

MORTGAGE APPLICATION CHECKLIST

- Copy of signed sales contract with all riders and amendments attached
- Check for application fee
- Your address for the past two years
- The name and address of your employer for the past two years
- Social security numbers for all applicants
- W2 income tax forms for the past two years
- Copies of pay stubs covering a recent 30-day period
- Copies of statements for the most recent month (or most recent quarterly statement) for bank accounts, mutual funds, brokerage accounts, retirement plans, etc. to identify the source of your down payment
- For self-employed or commissioned borrowers, copies of federal income tax returns, including all schedules for the past two years
- For the self-employed, year-to-date profit and loss statement signed by you
- If applicable, corporate or partnership tax returns with original signatures; partnership agreements; rental or lease agreements; or gift letters showing the amount, relationship of donor, no repayment required and verification of source of gift
- Copy of cancelled earnest money check, both sides, when available
- Name, address and telephone number of current landlord, if applicable
- Estimates of value of real estate owned
- You also may be asked for information on VA loans, Certificate of Eligibility of DD-214, pending lawsuits, former bankruptcies or foreclosures and divorce decrees outlining child support and alimony

After your loan officer reviews your situation, additional information may be required.

A Breakdown of Your Mortgage Payment

Principal

The amount of money you borrowed. Each month, you pay back a portion of that principal. Over time, interest becomes a smaller part of your monthly mortgage, and more of your payment goes toward reducing the principal you owe.

Interest

The cost of borrowing money, usually expressed as an annual percentage of the loan amount, i.e. 7½% or 8%.

Property Taxes

Taxes paid to local governments, usually charged as a percentage of your property value. Your lender generally

collects the taxes through your monthly payments. The amount of tax will vary by where you live and the type of property you own.

Homeowner's Insurance

A policy that protects you from financial losses on your property that result from fire or other hazards.

Personal Mortgage Insurance (PMI)

An insurance policy for down payments of less than 20% of the home price, which helps mortgage lenders recover some losses if a borrower fails to fully repay. Mortgage insurance makes it possible to buy a home with a low down payment.