

**Verification of Income:**

Each Member must prove income unless they meet the exception requirements outlined. Acceptable income is income that can be verified including wages, disability, SSI, and Social Security. The Credit Union must have a reasonable belief that the source of income will extend through the term of the loan requested. *For example, if a death benefit is the source of income the loan officer must verify that the benefit will continue through the term of the loan.*

Acceptable income verifications include the most recent paystub and/or previous year W2 if the member is still employed by the same employer. Direct deposits must be documented, can't just be marked on the worksheet; print a deposit history showing it going in the member's account for at least 2 months or longer.

When the debt ratio is calculated, overtime, bonuses, and commissions are not allowed unless they are consistent and can be verified through the member's W2 or YTD income. Debt Ratio's must be done on each loan using the income documentation in the loan file and it must match. This does not apply to share secured loans or certificate secured loans

**Exceptions / Waivers to Verification of Income:**

Proof of income may be waived for members who have FICO's over 700 (combined for joint borrowers) and have been with a recognizable, established, local employer for a minimum of one year.

Proof of income may be waived for members who have FICOS lower than 700 that have been with a recognizable, established, local employer for a minimum of three years **with the review and approval of the Credit Manager, CLO, or CEO.**

- Self-Employed Borrowers are **not** eligible for waiver of VOI.

Members who have been granted a Helping Hand loan and a waiver of VOI are required to sign an Ability to Repay Statement that must be scanned with the loan.

**Self-Employed Borrowers:**

If a member is self-employed (including 1099/Independent Contractor) they must provide the last three years of both business and personal taxes.

- This may be reduced to two years of taxes, but will require approval by the Credit Manager, CLO, or CEO.
- After April, we will need a Profit and Loss Summary for the current year.
- After April 15<sup>th</sup>, we require the previous year's taxes, regardless of whether the member has files for an extension on their taxes.
- **Any exceptions for Self Employed Borrowers VOI must be reviewed and approved (signature on worksheet required) by the Credit Manager, CLO, or CEO.**

If member is a W-2 employee of their own company, we may use the W-2 income for verification.

**Pre-Approvals:**

If a member has been pre-approved for a loan, the rate and offer of credit is valid for a maximum of 30 days. For members with 700+ FICO a pre-approval may be honored for 60 days, but lenders must verify that nothing has changed for the member (income, employment, stability, etc.).