

Income Documentation Checklist: Self-employed & Freelance



If a mortgage is the hurdle on your way to a home, the paperwork is the warm-up. (It's not the main event, but it sure beats a pulled hamstring.)

If you're self-employed or freelance, documenting your income requires different—and yes, usually more—paperwork. The good news: knowing what applies up front can make this part of the process quick and easy.

For most loans, income tax returns are our primary documentation, which is why this checklist is organized by **tax filing structure**.

Wait, where's the rest? This checklist focuses exclusively on documenting self-employed and freelance income. For guidance on other required documentation—including assets, other types of income, and the rest of your financial profile—[see our Mortgage Documentation Checklist](#).

A few notes

- A lender considers you self-employed if you own **25% or more** of a business.
- **An LLC is a legal structure, not a tax structure.** If you're unsure how your LLC files its taxes, check the notes with each checklist below.
- Tax returns are the most common way to document self-employed income, but **some programs allow alternative documentation** (like 1099s or bank statements) instead.
- **Freelancers:** you're chameleons 🦋 You may fall into more than one category—or shift between them over time—which is why your checklist has a choose-your-own-adventure vibe.

▶ Less is more

If you've been in business 5 or more years, many loan programs require just 1 year of tax documents (instead of 2). When this applies, don't overshare. Additional tax documents can only reduce your qualifying income or create unnecessary questions.

If your business is a sole proprietorship...

- Your business income and expenses are reported on Schedule C.
- You don't file a separate business return.
- You're not paid on a W-2.

What we need:

- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- If the current year's tax filing date has passed, federal extension forms

For certain loans:

- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

If your business is an S corporation...

- You may be an employee on the business's payroll.
- The business files its own tax return on Form 1120-S.
- Your share of income is reported on a W-2 and/or a K-1 statement.

What we need:

- All W-2 statements from your business to you for the past 1 or 2 years
- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- Federal income tax returns for your business for the past 1 or 2 years, including all schedules and statements
- If the current year's tax filing date has passed, federal extension forms for you and your business

For certain loans:

- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

If your business is a Partnership...

- You may be paid guaranteed payments, draws, or distributions.
- The business files its own tax return on Form 1065.
- Your share of income is reported on a K-1 statement.

What we need:

- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- Federal income tax returns for your business for the past 1 or 2 years, including all schedules and statements
- If the current year's tax filing date has passed, federal extension forms for you and your business

For certain loans:

- Evidence of your year-to-date guaranteed payments, draws, or distributions
- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

If your business is a C corporation...

- You may be an employee on the business's payroll.
- The business files its own tax return on Form 1120.
- Business earnings may be paid to you as dividends on Form 1099-DIV.

What we need:

- All W-2 statements from your business to you for the past 1 or 2 years
- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- Federal income tax returns for your business for the past 1 or 2 years, including all schedules and statements
- If the current year's tax filing date has passed, federal extension forms for you and your business

For certain loans:

- Evidence of your year-to-date dividends
- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

If you're a freelancer...

Freelancers don't always fit neatly into lending boxes. You may not technically be self-employed under IRS rules, but your income often has characteristics of self-employment, like variability and lack of guarantees.

Use the sections below to find the checklist that matches how you're paid. It's common for freelancers to fall into more than one category. Gather all applicable paperwork.

If you're paid on W-2s for contract or assignment-based work

- Agency work, travel contracts, project-based roles, gig-by-gig W-2s
- Your income is paid on a W-2, but your position isn't permanent full-time.

What we need:

- Most recent 30 days of pay stubs from your current employer
- Final pay stub from each prior employer during the current year
- All W-2 statements for the past 1 or 2 years
- Employment history for the past 24 months, including the start/end date, address, phone, and job title for each employer

For certain loans:

- Written history of contract renewals or assignments
- Additional income documentation if gaps are present

If you're paid on 1099s...

- You receive 1099s and report income on Schedule C
- This type of income is sole proprietor self-employment.

What we need:

- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- If the current year's tax filing date has passed, federal extension forms

For certain loans:

- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

If you're paid through an S corporation or a Partnership...

- Clients pay your entity, and your entity pays you
- You're treated as self-employed under your entity's tax structure.

What we need:

- Any W-2 statements from your business to you for the past 1 or 2 years
- Personal federal income tax returns for the past 1 or 2 years, with all schedules and statements
- Federal income tax returns for your business for the past 1 or 2 years, including all schedules and statements
- If the current year's tax filing date has passed, federal extension forms for you and your business

For certain loans:

- Evidence of your year-to-date guaranteed payments, draws, or distributions
- Current balance sheet
- Profit and loss statement for the previous tax year (if you've not filed yet)
- Year-to-date profit and loss statement through at least the end of the most recent quarter
- Most recent 3 to 12 months of business bank statements

Questions? Stuck between categories? Not sure what applies to you?

Reach out anytime. (Shhh...self-employed and freelance clients are secretly our favorite.)

We genuinely enjoy being a bridge between your real-world income and the lending rules that make homeownership possible.

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