



Know what the lender looks for when reviewing your application for a home loan

When your loan application is completely filled out and we send it to the lender for review, they want to know if you have the ability to pay back the loan that you are asking for. My team and I have a streamlined loan process to help you get your ducks in a row prior to this review. A grand slam loan package is in perfect order and answers all the important questions upfront. We know what the lenders are looking for, based on long-term relationships with them and extensive knowledge of guidelines for the multitude of loan programs that are available today.

What is the lender looking for when they review the loan application?

The lender wants to know about your personal financial picture, including savings, credit history, and your employment stability. The co-borrower's history is also taken into consideration. The lender also considers the loan amount and the appraised value of the home you are looking to purchase. Not every applicant is approved the first time through the process. If the underwriter has any questions or concerns, he or she will ask that certain condition be met before they approve your loan. Pre-approval prior to house hunting lets you know exactly how much you are qualified to borrow in advance.

What can I do on my end to make it easier?

Before taking out a home loan, it helps to establish a consistent record of paying bills on time. If you have utility bills that are overdue, bring these up-to-date (but remember that paying off delinquent items that are more than two years old can actually bring your credit score down, for further detail, please refer to the article titled "The Effect of Credit Score". You can get this article at http://catherinesun.com/open_article.php?article=/en/TheEffectOfCreditScore.pdf). Make sure you are paying credit card installments in a consistent and timely manner.



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Your loan, My solution!

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I can help you evaluate your debt-to-income ratio to determine what mortgage payment will be comfortable and affordable for you on a monthly basis. Aim for having enough savings to cover your down payment and closing costs if necessary, and two month's expenses in case of emergency. Together we'll find the loan program that works best for you.

If I just started a new job six months ago, can I still apply for a loan?

A stable employment history is important, but the lender does take human factors into consideration. If you've recently completed college or vocational training, or were released from the military, you have good cause to have a lack of consistent work history. If your profession is seasonal, and gaps in employment are normal in your field, there are loan programs that can work with your situation. If you are a freelancer or do contract work, the lender will look for consistency in income over the last two years.

Consistency is the key word in the lender's mind. But know that lenders have developed many different loan structures to meet the needs of the general public. When your grandparents bought their first home, they probably put 50% down and made a lump sum payment when the note was due. Times have changed, and so have loan programs. My team and I stay on top of current mortgage trends. We monitor rates daily and have a support network of Realtors®, CPAs, and Credit Repair Consultants if you need additional assistance.

Sincerely,

Catherine Sun