

Borrower Assets

Financial Analysis Assets Quick Reference Guide



There are a number of different asset types, each having unique requirements when used in a residual income analysis. Let's review the asset types below.

Checking & Savings Account

- Borrower names must be on the account
- If another person is named on the account and is NOT a borrower, a written statement from the non-borrower stating that the borrower has complete access to and ability to use the funds is required
- Either a statement with the previous months ending balance, or the most recent two months statements, is required

Stocks and Bonds

- The most recent quarterly (or the two most recent monthly) statement(s) are required for each brokerage account to verify the value of stocks and bonds
 - Evidence of liquidation is not required
- A copy of each stock or bond certificate is required if the investments are not held in a brokerage account. The value will be determined through third-party verification
- Government savings bonds are considered at the original purchase price, unless they are eligible for redemption and the value confirmed

Retirement Accounts

- Recent monthly or quarterly statement is required
- Borrower's receipt of funds must be verified and documented

Private Savings Clubs

- Funds distributed to and received by making deposits into a member-managed resource pool are acceptable assets
- Adequate documentation to show the accumulation of funds with the club is required
- Funds must be distributed to the borrower, they cannot be distributed as part of a loan
- Ledgers, receipts, verification from the club's treasurer, and club identification is required

