

You should be able to answer ‘YES’ to each of the following questions where applicable...

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|------------|-----------|--|
| <b>YES</b> | <b>NO</b> | Does the income shown on the 1003 match what the borrowers told you was their income?  |
| <b>YES</b> | <b>NO</b> | Does the borrower’s stated income appear to be reasonable for their position/field of work?  |
| <b>YES</b> | <b>NO</b> | Does the borrower’s stated income appear to be reasonable given the length of time on the job and in that line of work?  |
| <b>YES</b> | <b>NO</b> | Are there any income discrepancies in the file?  |
| <b>YES</b> | <b>NO</b> | Does the borrower’s asset base appear to support the stated income?  |
| <b>YES</b> | <b>NO</b> | If dividend/interest income exists, does it appear to be supported by the amount of assets in the file?  |
| <b>YES</b> | <b>NO</b> | Has the borrower recently (within the past 12 months or so) taken out any other loans where the income in that loan file could differ substantially from the stated income on this loan? |
| <b>YES</b> | <b>NO</b> | If the borrower is self-employed, can the borrower’s business be confirmed through its website or other reasonable third party research?   |
| <b>YES</b> | <b>NO</b> | Does salary.com support the stated income on this loan for someone in the borrower’s position/field?   |
| <b>YES</b> | <b>NO</b> | Does the borrower’s credit profile and credit behavior meet with the expectations for someone at their level of stated income?   |
| <b>YES</b> | <b>NO</b> | Overall, does the loan make sense?   |

If you’ve answered ‘NO’ to any of the previous questions, have you provided a thorough explanation to the underwriter (with supporting documentation where possible) as to why the stated income on this file should still be deemed reasonable in light of the apparent conflicting information?