



HELP FOR HOME-BUYERS



Buying a home can be a stressful time. Here I will try to help explain the process to make it as smooth and uncomplicated as possible.

- First, you need to **complete a loan application**, unless of course you are buying the home for cash. ****It is VERY important to get pre-approved *before* signing a contract to buy a home, so that you know how much you can afford, what your payment will be, and how much closing costs are.**
- Next, find a **qualified Realtor** to help you find a home, make an offer, and complete a sales contract to purchase it. Your Realtor can help you decide how much to offer, whether or not to ask for the seller to pay your closing costs, etc. You will also need to provide your Realtor with a *Pre-Approval letter*.
- Once you have an accepted offer and the contract is executed, it is time to **gather all of the items on the Document Checklist**(below). I can promise you that home buyers who get ALL of these items to their lender quickly will have a much smoother loan process. It allows the lender more time to review your documents to ensure they don't have any questions and there are not any errors.
- After you have provided your documentation and signed all of the application and disclosure documents, the lender will order a **property appraisal** from a licensed appraiser; **title search** and policy commitment from a **local title company**; income/asset verification, etc. The file will be processed and sent to underwriting for approval. During this time your lender may request additional 'approval conditions' for the underwriter. *This is NORMAL*, and is part of approving your loan.
- Once the **file is 'clear-to-close'** your lender will coordinate with the Realtors and title company to set a time for closing where you will sign all of the final loan/title/real estate documents to complete the home purchase.



DOCUMENT CHECKLIST - This is a list of documents that are most-often required at the time of your loan application.

- Pay stubs (or monthly source of income) - most recent 30 days
- Personal tax returns (all pages and all schedules) - last 2 filing years
- Business tax returns (all pages and all schedules) - last 2 filing years – *if self-employed*
- W-2's - last 2 years
- 1099's - last 2 years - *if self-employed*
- Bank statements (all pages) - most recent 2 months
- Retirement or 401k statements (all pages) - most recent quarterly statement
- Other asset statements (all pages) - most recent 2 months or quarterly statement
- Driver's License (or other state issued ID) & Social Security card
- Fully executed sales contract on home being purchased
- Information on any current owned (or recently sold) real estate
- Contact information or quote for homeowner's insurance provider



THINGS TO AVOID DURING THE HOME LOAN PROCESS

A house is one of the largest purchases most people will make, and getting a mortgage is an important part of that process. To make things as smooth as possible, these things *should be avoided prior to closing*, or while working on a mortgage loan:

- **Don't change jobs/employers or become self employed** - this can impact income calculation, job stability, or other qualifying related factors
- **Don't make major purchases** (new car, furniture, appliances, electronics, etc) - purchasing these items can have an affect on credit scores and debt-to-income ratios required to qualify
- **Don't deposit large sums of money in asset/bank accounts** (bonus, tax return, insurance settlement, inheritance, etc) - guideline requirements often large deposits require documentation as to the source of funds
- **Don't close or transfer any bank/asset accounts** - this can affect the amount of down payment needed, reserves calculated, or length of time in accounts needed to qualify
- **Don't open new credit accounts or increase any liabilities** (credit cards, signature loans, etc this **includes co-signing** for someone else) - this can have an affect on credit scores and debt-to-income ratios required to qualify
- **Don't go on vacation or leave town** - there can be additional documents needed to complete the loan file for underwriting or closing

None of these things will absolutely disqualify someone from being able to qualify (or get approved) for a mortgage, but they are the most common things that can affect an approval *during the loan process*. If any of these scenarios seem likely or unavoidable, simply [contact Phil](#) to discuss details and keep them from affecting a loan approval.