Recommendations to help your loan process run as smoothly as possible. This list of "do" and "don't" items is strictly meant to help you successfully complete your loan, and prevent surprises.

DO get fully pre-approved. A pre-approval is issued after you have completed a full application and provided the supporting documentation to your loan officer. The loan officer has your information reviewed and processed which includes an "Automated" loan approval through either Fannie Mae, Freddie Mac or Ginnie Mae. Once this is complete you will know the loan program or programs you can use. The amount of funds needed to complete your loan (if any are needed). The costs of your loan. The interest rates available. And, the estimated total monthly payment.

DO avoid credit inquiries or applying for any new credit, before discussing with your loan officer. Many companies will offer a significant one-time savings for your purchase if you apply and use their company charge card. This can affect your credit score, debt-to-income rate and interest rate … which could harm your loan approval.

DO know where your Funds To Close are coming from, as well as the minimum amount needed to Fund your loan. Your loan officer can help you confirm the minimum amount of funds needed for your down payment, closing costs and prepaid items. As well as, verifying the source of your funds meet loan guidelines. You can choose to provide a larger down payment. However, it is always important to know the minimum required.

DO pay all your bills on time. Please make sure to pay every bill by the due date, and with at least the minimum payment due. Even a single 30-day late payment can harm your credit score, interest rate and loan approval.

DO keep all existing and new documents relating to income, assets, credit and personal information readily available. These normally include such items as pay stubs, W2's, tax returns, bank statements, investment account statements, retirement account statements, earnest money deposit, etc. Guidelines require these items be in "recent" form before closing can occur.

DO keep your loan officer informed of any major life changes including; marital status, change in household size or change in household income (increase or decrease).

DO choose a homeowners insurance agent. Your loan will require homeowners insurance (also known as "fire insurance" or "hazard insurance"). And, you get to choose the agent and company you'd like to use. Please provide the name and phone number of the agent so we can request the required information.

DO pay all bills on-time, even those which you may be paying off. This is extremely important, because a single late payment will harm your credit score. Which could harm your interest rate, and even your loan approval.

DO supply all pages of statements and documents requested. Guidelines require full copies of statements and documents. Unfortunately, screen-shots, blanked-out documents and/or incomplete documents are not accepted by Fannie Mae, Freddie Mac and Ginnie Mae. Fortunately, there are many secure ways you can choose to supply information to your loan officer. Please call your loan officer to discuss.

Do keep a paper trail of all large deposits into any accounts associated with the Funds To Close your loan. Guidelines require you large deposit are "sourced" … which basically means where the deposits are coming from.

DO take trips and travel as you have scheduled. Please make sure your loan officer knows the dates of your travel. It is important your loan continues to progress through the normal process. So it can close on-time. Fortunately, "electronic signatures" can be used, as well as "Mobile Notary" services. Enjoy your travel,and keep a strong line of communication while you are away.

Don't change jobs, quit jobs or become self-employed, before discussing with your loan officer. Your loan approval is based on your current job history and income, so making a change – even if it is moving to a higher-paying job – could change your ability to qualify for your new home. Additionally, becoming newly self-employed may disqualify all of the income coming from the newly self-employed borrower. Which could harm your loan approval. Normally a full two-year work history, with two years of tax returns, is required for self-employed borrowers. Even when a borrower is in the same industry.

Don't move funds between accounts, before discussing with your loan officer. Guidelines require at minimum a 60-day history of the account(s) being used to complete your loan. If the account(s) you are using to complete your loan have deposits or transfers from another account during the required history, a 60-day history will also be needed for those accounts. Reviewing any movement of monies with your loan officer before any changes could eliminate unwanted additional loan conditions. another

Don't open new credit accounts (revolving, charge cards, installment, etc.), before discussing with your loan officer. New accounts can lower your credit score, which can harm your interest rate. New accounts can also change your Debt-To-income ratio, which can harm your loan approval.

Don't pay off any debts with large or moderate balances, before discussing with your loan officer. You will want to make sure the funds you are using are from a "source" meeting loan guidelines. You will also want to make sure the funds used will not leave you short for funds needed to close your loan.

Don't close any credit accounts, before discussing with your loan officer. Closing an account can harm your credit by taking away an account which the credit agencies have used to create your credit score. Your credit is pulled at the beginning of your loan, but it is also "refreshed" at the end of the loan process, before Funding, to make sure you have not had any credit changes.

Don't purchase new furniture or appliances, before discussing with your loan officer. New accounts can lower your credit score, which can harm your interest rate. New accounts can also change your Debt-To-income ratio, which can harm your loan approval.

DON'T finance or charge any new debt or co-sign on any loans, before discussing with your loan officer. New debt – even as a co-signer – will affect your debt-to-income ratio and credit score. Which could harm your interest rate and/or loan approval.

DON'T enter any deferred payment plans, before discussing with your loan officer. This is a popular option when purchasing furniture, but resist the urge! Even if the payments won't start until six months down the road, they will show on your credit report as debt and affect your debt-to-income ratio and possibly your credit score.

Please know this long list of "Do" and "Don't" items is not intended to make you feel like you have been sent to the Principal's Office. It is strictly meant to remind you of items to avoid during your loan, if possible. Our goal is to get your loan completed as smoothly and quickly as possible. With little to no surprises.

The final "Don't" …. Don't hesitate to contact me with any questions! 😊

Thank you!

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