



MFM Bulletin: 009-2022

Date: February 22, 2022

Subject: Tax Return and Documentation Requirements

Tax Return Requirements

Below are effective dates and documentation requirements for all loan programs when income tax returns are required for borrower qualification and/or program requirements.

Loan Application Date:	Note Date:	Age of Tax Return and Other Documentation Requirements:
Before 4/19/2022	<p>Freddie Mac: On or after 11/1/2021, but before 5/31/2022</p> <p>Fannie Mae, FHA, VA, USDA: On or after 10/15/2021, but before 6/30/2022</p>	<ul style="list-style-type: none"> • Most recent income tax return filed with IRS (2021, if filed). • 2020 returns are required. • 2019 returns (if 2021 returns are not filed AND AUS findings and/or program requires 2 years of returns).
On or after 4/19/2022, but before 10/17/2022	<p>Freddie Mac: On or after 5/31/2022, but before 11/1/2022</p> <p>Fannie Mae, FHA, VA, USDA: On or after 4/18/2022, but before 7/1/2022</p>	<p>If borrower has not filed their 2021 tax returns with the IRS:</p> <ul style="list-style-type: none"> • 2020 tax returns are required (and 2019 if AUS findings and/or program requires two years of returns). • The following documentation is also required: <ul style="list-style-type: none"> • Tax transcripts confirming that 2021 returns have not been filed. • IRS tax forms 4868 and/or 7004 as evidence of filing of tax return extension. • Copy of cancelled check or bank statement verifying payment of all 2021 income tax liability as per extension document.
On or after 10/18/2022	<p>Freddie Mac: On or after 11/1/2022</p> <p>Fannie Mae, FHA, VA, USDA: On or after 12/31/2022</p>	<ul style="list-style-type: none"> • The most recent tax return must be no older than 2021. • Use of filing extension for 2021 is not permitted. • Proof of payment of all 2021 income tax liability (per return is required).



Tax Transcripts

As a reminder, tax transcripts are required for all loans being sold to private investors and tax returns are required in the following instances:

- Self-employed borrowers – BOTH personal and business returns are required.
- Rental income used to qualify
- Borrowers employed by family-owned companies
- Interest and dividend and/or capital gain income used to qualify
- Handwritten W-2s or 1099
- VA with Commission Income over 25% used to qualify

Please contact the MFM Underwriting department (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you