

SELF-EMPLOYED MORTGAGES

Banks say no. I find lenders who say yes. How self-employed Albertans get mortgages — from a broker who's done it thousands of times.

PREPARED
BY

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1. Why Banks Reject Self-Employed Borrowers

Banks love simple applications: salaried employee, T4 income, steady paycheques. Self-employed income is **anything but simple**. Your accountant works hard to minimise your taxable income — which is smart for taxes but terrible for mortgage qualification.

Common reasons banks decline self-employed applications:

- **Low reported income** — Your T1 shows \$45K but you actually earn \$120K
- **Variable income** — Great years followed by rebuilding years
- **Business less than 2 years old** — Most banks require 2+ years of history
- **Unusual income structure** — Dividends, retained earnings, multiple corporations
- **Industry bias** — Some banks are wary of certain industries (construction, hospitality, gig economy)

*Shawn's Tip: A bank rejection doesn't mean you can't get a mortgage. It means that **one lender** said no. I have access to 20+ lenders, including ones that specialise in self-employed applications.*

2. Three Paths to Approval

Depending on your situation, we'll use one of these approaches:

Traditional (Full Documentation)

You have 2+ years of clean tax returns showing strong income. We use your T1 General, Notice of Assessment, and financial statements. This gets you the best rates from A-lenders.

Pro: Best rates, most options

Con: Need 2+ years, income must be consistent

Stated Income (Business for Self)

Your reported income doesn't reflect your actual earnings. Some lenders allow us to "state" a reasonable income based on your industry, experience, and business financials. Requires 10–20% down.

Pro: Uses real earning capacity, not just tax returns

Con: Slightly higher rates, larger down payment

Alternative / Private

New business, complex income, bruised credit, or urgent timeline. Alternative and private lenders focus on the **property value and equity** rather than traditional income verification.

Pro: Most flexible, fastest approval

Con: Highest rates, fees may apply, shorter terms

3. Documents You'll Need

The more organised you are, the faster we move. Gather these before we talk:

Tax Documents (2 years):

- **T1 General** (personal tax returns) — both years
- **Notice of Assessment** (NOA) from CRA — both years
- **T4 / T4A / T5** slips if you pay yourself salary or dividends
- **Financial statements** (income statement + balance sheet)

Business Documentation:

- **Business licence** or articles of incorporation
- **GST/HST registration** (confirms active business)
- **Business bank statements** (last 6 months)
- **Contracts or invoices** showing ongoing revenue

Personal:

- **Two pieces of government ID**
- **Personal bank statements** (last 90 days)
- **Proof of down payment** source and 90-day history
- **Credit score check** (free through Borrowell)

Shawn's Tip: Missing your NOA? You can get it instantly through CRA My Account online. If your accountant filed your taxes, they can pull it in minutes.

4. How to Strengthen Your Application

- **Plan 2 years ahead** — If you're thinking of buying, talk to me before your accountant files your next tax return. We can coordinate so your income looks accurate without overpaying taxes.
- **Separate business and personal finances** — Lenders want to see clean, separate accounts.
- **Keep GST/HST current** — Arrears with CRA are a red flag for lenders.
- **Save a larger down payment** — 15–20% gives you access to more lender options.
- **Maintain good credit** — Pay everything on time. Keep credit card balances below 30% of limits.
- **Document everything** — Invoices, contracts, and bank deposits all tell your income story.

5. The Broker Advantage

Self-employed mortgages are where brokers earn their reputation. Here's why:

- **20+ lender options** — Banks only have one set of rules. I know which lenders are most flexible with self-employed income.
- **Income presentation** — I know how to present your income in the strongest possible light while staying completely honest and compliant.
- **No cost to you** — The lender pays my fee. You get expert guidance for free.
- **One application, many options** — I submit to the right lender the first time, avoiding multiple credit hits.
- **25+ years of experience** — I've helped thousands of self-employed Albertans. I know what works.

Self-Employed? Let's Talk.

Banks turned you down? I work with lenders who understand self-employment income. 15 minutes, no cost, no obligation.

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