

## Rental Income

Use this job aid to complete the Real Estate Owned Information and Rental Income in P.A.T.H.

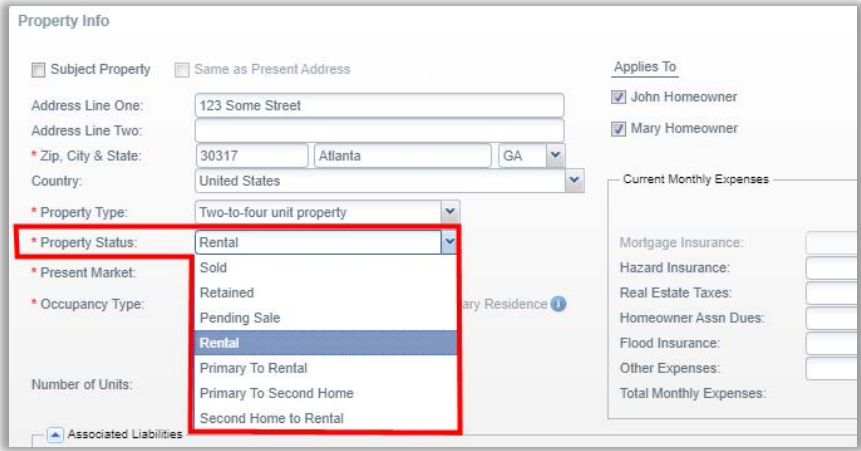
### Real Estate Owned (REO) Information

Step	Action
<b>1</b>	Go to <b>Full Application</b> → <b>REO Information</b> .
<b>2</b>	<ul style="list-style-type: none"> <li>Ensure all properties are listed in the Schedule of Real Estate Owned.</li> <li>Click <b>Add Property</b> to enter REO that is not listed.</li> </ul> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> </div>
<b>3</b>	<p>Enter the property <b>Address</b> and <b>Property Type</b>.</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> </div>

Step	Action
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4

Select the **Property Status** from dropdown.



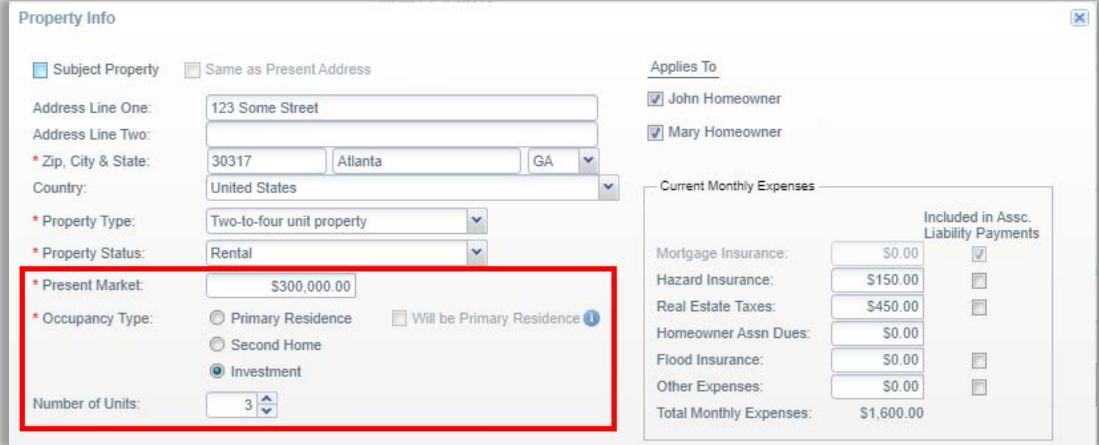
**Note: If the Current Primary Residence is converting to an Investment property, enter as per the table below to have P.A.T.H. and AUS consider the conversion calculations.**

AUS	Property Status	Occupancy Type
DU	Primary to Rental	Primary Residence
LP	Rental	Primary Residence

5

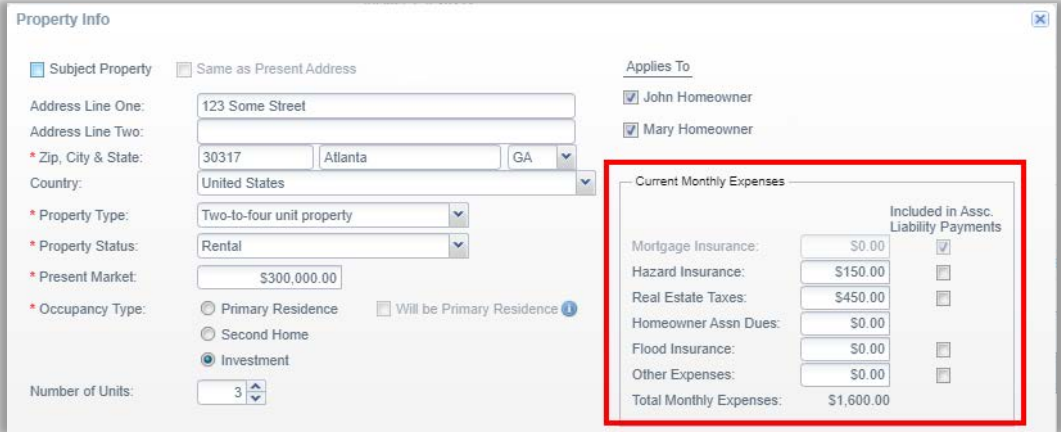
Enter or update as necessary:

- **Present Market Value**
- **Occupancy Type**
  - **Will be Primary Residence** checkbox – Use only if the Borrower does not currently occupy the subject property and is refinancing the subject as the primary residence.
- **Number of Units** – Must be entered to complete rental income information on multi-unit rental properties.



Step	Action
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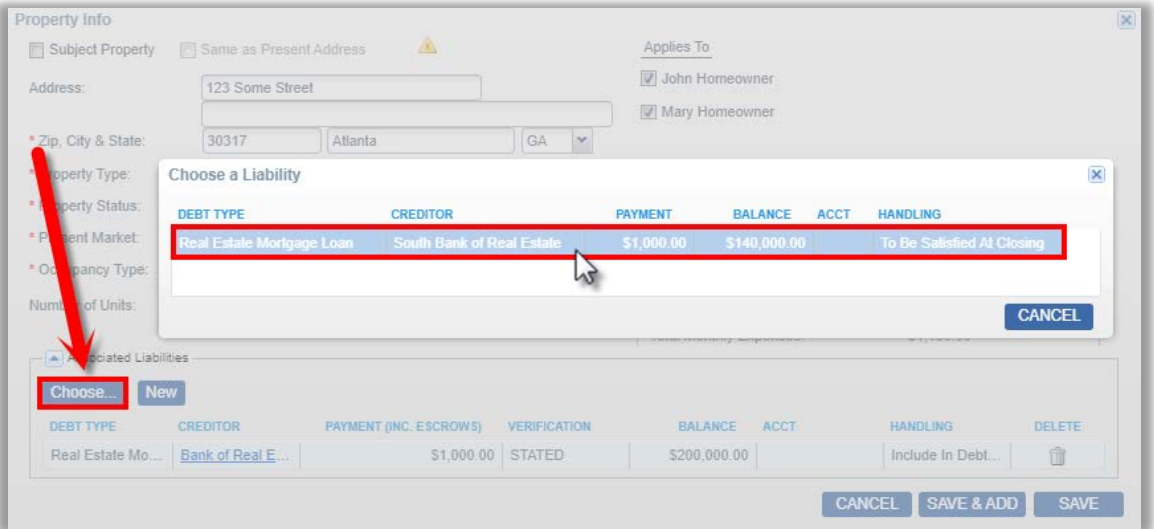
6	<p>Enter or update the <b>Current Monthly Expenses</b> as applicable.</p> <ul style="list-style-type: none"> <li>Place checkmark next to any housing expense already included in mortgage liability aka "Associated Liability".</li> <li>Leave unchecked if the housing expenses are NOT included in the liability payment.</li> </ul>
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The screenshot shows the 'Property Info' form. The 'Current Monthly Expenses' section is highlighted with a red box. It includes the following items:

Expense	Amount	Included in Assc. Liability Payments
Mortgage Insurance:	\$0.00	<input checked="" type="checkbox"/>
Hazard Insurance:	\$150.00	<input type="checkbox"/>
Real Estate Taxes:	\$450.00	<input type="checkbox"/>
Homeowner Assn Dues:	\$0.00	<input type="checkbox"/>
Flood Insurance:	\$0.00	<input type="checkbox"/>
Other Expenses:	\$0.00	<input type="checkbox"/>
<b>Total Monthly Expenses:</b>	<b>\$1,600.00</b>	

7	<p>Indicate all <b>Associated Liabilities</b>.</p> <ul style="list-style-type: none"> <li>Click <b>Choose</b> to select from existing liabilities.</li> <li>Click to associate a liability to the property.</li> </ul>
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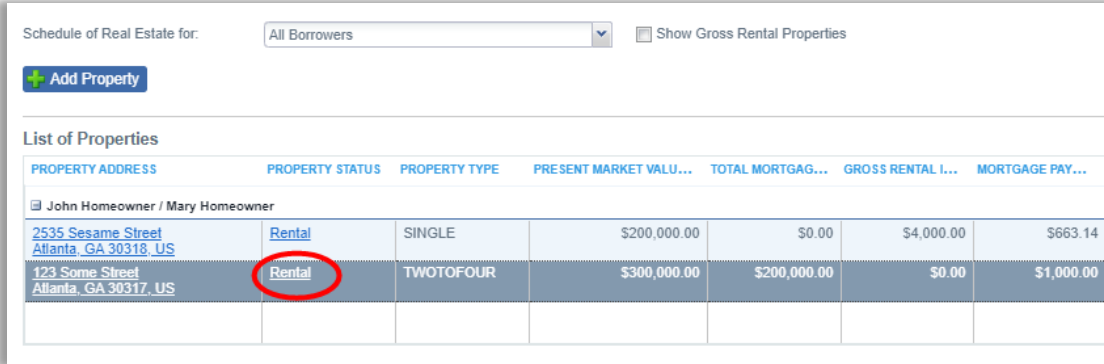
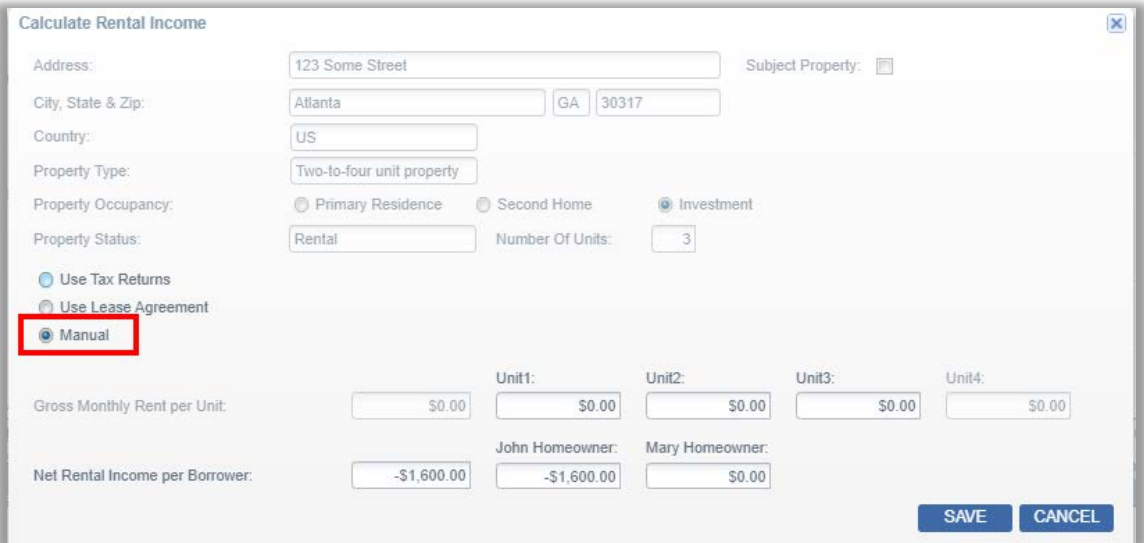


The screenshot shows the 'Property Info' form with the 'Associated Liabilities' section. A 'Choose a Liability' dialog box is open, showing a table of existing liabilities. A red box highlights the 'Choose...' button in the 'Associated Liabilities' section and the selected row in the dialog box.

DEBT TYPE	CREDITOR	PAYMENT	BALANCE	ACCT	HANDLING
Real Estate Mortgage Loan	South Bank of Real Estate	\$1,000.00	\$140,000.00		To Be Satisfied At Closing

Note: Click New to enter an associated liability not listed.

## Rental Income

Step	Action
1	<p>Click the <b>Rental</b> hyperlink under Property Status.</p>  <p>Screenshot description: The screenshot shows a web interface for 'Schedule of Real Estate for: All Borrowers'. It includes a table titled 'List of Properties' with columns: PROPERTY ADDRESS, PROPERTY STATUS, PROPERTY TYPE, PRESENT MARKET VALU..., TOTAL MORTGAG..., GROSS RENTAL I..., and MORTGAGE PAY... The table lists two properties. The second property, '123 Some Street Atlanta, GA 30317, US', has 'Rental' in the 'PROPERTY STATUS' column, which is circled in red.</p>
2	<ul style="list-style-type: none"> <li>• The <b>Calculate Rental Income</b> screen will open.</li> <li>• Select <b>Manual</b>.</li> </ul>  <p>Screenshot description: The screenshot shows a 'Calculate Rental Income' dialog box. It contains various input fields for address, city, state, zip, country, property type, occupancy, and status. The 'Manual' radio button is selected and highlighted with a red box. Below the radio buttons are fields for 'Gross Monthly Rent per Unit' and 'Net Rental Income per Borrower' for each of four units and for John and Mary Homeowners. 'SAVE' and 'CANCEL' buttons are at the bottom right.</p> <p><b>Note: The Net Rental Income per Borrower automatically populates the PITIA expense.</b></p>

Step	Action
3	<p>Enter the <b>Gross Monthly Rental Income</b> per unit.</p> <div data-bbox="326 323 1442 783"><p>Calculate Rental Income <span style="float: right;">✕</span></p><p>Address: <input type="text" value="123 Some Street"/> <input type="text"/> Subject Property: <input type="checkbox"/></p><p>City, State &amp; Zip: <input type="text" value="Atlanta"/> <input type="text" value="GA"/> <input type="text" value="30317"/></p><p>Country: <input type="text" value="US"/></p><p>Property Type: <input type="text" value="Two-to-four unit property"/></p><p>Property Occupancy: <input type="radio"/> Primary Residence <input type="radio"/> Second Home <input checked="" type="radio"/> Investment</p><p>Property Status: <input type="text" value="Rental"/> Number Of Units: <input type="text" value="3"/></p><p><input type="radio"/> Use Tax Returns <input type="radio"/> Use Lease Agreement <input checked="" type="radio"/> Manual</p><p>Gross Monthly Rent per Unit: <input type="text" value="\$3,300.00"/> <input type="text" value="\$800.00"/> <input type="text" value="\$2,000.00"/> <input type="text" value="\$500.00"/> <input type="text" value="\$0.00"/></p></div> <p><b>Notes:</b></p> <ul style="list-style-type: none"><li>• <b>Unit 1</b> will be grayed out for <b>owner occupied</b> rental properties.</li><li>• Fields for individual units will open based on # of units entered on the Property Info pop up in REO Information.</li></ul>

Step	Action
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**Net Rental Income per Borrower** – P.A.T.H. will automatically populate the PITIA expense. If the Borrower is NOT using rental income to qualify, total PITIA must remain or be re-entered as negative value for **Net Rental Income**.

**Calculate Rental Income**

Address: 123 Some Street Subject Property:

City, State & Zip: Atlanta GA 30317

Country: US

Property Type: Two-to-four unit property

Property Occupancy:  Primary Residence  Second Home  Investment

Property Status: Rental Number Of Units: 3

Use Tax Returns  
 Use Lease Agreement  
 Manual

Gross Monthly Rent per Unit: Unit1: \$3,300.00 Unit2: \$800.00 Unit3: \$2,000.00 Unit4: \$500.00 Unit5: \$0.00

**Net Rental Income per Borrower:** John Homeowner: -\$1,600.00 Mary Homeowner: \$0.00

- 4** Update the **Net Rental Income per Borrower** (if required).
- The amount entered as **Net Rental Income per Borrower** will automatically be applied to the primary Borrower (This is the value passed to AUS).
    - The total amount may be allocated between multiple borrowers (if applicable).
  - If Net Rental Income is a **Loss**, enter as negative value.
  - Click **Save**.

**Calculate Rental Income**

Address: 123 Some Street Subject Property:

City, State & Zip: Atlanta GA 30317

Country: US

Property Type: Two-to-four unit property

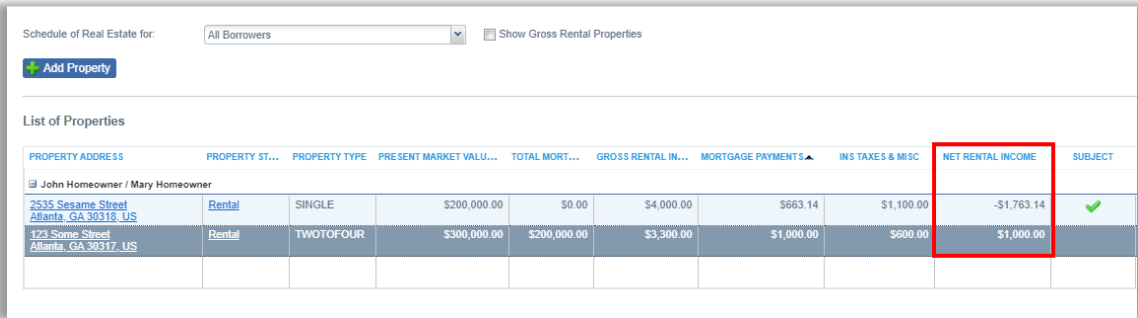
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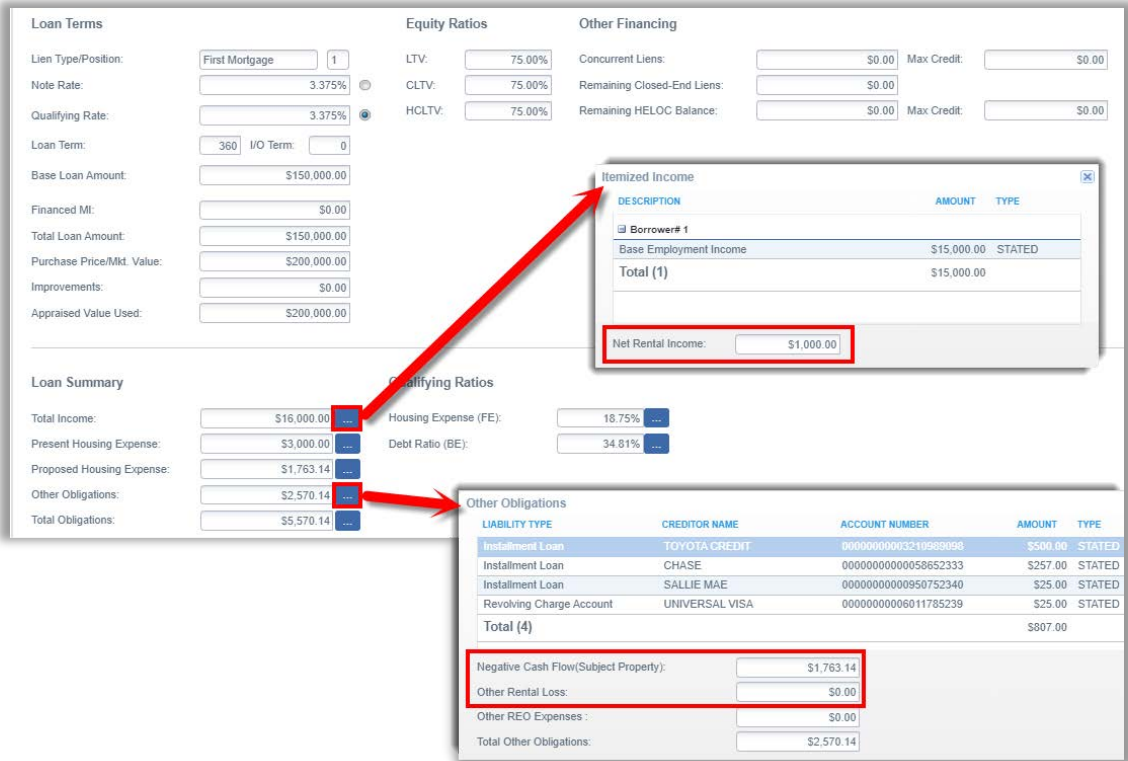
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Use Tax Returns  
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Gross Monthly Rent per Unit: Unit1: \$3,300.00 Unit2: \$800.00 Unit3: \$2,000.00 Unit4: \$500.00 Unit5: \$0.00

**Net Rental Income per Borrower:** John Homeowner: \$1,000.00 Mary Homeowner: \$1,000.00

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5	<p>Net Rental Income for all properties will display on the <b>REO Information</b> screen.</p>  <p>The screenshot shows the 'Schedule of Real Estate for: All Borrowers' with a 'Show Gross Rental Properties' checkbox. Below is a table titled 'List of Properties' with columns: PROPERTY ADDRESS, PROPERTY ST..., PROPERTY TYPE, PRESENT MARKET VALU..., TOTAL MORT..., GROSS RENTAL IN..., MORTGAGE PAYMENTS, INS TAXES &amp; MISC, NET RENTAL INCOME, and SUBJECT. Two properties are listed:</p> <table border="1"> <thead> <tr> <th>PROPERTY ADDRESS</th> <th>PROPERTY ST...</th> <th>PROPERTY TYPE</th> <th>PRESENT MARKET VALU...</th> <th>TOTAL MORT...</th> <th>GROSS RENTAL IN...</th> <th>MORTGAGE PAYMENTS</th> <th>INS TAXES &amp; MISC</th> <th>NET RENTAL INCOME</th> <th>SUBJECT</th> </tr> </thead> <tbody> <tr> <td>2525 Sesame Street Atlanta, GA 30318, US</td> <td>Rental</td> <td>SINGLE</td> <td>\$200,000.00</td> <td>\$0.00</td> <td>\$4,000.00</td> <td>\$663.14</td> <td>\$1,100.00</td> <td>-\$1,763.14</td> <td>✓</td> </tr> <tr> <td>123 Some Street Atlanta, GA 30317, US</td> <td>Rental</td> <td>TWOTOFOUR</td> <td>\$300,000.00</td> <td>\$200,000.00</td> <td>\$3,300.00</td> <td>\$1,000.00</td> <td>\$600.00</td> <td>\$1,000.00</td> <td></td> </tr> </tbody> </table>	PROPERTY ADDRESS	PROPERTY ST...	PROPERTY TYPE	PRESENT MARKET VALU...	TOTAL MORT...	GROSS RENTAL IN...	MORTGAGE PAYMENTS	INS TAXES & MISC	NET RENTAL INCOME	SUBJECT	2525 Sesame Street Atlanta, GA 30318, US	Rental	SINGLE	\$200,000.00	\$0.00	\$4,000.00	\$663.14	\$1,100.00	-\$1,763.14	✓	123 Some Street Atlanta, GA 30317, US	Rental	TWOTOFOUR	\$300,000.00	\$200,000.00	\$3,300.00	\$1,000.00	\$600.00	\$1,000.00	
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Results	Positive and negative cash flow will display on the <b>Ratios</b> screen.																																																
	 <p>The screenshot shows the 'Ratios' screen with sections for Loan Terms, Equity Ratios, Other Financing, Loan Summary, and Other Obligations. A red box highlights 'Net Rental Income: \$1,000.00' in the 'Itemized Income' pop-up. Another red box highlights 'Negative Cash Flow(Subject Property): \$1,763.14' in the 'Other Obligations' section. Arrows point from the 'Proposed Housing Expense' field in the 'Loan Summary' to the 'Net Rental Income' field and from the 'Other Obligations' table to the 'Negative Cash Flow' field.</p> <p><b>Loan Summary</b></p> <table border="1"> <tr> <td>Total Income:</td> <td>\$16,000.00</td> </tr> <tr> <td>Present Housing Expense:</td> <td>\$3,000.00</td> </tr> <tr> <td>Proposed Housing Expense:</td> <td>\$1,763.14</td> </tr> <tr> <td>Other Obligations:</td> <td>\$2,570.14</td> </tr> <tr> <td>Total Obligations:</td> <td>\$5,570.14</td> </tr> </table> <p><b>Other Obligations</b></p> <table border="1"> <thead> <tr> <th>LIABILITY TYPE</th> <th>CREDITOR NAME</th> <th>ACCOUNT NUMBER</th> <th>AMOUNT</th> <th>TYPE</th> </tr> </thead> <tbody> <tr> <td>Installment Loan</td> <td>TOYOTA CREDIT</td> <td>00000000003219989098</td> <td>\$500.00</td> <td>STATED</td> </tr> <tr> <td>Installment Loan</td> <td>CHASE</td> <td>0000000000058652333</td> <td>\$257.00</td> <td>STATED</td> </tr> <tr> <td>Installment Loan</td> <td>SALLIE MAE</td> <td>00000000000950752340</td> <td>\$25.00</td> <td>STATED</td> </tr> <tr> <td>Revolving Charge Account</td> <td>UNIVERSAL VISA</td> <td>00000000006011785239</td> <td>\$25.00</td> <td>STATED</td> </tr> <tr> <td><b>Total (4)</b></td> <td></td> <td></td> <td><b>\$807.00</b></td> <td></td> </tr> </tbody> </table> <p><b>Other Obligations Summary:</b></p> <table border="1"> <tr> <td>Negative Cash Flow(Subject Property):</td> <td>\$1,763.14</td> </tr> <tr> <td>Other Rental Loss:</td> <td>\$0.00</td> </tr> <tr> <td>Other REO Expenses:</td> <td>\$0.00</td> </tr> <tr> <td>Total Other Obligations:</td> <td>\$2,570.14</td> </tr> </table>	Total Income:	\$16,000.00	Present Housing Expense:	\$3,000.00	Proposed Housing Expense:	\$1,763.14	Other Obligations:	\$2,570.14	Total Obligations:	\$5,570.14	LIABILITY TYPE	CREDITOR NAME	ACCOUNT NUMBER	AMOUNT	TYPE	Installment Loan	TOYOTA CREDIT	00000000003219989098	\$500.00	STATED	Installment Loan	CHASE	0000000000058652333	\$257.00	STATED	Installment Loan	SALLIE MAE	00000000000950752340	\$25.00	STATED	Revolving Charge Account	UNIVERSAL VISA	00000000006011785239	\$25.00	STATED	<b>Total (4)</b>			<b>\$807.00</b>		Negative Cash Flow(Subject Property):	\$1,763.14	Other Rental Loss:	\$0.00	Other REO Expenses:	\$0.00	Total Other Obligations:	\$2,570.14
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