



Reverse Residual Income

Residual Income

- Effective Income – used to calculate residual income. Must be likely to continue for at least 3 years. Requires documentation of income and asset history. Only reported and legally derived income can be used.
- Residual Income – sum of the total monthly income from all sources for the borrower(s) obligated on the mortgage minus the amount of total monthly expenses. To determine if amount of monthly residual income is sufficient to cover all financial obligations, refer to the table of Residual Income by Region.

Family Size	Northeast	Midwest	South	West
1	\$540	\$529	\$529	\$589
2	\$906	\$886	\$886	\$998
3	\$946	\$927	\$927	\$1,031
4 or more	\$1,066	\$1,041	\$1,041	\$1,160