

HOME PURCHASE OR REFINANCE APPLICATION CHECKLIST

Our goal is to provide you with exceptional service throughout your loan process. We provide this checklist so you know what you may be asked to provide when applying for a mortgage or refinancing your home.

IDENTITY VERIFICATION

- ___ Full legal name, Social Security number and birthdate for all borrowers on application
- ___ Phone number, email address, and current and former residential mailing addresses over the last two years
- ___ Driver's License or Government-issued photo ID for all borrowers on application
- ___ Name, addresses, and phone numbers of all employers over the last two years

INCOME VERIFICATION

- ___ Primary and secondary income amounts and sources
- ___ Name, addresses, and phone numbers of all employers over the last two years
- ___ Pay stubs covering the last 30 days
- ___ Written explanation if employed less than two years or employment gap exists within the last 2 years

INCOME VERIFICATION – SELF-EMPLOYED

- ___ Federal tax returns, personal and business, including all Schedules, K1's, etc., for the past 2 years
- ___ Profit and loss statement — year-to-date

PURCHASE PROPERTY INFORMATION

- ___ Copy of Signed Purchase Agreement-All pages and all counteroffers
- ___ Closing Agent contact information
- ___ Copy of Deposit Receipt
- ___ Contact info for Listing and Selling Agent
- ___ Address of property being purchased, year built, estimated down-payment amount and purchase price
- ___ Estimates of annual property taxes, homeowners insurance and any homeowner association dues

ASSET & BANK DOCUMENTS

- ___ Values of bank, retirement (401k, IRA), investment (Stocks, CDs), and other asset accounts
- ___ Monthly debt obligations
- ___ Last 2 months' statements for all accounts listed on the application (include all pages of the statement, including ones that are blank)
- ___ Explanation and documentation for any large **or unusual non-payroll** deposits or withdrawals

TAX DOCUMENTS

- ___ IRS Form 4506-T — Request for tax transcript, completed, signed and dated
- ___ W-2s for the past two years
- ___ Federal tax returns (1040s) for the past two years (all pages are needed)

MORTGAGE VERIFICATION /HOMEOWNER'S INSURANCE

- ☐ Mortgage Statement(s) for all existing mortgages for Primary Residence
- ☐ Homeowner's Insurance Declaration page
- ☐ Homeowners Association Statement (if applicable)

CREDIT VERIFICATION

- ☐ Credit explanation letter for late payments, collections, judgments, or other derogatory items in credit history
- ☐ Bankruptcy/discharge papers for any bankruptcies in credit history

SOCIAL SECURITY, DISABILITY OR PENSION

- ☐ Social Security Award Letters
- ☐ SSA-1099 for the past two years-all borrowers on application
- ☐ Pension Award Letters

IF YOU OWN RENTAL PROPERTIES

- ☐ Signed rental agreement(s) - all properties
- ☐ Mortgage Statement(s) – all properties
- ☐ Homeowners Insurance – all properties
- ☐ Tax Bills – all properties

MISCELLANEOUS

- ☐ Divorce Decree
- ☐ Separation Agreement
- ☐ Proof account paid
- ☐ DD-214-VA loans only
- ☐ Certificate of Eligibility- VA loans only
- ☐ Other _____

DO'S AND DON'TS

Do This, Not That To Get a Home Loan.

12 Simple Tips

DO

- **Do Stay Current on Existing Accounts**
Like your mortgage and car payments, one 30-day late notice will cost you.
- **Do Continue to Use Your Credit as Normal**
Red flags are raised easily with the credit scoring system. If it appears that you are changing your pattern, it will raise a red flag and your score could go down.
- **Do Keep Your Originals**
Update paystubs and bank statements if more than 30 days old prior to closing.
- **Do Provide Documentation for the Sale of Your Current Home**
We will need a copy of your sales contract and closing statement (a.k.a. HUD I settlement statement) and documentation of your proceeds.
- **Do Contact Us If Your Employment or Marital Status Changes**
If you change employment, get a raise or have a leave of absence, we need to know. If you get married, notify us.
- **Do Contact Your Loan Officer with Any Questions**

DON'T

- **Don't Apply for New Credit of Any Kind**
If you do, that company will pull your credit report and this can have an adverse effect on your credit score. Likewise, don't establish new lines of credit for furniture, appliances, computers, etc.
- **Don't Pay Off Collections or Charge Offs**
Generally, paying off old collections causes a drop in your credit score. Refrain from making payoffs unless you are specifically asked to in order to secure your new loan.
- **Don't Close Credit Card Accounts**
If you close accounts, it can affect your ratio of debt to available credit, which has a substantial impact on your credit score.
- **Don't Make Any Adjustments or Transfer Your Assets** Don't change investments, close accounts, open new accounts or substantially change your asset picture without contacting us first.
- **Don't Make Large Unexplainable Deposits into Bank Accounts**
Any non-payroll deposit will need to be explained and documented for underwriting. Cash deposits cannot be used.
- **Don't Make Changes to Your Employment**
Employment stability is a big factor in the underwriting process. Quitting or changing jobs can

endanger your loan approval.

DEFINITION OF DOCUMENTS

Asset/bank statements

Statements from personal and/or business checking, savings, brokerage, retirement, and money market accounts that are requested in order to verify assets, income, or the sources of large deposits, excluding paychecks. Typically, borrowers are asked to send statements from the previous two or three months.

Bankruptcy discharge papers

Legal proof of the discharge of any bankruptcies in a borrower's credit history. Bankruptcy documentation also may be requested to verify that the mandated waiting period has been satisfied.

Credit explanation letter

A written letter of explanation, statements, and verification to document or describe a variety of special credit situations. Examples include explaining derogatory credit or other financial hardship, including bankruptcy.

Federal tax returns (1040s)

May be requested, along with accompanying schedules, to verify income derived from a variety of sources, including:

- Self-employed income, contract income
- Employee business expenses, including car allowance
- Rental income
- Pensions, Social Security or retirement income
- Royalty payments, interest or dividend income
- Seasonal income/ unemployment compensation
- Capital gains, notes receivable
- If employed by a relative, family business, or someone involved in the transaction

Government-issued photo ID

Includes a driver's license, state-issued photo identification card, or passport. In certain cases, borrowers may also be asked to provide a copy of a Social Security card.

Homeowners insurance

Real estate insurance policy to protect against loss caused by fire, vandalism, some natural disasters, personal injury, and theft.

IRS Form 4506-T

Request for Tax Transcript form; required on all applications. Gives permission to verify the income reported to the IRS, and is usually requested for the previous one or two years.

Judicial decree or court order

Verification of a legal ruling that impacts a borrower's assets or debt obligation. Examples might include proving that an obligation to make certain debt payments has been assigned to another person, or validating the transfer of property ownership.

List of all business debts

Accounting of business-associated debts for which a borrower is personally responsible.

Pay stubs

Documentation of compensation from employer, either monthly or bi-weekly. Online pay stubs must be signed by a company representative.

Payment history

Documents verifying that a borrower without a traditional credit history can manage credit and repay creditors as agreed. Examples of suitable documents include evidence of regular payments for public utilities, phone, cable TV, and car insurance.

Profit and loss (P&L) statement

A summary of the revenues, costs, and expenses incurred during a specific period of time. Such a statement demonstrates the ability of a company to generate profit by increasing revenue and reducing costs.

Purchase contract

A signed agreement between the buyer and seller describing all the terms of a real estate purchase transaction. Also known as a sales contract.

Source of funds

Written documentation to state the origins of any large deposits on asset statements, excluding paycheck deposits.

W-2s

Wage and Tax Statement. A borrower may be asked to provide a W-2 from the most recent year or two years to verify monthly income.

Written explanation

A letter of explanation explaining an employment gap or, if employed less than two years, employment history.

Mortgage loans originated by Catalyst Lending are subject to credit approval, verification and collateral evaluation. Terms, conditions and restrictions may apply. Must qualify for loan program requirements. Regulated by the Colorado Division of Real Estate. Corp NMLS # 18812



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