



Common Dos and Don'ts of Mortgage Lending

The below list will explain common borrower's dos and don'ts to avoid while in the process of acquiring a home loan. These issues could delay the process, or possibly get your loan denied:

1. **Money Movement:** Your lender will have to source all deposits, and/or transfers into your bank and other accounts that you are using for your down payment, and closing costs. Try to keep money transfers/movement to a minimum and inform your Loan Officer if you are planning, or already have moved any funds so he/she can instruct you on what documents you will need you to provide.
2. **LARGE DEPOSITS:** Did you know that even a deposit as little as \$200 can be considered a large deposit? You may have to source, explain, and properly back up your explanation with detailed documentation to source where that deposit came from. Do not deposit cash, as that is never a verifiable deposit! If you must make a large deposit, contact your Loan Officer first so, he/she can help you document it properly.
3. **Gift Money:** Any funds coming from another person other than your spouse are considered a "gift." Gift funds have a detailed process and a detailed form is required. Call your Loan Officer if you are getting, or using gift funds. Some loan types will not even allow a gift, so please ask.
4. **New Debt:** Your debt to income ratio is one of the biggest things a lender analyzes during the loan approval process. Do not open any new credit accounts, car loans, student loans, or credit cards during the mortgage process. Also, try not to over spend on your credit cards. If your minimum monthly payment goes up, it will be added to the debt to income ratio.

5. **Employment:** IF YOUR LENDER IS QUALIFYING YOU ON INCOME FROM YOUR JOB, DO NOT QUIT YOUR JOB! That may seem obvious but it has happened before. Your lender will call just days before your mortgage closing to make sure that you still have gainful employment.
6. **Deposits on sales contract:** All deposits on sales contracts will need to be sourced by a canceled check from your bank account, or proof of a wire if funds were wired from your bank account. Do not use CASH as an earnest money deposit on your sales contract.

Thank you for taking the time to read through these items. We promise if you follow our advice, you will enjoy a smooth lending experience. Please acknowledge that you have read this form by signing your initials below. Keep this in mind: If you are going to take any action that may affect your credit, bank accounts, or real estate purchase; it is best to ask your lending professional first.

Borrower 1 initials _____

Date: _____

Borrower 2 initials _____

Date: _____