

Helpful List of Items Needed When Applying For A Mortgage

Down Payments

Pre-Qualified vs.
Pre-Approved

Making Your Offer

Inspections

Type of Mortgage
Loans

Now is the time to find and organize some basic documents before you start looking for a loan. Collect all the information listed below in one spot and you'll be ready to go on the next step.

Here's What You Need:

- Name, current address, social security number, DOB, Driver's License
- Company Name(s), and work number(s) of employer(s) for the past two years
- Monthly income for you and your co-borrower - if applicable - (most recent 30 days' worth of pay stub(s) with year-to-date income) including bonuses, commissions and overtime income for the past two years (this information is on your tax return)
- If you are self-employed, you will need the last two years' tax returns for the type of business you own: Sole Proprietorship (Schedule C), Partnership (Form 1065), or Corporation (Form 1120 or 1120s). In addition, the last two years' personal tax returns (including K-1s)
- Documentation to support credit history problems (if applicable), which can be a written explanation of late payments, bankruptcy (petition and discharge papers), defaults, judgments, and/or liens
- If doing a VA loan, a DD214 is required
- As part of closing, we will have to verify all funds that you receive; so it's a good idea to get together any documents that will verify proof of receipt or deposit for funds, like gifts and trust account

Down Payments

The Upside of Down Payments

What if it doesn't add up to the right amount? Don't give up hope. There are ways to make it work. Here are a few ideas for you:

1. Look for a loan that requires less money down? There are several options, just keep looking
2. Think about getting Private Mortgage Insurance (PMI) which:
 - Allows for a lower down payment
 - You can pay for it on a monthly basis
 - You can drop it once you reach 20% equity
3. Talk to one of our loan representatives for other loan options

Pre-Qualified

Getting pre-qualified is like getting an estimate from a mortgage institution detailing how much of a loan you can likely afford. It serves more as a guide to you of what a lender might require rather than as any official approval by them.

Pre-Approved

Pre-approval means that you fill out a loan application and provide all your salary and credit information. The lender then checks your assets and pre-approves your capability to get a loan.

Getting Pre-Approved

When you find your dream home, you can present the seller with your pre-approved loan document, showing them that not only are you serious about buying their house, but you've already been pre-approved for financing.

It could make the difference between getting the house you want or watching some other bidder step in with a pre-approved loan and snatch that house away. Pre-approval is good for 120 days and depends on the appropriateness of the property you want to purchase. Fees, like credit reports may apply.

Making Your Offer

You've found a house you love. It has the perfect living room, or that playroom you've always wanted for kids. But it's not yours, yet. First you have to make an offer, in writing, and submit it to the sellers. This is usually done through your agent and is accompanied by your earnest money, which is a pre-determined amount of money, demonstrating that your offer is "in earnest".

Follow the advice of your agent or lawyer when deciding how best to make your offer. Here are examples of some things your offer should include:

- The price you're willing to pay
- When you want to move in
- What kind of inspections you'd like to have (structural, electrical, plumbing)
- If your ability to buy the house depends on your ability to get financing (which is taken care of if you're pre-approved by us)
- The amount of time both you and the seller have to make all these things happen (usually 30 to 60 days)

The seller usually has 24 to 48 hours to consider your offer or make a counter offer, which means, under the terms you offered, they want to sell you their house, but they want a change.

It is always wise to make your offer “contingent on inspection”. That means that your offer isn’t really valid until the home has been carefully examined by a qualified home inspector, who is trained to take a critical look at various aspects of the home including:

- Foundation
- Plumbing
- Heating and cooling system
- Electrical system
- Roof
- Windows and door, Siding, Exterior grading (to make sure water drains away from house)

Types of Mortgage Loans

- FHA: Minimum 3.5% Down Payment, Mandatory PMI (Private Mortgage Insurance), minimum 600 credit score (will require reserves if credit score is less than 620)
- Conventional (Fannie Mae, Freddie Mac): 3% & 5% Down Payment Options with Mortgage Insurance above 80% LTV (Loan to Value)
- USDA: 100% Financing for homes located in an eligible USDA area and maximum DTI of 41%
- VA: Veterans Home Loan: 100% Financing with no MI, Minimum 600 credit score
- Home Ready: Minimum 3% Down Payment, Lower Mortgage Insurance (MI)

