

## Information / Documentation Checklist & Items to Avoid

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In order to get a Pre-Qualification for a mortgage, and to submit your application to an underwriter, I will need to verify the following APPLICABLE documents pertaining to EACH borrower. Please be sure any copies provided are fully legible. Any documentation with information partially blacked out, or information cut off the edges due to copies/faxes not being properly aligned/centered, will not be acceptable to the underwriter. ***Please review each line item completely.***

#### **Personal / Identification:**

- Full legal name of each applicant (This is to avoid any typos and/or nicknames. Many personal/financial documents may have varied spellings of the applicant's name) Please include Jr /Sr, or, II /III, if applicable.
- Date of Birth and Social Security Number
- Marital Status: Married (incl. Registered Domestic Partner), UnMarried (incl. Single, Divorced, Widowed), or, Separated
- Contact number(s) and email address for EACH borrower. Include home phone number if applicable.
- Number of Dependents and their ages
- Years of school completed (12 for High School, 14 for Associate's Degree, 16 Years for Bachelor's Degree, etc.)
- Last 24 month residence history (minimum). Do you own or rent the current address? Amount of rent?
- Legible Copy of Drivers License.
- Legible Copy of Social Security Card, or, Valid US Passport.
- Copy of Green Card/Proof of Citizenship (For Permanent and Non-Resident Aliens)

#### **Proof of Income:**

- Last 24 months employment history (minimum). Please provide specific dates and include job title/occupation, address, compensation type and compensation rate. (Hourly, Salary, Commission, Base plus Commission, Piece Work, etc). How long in current field of work total? If retired, I need the approximate retirement date (month/year).
- HR Dept or other contact number for Verification of Employment (VOE) from each employer.
- Most recent pay stubs covering a minimum of **30 days**. Pay stubs must show YTD earnings.
- Last two years W-2's and/or 1099's from all employers.
- Last two years tax returns, **ALL PAGES/SCHEDULES**. \*\*\*Self-Employed borrowers and anyone owning more than 25% in a company must include all corporate returns as well.
- Social Security Awards Letter, Pension Awards Letter, Disability Awards Letter, etc.
- Child Support / Alimony (Whether you pay or receive, please be specific and include any and all documentation including Divorce Decrees, Judgment Letters, etc.) Also see Divorce Decree below.

#### **Proof of Assets: \*\*\*Please review this section carefully\*\*\***

- Two most recent full bank/financial statements covering a minimum of 60 days. **All Accounts/All Pages**. The most recent Quarterly Statement from any retirement/investment account is acceptable. (Checking, Savings, IRA, 401k, CD's, etc. The more assets you can show, the stronger your file looks to the underwriter ) Any funds used in the transaction must be verified and traceable. **Please be sure your full name and at least a partial account number appears on the statement, and be sure to include ALL pages**. If a statement has 4 pages, and the last page is blank or is a reconciliation page, *you still must include that page*. "Screen Shots" will not be acceptable. **Any large deposits not associated with the borrowers normal income must be explained in detail and sourced with documentation, including bank transfers**. \*\*\*An itemized list of these assets may be acceptable for a Pre-Qualification, but full statements will be required for underwriting.
- Any Ernest Money Deposit (EMD) on Purchase Transactions must be traceable. I will need a copy of the **front and back** of the cleared deposit check, or copy of the wire transfer receipt for any funds wired. **Once available, I will also need an updated bank statement, or Recent Transaction History page showing these funds being withdrawn from your account. This must also show your name, and at least a partial account number, to match the full statements provided.**
- Any funds being used from the recent sale of another property must include a copy of the signed HUD-1/Closing Disclosure, from that transaction.

**Current Property Owned:**

- Full address, year acquired, amount acquired for, current estimated value, property type (single family residence, condo, town home, etc), and occupancy type. (primary residence, 2<sup>nd</sup> home, or investment property)
- Most recent mortgage statement for all property currently owned with a mortgage. Include all 2nd mortgages and HELOC's.
- Documentation of all current property taxes, hazard/flood insurance, and any HOA fees, for all current property owned.
- Copy of any lease agreements for rental property currently owned.

**Miscellaneous:**

- **Gift funds** from a family member or employer may be used depending on the type of transaction, please be sure to discuss this upfront including the amount and from whom the gift will be from. All gift funds must be sourced with documentation by the donor. Do not accept and deposit cash as the gift, cash cannot be traced, and all funds must be traceable and verified.
- **VA Loans** will require the Veteran's DD-214 Form and Certificate of Eligibility
- **Current Landlord:** Contact information MAY be needed for Verification of Rent, (VOR) and documentation for verification of timely payments MAY also be required. (12 months cleared rent checks and/or bank statements)
- **Bankruptcy/Foreclosure/Short Sale:** At minimum I will need documentation of the Discharge/Settlement, and/or Sale Date. Further documentation may be needed on a case by case basis, as well as a detailed explanation to the cause.
- **Trust/Inheritance:** For any properties that were inherited, are in a trust, or have recently changed ownership in title, I will need all legal documentation pertaining to these, to support ownership of the property.
- **Divorce Decree:** Only needed if you are receiving or paying any type of Alimony or Child Support, if a former spouse was given responsibility for a debt in your name, or any other item that may affect your income, assets, or debt, you will need to provide all documentation specifying this in detail. (Divorce Decree / Judgment Letter, etc.)
- **Hazard Insurance on Purchase Transactions:** I will need the name, contact number, and/or email address of the hazard insurance company you wish to use for your Homeowners/Hazard Insurance.

**For Refinance Transactions, please include these items if available and current:**

- Copy of current Owners Title Policy
- Copy of current Survey

Each transaction is different; please be sure to inform me of any possible issues we have not discussed.

During the underwriting process, you may be required to provide updated documents that are date sensitive, including, but not limited to, pay stubs, bank and/or financial statements, etc., so please be prepared.

Thank You,

***Kenneth E Rivard (Kenny)***

Licensed Mortgage Loan Originator

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### Buyer "Dont's" and Things to Avoid During the Mortgage Process.

What's more fun than buying a bunch of new furniture to go in your future home? Not much. But making big ticket purchases before closing could be trouble. There are still a few major hurdles to jump before closing. We have listed some actions below we suggest you avoid when waiting for your loan to close.

**Don't overspend on big-ticket items.** Although you may be planning ways to turn your new house into a castle, avoid big ticket purchases like appliances, electronics, or furniture. You will also want to avoid vacations and car purchases until the closing of your loan. Your lender may send up red flags if you finance your furniture on your credit cards during your loan process. Because lenders are examining your financial accounts, a large cash purchase is also a bad idea.

**Don't have your credit pulled.** During the loan process, the lender will be watching your credit history very closely, and will likely perform a soft pull on your credit report prior to closing. This is done to verify that no new debt has been established that is not showing on the original credit report used in the underwriting process. Any new inquiries will result in a delay, as the borrower will need to explain the reason for the inquiry, and what the outcome was. If any new debt was taken on, the borrower's Debt to Income ratio (DTI) will have to be re-evaluated, and this could in fact result in your loan being denied.

**Don't look for a new job.** Lending Institutions like to see a consistent job history on your application. Getting a new job may not affect your ability to qualify for a mortgage loan - particularly if you are improving your salary. But for some, changing careers during the loan application process might raise concern and hinder your application.

**Don't change banks or move money around in your bank accounts.** Bank statements from the last few months for accounts in your name (savings, checking, money market, and other accounts) will likely be studied as the lending institution makes decisions regarding your approval. In order to eliminate fraud, lenders will need a consistent portrayal of how you earn your living and where any additional funds come from. Even for practical purposes, transferring funds or changing banks may make it more difficult for your lender to document your bank history.

**Don't deposit cash or make any large deposits into your bank account.** The underwriters will need to review your recent bank/asset history and confirm where any funds used in the transaction are coming from. Any large deposits into your bank account that are not associated with your normal income will be scrutinized. Simply put, cash cannot be traced. There are very few circumstances where the underwriter will allow a large cash deposit to be used in the transaction.

**Don't give earnest money directly to the seller in a FSBO (For Sale By Owner) purchase.** Until the completion of the deal, the good faith money actually belongs to you. Your seller might not realize that these good faith funds is to be applied to your expenses upon closing. An attorney or other type of neutral party such as the chosen title company can hold your earnest money, or you may put it temporarily into a trust account until closing. Your contract should indicate who keeps the earnest funds if the transaction does not go through.