

Guide on WHEN to ask for tax returns from your borrower

**IF any of these scenarios apply to your transaction,**  
**You need tax returns:**

This is **in addition to** not instead of pay stubs & W-2. All other normal supporting documentation will always apply.

1. Whenever your borrower is self-employed. Definition of self-employed is any person who owns 25% or more of any business.
2. Whenever your borrower works for a family held business.
3. If your borrower receives handwritten, NOT computer generated pay stubs or W-2's, or if your borrower works for a company that does not issue pay stubs.
4. If your borrower receives any of the following income types: interest/dividends, rental, Schedule C, E, and F.
5. If your borrower receives 25% or more of their base income from any of the following sources: overtime, commission, bonus, incentive, piecework, 2<sup>nd</sup> or seasonal job, capital gains, alimony.
6. If your borrower is employed in any of the following fields: sales of any kind, unions (such as journeyman, electrician, plumbers etc.), trucking, wait staff, hairdressers, substitute teachers, visiting health care professionals. Additionally, included are any other fields where borrower relies heavily on tips, mileage, or per diems for income.
7. If your borrower has multiple jobs and multiple W-2's for the most recent 2-year period.
8. If your borrower is an over the road truck driver. They typically get paid per job and have business expenses that need to be deducted before the income is averaged.
9. If your borrower doesn't work standard set hours. For example, you have 4 pay stubs and one reflects 22 hours, one 40 hours, one 32 hours and one 35 hours.
10. If your borrower is in a field that has several pay scales based on required shift work (i.e. police, fire, EMT, nurses, X-Ray Techs and other health care professionals)
11. Any time your borrower derives their pay from a 1099 instead of a W-2.

This is just a helpful list. Obviously not all possible scenarios are represented; if you're uncertain, call Anna, and ask!!!