

The background of the entire image is a blue-tinted photograph showing two pairs of hands. One pair of hands is holding a pen and signing a document, while the other pair is resting on the table. The image is used to illustrate the concept of a loan application or a financial transaction.

FIRST TIME HOME BUYERS

STEP TEN **LOAN APPLICATION**

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Loan Application Document Checklist

HERE ARE COMMON DOCUMENTS YOU MAY NEED:

- ✓ 30 Days of Paystubs
- ✓ 2 Years of W-2s or 1099s
- ✓ 2 Years of Tax Returns
- ✓ 2 Months of Bank Statements
- ✓ Driver's License or ID
- ✓ Proof of Additional Income (if applicable)

📢 Your mortgage broker will guide you through the loan application process and help you determine which documents apply to your situation.



Next Steps After Gathering Documents

ONCE YOU HAVE YOUR DOCUMENTS IN ORDER, FOLLOW THESE STEPS:

Fill Out an Application – Submit a new loan application or update an existing one with your mortgage broker.

Credit Pull – If your credit report is more than 120 days old, a new credit report will be required.

Submit Updated Documents – Provide all required financial documents to your mortgage broker.

Receive, Review, and Acknowledge Loan Estimate – Your lender will provide an estimate of loan terms and closing costs.

 Completing these steps promptly helps ensure a smooth loan approval process!

A close-up, slightly blurred image of a calculator and a pen resting on a financial statement. The calculator is a standard desktop model with various function keys like 'MRC', 'M-', '+/=-', 'AC', 'ON/C', 'CE', and '00'. The pen is a dark-colored ballpoint pen. The financial statement in the background shows sections for 'Financing' and 'Investing' with various line items and dollar amounts.

Escrow or Impound Accounts

WHAT IS AN ESCROW (IMPOUND) ACCOUNT?

You may need to decide whether to set up an escrow (impound) account for property taxes and insurance.

- ◆ A lender-managed account that collects and pays property taxes and homeowners insurance on your behalf.
- ◆ Required for loans with less than a 20% down payment.
- ◆ Optional for loans with 20% or more down.

Pros & Cons of an Escrow Account

- ✓ Pros:
 - ✓ Makes budgeting easier by spreading out tax and insurance payments over the year.
 - ✓ Prevents large lump-sum payments for property taxes and insurance.
- ✗ Cons:
 - ✗ Requires more upfront funds to set up the escrow account.
 - ✗ You lose control of when and how your property tax/insurance payments are made.
- 📢 Your mortgage broker can help you decide if an escrow account is the right choice for you.



DON'TS

WHAT NOT TO DO AFTER OFFER ACCEPTANCE

- ❌ Do NOT open a new credit card or credit line
 - ❌ Do NOT make major purchases (cars, furniture, etc.)
 - ❌ Do NOT change or quit your job
 - ❌ Do NOT move large sums of money or make untraceable deposits
 - ❌ Do NOT pay off debts or close credit accounts
 - ❌ Do NOT make late payments or miss a payment
- 📢 Any of these actions can affect your loan approval and delay closing!

Loan Application Document Checklist

GENERAL

- ☐ Government ID
- ☐ Name and complete address for past 2 years of residence

INCOME

- ☐ Employment history, including names, addresses, phone numbers for the past 2 years.
- ☐ Last 2 years Federal Tax Returns (all schedules) Signed and dated on page 2 of each 1040
- ☐ Business Owners or Partnerships require prior year P&L and 2 years K-1's
- ☐ Recent pay stubs totaling one complete month & contact ph. # for employ verification
- ☐ Last 2 years W-2 Forms
- ☐ If you have rental property income: Copies of all signed lease agreements.
- ☐ Awards Letters for Social Security, Pension, Disability Income, verification for Child Support (see Divorce Decree)

This list is an example of the documents a lender will ask for. Your mortgage broker will be able to go over these and discuss what will be applicable to your application.

Loan Application Document Checklist

ASSETS

- ☐ Last 2 months or quarter of all assets (checking, savings, retirement etc.) All pages required
- ☐ Gift Funds: Gift letter and paper trail of transferred funds from donor to borrower

CREDITORS

- ☐ Property paid with all cash: Closing statement required from purchase transaction
- ☐ Current Homeowners Insurance Policy for all properties
- ☐ Current Flood Insurance Policy for all properties (premium required to be escrowed)
- ☐ Most recent Property Tax Bill for all properties
- ☐ Most recent Mortgage Statement for all properties
- ☐ Copy of any tax liens if applicable and payment agreement and history sourced
- ☐ Letter of Explanation for all personal loans that do not show up on credit report
- ☐ Solar: Full lease agreement and payment verification
- ☐ Judgements: Verify balance owed and must be paid at or prior to closing
- ☐ HELOC Monthly Statement and a copy of the note and terms of the loan
- ☐ Childcare expense/support (name, address, phone number). [VA loans only]

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Loan Application Document Checklist

OTHER

- ☐ Divorce Decree and Child Support/Alimony verification and payment history sourced
- ☐ Full Trust or Trust Certification if wanting to vest inside the trust
- ☐ Source all deposits greater than 25% of monthly income
- ☐ Short Sale, Foreclosure or Bankruptcy Documents showing charge off date
- ☐ VA loan only: Certificate of Eligibility
- ☐ Explanations for late payments, job gaps, decreasing income, credit inquiries in last 120 days
- ☐ Condos and PUD's: HOA Questionnaire, Payment coupon, management contact info
- ☐ Adverse credit – bring letters of explanation.
- ☐ Cash out refinance: Cash out letter of explanation required

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Buy Your Home With Me And I'll Do Your Loan For Free!

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HOME BUYER CREDIT

PURCHASE PRICE : \$800,000

DOWN PAYMENT : \$160,000 (20%)

LOAN AMOUNT
X LOAN COMMISSION (1.25%)
BUYER CREDIT

$\$640,000 \times 1.25\% = \$8,000$ CREDIT

If you would rather obtain a lower rate with this credit we use it to buy down the interest rate.

Contact Information

Get in Touch

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The background image features three stacks of silver coins of varying heights, each with a small green plant sprouting from the top. The stacks are positioned on a light-colored, textured surface. The entire scene is overlaid with a semi-transparent blue filter. The text 'Thank You!' is centered in a large, white, sans-serif font. Below it, the text 'WE HOPE TO HEAR FROM YOU SOON.' is centered in a smaller, white, sans-serif font.

Thank You!

WE HOPE TO HEAR FROM YOU SOON.