

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

[Guidelines](#)

[Bolt Training](#)

[Wholesale Website](#)

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21W-032

Attention: AEs, Business Development Managers & Mortgage Brokers

May 05, 2021

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: 2020 1040 4506-C Tax Transcript Guides

W2 Salaried Only

Conforming Products/DU/LPA

Jumbo Products/Manually Underwritten Loans

Loans Underwritten or Submitted to MWF for Underwriting AFTER May 17th, 2021 and ONLY W2 income is used to qualify provide the applicable information noted below:

Loans underwritten to MWF for underwriting in 2020 and **ONLY** W-2 income is used to qualify, W-2 transcripts are NOT required. Follow the AUS findings for documentation requirements.

- 2-year's documentation:
 - 2020 & 2019 tax returns (if applicable, see guidelines)
 - Current paystub
 - 2020 & 2019 W2s

Salaried with 1040

Conforming/DU/LPA

Jumbo Products/Manually Underwritten Loans

Loans Underwritten or Submitted to MWF for Underwriting AFTER May 17th, 2021 AND 2020 Tax Returns Are Not Filed provide the information noted below:

- 1-year documentation:
 - Current paystub
 - 2020 W2
 - 2019 1040 tax transcripts
 - 2019 tax return

- 2-year's documentation:
 - Current paystub
 - 2020 & 2019 W2s
 - 2019 & 2018 1040 tax transcripts
 - 2019 & 2018 tax returns

- 2-year's documentation:
 - Current paystub
 - 2020 & 2019 W2s
 - 2019 & 2018 1040 tax transcripts
 - 2019 & 2018 tax returns

Loans Underwritten or Submitted to MWF AFTER May 17th, 2021 AND 2020 Tax Returns Are Filed

provide the applicable information noted below:

- 1-year documentation:
 - Current paystub
 - 2020 W2
 - 2020 1040 tax transcripts
 - 2020 tax return²

- 2-year's documentation:
 - Current paystub
 - 2020 & 2019 W2s
 - 2020 & 2019 1040 tax transcripts
 - 2020 & 2019 tax returns²

- 2-year's documentation:
 - Current paystub
 - 2020 & 2019 W2s
 - 2020 & 2019 1040 tax transcripts
 - 2020 & 2019 tax returns²

Self-Employed

Conforming Products/DU/LPA

Jumbo Products/Manually Underwritten Loans

Loans Underwritten or Submitted to MWF for Underwriting PRIOR to May 17th, 2021 AND 2020 Tax Returns Are Not Filed
provide the applicable information noted below:

<ul style="list-style-type: none"> • 1-year documentation: <ul style="list-style-type: none"> • 2019 1040 tax transcripts • 2019 tax return • 2021 P&L (see below¹) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2018 1040 tax transcripts • 2019 & 2018 tax returns • 2020 P&L (see below¹) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2020 & 2019 1040 tax transcripts • 2020 & 2019 tax returns
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• **CPA MUST file tax returns**
 • **Returns MUST be electronically filed and documentation provided of filing**
 • **Documentation showing paid in full or pay through subject transaction, if amount owed to IRS.**
 • **If paid quarterly proof of payment must be provided (i.e. bank statements, cancelled checks, etc.)**
 All other AUS required Self Employment guidance must be followed.

Loans Underwritten or Submitted to MWF for Underwriting AFTER May 17th, 2021 AND 2020 Tax Returns Are Not Filed
provide the information noted below, in addition to the applicable information noted above:

<ul style="list-style-type: none"> • 1-year documentation: <ul style="list-style-type: none"> • 2019 1040 tax transcripts • 2019 tax return • 2020 P&L (see below¹) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2018 1040 tax transcripts • 2019 & 2018 tax returns • 2020 P&L (see below¹) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2018 1040 tax transcripts • 2019 & 2018 tax returns • 2020 P & L
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Loans Underwritten or Submitted to MWF PRIOR to May 17th, 2021 AND 2020 Tax Returns Are Filed
provide the applicable information noted below: ²

<ul style="list-style-type: none"> • 1-year documentation: <ul style="list-style-type: none"> • 2020 1040 tax transcripts • 2020 tax return² • 2021 P&L¹ through most recent quarter (at underwriter's discretion) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2020 1040 tax transcripts • 2019 & 2020 tax returns² • 2021 P&L¹ through most recent quarter (at underwriter's discretion) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2020 1040 tax transcripts • 2019 & 2020 tax returns² • 2021 P&L¹ through most recent quarter (at underwriter's discretion)
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Loans Underwritten or Submitted to MWF ON or AFTER May 17th, 2021 AND 2020 Tax Returns Are Filed
provide the applicable information noted below:

<ul style="list-style-type: none"> • 1-year documentation: <ul style="list-style-type: none"> • 2020 1040 tax transcripts • 2020 tax return² • 2021 P&L¹ through most recent quarter (at underwriter's discretion) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2020 1040 tax transcripts • 2019 & 2020 tax returns² • 2021 P&L¹ through most recent quarter (at underwriter's discretion) 	<ul style="list-style-type: none"> • 2-year's documentation: <ul style="list-style-type: none"> • 2019 & 2020 1040 tax transcripts • 2019 & 2020 tax returns² • 2021 P&L¹ through most recent quarter (at underwriter's discretion)
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Special Notes:

- **The underwriter may require additional information such as a copy of the business license, profit and loss statement and/or balance sheet if it is necessary to further support the determination of the stability of the borrower's income.**
- **W2 Only Borrowers** – prior years' W2s must be consistent with 2020 income as reported on 2020 W2.
- **When using only W-2 income to qualify the borrower, W-2 transcripts are not required. Transcripts are still required for 1099 income, excluding social security and retirement income.**
- **Self-Employed Corporate Borrowers (not Sole Proprietorships)** require most recent two year's business income tax returns. (DU may waive this requirement).
- **The borrower's 2020 1040 tax transcript must be provided to use income from 2020 tax return.**
- **Borrowers Not Required to File a 2020 Tax Return** – if a borrower is not required to file a 2020 tax return and the source of income cannot be validated through the 4506-C process, document the file with appropriate alternative documentation (such as award letter or 1099) and a 2020 transcript showing "No Record of Return Filed."
- **Non-credit qualifying FHA Streamline and VA IRRRL transactions do not require 4506-C or Tax Return Transcripts.**
- ¹**Financial Statements (P&L, Balance Sheet, etc.)** must be prepared & certified by a licensed CPA.
- ²**Self-Prepared, Self-Employed Taxes** - if the 2020 Self-Employed Tax returns are self-prepared, MWF requires the original returns to be stamped by the IRS. If the income has increased $\geq 20\%$, a CPA or licensed tax professional is required to certify the tax returns.
- **Review Product Matrix for additional guidance.**

Please also see the [Tax Document Flowchart](#).

If you have any questions, contact your local Account Executive, Production Coordinator, Regional Vice President, or Brian Daily, SVP Wholesale: Brian.Daily@mwfinc.com, 909-255-8332.

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