

What We Need to APPROVE YOUR MORTGAGE!

The number one reason for delays in obtaining loan approval and for delayed closings is incomplete or insufficient financial documentation remitted by applicants. This page contains clarity and will allow you to avoid these pitfalls. If you have questions regarding any of the items that we have requested please do not hesitate to call me directly at 980-721-7478 or email me at olan@fairwaync.com.

Please get all applicable items on this list together right away. If you decide to move forward with a loan you will be ahead of the game!

Please do NOT staple your documents.

Pay Stubs should cover the last 30 days and they must be consecutive. We request 'most recent stubs' but this implies the most recent stubs available. Do not worry about giving us stubs from your current pay period. As long as the stubs you provide us reflect earnings within 30 days of your application date they are acceptable. (If you are applying for a VA loan please provide 1 additional paystub, 3 total if paid bi-weekly)

W2 Forms and 1099's for the last 2 years. Please included ALL of your W2 forms and 1099's even if you only worked a job for short period and there is not much income on the form. We need them all. If you receive retirement income or social security then you would have 1099's for that income whether it is taxable or not.

Tax Returns (Past 2 years)- Tax returns are required if you have any self-employment income, rental properties, job related tax deductions or investment income. Please include all pages, schedules, and addenda with federal tax returns when requested. State tax returns are not required. Be sure to include all corresponding W-2's, 1099's, and K-1's as they are not always attached to the tax return. If it is before April 15th, then we will not require the current year's returns but if we need to use them for higher income then they can be used.

Last 2 Statements (Bank, Investment, 401K, IRA, Stock Option, Keogh, SEP) ALL PAGES of Statements are required even if the first page is an advertisement and the last page is blank. Statements usually indicate either the total number of pages (i.e. 1 of 5) or that additional pages are to follow (i.e. continued on next page). If 4 of 5 pages are submitted, the statement is considered incomplete and an underwriter will suspend or condition the loan. This is the number one reason for delays in final underwriting decisions.

Unmarked deposits must be sourced and explained. Deposits that are marked and easily identified, like payroll direct deposits, are fine and do not require an explanation. Anything that is not marked must be addressed. If you have any cash deposits or check deposits, we will need to see documentation that proves the source of the deposit. We are responsible to prove you didn't borrow the money and the only way to accomplish that is to prove the source of the funds.

Internet Asset Statements- Most internet account statements are acceptable but make sure it includes your name, account number and all account activity. The big banks typically have an option for "view paper statements" and those are the ones we need. A good tip is that they should look exactly like what you would normally get in the mail from your bank.

Moving Funds or Opening New Accounts After Application- can cause additional documentation to be required if it is done after application and prior to closing. If actual balances vary too much from the amounts stated on the application this can cause a red flag for underwriters who might require an explanation and documentation to verify the disparity. We realize that moving money around is sometimes necessary but please call us first so we can help you avoid unnecessary inconvenience.

Retirement Accounts Terms of Withdrawal - Every retirement account has specific rules about the terms under which funds can be withdrawn from the account. We need documentation of these terms for your account.

Joint Access Letter if you have a joint account with someone not on the loan (your spouse), please have them write and sign a letter that states you have full access to the account. Please have them include the bank name and account number.

- Driver's License** a good tip here is to take a picture with your phone and email it to me!
- Homeowner's Insurance**- A homeowner's insurance policy should be in place no less than 15 days prior to closing to allow for closing documents to be prepared. You should contact your insurance agent as soon as you have an accepted earnest money contract in order to obtain a quote. We like to be proactive and establish contact with your agent as soon as possible so please forward their name and phone number to us as soon as possible so we can forward our mortgagee's clause and advise them of replacement cost.
- New Credit Accounts** – if you have opened any new credit accounts within the past 90 days, the account may not be reflected on your credit report yet. Please provide the most recent account statement for these accounts.
- 2 Year Residence History**- Fannie Mae requires lenders to verify residence history for each borrower on the application for the past 24 months. Information required includes property addresses, and Landlord's name and phone number for each residence during the last two years. If corporate housing was used please list the property address and indicate employer as landlord.
- American Express Accounts** – We typically do not need copies of your recent credit card statements, but American Express accounts are typically not reported correctly on the credit report. Please provide a copy of your most recent AMEX statement so we know the correct account information.
- Divorce Paperwork** – If you have EVER been divorced we are required to get a copy of your Divorce Decree and Separation Agreement. If you are receiving CHILD SUPPORT or ALIMONY and the funds are directly deposited into your bank account we can use that as verification you are receiving it. If it is not directly deposited into your account, please contact the court and they can provide you with a print-out covering the previous 12 months.
- Real Estate Owned** – If you own any real estate then we need to document your expenses for each property. Please provide a recent mortgage statement for all properties. If the taxes and insurance are not escrowed into the monthly payment we will also need the most recent property tax bill and homeowner's insurance bill. If you pay Homeowners Association Dues we will need a copy of a recent bill to verify the amount.
- Retirement Income** – If you receive income from social security or a pension then we will need to verify that income 2 ways. First we need direct verification in the form of an Awards letter or benefits letter. Social Security mails all recipients a new Awards Letter for each new year and it states what your benefits will be for that year. If you are receiving a private pension the company administering the pension should be able to provide you some similar. The other way we verify retirement income is through verifying the receipt of the funds. If your income is directly deposited into your bank account then the 2 months of bank statements will show the deposits and therefore verify the receipt of funds.
- VA Loans Only** – We will need a copy of your DD-214 form. We do not need the original. If you pay for childcare we will need something that proves the amount you pay each month.

FOR REFINANCES

- Current Mortgage Information** – We need a copy of the NOTE and the Settlement Statement (HUD-1) from your last closing. If you purchased your home and then refinanced into the loan you have now, please provide the NOTE and HUD-1 from the refinance closing not the original purchase closing.
- Current Mortgage Statement** - Please provide a copy of your most recent monthly mortgage statement(s) for all existing mortgages on the property. This has complete account numbers on it that may not be reflected on the credit report and will allow us to get a current payoff. If you can provide a copy of your previous title insurance policy, we can use it to **save you some money** on the new policy.
- Payoff Information**- If we are doing a cash-out refinance to payoff non-mortgage debts, please provide account statements for these debts so we can obtain payoff information.