



The Self-Employed Mortgage Readiness Checklist

Canada Edition

What lenders typically look for, and
how to prepare with clarity

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Created for self-employed Canadians who want
clarity before making a mortgage decision.

If You're Self-Employed and Thinking About a Mortgage... Start Here

Most self-employed Canadians assume qualifying for a mortgage will be difficult, or that they should wait until things feel “perfect.”

In reality, most people don't have an income problem. They have a translation problem.

Traditional lending systems weren't designed for entrepreneurs, consultants, or freelancers with fluctuating income or thoughtful tax strategies. That doesn't mean you don't have options, it means preparation matters.

This checklist is designed to help you:

- understand how lenders typically assess self-employed income
- know what documentation is commonly reviewed
- see how timing and structure affect your options
- make informed decisions with confidence

This guide is about clarity, not pressure.

The 3 Things Lenders Typically Look At

1. Stability

Lenders typically look for evidence that your income is stable over time.

This can include:

- length of time in business or industry
- consistency year-over-year
- whether fluctuations can be reasonably explained

Perfection is rarely required. Patterns matter more.

2. Sustainable Income

Rather than focusing on gross revenue, lenders usually assess income they believe is repeatable.

This often includes reviewing:

- net income after expenses
- salary and/or dividends
- multi-year averages rather than a single year

Smart tax planning does not automatically disqualify you — but how income is presented matters.

3. Structure & Risk Profile

How your income flows is often just as important as how much you earn.

Lenders may consider:

- sole proprietor vs incorporated business
- separation of business and personal accounts
- consistency between tax filings and deposits

Clear structure helps reduce perceived risk.

**Exact requirements vary by lender and program, these are general industry considerations.*

Documents to Begin Organizing

You don't need everything immediately — but having these available typically creates clarity early in the process.

Checklist

- ☐ Last 2 years T1 General tax returns
- ☐ Last 2 years Notices of Assessment (NOAs)
- ☐ T2125 (if applicable)
- ☐ Business financial statements (if incorporated)
- ☐ Business bank statements
- ☐ Evidence of ongoing work (contracts, invoices, or business profile)

Messy does not mean bad.
It usually just means the story needs to be explained clearly.

Tax Strategy vs Mortgage Strategy

Many self-employed Canadians are surprised by this balance.

- ✓ Lower taxable income may reduce taxes
- ⚠ Lower reported income may also reduce borrowing power

This doesn't mean you've done anything wrong.

It means **timing matters.**

If you're considering buying or refinancing within:

0–6 months:

understanding current options is helpful

6–12 months:

small adjustments may improve flexibility

12–24 months:

planning can significantly expand options

Early clarity often creates the most choice.

Common Self-Employed Mortgage Myths

Myth: *"I need two perfect years of income."*

Reality: Lenders typically look at trends and sustainability, not perfection.

Myth: *"I wrote off too much, I'll never qualify."*

Reality: Different programs assess income differently, and strategy matters.

Myth: *"I'll talk to someone once I'm ready."*

Reality: Understanding your position is often what creates readiness.

A Simple Readiness Check

You don't need everything immediately — but having these available typically creates clarity early in the process.

- ☐ Do I understand how a lender might view my income?
- ☐ Is my documentation reasonably organized?
- ☐ Do I understand the trade-offs between tax efficiency and qualification?
- ☐ Do I have a rough timeline in mind?

If you answered “*not sure*” to any of the above,
that's very normal.
That's often the ideal time for guidance.



Want Personalized Clarity?

If you'd like:

- clarity before making decisions
- a second opinion on your position
- a strategy that respects both your business and your life

I offer Mortgage Clarity Sessions designed specifically for self-employed Canadians.

These are 1:1 strategy conversations focused on:

- understanding where you stand now
- identifying realistic options and risks
- mapping thoughtful next steps, now or later

There is no pressure to proceed beyond clarity. When you're ready, reply "CLARITY", or book a call using link in my bio.

Amela Abdovic

Important Information

Disclaimer:

This checklist is provided for educational purposes only. Mortgage qualification requirements vary by lender, program, and individual financial circumstances. This guide does not constitute a commitment to lend, financial advice, or tax advice. For personalized recommendations, consult directly with a licensed mortgage professional and/or qualified tax advisor.