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Applying for a Mortgage Loan

BUYER'S CHECKLIST

Applying for a Mortgage Loan

A loan to finance the purchase of real estate, usually with specified payment periods and interest rates.

NOTES

Applying for a mortgage loan can be a very stressful time for any homebuyer whose dream it is to own a home. The five-step checklist below, however, provides simple things that you can do to make the loan application process a breeze:

- ☐ Make a list of questions you have about the loan program.
- ☐ Understand completely the advantages and disadvantages of the various mortgage programs for which you may qualify.
- ☐ Write out the pros vs. cons for fixed and adjustable rate mortgages before making a decision.
- ☐ Decide if you want to lock-in or float the loan's interest rate.
- ☐ Determine whether or not you want to pay additional points to lower your interest rate.

Paperwork Requirements

Don't let gathering personal information stand in the way of you owning your dream home. Sometimes documents are hard to find or you need to wait to get them. Stay a step ahead by tracking down some of the most common paperwork requirements listed below so it doesn't hurt you come closing time.

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Personal Property Information

- ☐ Relevant property information (if you already have a contract on a house)
- ☐ The purchase agreement
- ☐ Copies of legal description and MLS sheet
- ☐ A copy of the listing contract if you are selling your current home
- ☐ A copy of the settlement statement if you have sold your current home (HUD-1)

Personal Income and Assets

- For the past two years:
  - ☐ Names and addresses of each employer
  - ☐ W-2s
  - ☐ Statements for each bank, mutual fund, and/or investment account (going back three months is usually acceptable)
  - ☐ Estimated value of personal property and furniture
- Large account deposits:
  - ☐ Explanation and source for each deposit
- If the large deposit was a gift:
  - ☐ The signed gift letter, which the lender can supply
  - ☐ A copy of the gift check
  - ☐ A copy of the deposit receipt
- Own more than 25 percent of a business:
  - ☐ Your corporate or partnership tax returns
- Self-employed:
  - ☐ Your tax returns for the past three years
  - ☐ Your year-to-date profit and loss statement

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Personal Income and Assets (cont.)

- Own rental property:
  - ☐ Your tax returns for the last two years and current rental agreements
- Retired:
  - ☐ Your pension award letter
- Receive Social Security:
  - ☐ Your Social Security award letter
- Count child support as income:
  - ☐ A copy of the divorce settlement
  - ☐ Copies of 12 months of cancelled child support checks

Personal Debts

Names, addresses, account numbers, balances and monthly payments on all current loans.
Explanation of credit report anomalies, including:

- ☐ Late payments
- ☐ Credit inquiries in the last 90 days
- ☐ Charge-offs
- ☐ Collections
- ☐ Judgments and/or liens
- ☐ Bankruptcy filed within the last seven years

Miscellaneous

- ☐ Photo ID and proof of Social Security number
- ☐ Residence addresses for the past two years
- ☐ A copy of your divorce decree if applicable
- ☐ A copy of the front and back of your green card if you are not a U.S. citizen