



REALTOR CHECKLIST

TO MAKE YOUR MORTGAGE GO SMOOTHLY

PROPERTY CONDITION / INSPECTION

- The following are potential problems if they are missing: sinks, toilets, shower/tub, kitchen cabinets, carpet/flooring, hot water heater, and air conditioner. Some lenders require stove and appliances (V.I.P. Mortgage, Inc. does not). Other potential issues are: empty pool, exposed wiring, holes in drywall, water stains, dry rot, broken windows, windows with bars and peeling paint (FHA).
- Make sure that all utilities are turned on for the appraisal (hot water, electric, gas). Due to liability, the appraiser will not turn on valves, flip breakers, or light a pilot.
- Check the tax records for square footage. If MLS square footage is higher than tax records, there is usually an unpermitted addition which can create issues if the lender does not know about this up-front.

FLIPS (SELLER HAS OWNED FOR LESS THAN 90 DAYS)

- Make sure your lender knows that the property is a flip especially if there have been multiple flips in the past 12 months (trustee sale title transfer does not count as a flip). VIP is able to finance for Conventional, VA and USDA but many lenders do not allow flips.
- For FHA loans: FHA buyers cannot make an offer on a property until the seller has owned the property for 91 days. This does not apply to bank owned/REO properties.
- Ask the seller for a list of repaired/remodeled items and receipts if possible. This will make it easier for the appraiser to justify the increase in value.
- It is very common that the appraised value on a flip will come in below the sales price. Make sure your buyer understands this up-front along with the fact that the seller may want to reduce or eliminate seller contributions to the buyers closing costs if the seller must drop their price.

CONDOS

- The lending world has become more strict on condos, even if the buyer is highly qualified with a large down payment.
- FHA requires that the complex be FHA approved. You can search for all approved complexes in a zip code at <https://entp.hud.gov/idapp/html/condlook.cfm> VA has a similar site for condos: <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>
- VIP is able to approve conventional loans for primary residence and vacation homes even if the investor ratio is greater than 50%

SELLER CONCESSIONS / GIFTS / CONTRACTS

- FHA allows a maximum of 6% seller contribution to buyers closing costs and prepaids. VA maximum is 4%.
- Conventional allows a maximum of 3% contribution if down payment is less than 10% but allows 6% if the down payment is greater than 10%.
- All investment properties must have a maximum of 2% seller contribution



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