

FHA Program (203b)

revised 05/03/2022

Income Documentation Capital Gains and Losses (Total and Manual) Capital gains or losses must be considered when determining Effective Income, when the individual has a constant turnover of assets resulting in gains or losses. ➤ Required Documentation – three years' tax returns are required to evaluate an earnings trend. If the trend: • Results in a gain, it may be added as Effective Income; or • Consistently shows a loss, it must be deducted from the total income

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