Fannie mae guidelines grossing up income

at the top of section 1026.43(e)(2)(vi), the ratio between total monthly payments of consumer debt and total monthly income at the time of consumption may not exceed 43 per cent in order to meet the requirements for a qualifying mortgage referred to in point 1026.43(e)(2). Section 1026.43(e)(2)(vi)(A) requires the creditor to calculate the ratio between the total monthly payments of consumer debts and total monthly income using the following standards, with additional requirements for the calculation of debt and income set out in point 1026.43(e)(2)(vi)(B). If the instructions issued by the U.S. Department of Veterans Affairs, the U.S. Department of Agriculture or the U.S. Department of Housing or the Federal National Mortgage Association (Fannie Mae) or the Federal Mortgage Credit Corporation (Freddie Mac) while operating under the conservatory or receiver of the Federal Housing Finance Agency, Issued by a limited-life regulatory entity, the charter was the charter of Fannie Mae or Freddie Mac (collectively). , the Agency or the GSE guidelines) is in line with Appendix Q, borrowers may consider this as a useful resource in the application of Appendix Q. In addition, if the following standards do not resolve how a particular type of debt or income is to be treated, the creditor (1) may exclude income or include debt, or (2) rely on the guidelines of the Agency or the GSE to resolve this issue. The following standards address the proper treatment of a specific type of debt or income when standards provide a consistent answer to the question of how to deal with debt or income. However, the creditor may not rely on the guidelines of the Agency or the GSE to achieve a resolution contrary to the resolution set by the following standards, even if such guidance from the Agency or the GSE specifically deals with a particular type of debt or income, but the following standards provide more general guidance. 1. An efficient income. Income may not be used to calculate the debt-to-income ratio of the consumer if it comes from any source that cannot be verified, is stable or will not continue. 2. Checking employment history. A. The creditor must verify the employment of the consumer during the last two full years and the creditor must require the consumer to: i. Please explain any employment gap spanning one or more months, and ii. Please indicate whether he has been in a school or army in the last two full years providing evidence to support this claim, such as college transcripts or discharge. B. Allowances may be made for seasonal employment, which is typical of buildings and agriculture, provided that they are made by a creditor. Note: A consumer with a 25 per cent or greater ownership interest in an enterprise is considered self-employed and will be valued as a self-employed consumer. 3. Analysis of the consumer employment record. A. In the analysis of consumer creditors should be examined: i. Historical record of consumer employment; and ii. Confirmation of the current, ongoing employment status of the employer. Note: Creditors may assume that employment takes place if the consumer's employer checks the consumer's current employment and does not indicate that the employment has been completed or is to be cancelled. Creditors should not rely on the verification of current employment, which includes an affirmative declaration that the employment may cease, such as a statement indicating that the worker has given (or has been given) notice of termination or termination of employment. B. Creditors may give a favourable examination of the stability of the consumer's income if he frequently posts in the same working type, but continues to make progress on income or tax. In this analysis, income stability takes precedence over job stability. 4. Consumers returning to work after extended absence. The consumer's income may be considered efficient and stable when he returns to work after an extended absence if: a. is employed on a rolling day for six months or longer; and b. Can document a two-year history of work before being absent from employment using: i. traditional employment checks; and/or ii. Copies of the IRS W-2 form or payroll accounts. Note: An acceptable employment position involves individuals who have taken several years to raise children and then return to the workforce. c. Important: Situations which do not meet the above criteria may not be used to qualify. Extended absence is defined as six months. 1. General policy for consumer income analysis. A. It is necessary to examine the income of each consumer who will be liable to mortgage debt and to whom he relies on income in determining the ability to pay off in order to determine whether his level of income can reasonably continue. B. In most cases, the consumer's income is limited to wages or salaries. Revenue from other sources may be considered effective when properly verified and documented by the creditor. Comments: i. The effective income of consumers planning to retire within the first three-year period must include: a. documented pension benefits; b. social security payments; or c. Other payments are expected to be received in retirement. ii. Creditors must not ask the consumer about possible future maternity leave. iii. Creditors may assume that the salary or salary from employment verified in accordance with Section I.A.3 above may reasonably be expected to continue if the consumer's employer checks the consumer's current employment and income and does not indicate that the employment has been or is to be cancelled. Creditors should not assume that a continuation of income can reasonably be expected if the verification of current employment includes an affirmative declaration that the employment is likely to cease, such as a statement notification of termination or termination of employment. 2. Overtime and bonus income. A. Overtime and bonus income may be used to qualify the consumer if he has received that income during the last two years and the documentation submitted for the loan does not indicate that that income will cease altogether. For example, if a job check indicates that overtime and bonus income are unlikely to continue, it should not be used in terms and conditions. B. The creditor must develop an average of bonus or overtime income over the last two years. Periods of overtime and bonus income of less than two years may be acceptable, provided that the creditor can reasonably and in writing document the reason for using the income for legitimate purposes. 3. Establishing an overtime and bonus income earnings trend. A. The creditor must establish and document the trend of earnings for overtime and bonus income. If any type of income shows a steady decline, the creditor must document in writing good rationalisation to integrate income into the consumer's qualification. B. In calculating the average overtime and bonus income, a period of more than two years should be used if the income varies significantly from year to year. 4. Eligible income with working time. A. With half and seasonal income, the consumer can qualify if the creditor documents that the consumer has worked part-time continuously for the last two years and intends to continue. Many low- and moderate-income families rely on day-to-day income and seasonal income, and creditors should not limit the consideration of such income when qualifying the income of these consumers. B. Half-time income received for less than two years can be included as an effective income if the creditor mixes up and documents that the income can continue. c. Income with a time other than qualifying requirements may not be used to meet the requirements. Note: For legitimate purposes, working-time income refers to employment which has been accepted to supplement the consumer's income from regular employment; part-time employment is not a primary job and works less than 40 hours. 5. Income from seasonal employment. A. Seasonal income is considered continuous and can be used to eligibility the consumer if the creditor documents to the consumer: i. In the last two years he has done the same job and ii. He expects to be taught again next season. B. Seasonal employment includes, but is not limited to: i. Umpiring baseball games in the summer; or ii. During the holiday shopping season I work in the store. 6. Primary employment less than 40 hours working week. A. Where the primary employment of the consumer is less than the normal 40-hour working week, the creditor should assess the stability of that income as a full-time and regular primary employment. b. Example: The registered nurse may have worked 24 hours a week for last year. Although this work is less than a 40-hour working week, this is the primary job of the consumer and should be regarded as an effective income. 7. Revenue from the Commission. A. The Commission's revenue must be average over the previous two years. In order to be eligible for the commission's income, the consumer must provide: i. Copies of signed tax returns in the last two years; and ii. Last pay cut. B. Consumers whose commission income has been received for more than one year but which may be considered favourable for less than two years if they can: i. Document the likelihood that revenue will continue, and ii. Rationally rationalize the acceptance of income commission. Comments: i. Unpaid operating expenses must be deducted from gross income. ii. It is the consumer hired who receives more than 25 per cent of the annual income from the commissions. iii. A tax copy obtained directly from the taxable person may be used for signed tax returns. 8. Eligible income of the Commission obtained for less than one year. A. The Commission's income acquired for less than one year shall not be regarded as an effective income. Exceptions may be made to cases where the consumer's compensation has been changed from salary to commission in a similar situation with the same employer. B. The consumer's income may also expire where the proportion of income not attributed to commissions is sufficient to justify the consumer's mortgage. 9. Different payments to the employer. If the employer subsidizes the payment of the consumer's mortgage by direct payments, the amount of payments: a. It cannot be used to directly reverse a mortgage payment, even if the employer pays directly to the service creditor. 10. Pension income. Retirement income must be verified from a former employer or from federal tax returns. If any retirement income, such as an employer's or 401 (k)'s, ceases within the first full three years of the mortgage loan, such income may not be used for eligibility. 11. Social security income. Social security income must be verified by a letter of verification of the social security administration's benefits (sometimes called income proof, budget letter, letter of receipt or proof of letter of award). If any benefits expire during the first three years of the loan, the source of income may not be used for entitlement. Comments: i. If the social security administration's confirmation letter does not indicate a specific expiry date within three years of the origin of the loan, the creditor shall take into account the income which is effective and can continue. The current or current re-evaluation of medical entitlement to the payment of benefits is not considered to be an indication that benefit payments will not continue. ii. Part of social security income may be made up if the IRS does not make it tax-free. 12. Automotive and payments of the expense account. A. Only the amount by which the consumer allowance or payments on the cost account exceed actual expenditure may be considered as income. B. In order to determine the amount to determine gross income, the consumer must ensure the following: i. IRS Form 2106, Staff Operating Costs, for the previous two years; and ii. Checking the employer for payments will continue. c. If the consumer applies the standard rate per mile when calculating the cost of cars as opposed to the actual cost method, the share in the IRS's view of depreciation may be returned to the revenue. d. Costs to be treated as recurring debt include: i. Monthly payments for the consumer's car; and ii. Any loss resulting from the calculation of the difference between actual expenditure and compensation for the expense account. 1. Request for income documentation. In addition to the normal job check, the consumer employed by the family business must provide evidence that he is not the owner of the business, which may include: a. Copies of signed personal tax returns or b. A signed copy of the corporate tax return showing the share of ownership. Note: A tax transcript obtained directly from the taxable person may be used for signed tax returns. 1. Definition: Self-employed consumer. A consumer with a 25 per cent or greater ownership interest in an enterprise is considered self-employed. 2. Types of business structures. There are four basic types of business structures. They include: a. self-ownership; b. corporations; c. limited liability or S company; and d. Partnerships. 3. Minimum length of self-employment. A. Income from self-employment is considered stable and effective if the consumer has been self-employed for two or more years. B. Due to the high likelihood of failure in the first few years of business, the requirements described in the table below are necessary for consumers who have been self-employed for less than two years. 4. General documentation requirements for self-employed consumers. Self-employed consumers must provide the following documentation: a. signed, with more individual tax returns, with all applicable tax schedules for the last two years; B. for a corporation, with a corporation or partnership, signed copies of federal operating income tax returns in the last two years, with all applicable tax schedules; and c. Profit and loss account (P&L) from year to year and balance sheet. 5. Establishing a trend of self-employed consumers' earnings. A. In the cases of eligible income, the creditor must determine the trend in consumer income from the previous two years using the consumer's tax returns. B. If the consumer: i. Provides quarterly tax returns, income analysis may include income through the period covered by tax filings, or ii. Not subject to quarterly tax returns or not filed then the income shown in the P&L statement may be included in the analysis, provided that the income flow based on P&L is consistent with the income from previous years. c. If the P&L accounts submitted for the current year show a flow of income significantly higher than what is supported by the tax returns of the previous year, the creditor's income analysis must be based only on the income verified by the tax returns. d. If the consumer's earnings trend over the previous two years is down and the last tax return or P&L is less than the tax return before the year, the consumer's last annual tax return or P&L 6 must be used to calculate his income. Analyzing the financial strength of the company. The creditor must examine the financial strength of the company by examining the annual salaries. Annual wages that are stable or rising are acceptable and companies showing a significant decrease in income during the analytical period are not acceptable. 1. General income adjustment policy based on a review of the IRS Form 1040. The amount shown on the consumer's 1040 taxable form as adjusted gross income should either be increased or reduced on the basis of the creditor's analysis of the individual tax return and all related tax schedules. 2. Guidelines for the analysis of IRS Form 1040. The table below provides guidance for the analysis of the IRS form 1040: 1. Description: Corporation. The corporation is a company owned by its shareholders. 2. The need to obtain a share of consumer ownership information. A. Compensation for companies to officials, generally in proportion to the percentage of ownership, is shown at: i. Corporate tax return Form 1120; and ii. Individual tax returns. B. If the proportion of ownership of the consumer is not shown on the tax returns, the creditor must obtain the information from the accounting officer of the company, together with proof that the consumer is entitled to any compensation. 3. Analysis of corporate tax returns. A. In order to determine the consumer's self-employed income from the company, adjusted operating income must: i. determine; and ii. 2008-2013, in The New B. The table below describes the items listed in IRS Form 1120 for which adjusted for the determination of adjusted operating income. 1. Description: S Corporation. A. Corporation S is generally a small, start-up company, with profits and losses passed on to shareholders in proportion to the share of ownership of each shareholder. B. Income for S corporate owners comes from IRS Form W-2 salaries, and is taxed at a certain rate. IRS Form 1120S, Compensation Officers line is transferred to the consumer-specific IRS Form 1040. 2. Analysis with corporate tax returns. A. Depreciation and amortization From the corporation may be added the consumer's share of the company's income. B. In addition, income must also be reduced proportionately by the total liabilities paid by the company in less than one year. c. Important: A consumer's withdrawal of cash from a company can have a profound negative impact on the company's ability to continue operating and should be taken into account in the income analysis. 1. Description: Partnership. A. A partnership is formed when two or more individuals form an enterprise, a share in profits, losses and responsibilities for the management of the company. B. Each partner pays taxes on its proportionate share of the company's net income. 2. Analysis of tax returns for the partnership. A. Both general and limited partnerships report income on IRS Form 1065 and the share of partners' income is transferred to schedule E of The IRS Form 1040. B. The creditor must review IRS Form 1065 to assess the viability of the business. Both depreciation and depletion can be returned to income in proportion to the consumer's share of income. c. Income must also be reduced proportionately by the total commitments to be paid by the partnership in less than one year. d. Important: Withdrawals of cash from the partnership can have a significant negative impact on the partnership's ability to continue to operate and should be taken into account in the income analysis. Maintenance, child maintenance or maintenance may be considered effective if: 1. Payments may be received consistently during the first three years of the mortgage; 2. The consumer shall provide the required documentation, including a copy of: i. Final divorce decree; ii. divorce agreement; iii. judgments; or iv. voluntary payment contract; and 3. The consumer can provide reasonable evidence that payments have been received in the last 12 months, such as: i. Cancelled checks; ii. deposit slips; iii. tax returns; or iv. Court records. Comments: i. Periods of less than 12 months may be acceptable provided that the creditor can properly document the payer's ability and willingness to make timely payment. ii. Child support may be paid in accordance with the same provisions as non-taxable sources of income. 1. Analysis of interest and dividends. A. Interest and dividend income may be used as long as tax returns or invoice accounts support a two-year income history. This income must be average over two years. B. Before calculating the declared interest or dividend income, subtract the assets derived from these sources that are necessary for the cash investment. 2. Trust Income. A. Fund income may be used if fixed payments continue for at least the first three years of the mortgage term, as evidenced by the trust income documentation. B. The required trust income documentation shall include a copy of the trust agreement or other confidential confidence statement attesting to: i. Amount trust; ii. frequency of distribution; and iii. Duration of payments. c. Trust account funds may be used for the required cash investment, provided that the consumer provides adequate documentation that the withdrawal of funds will not adversely affect income. The consumer may use funds from a trust account for the required cash investment, but the trust income used to determine the ability to repay cannot be adversely affected by the payment capacity. 3. Determines the proceeds of the claims. A. In order to include notes on income from claims, the consumer must provide: i. A copy of the note to determine the amount and length of the payment, and ii. Evidence that these payments have been consistently received during the last 12 months by means of deposit pools, escrow receipts, cancelled check, bank or other invoice statements or tax returns. B. If the consumer is not the original payer on the note, the creditor must establish that the consumer is capable of executing the note. 4. Eligible investment property. Follow the steps in the table below to calculate the income or loss of an investment property if the property subject to the mortgage is a eligible investment property. 1. Military income. A. Military personnel not only receive base salaries, but often times are also entitled to additional forms of remuneration, such as: i. Income from variable housing benefit; ii. Clothing accessories; iii. flight payment or risk; iv. meals; and in. He pays for professionalism. B. These types of additional payment are acceptable in the analysis of the consumer's income as long as the likelihood of continuing such payment is verified in writing. Note: The nature of some of the abovementioned tax-exempt payments should also be taken into account. 2. VA benefits. A. Direct compensation for disabled persons related to services by the Department of Veterans Affairs (VA) is acceptable if the creditor receives documentation from the VA. B. Education benefits used to compensate for the costs of education are not acceptable. 3. State aid schemes. A. Revenue received from State aid schemes shall be eligible until the paying agency has submitted documentation showing that the revenue should continue for at least three years. B. If the income from State aid schemes is not received for at least three years, they may not be used in qualifying. c. Unemployment income must be documented for two years and there must be reasonable assurance that this income will continue. This requirement may be applied to seasonal employment. Note: Social security income is acceptable as set out in Section I.B.11. 4. Mortgage credit certificates. A. Where a State entity subsidises mortgage payments either through direct payments or through tax rebates, those payments may be considered an acceptable income. B. Either type of subsidy can be added to gross income before calculating qualifying ratios or used directly for the collection of the mortgage 5. Ownership ownership A. A monthly subsidy may be treated as income if the consumer receives subsidies under the possibility of owning pet vouchers for the selection of housing from the Public Housing Agency (PHA). Although the continuation of the subsidy for ownership vouchers after the first year is subject to congressional approval, it will be assumed, for the purposes of the signed funds, that the subsidy will continue for at least three years. B. If the consumer receives the subsidy directly, the amount received shall be treated as income. The amount received can also be treated as non-taxable income and deducted by 25 per cent, which means that the subsidy amount plus 25 per cent of this subsidy can be added to the consumer's income from employment and/or other sources. c. Creditors may regard this subsidy as a substitute for a monthly mortgage payment (i.e. a reduction in the monthly mortgage payment of the amount of domestic aid payment before sharing with monthly income to determine the ratio of pay to income). The payment of the subsidy must not go through the hands of the consumer. d. Payment of the aid must be: i. Paid directly to service creditors; or ii. It is a credit to the account, which only the service creditor can access. Note: Aid payments paid directly to the consumer should be treated as income. 1. Analysis of rental income stability. A. The rent received for consumer-owned properties is acceptable as long as the creditor can document the stability of rental income through: i. Current lease; ii. a rental agreement; or iii. The history of renting in the previous 24 months, which is without unexplained gaps greater than three months (such gaps could be explained by student, seasonal or military tenants or property remediation). B. A separate property schedule is not required for the rental of real estate as long as all the properties are documented on the Single Home Loan Application. Note: In the analysis, the sign may not take into account rental income from any property that the consumer omiaps for, except in the circumstances described below. 2. Proceeds from the lease from consumer occupied property. A. Rent for several units of property where the consumer resides in one or more units and the rental costs of tenants of other units may be used for legitimate purposes. B. The declared rent for units occupied by the lessee may: i. It is not used as a direct way to pay the mortgage. 3. Income from roommates or pensioners in single family property. A. Income from the rental of roommates or pensioners in a single family property occupied as the consumer's primary residence is acceptable. B. Rental income may be considered effective if shown on the consumer's tax return. If not on the tax return, rental income paid by the roommate or pensioner may, used in the ermination. 4. Documentation necessary to verify rental income. An analysis of the following documentation is required to verify all revenue from the rental of consumers: a. IRS Form 1040 Schedule E; and b. Current tena terms/tena terms. 5. Analysis of IRS Form 1040 Schedule E. a. IRS Form 1040 Schedule E is required to verify all rental income. Depreciation shown in Schedule E may be returned to net income or loss. B. Positive rental income is considered to be gross income for eligible purposes and negative income should be treated as recurring liabilities. c. The creditor must confirm that the consumer is still the owner of each listed property by comparing Schedule E with the Single Housing Loan (URLA) section of the property. 6. Use of current leases to analyze rental income. A. The consumer may provide a currently signed rental contract or other rental contract for immovable property acquired from the last income tax filing and is not shown on schedule E.b. Reduce gross rental amount by 25 per cent for vacancies and maintenance; ii. subtract THE PITI and all debtors of the house janitors' association; and iii. Use the resulting amount for income if they are positive or recurring debts, if they are negative. 7. Exclusion of rental income from assets omid by the consumer. Signers may not take into account rental income from the consumer's main residence, which is omine in favour of another principal residence, except under the conditions described below: Notes: i. This policy ensures that the consumer either has sufficient income to pay both mortgage loans without rental income, or has an equity position that cannot be caused by the default of the mortgage on the exuding property. ii. This applies only to the principal residence which is borrowed in favour of another principal residence. It does not apply to existing rental properties disclosed in the loan application and certified by tax returns (IRS Form Schedule E 1040). 8. Exceptions to the policy on the exclusion of rental income from the principal residence which the consumer omiating. Where the consumer omits the principal residence in favour of another principal residence, rental income less the relevant vacancy factor may be taken into account in the signature analysis in the circumstances set out in the table below. 1. Types of non-taxable income. Some types of regular income may not be subject to federal tax. These types of non-taxable income include: a. Part of Social Security, some income for the retirement of federal government employees, rail retirement benefits and some state government retirement income; B. Certain types of disability and public assistance payments; c. Support for children; d. Military accessories; and e. Other income documented as exempt income taxes. 2. Addition of non-taxable non-taxable to the consumer's gross income. A. The amount of fixed tax savings attributed to regular income not subject to federal taxes may be added to the consumer's gross income. B. The percentage of non-taxable income that may be added cannot exceed the relevant tax rate for the amount of income. Additional allowances for dependent dependent persons are not acceptable. c. Creditor: i. Document and support the amount of income that was gross for any non-taxable source of income, and ii. It should apply the tax rate used to calculate last year's consumer income tax. Note: If a consumer doesn't have to file a federal tax return, the tax rate for use is 25 percent. 3. Analysing the projected income. A. Forecasting or hypothetical revenue is not acceptable for legitimate purposes. However, exceptions are allowed for income from the following sources: i. cost adjustments; ii. increase efficiency; and iii. Bonuses. B. In application of the abovementioned exceptions, the income must be: i. verified in writing by the employer; and ii. Scheduled to begin within 60 days of the completion of the loan. 4. Projected income for a new job. A. The estimated income is acceptable for legitimate purposes for the consumer, who is expected to start a new job within 60 days of the completion of the loan, provided that there is a guaranteed contract of employment which cannot be cancelled. B. The creditor must verify whether the consumer will have sufficient income or cash reserves to support the payment of the mortgage and any other liabilities between the closure of the loan and the start of employment. Examples of this scenario are teachers whose contracts start with the new school year or doctors start to reside after the end of the loan. c. Income shall not apply if the loan closes more than 60 days before the start of the new post of consumer. 1. Types of recurring liabilities. Recurring obligations include: a. All loans for installments; B. revolving expense accounts; c. real estate loans; d. Alimonia; E. Child support; and f. Other permanent commitments. 2. Debt to income ratio Account for recurring liabilities. A. When examining debt and income ratios for recurring liabilities, the creditor must include the following: i. Monthly housing costs; and ii. Additional recurring costs which are extended for 10 months or more, such as those incurred by the member state in which the total cost is 10 months. Payments per instalments; B. child maintenance or separate maintenance payments; c. revolving accounts; and d. Alimony. B. Debts of less than 10 months must be included if the amount of the debt affects the consumer's ability to pay the mortgage in the months immediately after the closing of the loan, in particular if the consumer will have limited or no cash after the closing of the loan. Note: Monthly payments made to revolving or open accounts, regardless of balance, are considered liability for legitimate purposes, even if the invoice appears to be repaid within 10 months or less. 3. Monthly payments revolving account account If the credit report shows all revolving accounts with an unpaid balance but no specific minimum monthly payment, the payment must be calculated as greater than: a. 5 percent of the balance; or b. $10. Note: If the actual monthly payment is documented from the creditor or the creditor obtains a copy of the current extract reflecting the monthly payment, this amount may be used for legitimate purposes. 4. Reduction of maintenance payment for the calculation of the qualifying relationship. As there are tax consequences of maintenance payments, the creditor may decide, when calculating the relationship, to treat the monthly maintenance obligation as a reduction in the consumer's gross income, rather than treating it as a monthly obligation. 1. Definition: Contingent liability. When an individual is liable for payment of a debt, there is a contingent obligation if the other party, jointly or repeatedly liable, defaults. 2. Application of contingent accountability policies. The contingent liability policies described in this topic shall apply unless the consumer can provide convincing evidence from the debt holder that there is no possibility for the debt holder against him/her to recover debts unless the other party to the default is not. 3. Contingent liability for mortgage assumptions. The contingent obligation must be taken into account where the consumer remains liable to the pending FHA secured, guaranteed by the VA or a conventional mortgage secured by immovable property which: a. Has been sold or sold in the last 12 months without the release of liability, or b. It is sold under the assumption without gaining responsibility. 4. Exemption from contingent liability in respect of mortgage assumptions. Assuming a mortgage does not need to take into account contingent liabilities if: a. The creditor, which originates from the mortgage being signed, obtains a payment history from the servicer of the redirected loan, indicating that the mortgage has been current in the last 12 months or b. The value of the property, as determined by the estimate or sale price in the HUD-1 settlement statement from the sale of the property, has a loan-to-value (LTV) ratio of 75 per cent or less. 5. Contingent liability on sub-certified liabilities. A. The contingent liability is in force and the debt must be included in the signature analysis if the individual applying for the mortgage is a co-conformor/co-liability on: i. Car loan; ii. student loan; iii. mortgage; or iv. Every other obligation. B. If the creditor obtains documented evidence that the primary debtor has made regular payments during the previous 12 months and has no past interchange payments for the loan during that period, the payment need not be included in the consumer's monthly obligations. A. Debt payments, such as a student loan or balloon payment, to be initiated or due within 12 months of the mortgage the creditor must include as expected monthly liabilities during the signature analysis. B. The payment of a debt need not be defined as an obligation envisaged if the consumer provides written evidence that the debt will be deferred to a period outside the 12-month time frame. c. Notes on the payment of balloons due within one year of the completion of the loan should be taken into account in the signature analysis. Liabilities which are not considered to be debts and therefore have not been carried away from gross income include: a. Federal, state and local taxes; B. Federal Insurance Contributions Act (FICA) or other retirement contributions, such as 401 (k) accounts (including repayment of debt secured by these assets): c. Comm; d. Union duties; E. Open accounts with zero balance; F. Automatic deductions for savings accounts; G. Child care; and h. Voluntary deductions. Deductions.