



Form 91

Income Calculations (Schedule Analysis Method)

Form 91 is to be used to document the Seller's calculation of the income for a self-employed Borrower. This form is a tool to help the Seller calculate the income for a self-employed Borrower; the Seller's calculations must be based on the requirements and guidance for the determination of stable monthly income in Topic 5300. This form does not replace the requirements and guidance for the analysis and treatment of the income for self-employed Borrowers as described in Chapters 5304 and 5305.

I. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return	Year:	Year:
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1. W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)		
Name of business: _____		
IRS Form 1040, Line 7 (Section 5304.1(d)) ¹	(+)	(+)
Subtotal of W-2 income from self-employment	\$	\$

¹Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable

2. Schedule B – Interest and Ordinary Dividends		
Recurring interest income (Chapter 5305)	(+)	(+)
Recurring dividend income (Chapter 5305)	(+)	(+)
Dividend income from self-employment reported on IRS Form 1120	(-)	(-)
Subtotal of dividends and interest	\$	\$

Borrower Name: _____

3. Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)

Name of business #1: _____

Net profit or loss	(+/-)	(+/-)
Non-recurring other income or loss, or expenses	(+/-)	(+/-)
Depletion	(+)	(+)
Depreciation	(+)	(+)
Meals and entertainment exclusion	(-)	(-)
Amortization or casualty loss	(+)	(+)
Business use of home	(+)	(+)
Subtotal from Schedule C, Business #1	\$	\$

4. Schedule C – Profit or Loss from Business (Sole Proprietorship) (Chapter 5304)

Name of business #2: _____

Net profit or loss	(+/-)	(+/-)
Non-recurring other income or loss, or expenses	(+/-)	(+/-)
Depletion	(+)	(+)
Depreciation	(+)	(+)
Meals and entertainment exclusion	(-)	(-)
Amortization or casualty loss	(+)	(+)
Business use of home	(+)	(+)
Subtotal from Schedule C, Business #2	\$	\$

5. Schedule D – Capital Gains and Losses (Chapter 5305)

Recurring capital gains and/or losses	(+/-)	(+/-)
Subtotal from Schedule D, capital gains and losses	\$	\$

Borrower Name: _____

6. Schedule E¹ – Supplemental Income or Loss (Royalties) (Chapter 5305)		
Royalties received	(+)	(+)
Total expenses	(-)	(-)
Depletion	(+)	(+)
<i>Subtotal Schedule E, from royalties</i>	\$	\$

¹Refer to Form 92 for net rental income calculations using IRS Schedule E

7. Schedule F – Profit or Loss from Farming (Chapter 5304)		
Net Farm Profit or Loss	(+/-)	(+/-)
Non-taxable portion of recurring cooperative and CCC payments	(+)	(+)
Non-recurring other income or loss	(+/-)	(+/-)
Depreciation	(+)	(+)
Amortization/Casualty loss/Depletion	(+)	(+)
Business use of home	(+)	(+)
<i>Subtotal from Schedule F, farming</i>	\$	\$

Combined total from IRS Form 1040	\$	\$
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Borrower Name: _____

II. Income Calculations from IRS Schedule K-1 and IRS Form 1065

8. Partnership Income (Refer to Chapter 5304)

Name of business: _____

Partnership – Schedule K-1 (IRS Form 1065)	Year:	Year:
Ordinary Business Income or Loss	(+/-)	(+/-)
Net rental real estate income or loss	(+/-)	(+/-)
Guaranteed Payments	(+)	(+)
<i>Subtotal from Schedule K-1 (IRS Form 1065)</i>	\$	\$

Partnership Income from IRS Form 1065	Year:	Year:
Depreciation (IRS Form 1065)	(+)	(+)
Depreciation (IRS Form 8825) (Guide Section 5304.1(d))	(+)	(+)
Depletion	(+)	(+)
Amortization or casualty loss	(+)	(+)
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d))	(-)	(-)
Other nonrecurring income or loss	(+/-)	(+/-)
Travel and entertainment exclusion	(-)	(-)
<i>Subtotal prior to application of ownership interest percentage</i>	\$	\$
Multiply by total percentage of ownership (on Schedule K-1)	(x) %	(x) %
<i>Subtotal from IRS Form 1065</i>	\$	\$

Combined subtotal from partnership	\$	\$
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Borrower Name: _____

III. Income Calculations from IRS Schedule K-1 and IRS Form 1120S

9. S Corporation Income (Refer to Chapter 5304)

Name of business: _____

S Corporation Schedule K-1 (IRS Form 1120S)	Year:	Year:
Ordinary Business Income or Loss	(+/-)	(+/-)
Net rental real estate income or loss	(+/-)	(+/-)
<i>Subtotal from Schedule K-1 (IRS Form 1120S)</i>	\$	\$

S Corporation Income from IRS Form 1120S	Year:	Year:
Depreciation (IRS Form 1120S)	(+)	(+)
Depreciation (IRS Form 8825) (Guide Section 5304.1(d))	(+)	(+)
Depletion	(+)	(+)
Amortization or casualty loss	(+)	(+)
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d))	(-)	(-)
Other nonrecurring income or loss	(+/-)	(+/-)
Travel and entertainment exclusion	(-)	(-)
<i>Subtotal prior to application of ownership interest percentage</i>	\$	\$
Multiply by total percentage of ownership (on Schedule K-1)	(x) %	(x) %
<i>Subtotal from IRS Form 1120S</i>	\$	\$

Combined subtotal from S corporation	\$	\$
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Borrower Name: _____

IV. Income Calculations from IRS Form 1120

10. Corporation Income (Refer to Chapter 5304)

Name of business: _____

Corporate Income from IRS Form 1120	Year:	Year:
Depreciation	(+)	(+)
Depletion	(+)	(+)
Amortization or casualty loss	(+)	(+)
Net operating loss	(+)	(+)
Taxable income or loss	(+/-)	(+/-)
Total tax	(-)	(-)
Mortgage, notes, bonds payable in less than one year (Section 5304.1(d))	(-)	(-)
Other nonrecurring income or loss	(+/-)	(+/-)
Travel and entertainment exclusion	(-)	(-)
<i>Subtotal prior to application of ownership interest percentage</i>	\$	\$
Multiply by total percentage of ownership	(x) %	(x) %
<i>Subtotal from IRS Form 1120</i>	\$	\$
Combined subtotal from corporation	\$	\$

Borrower Name: _____

V. SUMMARY OF INCOME FROM SELF-EMPLOYMENT

IRS Form 1040 (Chapters 5304 and 5305)	Year:	Year:
Subtotal of W-2 income from self-employment (Business name: _____)	\$	\$
Subtotal from Schedule B – Interest and Ordinary Dividends	\$	\$
Subtotal from Schedule C – Profit or Loss from Business (Sole Proprietorship) (Business #1 name: _____)	\$	\$
Subtotal from Schedule C – Profit or Loss from Business (Sole Proprietorship) (Business #2 name: _____)	\$	\$
Subtotal from Schedule D – Capital Gains and Losses	\$	\$
Subtotal from Schedule E – Supplemental Income or Loss (Royalties)	\$	\$
Subtotal from Schedule F – Profit or Loss from Farming	\$	\$
Combined total from IRS Form 1040	\$	\$

Partnership Income (Chapter 5304)	Year:	Year:
Subtotal from Schedule K-1 (IRS Form 1065)	\$	\$
Subtotal from IRS Form 1065	\$	\$
Combined subtotal from Partnership (Business name: _____)	\$	\$

S Corporation Income (Chapter 5304)	Year:	Year:
Subtotal from Schedule K-1 (IRS Form 1120S)	\$	\$
Subtotal from IRS Form 1120S	\$	\$
Combined subtotal from S corporation (Business name: _____)	\$	\$

Corporate Income from IRS Form 1120 (Chapter 5304)	Year:	Year:
Subtotal from IRS Form 1120	\$	\$
Combined subtotal from corporation (Business name: _____)	\$	\$

Seller's calculation of stable monthly income	Year:	Year:
Sum of combined subtotals	\$	\$
Total income used to determine stable monthly income¹	\$	
Comments _____		
Divided by _____ months ¹		
Total stable monthly income²	\$	

¹ Manual input: The Seller must determine the appropriate amount of income to use based on the requirements and guidance for the analysis and treatment of income for self-employed Borrowers as described in Chapters 5304 and 5305

²The Seller must determine that the total stable monthly income meets the requirements and guidance for the determination of stable monthly income in Topic 5300.