

# The required documents are as follows:

## PERSONAL INFORMATION

- ◆ Copy of valid **DRIVER'S LICENSE(S) AND/OR MILITARY/FEDERAL/STATE ISSUED ID CARD(S)**.
- ◆ Copy of **SOCIAL SECURITY CARD(S)** (if available).
- ◆ Your basic information-name, SS #, date of birth, address (current & previous 2 years), phone #, # years of school completed, # & age of dependents.

## EMPLOYMENT/INCOME

- ◆ **PAY-STUB(S)/LES** verifying **most recent 30 days & year-to-date income** (five-if paid weekly, three-if paid every two weeks, two-if paid twice a month, & one-if paid once a month).
- ◆ **W-2(S) AND/OR 1099(S) FORMS** covering the last **two (2) years**.
- ◆ **1040 FEDERAL TAX RETURNS WITH ALL SCHEDULES** (signed) covering the last **two (2) years**.
- ◆ If you are **SELF-EMPLOYED**, your complete **BUSINESS TAX RETURNS WITH ALL SCHEDULES** (signed) covering the last **two (2) years**, along with a **CURRENT BALANCE SHEET** and **PROFIT/LOSS STATEMENT** that contains **YEAR-TO-DATE** information.
- ◆ Most recent **SOCIAL SECURITY, PENSION, DISABILITY AND/OR RETIREMENT AWARDS LETTER(S) AND CORRESPONDING 1099(S)** (if applicable).
- ◆ Most recent **INVESTMENT PROPERTY LEASE AGREEMENT(S)** (if applicable).
- ◆ **ALIMONY AND/OR CHILD SUPPORT DOCUMENTATION** (if applicable).
- ◆ **Name Employer(s)-name, address, phone #, dates of employment for all employers over the previous 2 years, position & # years in line of work.**

## ASSETS

- ◆ Complete **BANK STATEMENTS-checking/savings/investment/retirement** (including all pages for all accounts-even if they are blank) and/or any other asset verification, covering the last **two (2) months (all large non-payroll deposits and/or large withdrawals must be verified and documented)**.
- ◆ Complete **ACCOUNT STATEMENT(S) for other accounts-INVESTMENT, 401K, IRA, BROKERAGE, STOCKS, BONDS, ETC...**(including all pages-even if they are blank) covering the **most recent quarter or most recent two (2) months...(please include early withdrawal terms/early distribution penalties documentation)**.
- ◆ Address(s) and loan/tax/insurance information of other **REAL ESTATE OWNED** (if any).

## PROPERTY-refinance

- ◆ Most recent **MORTGAGE STATEMENT(S)**.
- ◆ Copy of current **MORTGAGE PROMISSORY NOTE(S)**.
- ◆ Most recent **HOMEOWNER INSURANCE POLICY DECLARATION PAGE(S) OR COMPANY/AGENT** contact information (name and phone #).
- ◆ **CLOSING DISCLOSURE(S)** from previous mortgage transactions (if applicable).

- ◆ Copy of **HOA COUPON/RECEIPT INDICATING PAYMENT AMOUNT AND CONTACT INFORMATION** (if applicable).

### **PROPERTY-purchase**

- ◆ **PURCHASE CONTRACT FULLY EXECUTED BY ALL PARTIES** and any supporting **AMEND/EXTEND DOCUMENT(S)**.
- ◆ Copy of **EARNEST MONEY CHECK & DOCUMENTATION CLEARING ACCOUNT**.
- ◆ Documentation/source-paper trail of **GIFT FUNDS** (if applicable).
- ◆ **INSURANCE COMPANY/AGENT** contact information (name and phone #).
- ◆ **HOA** contact information (name and phone #).

### **CREDIT/LIABILITIES**

- ◆ Contact information for your **LANDLORD** (if you are currently renting).
- ◆ Copy of **DIVORCE DECREE AND ASSOCIATED AMENDMENTS TO DOCUMENT ALIMONY AND/OR CHILD SUPPORT PAYMENTS** (even if you do not pay and/or using to qualify-if applicable).
- ◆ **BANKRUPTCY DISCHARGE** documentation (if applicable).
- ◆ Copy of **DOCUMENTATION PERTAINING TO DEROGATORY CREDIT** (if applicable).
- ◆ **LETTER OF EXPLANATION REGARDING DEROGATORY CREDIT** (if applicable).

### **MILITARY**

- ◆ Copy of **“VA DD-214”** (if separated from the military).
- ◆ Copy of **VA OF CERTIFICATE OF ELIGIBILITY OR COMPLETED REQUEST FOR “COE” VA FORM 26-1880**.
- ◆ **VA NEAREST LIVING RELATIVE-NOT LIVING WITH THE VETERAN (name, address, relationship & phone #)**.
- ◆ Copy of **VA DISABILITY AWARDS LETTER** (if applicable).
- ◆ **“STATEMENT OF SERVICE” FROM YOUR COMMANDING OFFICER** (if you are active duty).

**\*\*\*Additional items may be required\*\*\***

# **NO SURPRISES!**

**We Know, You Know We Know..but does the application let everyone Know?**

**Yes, Lending Standards have tightened, more documentation is required, but the more you know up front the easier your mortgage application experience will be. Our responsibility to you is to assist in preparing your loan application and documentation to give the best possible approval.**

**Here is a brief understanding of why we need some of the items we request along the way:**

**Why am I being asked for this documentation?**

**Lenders are extending credit to you based off of your credit history, current liabilities, income**

stability and assets. Lenders have specific guidelines set forth by FNMA, FHA, VA & USDA to determine your qualification. Sometimes, the more complex your financial picture, the more documentation will be asked of you. While it may at times be arduous, today's strict lending standards are aimed to protect you, the consumer, and we put your best interest first!

### Income – Pay Stubs, W2's and Tax Returns

1. Pay stubs are needed to show how much income you are currently making. Underwriters

will use this figure to match to your W2s and tax returns from the last two years.

Base hourly

and salary wage is always given full credit; however, items like bonuses or overtime need to

show a 2 year history of being earned & likely to continue to be considered. Any deductions

for garnishment, child support or loans are considered a debt to be used in your qualification.

2. W2s are used to help the underwriter determine how much you made gross on a yearly

basis before taxes and identify your employer. If there are multiple individuals on tax returns,

W2s provide a clear picture of each individual's earnings.

3. Tax Returns are **now** required from everyone.

(a) Tax Returns (all pages/all schedules) show all of your income and they also show

expenses. Your income is calculated by taking your total income minus unreimbursed

business expenses, this is not limited to self employed individuals but W2 wage earners as

well. An unreimbursed business expense reduces the income used to qualify (b) Stock

Income- Stock income can be used if we can show a history of cashing it in on the 1040 tax

return with evidence to support this type of earning is likely to continue. (c) Rental Income Rental income claimed on the tax return is usable if showing a 1 year history, we

can also add back in Depreciation to increase income in some cases. Negative rental income

can adversely affect qualification. (d) Dividend & Interest Income . may be allowed to be

considered if it can be established with current asset statements that the income is supported

and consistent. (e) Corporate Tax Returns . are required if your income is derived from K1

earnings. Certain liabilities and income from your corporate returns may be

considered in your loan qualification. (f) Your tax returns will be validated through the IRS with a form 4506 as part of the loan process. The validations received back from the IRS must match the tax returns you've provided. All income for qualification purposes must be validated by the IRS.

### Assets

Funds for closing must be reflected in a liquid account. Assets should show enough funds for closing as well as add strength to your loan picture. Examples of assets to be provided are retirement accounts, stock, mutual funds, and checking and savings accounts. Please remember when providing your asset accounts that they must be legible, show your account number, the bank's name, and your name. 2 months of account statements are required (All pages). Deposits - All large, non-payroll deposits must be verified. There are multiple reasons for a large deposit: a) Gift (acceptable if from a family member) must be documented. Necessary documentation means a gift affidavit as well as a copy of the donor's bank statement showing the funds leaving the donor's account. b) Transfer from another account. Paper trail is important. Provide the bank statement showing the funds leaving the account to match with the statement showing the funds entering the account; we must be able to follow a clean paper-trail of the funds. c) CASH IS NEVER AN ACCEPTABLE SOURCE OF A DEPOSIT FOR UNDERWRITING PURPOSES d) Loans- If you are receiving income from a loan you have extended to someone, please provide the executed note for the loan as well as documentation to support you provided the funds to the borrower and the repayment. e) If you are borrowing money from your 401k, please provide the terms of the loan as the monthly payment may need to be counted in your debt f) Sale of an Asset- Please provide the closing receipt of the asset that you sold. Most common the sale of a home, the HUD-1 Settlement statement from that sale is needed. If you have sold another asset, such as a car or boat, evidence of the value of that asset, along with the Bill of

Sale and payment to you is required. g) Earnest Money Deposits- Please keep a copy of the checks you wrote to the builder or seller along with the corresponding bank statement showing the funds leaving your account. h) Loans- In some cases personal loans are acceptable if they are secured, please document the terms of the loan and the transfer of the money.

### **Tell your Story**

Every loan application tells a story. Although automated underwriting engines are used by most lenders for approval eligibility there are still people determining the final approval decision. Life Happens. When a borrower writes down their situation and can explain a gap of employment or a bump in their credit, the credibility of the event is made clear. Whether you are moving to a larger home or maybe downsizing but keeping your present home, a letter from you explains your intentions. Lenders must make sure they learn from the errors of the past. In order for the lender to determine eligibility every important detail of your credit and application must be considered. Think of your letter as the opening piece of a great story! Responsible Lending takes all of us working together. Our commitment to you is to work hard to present your loan application in the most thorough and accurate way. Your involvement allows us to present your best case for approval with the smoothest process possible. Thank you for heading on this journey with us! We look forward to leading you to your new front door!