

**Income Documentation****Retirement Income (TOTAL)****Social Security Income (TOTAL)**

Social Security Income or Supplemental Security Income (SSI) refers to income received from the SSA *other than disability income*.

- Required Documentation - The Mortgagee must verify and document the Borrower's receipt of income from the SSA and that it is likely to continue for at least a three-year period from the date of case number assignment. For SSI, the Mortgagee must obtain any one of the following documents
  - federal tax returns;
  - the most recent bank statement evidencing receipt of income from the SSA;
  - a Proof of Income Letter, also known as a "Budget Letter" or "Benefits Letter" that evidences income from the SSA; or
  - a copy of the Borrower's form SSA-1099/1042S, Social Security Benefit Statement.

In addition to verification of income, the Mortgagee must document the continuance of this income by obtaining from the Borrower:

- (1) a copy of the last Notice of Award letter which states the SSA's determination on the Borrower's eligibility for SSA income or
- (2) an equivalent document that establishes award benefits to the Borrower (equivalent document).
- (3) If any income from the SSA is due to expire within three years from the date of case number assignment, that income may not be used for qualifying.

If the Notice of Award or equivalent document does not have a defined expiration date, the Mortgagee must consider the income effective and reasonably likely to continue. The Mortgagee may not request additional documentation from the Borrower to demonstrate continuance of Social Security Administration income.

If the Notice of Award letter or equivalent document specifies a future start date for receipt of income, this income may only be considered effective on the specified start date.

The Mortgagee must use the current amount of Social Security Income received to calculate Effective Income

**Pension (TOTAL and Manual)**

Pension refers to income received from the Borrower's former employer(s).

- Required Documentation - The Mortgagee must verify and document the Borrower's receipt of periodic payments from the Borrower's Pension and that the payments are likely to continue for at least three years.

The Mortgagee must obtain the following documents:

- federal tax returns;
- the most recent bank statement evidencing receipt of income from the former employer; and
- a copy of the Borrower's Pension/retirement letter from the former employer or

current benefits administrator

- The Mortgagee must use the current amount of Pension income received to calculate Effective Income.

**Individual Retirement Account and 401(k) (TOTAL and Manual)**

Individual Retirement Account (IRA)/401(k) Income refers to income received from an IRA/401(k).

- Required Documentation - The Mortgagee must verify and document the Borrower's receipt of recurring IRA/401(k) distribution Income and that it is reasonably likely to continue for three years.
- The Mortgagee must obtain the most recent IRA/401(k) statement and any one of the following documents:
  - federal tax returns; or
- the most recent bank statement evidencing receipt of income.
- For Borrowers with IRA/401(k) Income that has been and will be consistently received, the Mortgagee must use the current amount of IRA Income received to calculate Effective Income. For Borrowers with fluctuating IRA/401(k) Income, the Mortgagee must use the average of the IRA/401(k) Income received over the previous two years to calculate Effective Income. If IRA/401(k) Income has been received for less than two years, the Mortgagee must use the average over the time of receipt.