

TAX PREPARER PACKET

PRIME P&L DOC TYPE

Instructions

P&L doc type guidelines require completion of this packet in its entirety by the borrower's tax preparer. Instructions for completion are found on this page.

Templates for these forms are attached herein:

- Tax Preparer Questionnaire
- Profit & Loss Statement

Both forms must be completed in their entirety by an individual holding a valid license as a:

- CPA (Certified Public Accountant); or
- EA (Enrolled Agent); or
- CTEC registered tax preparer (California Tax Education Council); or
- Preparer Tax Identification Number (PTIN) **only if loan purpose is Purchase & LTV ≤ 75%**

PTIN preparers must also document at least 2 years of tax preparation experience by providing one of the following:

- PTIN license renewal documentation dating back 2+ years; or
- If preparer owns a tax preparation business, proof of 2+ years business existence; or
- If preparer works for a tax preparation business they do not own, letter from business owner verifying 2+ years employment.

Profit and Loss Expense Definitions:

- **Cost of Goods Sold:** The cost to the business to acquire the raw materials used to complete the work or provide the service requested but does not include materials purchased by the customer directly.
- **Wages/Payroll:** Any cost, including benefits, to persons other than the borrower reported under a W2.
- **Contract Labor:** Any cost, including benefits, to persons other than the borrower not reported on a W2.
- **Rent:** The cost paid for any space used by the business to bring the good, or service, to market.
- **Advertising:** All costs associated with promoting the business, including phone book listings, social media, billboards, radio, television, etc.
- **Equipment:** The cost of any equipment used by the business to bring the good, or service, to market including rentals.
- **Repairs/Maintenance:** The cost of parts and labor involved in keeping equipment, goods, or services in usable condition for the continuation of the business.
- **Insurance:** Any bond, or insurance used to protect the business against risk in the operation of the business.
- **Sales, General, Admin:** Any cost the business has in general operation, including phones, utilities, licenses, office supplies, gas, internet, etc.
- **Other:** Any cost not specifically listed above incurred by the business in order to continue to operate.

Tax Preparer Questionnaire

Borrower Name: _____ Business Name (if applicable): _____

Information related to the Tax Preparer:

1. What type of license do you hold?
 - ☐ CPA (Certified Public Accountant)
 - ☐ EA (Enrolled Agent)
 - ☐ CTEC registered tax preparer (California Tax Education Council)
 - ☐ PTIN (Preparer Tax Identification Number) **only if loan purpose is Purchase & LTV ≤ 75%**
2. How long have you held your license? _____ years _____ months
3. Address where your tax preparation services are performed: _____
4. What is the nature of your work structure?
 - ☐ A - I own a tax preparation business
 - ☐ B - I work for a tax preparation business I do not own
 - ☐ C - I work independently and aren't associated with any business
5. If selected 4A or 4B, what is the name of the business? _____
6. If selected 4A or 4B, how long have you owned or worked for this business? _____ years _____ months

Information related to the Borrower:

7. How long have you filed and/or reviewed the borrower's self-employed tax returns? _____ years
8. Provide a brief description of the borrower's business, including how income is generated, cost of goods/services sold, marketing, and labor (employees/other):
9. Provide a detailed explanation of any P&L expenses which are not applicable to the borrower's business, if any:

By signing below, I acknowledge and understand the instructions and definitions, and have accurately represented them to the borrower's business on this form.

Signature: _____ License Number: _____ Date: _____

Printed Name: _____ Phone Number: _____ Type: ☐ Cell ☐ Land Line

[esignature is not acceptable]

Profit & Loss Statement

Please ensure this statement covers the most recent complete 12 or 24 months depending on Loan Program.

Borrower Information

Borrower Name	
Business Name (if applicable)	
Years in Operation	
Ownership % (i.e., .5 = 50%)	

Dates Covered

P&L Period Beginning	
P&L Period Ending	

Income

Total Gross Income	
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Expenses (defined in Instructions)

Cost of Goods Sold	
Wages/Payroll	
Contract Labor	
Rent	
Advertising	
Equipment	
Repairs/Maintenance	
Insurance	
Sales, General, Admin.	
Other	

Total Expenses

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Net Income or Loss

--

Monthly Income or Loss (net income / 12 or 24)

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Tax Preparer Name

--

Tax Preparer Address

Tax Preparer License Number

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Tax Preparer Phone Number

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Tax Preparer Statement

For the purpose of mortgage application qualification only, I determined this profit and loss statement to reasonably reflect the income and expenses of the business described. I certify that I am independent from the borrower, mortgage broker, bank, and title company. I have no financial, or other interest in the business described other than assisting to complete tax, or financial records. I am not receiving any compensation contingent on the closing of any loan related to the borrower.

Tax Preparer Signature

Date

Borrower Signature

Date