What Documents Show Your Income for a VA Home Loan?

Understanding the Income Side of VA Mortgage Underwriting

When you apply for a VA-backed home loan, the underwriting process looks closely at your ability to make the monthly payments. One of the most important parts of that review is your income. Lenders want to see that your earnings are steady, reliable, and enough to cover the mortgage along with your other debts. But what exactly do they need from you to prove that? The answer depends on how you earn your money.

VA mortgage underwriting follows guidelines set by the Department of Veterans Affairs, but individual lenders may ask for slightly different documents. In general, the goal is to verify your income over a recent period and confirm that it is likely to continue. The checklist below covers the most common documents you will need to gather, along with a short explanation of why each one matters.



1. Recent Pay Stubs

Pay stubs are the quickest way to show your current earnings. Lenders typically ask for the most recent 30 days of pay stubs. These documents show your gross pay, any deductions, and your year-to-date earnings. For VA mortgage underwriting, pay stubs help confirm your employment status and your hourly or salaried rate. If you receive overtime, commission, or bonus income, the stubs will also show those amounts. Underwriters look at these numbers to see if your income is consistent from paycheck to paycheck.

2. W-2 Forms or Tax Returns

W-2 forms from the past two years give underwriters a broader view of your income history. They show your total annual earnings from each employer, including any taxable fringe benefits. For self-employed borrowers or those with variable income, the lender may ask for complete federal tax returns - both the 1040 and all schedules. Tax returns are especially important when income comes from commissions, bonuses, or a business you own. They help the underwriter see how your earnings have trended over time and whether your current income level is sustainable.

3. Bank Statements

Bank statements serve two purposes in VA mortgage underwriting. First, they verify that your income is actually deposited into your account. Second, they show your cash reserves - the money you have left after paying your bills. Lenders want to see that you have enough cash to cover at least a few months of mortgage payments. This is a safety net. You do not need to drain your savings, but having some reserves makes your application stronger. Provide statements for the most recent two to three months for all accounts you use regularly.

4. Proof of Other Income

Not all income comes from a job. If you receive child support, alimony, Social Security benefits, pension payments, or disability income, you will need official documentation. For government benefits, a current award letter from the issuing agency works. For child support or alimony, a copy of the divorce decree or separation agreement plus proof of consistent receipt - such as bank deposit records - is usually required. Underwriters treat these income sources as reliable only if they have a strong track record of regular payments. A one-time bonus or an irregular side gig generally does not count.

5. Employment History Verification

VA mortgage underwriting also looks at your employment history. Lenders typically call your employer to confirm your job title, start date, and current pay. If you have changed jobs recently, they may ask for a letter of explanation plus contact information for your previous employer. A stable two-year work history in the same field is the gold standard. If you are a seasonal worker

or in a field with frequent layoffs, the underwriter will want to see that you have consistently found work each season. A signed letter from your employer describing your schedule and likelihood of rehire can help.

Special Cases: Self-Employment and Commission Income

If you are self-employed or earn a large portion of your income through commissions or bonuses, the documentation requirements become more detailed. In addition to tax returns, you may need a profit and loss statement prepared by your accountant. Lenders often ask for a year-to-date profit and loss statement if your business is less than two years old. The underwriter will analyze your net income after business expenses, not your gross revenue. This means your personal income may look lower than your business income, so be prepared for that.

For commissioned or bonus income, the underwriter wants to see a two-year history of receiving those payments. If your bonus is not guaranteed, it may not count fully toward your qualifying income. Some lenders will average your bonus or commission over the past two years, while others may discount it entirely if it appears volatile. Keeping a clean record of your pay stubs and W-2s makes this process smoother.

If you are unsure how to organize your documents or what your lender specifically needs, resources like scarpero.com can help you understand the common requirements and prepare your file before you apply. Remember that each lender may have slightly different overlays on top of the VA's minimum guidelines, so it pays to ask upfront what they want to see.



Common Pitfalls to Avoid

One of the most frequent issues in VA mortgage underwriting is incomplete or inconsistent documentation. For example, pay stubs that do not match the income shown on your tax return raise red flags. Another common problem is large, unexplained deposits in your bank account. Underwriters need to verify that all funds used for closing come from a legitimate source. If you receive a gift from a family member, you will need a gift letter and proof of the donor's ability to give the money.

Another pitfall is changing jobs or income sources during the application process. Until your loan closes, try to keep your employment and income as stable as possible. A new job in the

same field is usually fine, but a career change or a period of unemployment can delay or derail your approval. If you know a change is coming, talk to your lender before it happens.

Finally, do not assume that a large down payment or a high credit score will make up for shaky income documentation. VA loans are designed to help veterans and active-duty service members buy homes with no down payment, but the income verification is still thorough. The underwriter's job is to protect the lender and the VA guarantee, so they will ask for proof of every income source you claim.

Staying Organized Throughout the Process

Gathering your income documents early can save you time and stress. Create a folder - physical or digital - with your pay stubs, W-2s, tax returns, bank statements, and any benefit award letters. Keep copies of everything you submit. Lenders may ask for updated documents if your application takes more than a few weeks to process. Having a clean, organized file shows the underwriter that you are prepared and reliable.

If you hit a snag, do not panic. Many issues can be resolved with a simple letter of explanation or an additional document. The key is to communicate openly with your lender. If you do not understand why a document is needed, ask. The underwriter's requirements are not meant to trip you up - they are there to confirm that your income is real and that you can afford the loan.

For a deeper look at how VA mortgage underwriting works and what to expect at each stage, scarpero.com offers plain-language guides that answer common questions from veterans. Taking the time to understand the process before you apply can make the whole experience much smoother.