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How Self-Employed Homebuyers in Metro Vancouver Can Still Qualify for a Mortgage: A 15-Year Local Broker Explains

Chad Watts of TMG The Mortgage Group Draws on 15 Years of Experience to Help Self-Employed Canadians Navigate Mortgage Qualification

VANCOUVER, BC, CANADA, July 16, 2026 /EINPresswire.com/ -- For self-employed Canadians, qualifying for a mortgage can feel like playing by a different set of rules than everyone else. Chad Watts, a Vancouver-based mortgage broker who has spent the past 15 years helping local homebuyers secure financing, says that's not far off, and he's sharing what business owners need to know before they apply in 2026.

Traditional lenders typically look at net income averaged over two years of tax returns, not gross revenue. For self-employed borrowers who maximize legitimate business deductions to reduce their tax bill, that same strategy can also reduce the income a bank will recognize for mortgage qualification. It's one of the most common reasons Chad Watts sees self-employed clients either declined or approved for significantly less than they expected.

For incorporated business owners, the picture can be different. Many entrepreneurs leave profits inside their corporation instead of paying themselves a large salary or dividend each year. While those retained earnings often reflect a healthy and profitable business, not every lender will include them when calculating qualifying income. Some lenders have programs that can consider retained earnings or corporate cash flow when supported by strong financial statements, while others rely primarily on the salary or dividends reported on personal tax returns.

There are several ways around these challenges. Programs such as CMHC Self-Employed allow qualifying income to be grossed up by up to 15 percent or calculated using eligible add-backs, helping better reflect a business owner's true earning capacity. For incorporated business owners, some lenders may also consider retained earnings or corporate cash flow when supported by strong financial statements. In addition, several alternative and B lenders offer programs that qualify borrowers using gross business deposits and business cash flow, rather than relying solely on taxable personal income. Depending on the lender and the borrower's circumstances, these programs can provide significantly greater borrowing power than traditional income qualification methods. Lenders typically require two years of Notices of Assessment, T1 General tax returns, business financial statements, and supporting bank records where applicable.

Chad Watts, a lifelong Vancouver resident who has built his career serving homebuyers across Metro Vancouver, says the biggest advantage self-employed borrowers have is choice. Through his affiliation with TMG The Mortgage Group Canada Inc., he has access to more than 50 Canadian lenders, including banks, credit unions, monoline lenders, and alternative lenders, each of which evaluates self-employed income differently.

"Every lender looks at self-employed income differently," Chad Watts said. "Some focus primarily on taxable income, while others can consider retained earnings, corporate cash flow, or gross business deposits. That's why choosing the right lender is often just as important as having the right income."

Chad Watts also encourages self-employed buyers to start planning well before they begin house hunting.

"A file that gets declined at one bank can often get approved somewhere else once you understand which lender best fits the way that business reports its income," Chad Watts said. "Self-employed Canadians build incredible businesses, and they shouldn't be penalized for running them well. My job is to find the lender and the strategy that reflects what their business truly earns."

Chad Watts recommends self-employed buyers begin preparing months before they apply for a mortgage. That means keeping two years of Notices of Assessment and T1 General tax returns up to date, discussing compensation strategies with their accountant before filing taxes, and gathering business financial statements and banking records early. Buyers with less than two years of self-employment history may still have financing options available, particularly if they have strong credit, substantial cash reserves, or previous experience in the same industry.

Chad Watts works with self-employed professionals, incorporated business owners, first-time homebuyers, investors, and homeowners looking to refinance or explore reverse mortgages throughout Vancouver, Burnaby, Richmond, North Vancouver, West Vancouver, New Westminster, Coquitlam, Port Moody, Surrey, Langley, Delta, and the Fraser Valley. Homebuyers interested in learning more or obtaining a mortgage pre-qualification can visit wattsmortgages.ca to schedule a consultation.

About Chad Watts - Mortgage Broker at TMG
Chad Watts is a BCFSA-licensed Sub-Mortgage Broker (License #142612) with TMG The Mortgage Group Canada Inc., serving homebuyers and homeowners across Metro Vancouver. With 15 years of industry experience and access to more than 50 lenders across Canada, Watts specializes in self-employed and business-for-self mortgages, along with reverse mortgages, private lending, refinancing, and first-time buyer programs. He holds a 5.0-star rating across more than 60 client reviews. All mortgage products are subject to lender approval and standard qualification requirements. Learn more at wattsmortgages.ca.

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