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Are you a qualified buyer?

- Self employed customers are required to provide 2 years tax returns up front in order to gain pre-approval.
- What type of business do you own (Sole proprietor, LLC, S Corp)?
- Where is your down payment coming from?
 - -Bank accounts must have at least 60 days seasoning.
 - -Are you receiving money from a family member as a gift for down payment? IT CANNOT BE IN CASH! Must be in check form, copy of front and back of check is required and must be accompanied by a formal gift letter provided by the mortgage company.
- Large deposits in bank account require a letter of explanation as well as supporting documentation. Large deposit is a non payroll deposit that exceeds: 2% of the loan amount on FHA loans, and \$300 on Conventional and VA loans
- How long have you been on your job? Do you have a 2 yr work history? School/College can take the place of work history.
- Lender's require a pay stub with at least 30 days history – **NO EXCEPTIONS!**
- Do you pay alimony or child support? A lot of times this is very expensive and can cause a buyer not to qualify because of an excessive debt to income ratio
- Do you have school loans? Are the payments deferred? For how long? FHA/VA loans are the only loan types that allow us to exclude school loan payments and ONLY IF the buyer can provide proof they are deferred for more than 12 months. Most of the time payments are not deferred for 12+ months.
- Credit score requirements:
 - -Minimum of 600 for FHA/VA Loans
 - -Minimum of 620 for Conventional loans
- Max Housing/DTI Ratios are as follows:
 - -FHA Manual approval 31/43 (This includes loans with credit score under 620)
 - -FHA Automated approval I've seen as high as 43/50
 - -Conventional less than 20% down 33/41
 - -Conventional 20% down or more 33/45
 - -VA-no maximum DTI have to meet Residual Income Requirement (Too many factors to specify)
- Do you currently have an FHA/VA loan? If so, you cannot obtain another FHA/VA loan until it is paid off. Make sure you have proof the previous loan was paid (Executed settlement statement from the sale of the home, paid in full letter from mortgage company)