

MORTGAGE APPLICATION CHECKLIST

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