

Wells Fargo Income Document Requirements for the Home Affordable Modification Program (HAMP) and Home Affordable Foreclosure Alternatives (HAFA) Program

All servicers that have signed agreements with the U.S. Department of the Treasury (Treasury) to participate in the Home Affordable Modification Program (HAMP) must consider a borrower's most recent income documentation when reviewing for HAMP mortgage assistance options. This document was developed to assist borrowers and their representatives in understanding income documentation requirements for loans owned and serviced by Wells Fargo and loans serviced by Wells Fargo on behalf of bank and private investors which are under review for HAMP mortgage assistance. Not all documents listed below will apply to all borrowers and applicability will be based on the borrower's individual situation.

For the Home Affordable Foreclosure Alternatives (HAFA) program if a borrower's financial information is documented and verified as a part of the HAMP evaluation and Wells Fargo is in possession of a signed Hardship Affidavit or Request for Mortgage Assistance (RMA), no additional financial or hardship assessment is required under HAFA. However, in accordance with investor, mortgage insurance, and junior lien holder guidelines, Wells Fargo may request updated financial information. If there has not been a completed HAMP review within the past 90 days, the income documentation requirements below would be applicable.

The summary information in this document is prepared solely by Wells Fargo and does not represent any determination by the Treasury as to Wells Fargo's compliance with the Treasury's policies and guidance for HAMP and HAFA. Treasury does not endorse any language or policy described in this document. Any questions regarding the information contained in this document should be directed solely to Wells Fargo.

Age of Income Documentation

A borrower's most recent income must be supported by documentation that is not more than 90 days old as of the date that such document is received by Wells Fargo in connection with evaluating a mortgage loan for home preservation or liquidation options.

IRS Form 4506-T or 4506T-EZ and Tax Returns

Each borrower, co-borrower, and/or non-borrower whose income is used in the evaluation must provide either:

- A signed and completed Form 4506-T or Form 4506T-EZ (Request for Transcript of Tax Return)
- A signed copy of the borrower's tax return for the most recent tax year, including all applicable schedules and forms

Note: Form 4506T-EZ is a permissible substitute for Form 4506-T for borrowers who filed a Form 1040 series tax return on a calendar year basis. All other borrowers should continue to provide Form 4506-T.

Wage or Salary Income

- The borrower must provide copies of the two recent paystubs indicating year-to-date earnings.

Self-Employed

The borrower must provide:

- The most recent signed personal federal tax return (1040), complete with all schedules and forms submitted to and on file with the IRS for each borrower; or a signed and completed Form 4506-T or Form 4506T-EZ
- The most recent signed business federal tax return (1120, 1120S, 1065) as applicable, complete with all schedules and forms submitted to and on file with the IRS for each borrower; or a signed and completed Form 4506-T
- One of the following in addition to the tax return, Form 4506-T, or 4506T-EZ:
 - The most recent quarterly or year-to-date profit and loss (P&L) statement for each self-employed borrower. Note: "quarterly" is equivalent to a three month period (e.g. January-March, February-April, March-May, January 15 – April 15); for a new business that has been in existence less than 3 months, the P&L must be from business inception; audited financial statements are not required.
 - Copies of the most recent two business or personal bank statements that support the business activity on the P&L statement or on the tax return/tax transcript.
 - W2 or 1099.
- Other reliable third party-documentation the borrower voluntarily provides

Non-borrower Household Income

- Non-borrower household income included in monthly gross income must be documented and verified using the same standards for verifying a borrower's income.
- The non-borrower must sign and complete the Non-Borrower Occupant Certification Form.

Child Support, Alimony, or Maintenance Income

- Copy of the divorce decree, separation agreement, or other type of legal agreement filed with a court, or court decree that sets forth the amount of such payments and the period of time over which they will be received
- Proof of full, regular, and timely payments, such as a copy of one recent month's deposit slips, one recent month's bank statements showing the deposits, the most recent signed personal federal tax return (1040) that is complete with all schedules and forms submitted to and on file with the IRS for each borrower, or a signed and completed Form 4506-T or Form 4506T-EZ.

Note: Alimony, child support, or separation maintenance income need not be revealed if you do not choose to have it considered for repaying this loan.

Benefit Income

Benefit income includes, but is not limited to, Social Security, disability, retirement/pension income, survivor/death benefits, VA benefits, public assistance, or adoption assistance. The borrower must provide either of the following:

- The most recent award letters, exhibits, disability policy, or benefits statement from the provider
- Two months' proof of receipt of payment, such as copies of the two most recent bank statements or two most recent deposit advices showing deposit amounts

Unemployment Compensation

- Evidence of the amount, frequency, and duration of the benefits through a monetary determination letter or benefits statement

Seasonal Employment Income

- The two most recent W2s
- The current year's documentation of seasonal income

Rental Income

- The most recent signed federal tax return (1040), complete with all applicable schedules and forms submitted to and on file with the IRS for each borrower; or a signed and completed Form 4506-T or Form 4506T-EZ. If the current rental income is different from that reported on Schedule E, or the rental income is not reported on Schedule E, the borrower must provide a copy of the current signed lease(s) and a copy of one recent month's canceled rent check, bank statement showing rent deposit, or evidence of damage deposit.

Foster Care

Copy of letter from sponsoring organization; and any one of the following:

- Copy of the borrower's most recent year of signed federal income tax returns (1040) including all schedules and forms, or a signed and completed Form 4506-T or Form 4506T-EZ
- Copy of one recent month's bank statement showing deposit
- Copy of one recent month's canceled check

Interest/Dividend Income

Copy of the most recent two months' account statements, and one of the following:

- Copy of the borrower's most recent year of signed federal income tax returns (1040) including all schedules and forms, or a signed and completed Form 4506-T or Form 4506T-EZ
- Copy of most recent IRS Form(s) 1099

Royalty Income

One of the following:

- Copies of the most recent two months of bank statements showing deposits
- Copies of the most recent two months of canceled checks

Military Income

- The borrower must provide copies of the two most recent Leave & Earnings Statements (LES) indicating year-to-date earnings.

Note Receivable Income

Copy of the note, and one of the following:

- The most recent signed federal tax return (1040), complete with all schedules and forms submitted to and on file with the IRS for each borrower; or a signed and completed Form 4506-T or Form 4506T-EZ
- Copy of one recent month's bank statement showing deposit
- Copy of one recent month's canceled note payment check

Trust Income

Acceptable documentation includes:

- A copy of the applicable note, trust agreement, or trustee's statement that indicates the amount, frequency, and duration of the payment
- A copy of the most recent federal tax return (1040), or a signed and completed Form 4506-T or Form 4506T-EZ; copy of one recent month's of cancelled check; or a copy of one recent month's bank statement showing receipt of the income

Borrower Employed in Family-Owned Business

The borrower must provide:

- Copies of the two most recent paystubs indicating year-to-date earnings
- Copy of the borrower's most recent W-2

Possible additional supporting documents: Copies of the most recent two months of personal bank statements showing deposits.

Foreign National Income

All income considered for qualification must be documented using standard documentation guidelines as for any U.S. citizen. Additional income from a foreign source must be documented and translated into English, and all funds must be converted into U.S. dollars. Generally, a foreign national is subject to U.S. tax on its U.S. source income. Income documentation requirements are as follows:

- **Permanent resident alien:** Documentation required is the same as for a U.S. citizen.
- **Non-permanent resident alien:** Documentation required is the same as for a U.S. citizen.
- **Non-resident alien:** These individuals may or may not have a requirement to file a U.S. tax return. If the borrower does file a tax return, he will need to provide a copy as part of the required income documentation and any claimed U.S. source income will be verified the same as for a U.S. citizen. Additional written verification of income includes current gross monthly income; current employment status; job title and term of employment; annual income for the prior two years; name and title of person providing the information; verification of a minimum of two years' continuous employment; and three months' bank statements which must be fully translated into English. Please note that if the borrower receives dividend income and does not file a U.S. tax return, and the interest earning accounts are located in the borrower's native country, 24 months of bank statements translated into English are required. If the borrower has an Individual Taxpayer Identification Number (ITIN), a W-9 is also required as additional verification of income. ITINs are issued by the IRS to foreign nationals and others who have federal tax reporting or filing requirements and do not qualify for Social Security numbers. If the borrower does not have an ITIN, he or she must provide a W-8BEN (Certificate of Foreign Status).

Last updated on 2/20/2015

This information does not apply to mortgage loans that are:

- Owned or guaranteed by Fannie Mae or Freddie Mac
- Insured or guaranteed by the Veterans Administration or the Department of Agriculture's Rural Housing Service
- Insured by the Federal Housing Administration

In addition, the information above applies only to investors and/or insurers that are participating in the federal government's Home Affordable Modification Program. Guidelines cited herein are subject to periodic changes based on program revisions from Treasury, Investors and Insurers. Participation in HAMP and HAFA does not relieve any party to the transaction of their obligation to comply with any laws or judicial requirements of the state, county, or city in which the property is located.

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