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BUYER MORTGAGE READINESS CHECKLIST

What to have ready before meeting with a mortgage loan officer and beginning your home search.

Start here: Getting financially prepared before touring homes helps you understand your budget, strengthens your offer, and keeps you from falling in love with a home before you know what financing works for you.

1. Know Your Starting Point

- ■ Check your credit reports for errors and review your approximate credit score.
- ■ Make a list of your current monthly debts: auto loans, student loans, credit cards, personal loans, child support/alimony, etc.
- ■ Estimate how much you are comfortable spending each month - not just the maximum amount you may qualify for.
- ■ Review your available savings for down payment, closing costs, inspections, appraisal, moving expenses and reserves.
- ■ Avoid opening new credit accounts, financing large purchases or making major financial changes before speaking with your lender.

2. Gather Income & Employment Documents

- ■ Government-issued photo ID.
- ■ Most recent 30 days of pay stubs, if employed.
- ■ W-2s for the previous two years, as requested by the lender.
- ■ Federal tax returns for the previous two years if required, especially for self-employed, commission, rental or other variable income.
- ■ Documentation for additional income you want considered, such as bonuses, commissions, retirement, Social Security, alimony/child support (if you choose to have it considered), or rental income.
- ■ Self-employed buyers: be prepared to provide business tax returns, year-to-date profit-and-loss statements and other business documentation if requested.

3. Gather Asset & Funds-to-Close Documents

- ■ Recent bank statements for checking and savings accounts.
- ■ Recent investment, retirement or brokerage statements if those funds will be used or considered.
- ■ Documentation for the source of large or unusual deposits if requested by the lender.
- ■ If receiving gift funds, ask the lender what gift letter and transfer documentation will be required.
- ■ Know approximately how much cash you want to keep in reserve after closing.

4. Have Housing & Debt Information Ready

- ■ Current address and housing payment.
- ■ Previous addresses if requested.
- ■ Landlord contact information if applicable.
- ■ Statements for mortgages or other real estate you currently own.
- ■ HOA dues, taxes, insurance and rental income information for other properties, if applicable.
- ■ Current loan statements for significant debts when requested.

5. Talk With a Mortgage Loan Officer

- Discuss conventional, FHA, VA, USDA and other programs that may fit your situation.
- Ask about down-payment requirements and available assistance programs.
- Ask for an estimate of closing costs and prepaid expenses - not just the down payment.
- Discuss interest rate options and whether paying discount points makes sense.
- Ask how property taxes, homeowners insurance, flood insurance and HOA dues affect your monthly payment.
- Ask what price range keeps you within your preferred monthly payment.
- Understand the difference between prequalification and a fully reviewed/preapproved loan file.

6. Get Preapproved Before Serious Home Shopping

- Complete the lender's application and provide requested documents.
- Authorize the lender to review your credit when you are ready to proceed.
- Respond quickly to requests for additional documentation.
- Obtain a current preapproval letter showing the price/loan amount you are qualified to pursue.
- Share your preapproval and comfortable purchase range with your real estate agent.
- Ask your lender how quickly they can update a preapproval letter when you are preparing an offer.

BEFORE YOU START TOURING HOMES

A few final steps can make your home search much smoother.

7. Set Your Real Home-Buying Budget

- Choose a target monthly housing payment you are comfortable with.
- Account for principal, interest, property taxes, homeowners insurance and any HOA/POA dues.
- For coastal properties, discuss potential flood and wind/hail insurance costs before assuming a home fits your budget.
- Keep money available for inspections, due diligence/earnest money where applicable, appraisal, closing costs, moving and immediate repairs or furnishings.
- Decide whether you want to prioritize a lower monthly payment, lower cash-to-close, or a higher purchase price.

8. Protect Your Preapproval While Shopping

- Do not finance a vehicle, furniture, appliances or other large purchases without talking to your lender first.
- Do not open or close credit accounts without discussing it with your lender.
- Avoid changing jobs, employment structure or how you are paid without telling your lender.
- Do not move large amounts of money between accounts without keeping documentation.
- Continue paying every bill on time.
- Keep your lender informed of material changes to income, debts, assets or employment.

9. Be Ready to Write an Offer

- Have your lender's contact information readily available.
- Keep your preapproval current.
- Know how much cash you can comfortably use for deposits and closing.
- Discuss your preferred closing timeline with your lender and real estate agent.
- Understand that taxes, insurance, HOA dues and property type can change the payment and loan qualification from one home to another.
- Before making an offer, have your agent and lender confirm that the property and expected payment fit your financing plan.

READY TO START LOOKING?

Once you have spoken with a mortgage professional, understand your comfortable budget, and have a solid preapproval in hand, we can focus the home search on properties that truly make sense for you.

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