

Mortgage tax file: what the lender asks for, then the Form 1098

Hand the first three groups to your loan officer at application; keep the last group for your first return as an owner. Ask the lender which years it needs before you scan, and mark "n/a" next to lines that do not apply.

Client or engagement

Application: personal returns and income forms

- ☐ Form 1040 with every schedule, last two years, signed
The copy filed with the IRS, not a draft
- ☐ E-file acceptance notice for each return
A signature alternative when the copy is unsigned
- ☐ Forms W-2 from every employer, last two years
Copy B or C, all jobs
- ☐ Most recent pay stubs
With year-to-date totals; the lender tells you how recent they must be
- ☐ Forms 1099-NEC, 1099-MISC or 1099-K for contract income
Two years for each income source, from each client or payment processor
- ☐ Form SSA-1099 and Form 1099-R with award letters
Only if retirement or benefit income counts

Application: business owners (25% or more)

- ☐ Business returns: Form 1065, 1120-S or 1120, last two years
Signed, with all schedules
- ☐ Schedule K-1 from each partnership or S corporation
Same years as the business returns
- ☐ Year-to-date profit and loss statement
If the lender asks; some want it signed
- ☐ Proof the business exists: IRS EIN confirmation letter, business license, articles of incorporation or partnership agreement
One of these, for the business named on the application
- ☐ Business bank statements, if K-1 income is used without matching distributions
The lender may ask them to show the business has cash to support the income

Application: IRS checks

- ☐ DU findings: is all income validated?
Ask the loan officer; if yes, no Form 4506-C is needed for that borrower

- ☐ Signed Form 4506-C for personal returns
Valid 120 days after signing; one per borrower whose income counts
- ☐ Signed Form 4506-C for each business return type
One form per type of return
- ☐ Proof of payment or installment agreement for any balance due
If the latest return showed tax owed
- ☐ Schedule E and current leases for rental income
Only if you want rental income counted

After closing: first return as an owner

- ☐ Form 1098 from each loan servicer
Interest, points and mortgage insurance; one per servicer
- ☐ Closing disclosure from the purchase
Points, seller-paid points, prepaid interest, taxes at closing
- ☐ Mortgage insurance premiums paid
Form 1098 box 5; not deductible on a 2025 return, treated as interest again from 2026
- ☐ Property tax bills and the escrow account statement
Taxes actually paid during the year
- ☐ Year-end mortgage statement
Backs up interest if no Form 1098 arrived
- ☐ Record of how home equity loan money was used
Only interest on money used for the home is deductible