

The Eleven Commandments

When Applying for a Real Estate Loan

This is a list of things you should steer clear of when you are seeking to obtain financing for a home. The following items may prove to be a detriment when you wish to move forward with the loan process.

- 1. Thou shalt not change jobs, become self-employed or quit your job.**
 - A new job may involve a probation period, which must be satisfied before income from the new job can be considered for qualifying purposes.
- 2. Thou shalt not buy or lease a car, truck or van (or you may be living in it)!**
 - Lenders look carefully at your debt-to-income ratio. A large payment such as a car lease or purchase can greatly impact those ratios and prevent you from qualifying for a home loan.
- 3. Thou shalt not use charge cards excessively or let your accounts fall behind.**
- 4. Thou shalt not spend money you have set aside for closing.**
- 5. Thou shalt not omit debts or liabilities from your loan application.**
- 6. Thou shalt not buy furniture or other major appliances for your "new home"**
 - If the new purchases increase the amount of debt you are responsible for on a monthly basis, there is the possibility this may disqualify you from getting the loan, or cut down on the available funds you need to meet closing costs.
- 7. Thou shalt not originate any inquiries into your credit or Run a TRW on yourself!**
 - This will show as an inquiry on your lenders credit report. Inquires must be explained in writing.
- 8. Thou shalt not make large deposits without first checking with your loan officer.**
- 9. Thou shalt not change bank accounts or move assets from one bank account to another!**
 - These complicate the application process, as you must then disclose and document the source of funds for each new account. Their lender can verify each account as it currently exists. You can consolidate accounts later if you need to.
- 10. Thou shalt not co-sign a loan for anyone.**
- 11. Don't pack or ship information needed for the loan application**
 - Important paperwork such as W-2 forms, divorce decrees, and tax returns should not be sent with your household goods. Duplicate copies take weeks to obtain and could stall the closing date on your transaction.

**If you do any of these things, please contact us immediately.
Even if you have been pre-qualified, we can help you re-qualify!!**