# Mortgage Application Checklist

By Nicole Nichols-West

- [ ] Before applying for a mortgage
  - [ ] Credit report Get copies of your credit report from several sources and check carefully to see if there is any incorrect information. You can dispute these items.
  - [ ] Find a house You will want to do some research in the neighborhood, and have the house you select inspected before committing to buying it.
  - [ ] Down payment Figure out how much of a down payment you can afford.
  - [ ] Monthly budget Determine how high of a monthly payment you can comfortably manage. This should be non-negotiable. Do not let the lender talk you into something you can't afford.
  - [ ] Mortgage type Choose either a fixed rate or an adjustable rate mortgage.
  - [ ] Select a term Use a mortgage calculator to determine how long of a term you will need to pay off your mortgage at the monthly payment you can afford.
- [ ] Choosing a lender
  - [ ] Realtor recommended mortgage company Some Realtors like to work with specific lenders to streamline home sales.
  - [ ] Financial institution Some home-buyers prefer to use their local bank or credit union.
  - [ ] Independent lender Some loan companies deal only in real estate and have special financing plans.
  - [ ] Owner financing In some cases, you'll find an owner willing to carry the note.
- [ ] Documentation
  - [ ] Proof of employment/income Expect to be asked for 2 month's worth of pay stubs, and possibly your last 2 tax returns (the latter especially if you are self employed).
  - [ ] Proof of residence Most lenders want proof that you have maintained a residence and paid bills in a regular fashion for at least 2 years.
  - [ ] Credit report The lender will pull your credit report, so you should have already pulled your own copy and disputed incorrect items.
  - [ ] Credit card statements This is the most common kind of debt, and is a good indicator of your debt-to-income ratio.
  - [ ] Bank Statements 2 months is generally sufficient.
  - [ ] Proof of additional income. This includes government pensions, retirement or Social Security income as well as income from rental properties or investments
  - [ ] Current loans Your current house mortgage if you have one, plus any auto loans or personal signature loans must be included.
  - [ ] Divorce If you've recently divorced, your divorce decree may relive you of some joint debt. Also show proof of child support or alimony payments.
  - [ ] Expenses List all of your current and projected expenses.
- [ ] Applying for your mortgage

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- ☐ **Shop around** Get several different quotes for your mortgage and compare. It never hurts to have some competition for your business.
- ☐ **Read everything** If you have to, ask for a day to look over the papers with your attorney.
- ☐ **Stand firm** Don't let yourself be bullied into a down payment or monthly mortgage payment you can't afford.
- ☐ **Dispute unreasonable interest rates** If you feel the interest rate is unfair, ask why it is so high and try to have it decreased.
- ☐ **Extra fees** Request that extra fees be waived. Many fees are tacked on at closing under the guise of 'paperwork fees' or 'copying fees'. Many lenders will waive these if asked.
- ☐ **Closing costs** If at all possible, the other party or the Realtor should pay closing costs.