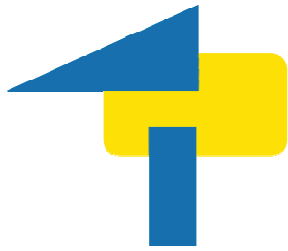




BULLETIN # 10-0420-WC

April 20, 2010

- **ALL Choice (CH) Conventional & Government Products (effective immediately):**
 - ***IRS W-2 Transcript Policy*** - WMC allow W-2 transcripts obtained from the IRS in lieu of tax return transcripts for salaried borrowers not required to provide tax returns. However, if any income is derived from tax returns or the tax returns are present in the loan file, tax return transcripts are required. W-2s and IRS W-2 transcripts from the same year must match. If the IRS transcripts do not match the W-2, proof the employer filed amended W-2s and a satisfactory letter of explanation must be provided or the loan is ineligible for purchase.
 - ***Transcript Documentation Requirements*** - IRS transcripts must be obtained for the years of income documented in the file. In instances where transcripts are not available for the most recent year documented, Clients should obtain the same number of years of transcripts, using the most recent years available. Examples of situations where most recent year's transcript would not be available include income documented by a YTD paystub, or transcript not available due to recent filing.
 - Generally, transcripts are available from the IRS as follows:
 - **Paper Filing:** 6-8 weeks from receipt by the IRS
 - **E-Filing:** 15 days from receipt by the IRS
 - **W-2 Transcripts:** Generally available beginning in April
 - For borrowers who have filed an extension with the IRS, the following documentation is required:
 - Evidence the extension was filed, *and*
 - Evidence from the IRS stating "No Record of Return Filed".
- Note:** Transcripts may not exist for all borrowers. This includes borrowers:
 - Without qualifying income;
 - With income from non-taxable sources (for example: child support);
 - Exempt from filing tax returns based on income below IRS published minimum income levels.



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BULLETIN # 10-0420-WC (Cont'd)

- **Using Recent Income When Transcripts Are Not Available** - When IRS transcripts are not available for the most recent year of income documentation, the income may be still used to qualify provided material year over year income increases are explained and documented. Refer to the guidance below on addressing income increases when the most recent year's transcript is not available.

If earnings shown on most recent tax year are...	Then...
0 to 10% greater than previous year's transcripts	The loan is eligible for financing. Additional verification or explanation may be required at the discretion of the underwriter.
More than 10% greater than previous year's transcripts	The loan is eligible for financing. A satisfactory letter of explanation and supporting documentation may be necessary. Situations where this may occur include: <ul style="list-style-type: none">• Wage earning spouse who is not on transaction• Borrower has an additional wage earning job not disclosed• Bonus Income• Raise• Job change Supporting documentation may include documentation to substantiate second job, a breakout of individual W-2 filings or a written Verification of Employment (VOE) detailing bonus, job or salary changes.

The Profiles will be updated and posted at www.wintrustmortgage.net.

Contact your Account Executive for more information.