



FIRST TIME HOME BUYERS

STEP SIX

GETTING PRE-APPROVED

WESTCALFINANCIAL.COM

What Is Pre-Approval & Why Is It Important?

A PRE-APPROVAL LETTER SHOWS SELLERS THAT YOU'RE A SERIOUS BUYER!

- ✓ Determines Your Maximum Loan Amount
- ✓ Helps You Understand Interest Rates & Costs
- ✓ Makes Your Offer More Competitive to Sellers

What is your goal?

Questions to Answer

- What loan types are available?
- What is your max purchase price?
- What interest rates are available? At what cost?
- What is your maximum down payment amount?
- What are the lenders fees?
- What are your estimated closing costs?

Gathering Documents

INITIAL DOCUMENT LIST

- 30 Days Paystubs
- 2 Years W-2s or 1099s
- 2 Years Tax Returns
- 2 Months Bank Statements
- Driver's License or other Government ID

Keep all docs in one place. We can share a google doc or DropBox folder



DON'TS

WHAT NOT TO DO AFTER PRE-APPROVAL

1. Open a new credit card or credit line
2. Make any major purchases
3. Change or Quit your job
4. Move any money or make any large deposits
5. Pay off any debts or close any accounts
6. Make any late payments or miss a payment

Next Steps

AFTER GATHERING DOCUMENTS

1. Schedule a Consultation to Discuss Your Loan Options
2. Fill Out an Application
3. Credit Pull (Lender Reviews Your Credit)
4. Send Documents to Mortgage Broker
5. Receive Loan Estimate (Breakdown of Costs & Terms)
6. Receive Pre-Approval Letter

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 apply 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]

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

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 inquires 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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WEST CAL FINANCIAL 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 image features three stacks of silver coins of varying heights, arranged from left to right. Each stack has a small green plant with several leaves growing out of the top. The background is a solid, dark blue color. The text 'Thank You!' is centered in the upper half, and 'WE HOPE TO HEAR FROM YOU SOON.' is centered below it.

Thank You!

WE HOPE TO HEAR FROM YOU SOON.