

Self-Employed Mortgage Document Checklist

Getting a mortgage when you're self-employed is different — but it's not harder when you're prepared. The key is documentation. This checklist covers exactly what you need for both traditional and alternative documentation programs available in Ontario.

Step 1: Determine Your Documentation Path

Your broker will help you decide which path is best based on your income, tax returns, and how much you write off.

Traditional (Full Doc)	You can prove your income through tax returns and CRA documents. Best rates. Requires 2 years of T1 Generals and NOAs. Your declared income must support the mortgage amount.
Stated Income (Alt Doc)	Your declared income is lower than your actual earnings due to write-offs. You 'state' your reasonable income and support it with bank statements and business financials. Slightly higher rates but much more flexible.
Bank Statement Program	Some lenders qualify you based on 12-24 months of bank deposits rather than tax returns. Ideal for cash-heavy businesses or newer self-employed borrowers.
Private Lending	For complex situations — less than 2 years self-employed, credit challenges, or unique income. Higher rates but flexible qualification. Use as a bridge to an A-lender.

Step 2: Traditional Documentation (Full Doc)

If your declared income supports your mortgage amount, go this route for the best rates.

- **T1 General tax returns (2 most recent years):** Full returns as filed with CRA. Must include all schedules. Line 15000 (total income) is the key number lenders look at.
- **Notice of Assessment (2 most recent years):** From CRA. Confirms your returns were filed and accepted. Order from My CRA Account or call 1-800-959-8281.
- **T4A or T5 slips (if applicable):** For contract income or investment income related to your business.
- **Articles of Incorporation or Business Licence:** Proof your business exists and is registered in Ontario.
- **Financial statements (if incorporated):** T2 corporate tax returns and financial statements for 2 years. Prepared by an accountant.
- **Business bank statements (3-6 months):** Shows business revenue deposits. Lenders want to see consistent cash flow.

Step 3: Stated Income / Alternative Documentation

For self-employed borrowers whose tax returns don't reflect their true earning power.

- **Everything from the Traditional list above:** Lenders still want to see your tax history — they just won't use your line 15000 as the sole qualifier.
- **12 months of personal bank statements:** Shows money flowing from your business into your personal accounts. Consistent deposits are key.
- **12 months of business bank statements:** Revenue deposits, average monthly balance, and cash flow pattern.
- **CRA proof of business registration:** GST/HST registration, business number confirmation.
- **Accountant letter (some lenders):** A letter from your CPA confirming your business is active and your stated income is reasonable for your industry.
- **Client contracts or invoices (some lenders):** Proof of ongoing revenue. Especially helpful for consultants and contractors.

Tip: Your 'stated income' must be reasonable for your industry and location. Lenders will verify it against industry benchmarks. A plumber in Toronto claiming \$300K/year will face scrutiny. Your broker helps you state the right number.

Step 4: All Self-Employed Borrowers — Additional Documents

- **Valid government photo ID:** Driver's licence or passport. Not expired.
- **Proof of down payment:** Bank statements showing 90 days of savings history. If gifted, you'll need a gift letter from an immediate family member.
- **Void cheque:** For mortgage payment setup.
- **Property insurance quote:** Required before the lender will fund. Get this once your offer is accepted.
- **Current mortgage statement (if refinancing/renewing):** Shows balance, rate, maturity date.
- **Agreement of Purchase and Sale (if purchasing):** Signed offer with all schedules.

Common Self-Employed Mortgage Mistakes to Avoid

- **Waiting until you need the mortgage to organize documents:** Start gathering paperwork 3-6 months before you plan to apply. Missing documents are the #1 cause of delays.
- **Over-writing off income the year before buying:** Talk to your accountant about balancing tax savings with mortgage qualification. You need to show enough income.
- **Assuming banks will say no:** Banks aren't the only option. A mortgage broker accesses 40+ lenders including those who specialize in self-employed borrowers.
- **Not having a business bank account:** Mixing personal and business finances makes it harder to prove business income. Separate accounts are essential.
- **Applying at one bank and giving up:** If one lender says no, a broker can find another who says yes. Every lender has different criteria for self-employed borrowers.

Minimum Down Payment

5% (under \$500K), 10% above \$500K portion, 20% for \$1M+. Stated income programs may require 10-20% minimum.

Minimum Self-Employment History	Most A-lenders: 2 years. Some B-lenders: 1 year. Private: No minimum.
Credit Score Requirements	A-lender: 680+. B-lender: 600+. Private: Flexible (equity-based).
Rate Premium (Stated Income)	Typically 0.10% - 0.50% higher than traditional full-doc rates.

***Tip:** Self-employed mortgages are our specialty. Call Amit Mistry at (647) 646-6523 for a free consultation. We've helped hundreds of Ontario business owners get approved with competitive rates.*

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