

The mortgage process can be quite simple if you already have all your paperwork organized. The good news is that the days of paper mortgages could soon become a thing of the past. Thanks to technological advances and a little ingenuity, you can now complete your application largely online. Even so, it's helpful to know exactly what kind of documents (paper or electronic) you'll be expected to have on hand during the mortgage application process.

## **Income Verification — how do you make money?**

When you get pre-approved, the amount you can borrow is based on self-reported numbers and income. The application process is where you prove you make the amount of money you said you did. The standard documents most lenders will ask for are:

W2 employee:

- Two most recent pay stubs
- Previous two years' W2s
- Two years' most recent personal federal tax returns (1040s), all pages and all schedules, if you have other types of income such as rental properties (usually not required of W2 employees)

Self-Employed:

- Most recent two years' K1s, if applicable
- Most recent two years' personal federal tax returns (1040s), all pages and all schedules
- Most recent two years' business federal tax returns (1040s), all pages and all schedules, if applicable

Retired:

- Annual award letter to show monthly receipt of pension/retirement/SSI
- 1099 received at the end of the year to show amount received.
- Bank statements-last two months (all pages) to show deposit of income.

## **Asset Verification — what's your net worth?**

The grand total of all the funds you have available to you comprises your net worth. What might that include?

- Checking accounts
- Savings accounts
- Retirement accounts

Keep in mind that you will need to submit complete statements containing all pages — even those blank ones, or the ones with only marketing material. Hey, we don't make the rules!

It's worth noting that the responsibility to provide these documents falls on different sides of the sales line, depending on the type of loan you're applying for (purchase or refinance). On a purchase, these documents will be provided by the seller. If refinancing, you may be asked to provide tax and insurance information.

## **Bottom line:**

Technological advances enable today's borrowers to significantly reduce the headache and paper footprint associated with their mortgage application. You'll still need to gather and submit some documents electronically, but borrowers can handily keep track of their digital checklist when completing their applications online, rather than shuffling piles of paper.

My goal is to make the mortgage application process seamless, secure, simple, and worry-free. We look forward to helping you on the right footing as you embark on your homebuying or refinancing journey!