

## Revised Temporary Self-Employed Income Requirements

**Purpose**

This announcement includes the following topic:

- ✓ Three months of statements required for Self-Employed income

**Revised  
Temporary Self-  
Employed  
Income  
Requirements**

Due to the continued impact of the COVID-19 Pandemic, Freddie Mac Bulletin 2020-44 and Fannie Mae LL-2020-03 Updated Nov. 13, 2020, are revising the temporary requirements for assessing self-employed income, **effective with Application dates on or after November 23, 2020** and summarized below.

<b>Minimum Additional Documentation Requirements</b>
<p>At a minimum, the following additional documentation must be obtained when assessing income from self-employment:</p> <ul style="list-style-type: none"> <li>• An unaudited YTD Profit and Loss Statement that is signed by the Borrower and reports business revenue (i.e., gross receipts or sales), expenses and net income. The information in the YTD P&amp;L Statement must cover the most recent month preceding the Application Received Date and be dated no more than 60 calendar days prior to the Note Date, <b>and</b></li> <li>• <b>THREE</b> months business account statements no older than the latest <i>three</i> months represented on the YTD P&amp;L Statement:               <ul style="list-style-type: none"> <li>✓ For example, if the YTD P&amp;L Statement is through 9/30/2020, the business account statements can be no older than for July through September</li> <li>✓ Personal asset account statements evidencing business deposits and expenses may be used when the Borrower is an owner of a small business and does not have a separate business account.</li> </ul> </li> </ul>

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**Revised Temporary Self-Employed Income Requirements, Continued**

**Revised  
Temporary Self-  
Employed  
Income  
Requirements,  
*continued***

<b>Minimum Additional Documentation Requirements, continued</b>	
<b>OR</b>	<ul style="list-style-type: none"> <li>An <b>audited</b> YTD P&amp;L Statement reporting business revenue (i.e., gross receipts or sales), expenses and net income. The information in the YTD P&amp;L Statement must cover the most recent month preceding the Application Received date and be dated no more than 60 calendar days prior to the Note Date.</li> </ul> <p>Note: Additional documentation may be required to supplement the minimum required documentation in order to effectively assess the impact of the pandemic on the business.</p>

**Effective Date** As Noted

**Questions** Retail – Please contact your Manager with any questions  
 Mod Corr – Please contact Brent Wilder, National Account Executive, at [bwilder@fsmloans.biz](mailto:bwilder@fsmloans.biz)