

Included in Residual Income Calculation:

- Utilities – standard formula to use is $.14 \times$ square footage of home
- Monthly taxes from paystub – please see Loan Analysis form in your LOS software for details
- Childcare
- All debts

Manual Residual Income Requirement

120% of the residual income is a requirement of manual underwriting per VA.

Using the previous charts, a family of 4 in the Midwest for 120,000 loan amount requires \$1003 of residual income for a regular approval.

On a manual we will add 20% to this figure requiring \$1203 in residual income to be met



$$1003 \text{ (residual income)} \times 20\% = 200.60 + 1003 = 1203$$