

MICHIGAN GUARANTY AGENCY (MGA)

ACCEPTABLE PROOF OF INCOME AND EXPENSES

This information is provided to assist you in submitting the required proof of income and expenses when completing the *Monthly Income and Expenditure Statement (form 5008)* –OR- *Loan Rehabilitation: Income and Expense Information* (OMB No. 1845-0120)

ACCEPTABLE PROOF OF INCOME INCLUDES:

Wages: A minimum of 1 current month's paycheck detail for you and your spouse/partner or other adults who occupy the household and have expenses attributable to the household. Paycheck detail must show gross earnings and all deductions for taxes, insurance, etc.

Unemployment: A copy of your benefit award letter and/or a printout from the unemployment agency that reflects your monthly (or weekly) benefit. If taxes are withheld from your benefits, you must include proof of the tax deduction.

Social Security Benefits or Veteran's Benefits: The most current copy of your benefit notification from the Social Security Administration or VA, or other proof of the amount that you receive every month such as a copy of your bank statement showing a monthly deposit for a minimum of the last 3 consecutive months.

Pension: A copy of a statement from the payer of the pension, or other proof of the amount that you receive every month, such as a copy of your bank statement showing a monthly deposit for a minimum of the last 3 consecutive months. Note: the annual 1098R is NOT acceptable proof.

State Assistance and/or Food Stamps: A copy of your benefit award letter that is dated, indicates your family size, the names of the family members who are included, and the amount you receive each month.

Child Support: A copy of a printout from the Friend of the Court, or a copy of the court-ordered support judgment, or a copy of your bank statements showing deposits received from the Friend of the Court for a minimum of the last 3 consecutive months.

Financial Assistance from others: If you live with others (family/friends, etc.) and they provide you with financial assistance and/or support you, you must provide a signed, written statement from all individuals who assist you that describes exactly what is provided for you and how much, if anything, you are required to pay each month for your support. The statement must include the telephone number of the person(s) who signs the statement so that we may contact them if necessary.

Any other source of income: Submit any documentation you have that proves the monthly amount you receive and the source of the income.

ACCEPTABLE PROOF OF EXPENSES INCLUDES:

Mortgage: A copy of a statement from the mortgage company that shows the property address, the name(s) of the parties to the mortgage, and the monthly required payment including any escrow amounts for insurance, property taxes, etc.

Property taxes: A copy of the annual property tax statement(s) that show the property address, name of property owner, and the total amount due for the current year only (summer and winter, if appropriate). The total annual cost will be divided by 12 to determine the required monthly payment. If your property taxes are paid from escrow, DO NOT submit property tax statements. If you have delinquent property taxes that you are paying under an approved payment arrangement, submit a copy of the payment arrangement with the county/city/township and proof that you are making a payment every month.

Rent: A copy of your lease agreement that shows the rental property address, the name(s) of the responsible tenants who are parties to the lease, the name of the landlord, and the amount of rent required each month, as well as rent receipts or other proof of payment.

Utility bills: Current monthly bills that show the service address, the name of the account holder, and current monthly charges; past due amounts cannot be considered.

Car payment: Copy of a statement or payment coupon that shows the name(s) of the responsible party, the regular monthly payment required, and the current remaining outstanding balance due.

Car insurance: A copy of a statement from the insurance company that shows the name(s) of the insured party(ies), the dates of the policy term, the vehicle(s) covered and the monthly premium payment. If the premium is paid annually or semi-annually, the proof must show the 12-month or 6-month total premium which will be divided by 12 or 6 accordingly.

Vehicle operating costs: A written statement that provides the physical address where you and/or your spouse report to work and the number of days driven to/from that location each month.

Homeowners or renters insurance: A copy of a statement from the insurance company that shows the address of the insured property, the name(s) of the insured party(ies), the date of the policy term, and the monthly premium payment. If the premium is paid annually or semi-annually, the proof must show the 12-month or 6-month total premium which will be divided by 12 or 6 accordingly. If your homeowner's insurance is paid from escrow, DO NOT submit insurance premium statements.

Credit cards: Generally not allowed. Allowances are made within our formulas to allow for miscellaneous expenses based on family size. However, if the use of a credit card was needed as the result of a specific and proven catastrophic event, the minimum required payment may be allowed at MGA's discretion. If necessary, contact MGA for guidance.

Daycare/dependent care: Include the amount spent on care for children or other dependents in the household and other work-related child/dependent care expenses. Provide a copy of a current statement of account from a daycare/dependent care facility that reflects monthly payments being applied, OR copies of current receipts from the care provider, OR a signed and dated written statement from the care provider that indicates the name(s) of the child(ren) or other individual for whom care is provided, the amount charged per week or per month, and the name(s) of the person who is making the payment. A written statement from a care provider must also include their telephone number.

Private school tuition: NOT allowed. However, if the private school provides before/after school daycare, you must provide itemization of the amount of before/after school care that is separate from monthly school tuition.

IRS or other government tax payments: A copy of a statement or payment arrangement agreement from the appropriate entity that shows the name(s) of the responsible parties, the tax year(s) involved, the approved monthly payment amount, and the current remaining balance due. Include proof that a payment is being made every month. Proof of payment must cover a minimum of the last 3 consecutive months.

Prescription medications: The best method of proof for recurring monthly prescription costs is a statement from your pharmacy that shows your monthly out-of-pocket expense and must cover a minimum of the last 3 consecutive months so an average can be verified.

Student loan debts other than the debt to MGA: A copy of a payment coupon, monthly statement or other documentation that identifies the lender/loan holder who is being paid, the amount that is due and being paid every month, and the current remaining balance due. Proof of payment must cover a minimum of the last 3 consecutive months.

Other installment debts, including medical/hospital bills, court-ordered judgments, etc: Proof must show the name(s) of the liable party(ies), the required monthly payment, the current remaining balance due, and proof that you are currently making the payment(s) every month. Proof of payment must cover a minimum of the last 3 consecutive months.

Storage units: Generally not allowed except in situations of catastrophic events. If necessary, contact MGA for guidance.