

Income Verification Overview

- Pre-qualified offers will be generated based on the **total stated annual income**
 - In community property states*, it is recommended to include spousal income in the total stated annual income
 - Borrower is presented with multiple income verification methods based on employment type
 - Waterfall method is used. If verified income differs from stated and impacts qualification, additional income sources may be linked or available offers reviewed.
 - All income verification options may be completed, as applicable; methods are not combined. The highest verified income from the methods selected will be used.
 - Borrower chooses income verification method and links accounts – see below
 - All income verification is done through automated systems
 - Manual income documentation is allowed only after all automated options have been attempted and unsuccessful
 - For each income source, income will be calculated automatically.
 - Final approval will be based on the lesser of stated income or verified total annual gross income.
- Note:** If stated income is incorrect, the application will need to be canceled and a new inquiry started.

Verification Method Overview

The table below highlights the verification methods available at the **Link Income Sources** stage.

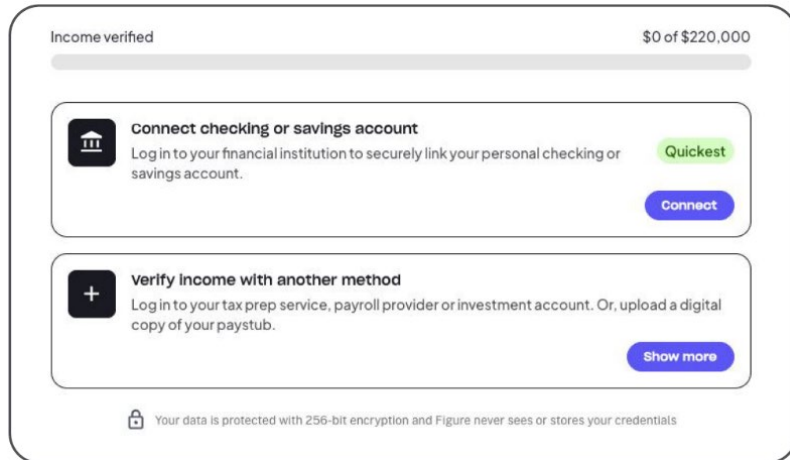
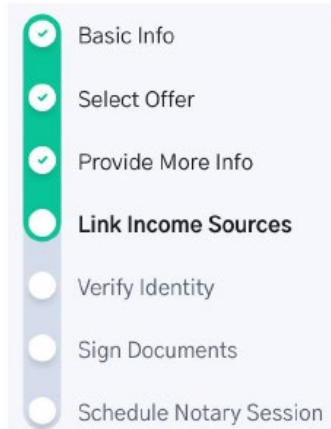
Verification Methods		
Type	Details	Required
<u>Personal Accounts</u>	<ul style="list-style-type: none"> • Used to verify all income types • Checking and/or savings accounts • Utilizes Plaid to link financial accounts • Calculates gross income from accounts linked 	<ul style="list-style-type: none"> • Online account login credentials • Must show borrowers name as account owner • Must have > 85 days account activity
<u>Business Accounts</u>	<ul style="list-style-type: none"> • Used to verify self-employed income if personal account income is not sufficient • Multiple business accounts may be used • Utilizes Plaid to link financial accounts • 680 credit score required 	<ul style="list-style-type: none"> • Online account login credentials • Must have > 180 days account activity • Business type/tax form, % ownership, business sector
<u>Tax Returns</u>	<ul style="list-style-type: none"> • Used to verify all income types • Utilizes PointServ to link to most recent tax year information 	<ul style="list-style-type: none"> • Online credentials for tax preparer or use IRS.gov account for linking
<u>Financial Accounts</u>	<ul style="list-style-type: none"> • Used to verify asset depletion income • Retirement, Investment accounts • Utilizes Plaid to link financial accounts • Borrowers < 59½: 70% of retirement balance will be used 	<ul style="list-style-type: none"> • Online account for financial institution and login credentials • Must have > 85 days account activity
<u>Payroll Provider</u>	<ul style="list-style-type: none"> • Used to verify wage earner income • Utilizes PointServ to link to payroll provider (i.e. ADP) if available • If provider is unavailable, see Paystub or other option 	<ul style="list-style-type: none"> • Online account credentials for payroll provider • Must have at least 3 paystubs, at least one within 5 weeks of app date
<u>Paystub</u>	<ul style="list-style-type: none"> • Used to verify wage earner income • Manually upload most recent paystub • Up to 3 paystubs can be uploaded if multiple payroll providers exist • Commission income not allowed via paystub option; manual verification option required 	<ul style="list-style-type: none"> • Paystub(s) must be PDF from employer or employee portal • Scanned copies not acceptable • Manual review required prior to approval
<u>Award Letters</u>	<ul style="list-style-type: none"> • Used to verify retirement income • Manually upload award letter • Social security income, pension, VA benefits 	<ul style="list-style-type: none"> • Most recent award letter required • Manual review required prior to approval

* **Spousal Income States** - AK, AL, AR, AZ, CA, CO, DC, FL, IA, ID, IL, KS, LA, MI, MN, MO, MS, MT, NC, NC, NE, NH, NJ, NM, NV, OH, OK, SC, SD, TN, TX, VT, WA, WI, WV, WY

Troubleshooting – See [table below](#) for Troubleshooting assistance

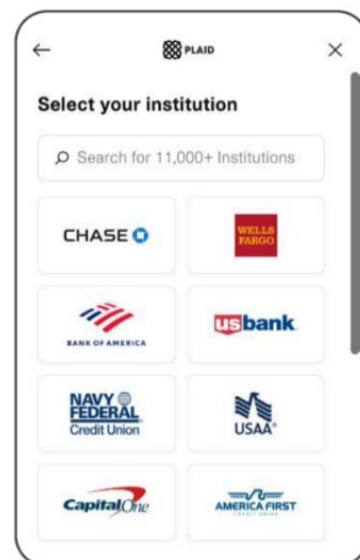
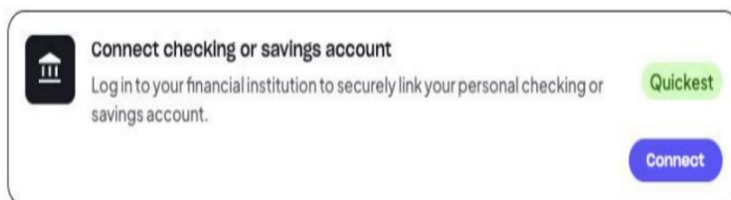
Link Income Sources Stage

- Borrower will link corresponding account(s) to verify income
- Once sufficient income is verified to support the offer, application will proceed



Personal Accounts Method

- Used to verify all income types utilizing personal checking/savings accounts
- Borrowers name must be listed as account owner
- Accounts must have at least 85 days of activity
- Income is automatically calculated – if variance exists, borrower will have the option to connect additional accounts or select an alternative offer
- Once sufficient income is verified to support the offer, application will proceed



Business Account Method

- Used to verify self-employment income
- Business accounts will only be used if personal account income is not sufficient to qualify
- If no personal income is available, business account income will be used exclusively
- For each business account used, borrower will be required to enter:
 - Business type/tax form, ownership %, and business sector
- Business account eligibility requirements:
 - 680 credit score
 - At least one account must have ≥ \$100 income/mo. over a 3-month look-back period
 - At least one account with ≥ \$100 current balance and median balance over last 30 days
 - < 3 days with a negative balance in the last 30 days
 - At least 180 days of transaction history
- Income is automatically calculated – if variance exists, borrower will have the option to connect additional accounts or select a lower offer
- **Note:** This method is not linking borrower’s tax returns. The tax return method is a separate process, see below.
- Once sufficient income is verified to support the offer, application will proceed

Select an option below to securely verify your income information

Link any account that receives income, as well as any account that may help verify additional assets.

▲ Chase Bank (1234-Checking) Business account requires more info Add info

▲ Bank Name (1234-Checking) Business account requires more info Add info

Income Verified \$20,017 of \$220,069

- Chase Bank Additional Info Required
- Bank Name Additional Info Required

Connect checking or savings account quickest
 Log in to your financial institution to securely link your personal checking or savings account.

How do you file your business tax returns?

Entity type/Tax form
 Select ▼

I know my NAICS industry code

Business Sector
 Select ▼

Industry (NAICS)
 Select ▼

If your industry is not listed, please select the closest option

Save & Continue
Cancel

- To locate the **Business Sector Code (NAICS Code)** on common IRS tax forms:
 - Sole Proprietor – Schedule C – Form 1040, Line B
 - Partnership – Form 1065, Line C
 - S Corporation – Form 1120-S, Line B

Sole Proprietors: Schedule C (Form 1040), Line B

SCHEDULE C (Form 1040) <small>Department of the Treasury Internal Revenue Service</small>	Profit or Loss From Business (Sole Proprietorship) <small>Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.</small>	<small>OMB No. 1545-0074</small> 2024 <small>Attachment Sequence No. 09</small>
Name of proprietor		Social security number (SSN)
A Principal business or profession, including product or service (see instructions)	B Enter code from instructions	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN) (see instr.)	
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		
G Did you "materially participate" in the operation of this business during 2024? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2024, check here <input type="checkbox"/> Yes <input type="checkbox"/> No		
I Did you make any payments in 2024 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No		
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Enter the six-digit principal business or principal activity code from the IRS instructions in Line B.

Partnerships: Form 1065, Line C

Form 1065		U.S. Return of Partnership Income		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		For calendar year 2024, or tax year beginning _____, 2024, ending _____, 20		2024
Go to www.irs.gov/Form1065 for instructions and the latest information.				
A Principal business activity	Name of partnership			D Employer identification number
B Principal product or service	Number, street, and room or suite no. If a P.O. box, see instructions.			E Date business started
C Business code number	City or town, state or province, country, and ZIP or foreign postal code			F Total assets (see instructions)
\$				
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return				

S corporations: Form 1120-S, Line B

Form 1120-S		U.S. Income Tax Return for an S Corporation		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to www.irs.gov/Form1120S for instructions and the latest information.		2024
For calendar year 2024 or tax year beginning _____, 2024, ending _____, 20				
A S election effective date	Name			D Employer identification number
B Business activity code number (see instructions)	Number, street, and room or suite no. If a P.O. box, see instructions.			E Date incorporated
City or town, state or province, country, and ZIP or foreign postal code				F Total assets (see instructions)
\$				
G Is the corporation electing to be an S corporation beginning with this tax year? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No				
H Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination				
I Enter the number of shareholders who were shareholders during any part of the tax year _____				
J Check if corporation: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes				

Tax Return Method

- Used to verify all income types
- Utilizes PointServ to verify borrower’s tax returns by linking an IRS.gov account or a tax preparation service
- Borrower must have filed returns and most recent tax year will be utilized
- Only one (1) tax return can be linked (only one spouse can link their tax account)
- Income is calculated automatically – if variance exists, borrower will have the option to connect additional accounts or select a lower offer
- This method is one of the quickest to income
- Once sufficient income is verified to support the offer, application will proceed



Log in to Tax Prep Service Provider

Securely log into your Tax Preparer Service or IRS.gov and we can retrieve your income. This option can take up to 20 minutes to process.

Creating an IRS.gov account

1. Access IRS.gov
2. Select “Get your tax record”
3. Select “Get transcript online”
4. Follow prompt to set up account
5. Return to application and verify income by logging in with new IRS credentials

Once account is linked, borrower will allow access to most recent tax year.


Tax Returns

Let’s start with your federal tax returns

Please select the Tax Preparation Provider used for filing your federal tax returns.

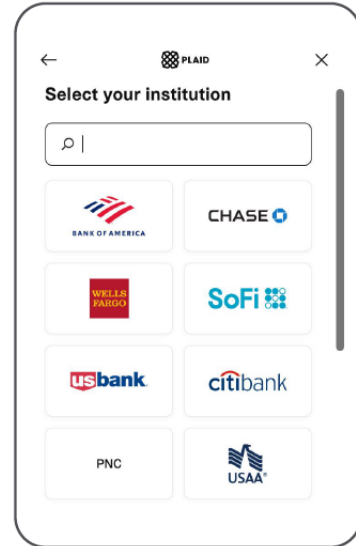
Financial Account Method

- Used to verify asset depletion income utilizing retirement, 401k, IRA, Roth, brokerage, money market, CD accounts, etc.
- Income is automatically calculated – if variance exists, borrower will have the option to connect additional accounts or select an alternative offer
- This method processes instantly
- Once sufficient income is verified to support the offer, application will proceed




Connect Investment/Retirement Account

Securely log into your Investment Account and we can calculate your income using investment balances. This option processes instantly.




Payroll Provider Method

- Used to verify wage earner income through available payroll providers
- Borrower must have at least three (3) paystubs, at least one dated within five (5) weeks of application date to utilize this method
- Utilizes PointServ to securely link to available payroll providers
 - **Note:** If borrower’s payroll provider is not listed on PointServ, see Paystub method
- Income is automatically calculated – if variance exists, borrower will have the option to connect additional accounts or select a lower offer



Log in to Payroll Service Provider or Company Payroll









Securely log into your Payroll Portal and we can verify your income. This option can take up to 20 minutes to process.

 **Paystubs**

Let's start with your paystubs

Please select the Payroll Provider used for processing your paystubs.

View all

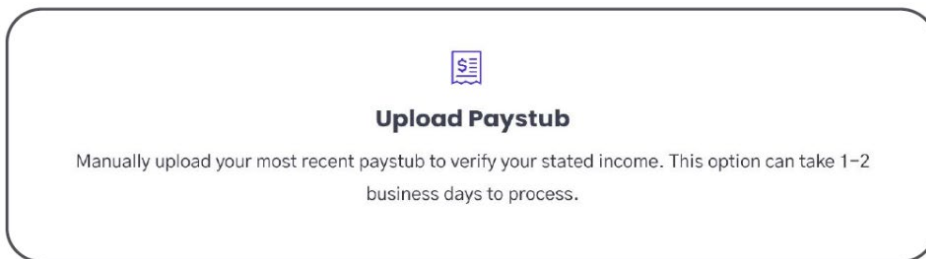
	
	
	
	

Paystub Method – Manual

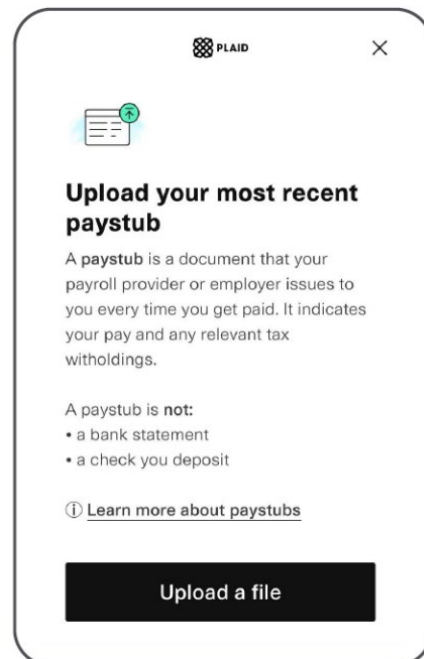
- Used to verify wage earner income
- Borrower can manually upload up to three (3) paystubs, most recent must be within 30 days
 - In spousal income states, the spouse’s most recent paystub can be uploaded
- This method should be used when other methods have been unsuccessful
- Process can take 1-2 business days
- Income is calculated automatically – if variance exists, borrower will have the option to connect additional accounts or select an alternative offer

Award Letter Method - Manual

- Used to verify retirement income
- Borrower can manually upload most recent award letter for review with same link
 - Social security, VA benefits, disability, or any other type of award letter
 - Non-taxable income = Monthly amount x 12 (no gross-up factor)
 - COLA Letters, child support verification letters
- Process can take 1-2 business days



- Use this option for manual upload of paystubs and/or award letters
- Documents are manually reviewed and income amount entered into automated system



Troubleshooting

Income Verification – Tips to Share with the Borrower:	
General	<ul style="list-style-type: none"> • The borrower can try the following basic techniques: <ul style="list-style-type: none"> ○ Restarting their device ○ Ensure Google chrome is being used as web browser ○ Ensure most recent software is being used ○ Ensure login credentials are correct ○ If using tax returns for income, ensure they have been completed
Linking Bank Accounts	<ul style="list-style-type: none"> • Disable Multi-factor Authentication in account settings for online accounts <ul style="list-style-type: none"> ○ Borrower can temporarily disable for online banking • Borrower can change password with financial institution • Ensure account settings for online accounts have third-party access enabled • Wait 24 hours
Linking Payroll Provider	<ul style="list-style-type: none"> • If possible, disable Multi-factor Authentication in payroll providers account settings • Borrower can change password through payroll provider • If possible, enable third party access through payroll provider website • Wait 24 hours
Linking Tax Returns	<ul style="list-style-type: none"> • Ensure borrower has filed their most recent year tax returns • Ensure tax preparation service is eligible for online access or borrower can create account with IRS.gov

LoanStream, 19000 MacArthur Blvd, Ste 200, Irvine, CA 92612 | Phone: 800.760.1833 | LoanStream Mortgage is a registered DBA of OCMBC, Inc. NMLS ID #2125. Programs and rates are subject to change without notice. Underwriting terms and conditions apply and not all applicants will qualify. Turn time estimates are not warranted or guaranteed. Intended for use by real estate and lending professionals only and not for distribution to consumers. OCMBC, Inc. is licensed in the following states that require specific licensing disclosures: AZ (#0909401). CA CFL - Loans made or arranged pursuant to the California Financing Law, Licensed by the Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act (#4130724). GA Georgia Residential Mortgage Licensee (#20571). IL MB.6759942 Illinois Department of Financial and Professional Regulation, Division of Banking, 100 West Randolph, 9th Floor, Chicago, IL 60601 1-888-473-4858. MA Lender (#ML2125). MO Missouri Mortgage Company License #2125 In-State Office: Missouri In-State Branch License #2396190 3636 S. Geyer Road, Suite 100, Office 134, St. Louis, MO 63127. RI Rhode Island Licensed Lender. NJ Licensed by the N.J. Department of Banking and Insurance. VA NMLS ID #2125. Also licensed in AK, AL, AR, CO, CT, DC, DE, FL, HI, IA, ID, IN, KS, KY, LA, MD, ME, MI, MN, MS, MT, NC, ND, NE, NH, NM, NV, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, WA, WI, WV, and WY. Not licensed or conducting business in New York. For more licensing information, visit the Nationwide Multistate Licensing System's Consumer Access website www.nmlsconsumeraccess.org.