



DOCUMENTS NEED FOR AN FHA

Your loan approval depends 100% on the documentation that you provide at the time of application. You will need to give accurate information on:

Employment

- Complete Income Tax Returns for past 2-years
- W-2 & 1099 Statements for past 2-years
- Pay-Check Stubs for past 2-months
- Self-Employed Income Tax Returns and YTD Profit & Loss Statements for past 3-years for self-employed borrowers

Savings

- Complete bank statements for all accounts for past 3-months
- Recent account statements for retirement, 401k, Mutual Funds, Money Market, Stocks, etc.

Credit

- Recent bills & statements indicating account numbers and minimum payments
- Landlord's name, address, telephone number, or 12- months cancelled rent checks
- Recent utility bills to supplement thin credit
- Bankruptcy & Discharge Papers if applicable
- 12-months cancelled checks written by someone you co-signed for to get a mortgage, car, or credit card; this indicates that you are not the one making the payments.

Personal

- Driver's License
- Social Security Card
- Any Divorce, Palimony or Alimony or Child Support papers
- Green Card or Work Permit if applicable
- Any homeownership papers

Refinancing or Own Rental Property

- Note & Deed from any Current Loan
- Property Tax Bill
- Hazard Homeowners Insurance Policy
- A Payment Coupon for Current Mortgage
- Rental Agreements for a Multi-Unit Property

QUICK FACT:

Your monthly costs should not exceed 29% of your gross monthly income for an FHA Loan. Total housing costs often lumped together are referred to as PITI.

P = Principal

I = Interest

T = Taxes

I = Insurance

Examples:

Monthly Income x .29 = Maximum PITI

\$3,000 x .29 = \$870 Maximum PITI

Your total monthly costs, or debt to income (DTI) adding PITI and long-term debt like car loans or credit cards, should not exceed 41% of your gross monthly income.

Monthly Income x .41 = Maximum Total Monthly Costs

\$3,000 x .41 = \$1230

\$1,230 total - \$870 PITI = \$360 Allowed for Monthly Long-term Debt

FHA Loan ratios are more tolerant than a typical conventional loan.

Please contact Adrian Tisdale with any questions at (678) 206-3415 or
atisdale@nexamortgage.com