ITIN 12 MONTH PROFIT & LOSS PROGRAM INSTRUCTIONS

BluePoint MORTGAGE

12 Month Profit & Loss Program Instructions
There are two documents attached which need to be completed by the person reviewing the profit and loss after reading and acknowledging this instruction form. The first attachment is a questionnaire regarding the borrower's business. The second attachment is a P&L template that needs be reviewed and signed by a certified tax preparer or CPA. Make sure the most recent 12 months of income and expenses are used in the analysis. Those reviewing the profit and loss holding a license as a CPA, enrolled agent, or annual filing season participant (AFSP) must provide their license number. If the person reviewing the profit and loss statement only has a PTIN designation, documentation identifying their PTIN along with a minimum of 2 years' of experience preparing taxes must be provided (i.e. PTIN renewal 2 or more years prior, letter from tax preparation employment verifying 2+ years' experience, or 2+ years' business existence for owners of tax preparation businesses).

The following definitions apply to the categories listed on the profit and loss template, as well as the questionnaire.

Cost of Materials Used	The costs to acquire the materials used to complete the work or provided the service, this must include all items purchased by business whether included on invoices or not.
Wages/Payroll	Any cost, including benefits, to persons other than the borrower reported under a W2.
Contract Labor	Any cost, including benefits, to persons other than the borrower not reported on a W2.
Rent	The cost paid for any space used by the business to bring the good, or service, to market.
Advertising	All costs associated with promoting the business, including: phone book listings, social media, billboards, radio, television, etc…
Equipment	The cost of any equipment used by the business to bring the good, or service, to market including rentals.
Repairs/Maintenance	The cost of parts and labor involved in keeping equipment, goods, or services in usable condition for the continuation of the business.
Insurance	Any bond, or insurance used to protect the business against risk in the operation of the business.
Sales, General, Admin	Any cost the business has in general operation, including: phones, utilities, licenses, office supplies, gas, internet, etc…
Other	Any cost not specifically listed above incurred by the business in order to continue to operate.

If any of the expenses defined above are not applicable to the borrower's business, please provide a detail explanation in the appropriate comment box in the questionnaire that follows.
If time on job does not align with 1003 or SOS business docs this must be explained.

ITIN 12 MONTH PROFIT & LOSS PROGRAM INSTRUCTIONS

12 Month Profit & Loss Program Instructions		
1. Name of tax preparer's business:		
2. Does the tax preparer own this business?		
3. How long has the tax preparer's business been in existence?	Years	Months
4. How long has the tax preparer worked for their current company?		
5. How long has preparer filed the borrower'(s) self-employed taxes:	Years	
6. How many years has the tax preparer had their PTIN?		
7. What is the tax preparers' designation or certification? *Check all that apply*	❑ CPA ❑ Enrolled Agent ❑ PTIN ❑ AFSP	
8. What is the NAICS code for the borrower's business? *Ensure that this code is as accurate as possible, https://www.naics.com/search/*		
9. How did you determine "Total Gross Income"?	❑ Business Bank Statements ❑ Personal Bank Statements	
10. How did you verify the Business Expenses?	❑ Business Bank Statements ❑ Personal Bank Statements	
11. If Bank Statements were used, which account #'s?:		
12. Are income and expenses consistent from month to month or seasonal?		

Please provide a detailed description of the borrower's business, including how income is generated, along with the type of expenses incurred. For explanations on $0 expense items go to page 4.

By signing below the person reviewing the profit and loss statement acknowledges and understands the definitions listed on the instruction page, and has accurately represented them to the borrower's business on these forms.

____
Signature of person reviewing this form

______________________________________ ______________________________
Print Name of person reviewing this — Date of Review (mm/dd/yyyy)

12 MONTH ITIN PROFIT & LOSS PROGRAM INSTRUCTIONS

12 Month Profit & Loss Program Instructions	
Borrower Name	
Name of Borrower's Business	
Line of Work >3 Years	❑ Yes ❑ No
Ownership %(i.e.100=100%)	

Please ensure you are reporting most recent 12 month time frame

Period Beginning	
Period Ending	

Income	
Total Gross Income	

Expenses (if $0 or none, need to explain why below)	
Cost of Materials Used	
Wages/Payroll	
Contract Labor	
Rent	
Advertising	
Equipment	
Repairs/Maintenance	
Insurance	
Sales, General, Admin.	
Other *(Please list specific items)*	

Total Expenses

Net Income (loss)

Qualifying Income (loss)

Reviewer Name:

Reviewer Address:

Reviewer Phone:

Reviewer Statement

For the purpose of mortgage application qualification only, I determined this profit and loss statement to reasonably reflect the income and expenses of the business described. I certify that I am independent from the borrower, mortgage broker, bank, and title company. I have no financial, or other interest in the business described other than assisting to complete tax, or financial records. I am not receiving any compensation contingent on the closing of any loan related to the borrower.

____
Signed

____
Date

____
PTIN#

Please refer to the profit and loss instruction page for details on what expenses should be included in each category listed.

Explanation for why an expense is not applicable to the borrower’s business:	
Cost of Materials Used:	
Wages/Payroll:	
Contract labor:	
Rent:	
Advertising:	
Equipment:	
Repairs/Maintenance:	
Insurance:	
Sales, General, Admin:	
Other:	