

Business For Self – Simplified



Using our BFS simplified program, you can provide your clients with a simplified document collection process and a faster approval response time.

Our BFS Simplified program is based on our **Aveo Flex40** product with the following additional considerations:

- **Minimum 6 months of bank statements**
- **Lower of income declared from the BFS Self Declaration Form, or, the income calculated from the Rules Based Calculator**
- **Require a Sworn affidavit of no taxes owing**
- **No NSF items can appear in the bank statements used**

Rules Based Calculation Matrix:

Number of Employees/Contractors, not including the Borrower:	0	1 to 4	5 to 10	10+
Service Business – Expense Factor Used:	10%	30%	40%	60%
Businesses having productions costs – Expense Factor Used:	40%	50%	60%	70%
Examples:				
Service Businesses: Businesses with low/ no additional overhead. i.e., Consultant, Accountant, Lawyer, Therapist, Financial Planner, and other professionals working from home or small office.				
Businesses with Production Costs: Businesses with actual expenses. i.e., Retail, restaurants, catering & food services, contractors, construction, manufacturing, etc.				

Example:

- Client owns a coffee shop with 6 employees
- 6 months of bank statements reflect gross income of \$150K, which annualizes to \$300K.

The coffee shop is a business with “production costs”, and since they have 6 employees we would reduce 60% from the gross income.

$$\begin{array}{rcccl}
 \mathbf{\$300K} & & & & \\
 \text{(annualized income)} & & & & \\
 \times & \mathbf{.60} & = & \mathbf{\$180K} & \\
 & \text{(expense factor used)} & & \text{(estimated expenses)} &
 \end{array}$$

$$\begin{array}{rcccl}
 \mathbf{\$300K} & & & & \\
 \text{(annualized income)} & & & & \\
 - & \mathbf{\$180K} & = & \mathbf{\$120K} & \\
 & \text{(estimated expenses)} & & \text{(usable qualifying income)} &
 \end{array}$$

We would use \$120K as qualifying income as long as the expense form did not show lower.

To learn more or discuss a specific scenario, please contact your Regional Manager.