

Applying for a mortgage?



Prepare to impress the lenders

Documentation you provide each mortgage loan originator (MLO) you apply to for a mortgage includes:

- **Proof of income:** Your two most recent payroll check stubs or electronic deposit receipts showing year-to-date earnings. Also, copies of the last three months' bank statements.
- **Tax returns:** Copies of your W-2s (or 1099s) and tax returns for the past two years.
- **Payment history:** Provide checks showing 12 months of rental payments to your landlord.
- **Bankruptcy history:** Copies of bankruptcy discharge papers, including a list of creditors and a written explanation for your bankruptcy petition.

Common triggers that increase lender scrutiny are:

- **Large bank deposits:** Lenders confirm funds deposited in your bank account

come from bona fide sources, such as wages or inheritance. Deposits substantially larger than a regular paycheck require an explanation about the source.

- **The location and type of home under consideration:** Lenders match the distance to your work and the size of your family with the location and size of the property. For a mortgage, the lender wants to ensure you occupy the home — not leasing or flipping it. If you work from home, provide verification from your employer.
- **Undisclosed debts:** Avoid making large purchases in the three months prior to and during your loan application process. A new payment may change your credit rating and adversely affect your getting a mortgage.
- **Income inconsistency:** Document any changes to income, such as transitioning from 1099 to W-2 employment. Earning more than the average person in your occupation triggers further concern.

Call me and set up an appointment to talk through the steps today!