

### TAX TRANSCRIPT REQUIREMENTS

All Non-Delegated Correspondents and Brokers will be required to provide tax transcripts from a third-party vendor as follows:

#### CONVENTIONAL

A fully executed IRS Form **4506-C** must be included in all loan files. Tax transcripts are required when the following income types are used for qualification (number of years of transcripts is based on the applicable number of years required and/or provided):

- Self-Employed
- Rental Income documented on Schedule E
- Employed by family
- Fixed income types such as disability, social security, retirement, child support, alimony, etc., when the 1040's are obtained in lieu of alternative documentation e.g., award letter, 1099, bank statements, etc.
- Other income types documented with tax returns (e.g. dividend & interest, capital gains, etc.)
- Hand written income documentation (may provide W2 only transcripts if the only income is from W2 wage earnings)
- Tax returns are used to document non-taxable income in order to gross up income.
- When required on a simultaneous Second Mortgage Product with Flagstar, regardless of the income type
- A copy of tax transcripts confirming "No Transcripts Available" may be required when a copy of IRS Form 4868 (Application for Automatic Extension of Time to file U.S. Individual Income Tax Returns) is provided in lieu of the most recent tax year filing returns. (See Conventional Guides for applicable application and Note date requirements)

#### NON-AGENCY

Tax Transcript results for the most recent two years are required on all loan transactions unless product specifies otherwise.

#### STANDALONE HELOC

Tax Transcript results are required for the applicable years when tax returns are used to document qualifying income.

#### GOVERNMENT

Unless the loan is a VA Interest Rate Reduction Refinance Loan (IRRRL) or FHA non-credit qualifying streamline refinance, results for one year are required, or the most recent two years if required per AUS finding. In order to determine the percentage by which non-taxable income may be grossed up, 4506-C results are required for borrowers who receive non-taxable income. **FHA still requires a signed 4506-T. For all FHA products 4506-C and 4506-T will be required in the file.**

#### **OVERLAYS**

##### **4506-C**

- A fully executed IRS Form 4506-C must be included in all loan files.
- 1040 transcripts are required for the following income types:
  - Self-employed



## Flagstar Bank Loan Requirements

---

- Commission greater than 25%
- Rental income documented on Schedule E
- Employed by family
- Fixed income types such as disability, social security, retirement, child support, alimony, etc., when the 1040s are obtained in lieu of alternative documentation such as award letters, 1099s, bank statements, etc.

### USDA

Results for the most recent two years are required.

### VIRGIN ISLANDS

For individuals residing and filing in the Virgin Islands, requests must be manually processed through underwriting when using Flagstar Bank Network. It will typically take two weeks for the results to be returned.

Borrower obtained tax-transcripts are not considered an eligible third-party source to validate the tax returns and may only be considered on case-by-case exception basis.

Flagstar reserves the right to request tax transcripts beyond the instances listed above in the event there are additional loan level red flags.

### **FLAGSTAR PREFERRED VENDOR**

Equifax is the preferred vendor for the Flagstar Bank Network (FSBN). While customers are not required to, they may establish access and utilize this service through [theworknumber.com](http://theworknumber.com) to obtain tax transcripts.

For questions regarding new accounts for the Flagstar Bank Network, or contracting additional services, please contact Equifax via [member.network@equifax.com](mailto:member.network@equifax.com). Please include your seller ID and copy your account executive on the email.

### **Equifax Customer Service:**

Equifax Verification Support  
877-442-9963

[VerifierSolutionsSupport@Equifax.com](mailto:VerifierSolutionsSupport@Equifax.com)