

Freddie Mac Income Calculator



November/December 2025 Release Notes

November 8, 2025 Release

Tax Data Entry Line Item Updates

We've made the following updates to tax data entry line items. These updates allow for more information to be provided about borrowers with income from S-Corporations and Partnerships. This additional information helps improve the income calculation for these borrowers.

New line item for S-Corporations: Schedule K-1 (1120-S): Part III, Line 16 Code D: Distributions

New line item for S-Corporations and Partnerships: 1120-S and 1065: Schedule L, Line 6d (end of tax year): Other current assets



Business Review and Analysis Updates

We've made the following updates to the Business Review and Analysis to help better establish sufficient liquidity for borrowers with income from S-Corporations and Partnerships.

K-1 Distribution Liquidity Test Added

Now an additional method – the K-1 Distribution liquidity test – is available to prove sufficient liquidity for the business for borrowers with income from S-Corporations. This method can be used in place of the Quick Ratio. **Note:** This was already available for Partnerships.

SCorporation - K-1 Distribution

LINE ITEM ^	DESCRIPTION ^	AMOUNT ^
DISTRIBUTION	Distribution (Cash only)	\$120,000.00
DIVIDED BY		
BORROWER INCOME/LOSS	Ordinary Business Income or Loss	\$100,000.00
K-1 Distribution = 120000.00 / 100000.00 = 1.20		

Other Current Assets Added

This line item was added to the Quick Ratio for both S-Corporations and Partnerships to help prove sufficient liquidity for the business.

S Corporation - Quick Ratio

LINE ITEM ^	DESCRIPTION ^	AMOUNT ^
ASSETS	Cash	\$50,000.00
	Tradenotes and accounts receivable, not including bad debts	\$30,000.00
	U.S. Government Obligations	\$10,000.00
	Tax Exempt securities	
	Other Current Assets	\$10,000.00
DIVIDED BY		
LIABILITIES	Accounts Payable	\$35,000.00
	Mortgages, Notes, or Bonds Payable in Less than 1 year	\$5,000.00
	Other current Liabilities	\$5,000.00
Quick Ratio = 100000.00 / 45000.00 = 2.22		



December 6, 2025 Release

Prompts Moved Earlier in the Process

To help remove the potential for duplicative requests and misaligned tax years, we’ve moved the following prompts earlier in the income calculator process.

Tax Year Prompts Moved to Loan Level

(Example 1)

What type of income data are you using to calculate income? ⓘ

☐ Paystub W-2 Data

☒ Tax Return/Transcript Data

When Application Received Date is not provided, the Freddie Mac Income Calculator will use calculator entry date to determine age of tax data requirements.

Application Received Date

mm/dd/yyyy

2024 tax returns filed *

☐ Yes

☐ No

Borrowers Summary (Max 2)

Borrower 1

(Example 2)

What type of income data are you using to calculate income? ⓘ

☐ Paystub W-2 Data

☒ Tax Return/Transcript Data

When Application Received Date is not provided, the Freddie Mac Income Calculator will use calculator entry date to determine age of tax data requirements.

Application Received Date

01/01/2025

2024 tax returns filed *

☐ Yes

☒ No

2024 tax extension filed *

☐ Yes

☒ No

2023 tax returns filed *

☒ Yes

☐ No

Borrowers Summary (Max 2)


Borrower 1

3

Tax Extension Documents Moved to Loan Level

Tax extension documents will now need to be provided before the businesses are entered.


When Application Received Date is not provided, the Freddie Mac Income Calculator will use calculator entry date to determine age of tax data requirements.


Application Received Date 

2024 tax returns filed * ☐ Yes ☒ No

2024 tax extension filed * ☒ Yes ☐ No


Borrowers Summary (Max 2)

Borrower 1 | 

Tax Extension	Tax Extension
Borrower 1	<p>Tax Year 2024</p> <p><input type="checkbox"/> 2024 Form 4868</p> <p>Tax Year 2023</p> <p><input type="checkbox"/> 2023 Form 1040</p> <p>Tax Year 2022 </p> <p><input type="checkbox"/> 2022 Form 1040</p> <p>ADD TO CALCULATION</p>

Updated Name of Type of Income Data Submitted

To help provide greater clarity and be more descriptive, we've updated the descriptor for type of income data being used to calculate data from "Tax Data" to "Tax Return/Transcript Data".

What type of income data are you using to calculate income? 

☐ Paystub W-2 Data ☐ Tax Return/Transcript Data

Visit and bookmark our [Technology Resources webpage](#) for quick access to future release notes and a list of feedback messages. Launch the Freddie Mac Income Calculator [here](#).

