

Income Documentation**Commission Income**

This income must have been earned for at least 1 year in same or similar line of work and be likely to continue.

Calculate by subtracting unreimbursed business expenses from the lesser of:

- The average net commission earned over the past 2 years (or however long it's been earned), and
- The average income earned over the prior 1 year

Unreimbursed expenses must be subtracted from the gross commission income.

Unreimbursed expenses are to be calculated by averaging the figures from the 2106 for the past two years. If the borrower reports unreimbursed expenses for only the previous year and not for a 2-year history, then the average is to be based on a 12-month period.

Any unreimbursed expenses that are reporting on tax returns, regardless of the income type will result in a reduction of the effective income as shown on the borrowers 2106 or Schedule A.