

When applying for a loan, what information will I need to supply? The following list is an example of the items that may be requested. Each financing institution may have its own requirements.

- W-2 forms
- If self-employed, business tax returns for the last 2 years
- One (1) month's pay stubs for everyone applying
- Bank statements from all bank checking and savings accounts
- Copies of brokerage accounts statements and a list of any other assets including boats, RVs or stocks, etc..
- Copies of 401K or other retirement account statement
- Documentation of any additional income, such as child support or pensions
- Account numbers for credit cards and account balances
- Lender information on any installment, student, car or other loans
- Personal addresses for the last 5 years, with landlord information, if any

Since you checked your credit report, you know what is there. You will want to explain, in advance, the history for any negative items.

THE LOAN

When the application process is completed, the lender will come back with an approval that will list the amount that can be borrowed, the rate and approximate payment.

Add the amount of money generated by your financing package, plus whatever cash you have for a down payment: that is the budget you have work with. If you own land, the equity in the land may also be used.

ONE ADDITIONAL WORD ABOUT MORTGAGES:

Mortgages are loans that are tied-in to the land and whatever is attached to it, like the house. To make sure that the land on which the home is being placed is free and clear of any past encumbrances or debts, banks look into the history of the land.

Title searches are performed, and then title insurance is written on the property to insure the lender that no old claims can be made against the property. The lender needs to know that the land has a "clear title".

An abstract company searches the official records from the County, checking for debts listed against the land under previous owners. Once the abstract company is sure that the title is "clean," it writes insurance on the title. That insurance pays any claims that are brought against the land by former debt holders, should they turn up, while you own the property.

Title searches and insurance are part of the closing costs of a mortgage. Closing costs are the costs generated by putting the loan in place. Closing costs can include any local mortgage taxes, filing fees, legal fees, document preparation, appraisals, surveys, and other costs.

Depending on your credit situation, you may have several choices when it comes to choosing a lender. Besides the interest rate, the closing costs can have a real impact on the final cost of your home.

Lenders must supply you a "good faith" closing cost estimate, in advance of going forward with the loan. In some cases, they will list costs that might not apply, but have to be listed, just in case.

A glossary of common lending terms can be found at the end of this booklet.

***Congratulations on your new home!
With careful planning and preparation, it will provide you a good place to live
for many years to come.***