

Topic	Current Guideline	Enhancement
Self-employed borrowers who have been operating their business for less than 24 months, or in the same line of work for less than 24 months	These types of applications can be accepted provided a solid rationale is noted in the lender's loan file.	To assist with assessing these types of applications, examples of factors that can be used to support the lender's decision to lend will be added to the guideline, including: <ul style="list-style-type: none"> • Acquiring an established business • Sufficient cash reserves • Predicable earnings • Previous training and education • Borrower's demonstrated history of managing credit
Documentation to support qualifying income for borrowers who have recently become self-employed	Previous employment documentation is listed as an acceptable form of documentation to support qualifying income.	To assist with assessing these types of applications, the following examples of documentation to support qualifying income will be added to the guideline: <ul style="list-style-type: none"> • Previous employment documentation based on type of income (i.e. obtain a primary and secondary method based on regular full time or part-time, casual, contract etc.) • Recent account statements • Business documentation • Signed contracts
Use of "add backs" for the purposes of grossing up income from self-employment (sole proprietorship/partnership)	If using the "add back" approach for grossing up income from self-employment, examples of supporting documentation include: <ul style="list-style-type: none"> • Audited financial statements • Financial statements accompanied by a Review Engagement Report signed by a practicing accountant 	In response to lender inquiries and recognizing that unincorporated business owners may not typically have the documentation currently listed, the following documentation to support qualifying income will be added to the guideline: <ul style="list-style-type: none"> • Statement of Business or Professional Activities (T2125)
Use of the Notice of Assessment (NOA) to support income from self-employment	The NOA is listed as an acceptable form of documentation to support qualifying income.	In line with industry practice, the NOA should be accompanied by the T1 General.
Use of the CRA Proof of Income (POI) statement (option "C" print)	Not Applicable	In response to lender inquiries, the POI statement will be added to the guideline as an example of documentation to support qualifying income and/or that personal income taxes are up to date. Note: The POI statement can be used as an alternative to the NOA and T1 General.