 12)	+			
19	Depreciation <i>See four lines below for additional vehicle depreciation info</i> (Line 13)	+			
20	Meal and Entertainment Exclusion (Line 24b)	-			
21	Business Use of Home <i>Follow Investor Credit Policy</i> (Line 30 or Form 8829)	+			
22	Amortization/Casualty Loss <i>Only add back Amort/CL</i> (Review C Page 2, Part V)	+			
*	Business Miles (Page 2, Part IV, Line 44a OR Related 4562)				
	<i>X Depreciation Rate (2012 - 23¢; 2011 - 22¢)</i>		\$	\$	
	<i>= Total Mileage Depreciation</i>	+	\$	\$	

Income reported on Schedule D, Form 4797 and Form 6252 are not from self-employment; inclusion of these income types on the Cash Flow Analysis Form is not recommended.

Schedule D – Capital Gains and Losses			2012	2011	NOTES
23	Capital Gains/Losses (Enter Zero)*	+			*Verify no recurring losses.

Form 4797 – Sales of Business Property			2012	2011	NOTES
24	Recurring Capital Gains/Losses (Enter Zero)*	+			*Verify no recurring losses.

Form 6252 – Installment Sale Income			2012	2011	NOTES
25	Principal Payments Received (Enter Zero)*	+			*Verify no recurring losses.

Schedule E – Supplemental Income and Loss*			2012	2011	NOTES
26a	2012 – Rents and Royalties Received: (Lines 3 and 4)	+			*Many lenders/investors require rental income be calculated separately and not included with the CFA analysis.
26b	2011 – Total Income: (Line 4)	+			
27	Total Expenses: (Line 20)	-			
28	Depreciation: (Line 18)	+			
	Amortization/Casualty Loss (only if noted): (Line 19)	+			
29	Insurance, Mortgage Interest, Taxes and HOA Dues included in PITI (Lines 9, 12 and 16 if using property's full PITI payment in qualifying ratios)	+			

Schedule F – Farming Income			2012	2011	NOTES
30	Specific Types Income/Loss (Lines 3, 4, 5, 6a-b)	+			*Add back the eligible nontaxable other income; subtract ineligible taxable other income.
31	Nonrecurring Other Income/Loss (2012 - Line 8; 2011 - Lines 8a&b)	+/-			
32	Depreciation (Line 14)	+			
33	Amortization/Casualty Loss/Depletion (Line 32)*	+			
34	Business Use of Home Only if noted (Line 32)	+			

Partnership and S Corporation K-1

Please check your investor guidelines.

Ordinary income reported on Schedule K-1 may be included in the borrower's cash flow only if:

- The borrower has a documented, consistent, and stable history of withdrawals or cash distributions of income from the business,
- The business has positive sales and earnings trends,
- The business has adequate liquidity to support the withdrawal of earnings, and
- The borrower's ownership and access to the income is documented by a partnership agreement or corporate resolution.

Partnership Schedule K-1 (Form 1065 K-1)			2012	2011	NOTES
35	Ordinary Income/Loss (Lesser of Line 1 or Distributions From Line 19a)	+/-			*Obtain Form 8825, Schedule of Rental Properties.
36	Net Rental Income/Loss <i>If verified recurring</i> (Lines 2 and 3)*	+/-			
37	Guaranteed Payments to Partner <i>If verified recurring</i> (Line 4)	+			

S Corporation Schedule K-1 (Form 1120S K-1)			2012	2011	NOTES
38	Ordinary Income/Loss (Lesser of Line 1 or Distributions From Line 16d)	+/-			*Obtain Form 8825, Schedule of Rental Properties.
39	Net Rental Income/Loss <i>If verified recurring</i> (Lines 2 and 3)*	+/-			

1040 Total _____

Partnership, S Corporation and Corporation Totals

Please check your investor guidelines.

The following sources of income may be considered for qualification provided:

- The borrower can document ownership and access to the income;
- The business has adequate liquidity to support withdrawal of earnings; and
- The business has positive sales and earnings trends.

Partnership (Form 1065)			2012	2011	NOTES
40	Pass through Income/Loss from Other Partnerships (Line 4)	+/-			*Only add back the eligible "Other" expenses. **Follow specific investor guidelines; Adjustments may not be required if there is evidence these roll over regularly, it is verified to be a line or credit or if the business has sufficient assets to cover the liability.
41	Nonrecurring Other Income/Loss (Lines 5, 6 and 7)	+/-			
42	Depreciation (Line 16c)	+			
43	Depletion (Line 17)	+			
44	Amortization/Casualty Loss (Review Attachment Related to Line 20)*	+			
45	Mortgage or Notes Payable in Less than 1 Year (Schedule L, Line 16d)**	-			
46	Meals and Entertainment Exclusion (Schedule M-1, Line 4b)	-			
47	Subtotal				
48	Percent of Ownership (From K-1)	X	%	%	
49	Partnership Total (subtotal multiplied by % ownership)				

S Corporation (Form 1120 S)			2012	2011	NOTES
50	Nonrecurring Other Income/Loss (Lines 4 and 5)	+/-			*Only add back the eligible "Other" expenses. **Payable in one year adjustments not required if there is evidence these roll over regularly and/or the business has sufficient assets to cover.
51	Depreciation (Line 14)	+			
52	Depletion (Line 15)	+			
53	Amortization/Casualty Loss (Review Attachment Related to Line 19)*	+			
54	Mortgage or Notes Payable in Less than 1 Year (Schedule L, Line 17d)**	-			
55	Meals and Entertainment Exclusion (Schedule M-1, Line 3b)	-			
56	Subtotal				
57	Percent of Ownership (From K-1)		%	%	
58	S Corporation Total (subtotal multiplied by % ownership)				

Regular Corporation (Form 1120)			2012	2011	NOTES
59	Taxable Income (Line 30)	+			*Only add back the eligible "Other" expenses. **Payable in one year adjustments not required if there is evidence these roll over regularly and/or the business has sufficient assets to cover.
60	Total Tax (Line 31)	-			
61	Nonrecurring Gain/Loss (Lines 8 and 9)	+/-			
62	Nonrecurring Other Income/Loss (Line 10)	+/-			
63	Depreciation (Line 20)	+			
64	Depletion (Line 21)	+			
65	Amortization/Casualty Loss (Review Attachment Related to Line 26)*	+			
66	Net Operating Loss and Special Deductions (Line 29c)	+			

Form 1120 continued on next page...

Regular Corporation Form 1120 continued			2012	2011	NOTES
67.	Mortgage or Notes Payable in Less than 1 Year (Schedule L, Line 17d)**	-			*Only add back the eligible "Other" expenses.
68.	Meals and Entertainment Exclusion (Schedule M-1, Line 5c)	-			
69.	Subtotal				**Payable in one year adjustments not required if there is evidence these roll over regularly and/or the business has sufficient assets to cover.
70.	Percent of Ownership (Form 1125-E)		%	%	
71.	Subtotal Multiplied by Ownership Percentage				
72.	Less: Dividend Paid to Borrower (Check Form 1040, Schedule B)	-			
73.	Corporation Total				

Partnership, S Corporation and Corporation Totals

1040 Total

Grand Total

Number of Months (enter number)

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Monthly Total

Click Gray Button for Monthly Totals

Click for Two Year Monthly Average

This reference sheet is suggested guidance and does not replace Fannie Mae instructions or applicable guidelines. Please check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

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