

# User Guide: Automated Income Calculation Tool

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This guide provides a step-by-step walkthrough of automated income calculation tool, designed to help mortgage professionals accurately calculate and verify borrower income across multiple streams, including wage, rental, self-employed, and bank statement income.

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*A Comprehensive Guide by The Housing Assistant*



This guide provides a step-by-step walkthrough of The Housing Assistant's Automated Income Calculation Tool, designed to help mortgage professionals accurately calculate and verify borrower income across multiple streams, including wage, rental, self-employed, and bank statement income.

## 1. Income Calculation (Wage-Based)

Use this sheet to calculate borrower income from hourly, salary, bonus, and commission income sources. Input relevant values into each section:

- **Hourly:** Enter hourly rate, hours per week, and number of weeks worked to calculate YTD income.
- **Salary:** Enter annual salary and pay frequency to estimate YTD earnings.
- **Bonus/Commission:** Use frequency and YTD payouts to derive income stream.
- **Final Qualifying Income:** Auto-calculates total income from above sources and divides by 12 for monthly qualifying income.

## 2. Self-Employed & Rental

- **Rental Income:** Enter gross monthly rent and expenses to determine net income per property.
- **Self-Employment:** Input gross business income and subtract expenses. Add back allowable deductions such as depreciation or home office use.
- **Monthly Qualifying Income:** Automatically derived by dividing adjusted net income by 12.

## 3. Bank Statement Income

- Monthly deposits are entered manually for each month.

- Business expense percentage allows you to adjust for overhead and determine net income.
- Average monthly net income is calculated over a rolling 3-month period.

#### **4. Dashboard Summary**

This page aggregates income across all sources to give a quick, at-a-glance snapshot of total borrower income. This includes:

- Wage-based income from the 'Income Calculation' tab.
- Net rental income from 'Self-Employed & Rental' tab.
- Qualifying income from self-employment.
- Bank statement average net income.

Your company's logo appears on the Dashboard for presentation or file delivery to underwriters or investors.

#### **Tips & Best Practices**

- ✓ Double-check all entries for typos or missing inputs.
- ✓ Save a fresh copy for each borrower to maintain data integrity.
- ✓ Refer to agency-specific underwriting guidelines for how to handle variable income streams.