

## STATED INCOME

# The Stated Income Guide

For business-for-self borrowers whose tax returns understate what they really earn.

Prepared by **Peter Leung**, Mortgage Broker (#503918)  
RTC Mortgage - KSMG Keystart Mortgage Group Inc.  
Serving British Columbia & Alberta · Peter@integrummortgage.com

Many successful business owners show modest income on paper after legitimate write-offs. Stated-income programs exist for exactly this situation — they let you state an income that reflects your real earning power, supported by evidence that the business is genuine and active.

## What "stated income" really means

It does **not** mean making up a number. The stated figure must be **reasonable** for your industry, role, and the size of your business — and lenders sanity-check it against your business activity, bank deposits, and what is typical for your occupation.

## Stated vs. traditional vs. bank-statement

- **Traditional:** qualifies on net income from your tax returns.
- **Bank-statement:** uses your actual deposits to estimate cash flow.
- **Stated:** uses a reasonable income for your business, with supporting proof rather than full tax-return income.

### The reasonableness test

A lender will ask: would someone running this kind of business, for this long, plausibly earn the stated amount? If your bank deposits and business profile support it, you are on solid ground.

## The trade-offs to expect

- A modest rate premium versus fully-qualified A-pricing.
- Sometimes a larger down payment or lower loan-to-value.
- The file may sit with an alternative (B) lender rather than a big bank.

## What to bring

- Proof the business exists and is active (licence, registration, or articles)
- Recent business bank statements
- GST/HST returns where applicable
- Sometimes a letter from your accountant

### Honesty protects you

A stated income must be truthful and defensible. Overstating income is mortgage fraud, with serious consequences. Used correctly, stated-income lending is simply a fair way to recognize earnings that your tax return understates — and a good broker keeps your file firmly on the right side of that line.

### Ready to map this out for your situation?

A short, no-obligation conversation is the fastest way to know your real options and a plan to get there. Reach Peter Leung directly at [Peter@integrummortgage.com](mailto:Peter@integrummortgage.com).

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