

*make your*  
**DREAM  
HOME  
HAPPEN**



**Cornerstone®**  
HOME LENDING

TEAM CUMMINS

**Inside, you'll  
find important  
information about:**

- ✔ How credit and debt could affect your loan approval
- ✔ What's needed from all borrowers on the mortgage (spouses, co-signers, etc.)
- ✔ Requirements for residency, employment, income, assets, and other real estate owned
- ✔ What makes up a monthly house payment
- ✔ What's included in closing costs

**Use this guide  
to keep your  
mortgage process  
on track!**

# CREDIT & Debts

## ALL DEBTS CONSIDERED:

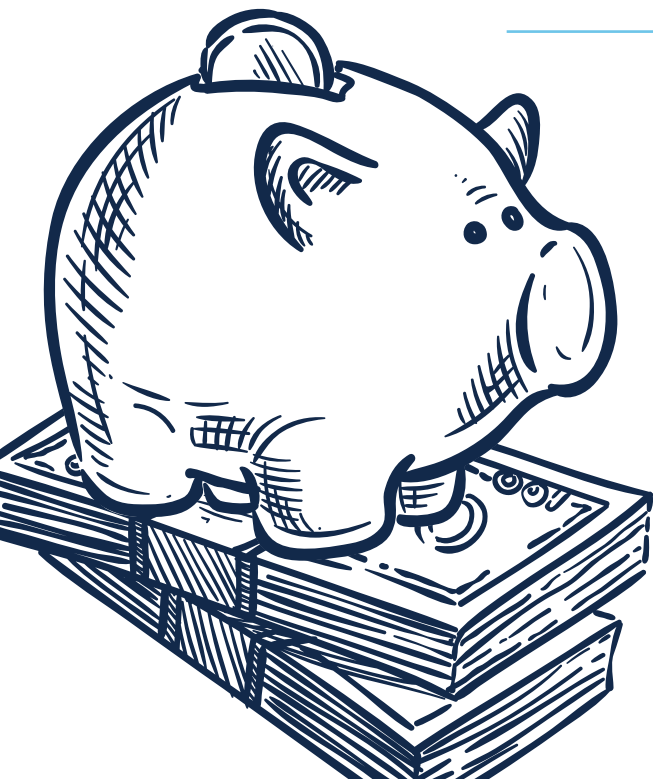
Even if it doesn't appear on your credit report, any debt you have counts towards your ability to pay back a mortgage. Documentation needed to verify payment of certain debts includes:

- IRS payment plan agreement
  - Child support orders
  - Child support payment history
  - Divorce decree
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## ACTIONS THAT CAN AFFECT LOAN APPROVAL:

Keep your credit clear during the mortgage process. DON'T do any of the following:

- ⊗ Increase existing balance on debts, including credit cards and student loans
  - ⊗ Make big purchases, such as new furniture or major appliances
  - ⊗ Enroll in credit repair or credit consolidation
  - ⊗ Skip payments on existing accounts
  - ⊗ Open new credit accounts
  - ⊗ Buy or trade in a vehicle
  - ⊗ Co-sign another loan
- 



## OTHER CREDIT ISSUES:

- Putting accounts in dispute can affect loan terms and approval
- Joint installation debt: If you have a verifiable 12-month history of debt paid by the other obligated party, that debt may be excluded from loan consideration
- Letters of explanation may be required if your credit report has credit inquiries or variations in your name or address

# BORROWERS

## *on the mortgage*

### DOCUMENTATION TO VERIFY IDENTITY:

- Valid photo identification (Driver's license, passport, military ID, state-issued ID, visa, etc.)
  - Social security card
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### SPOUSES IN A COMMUNITY PROPERTY STATE (LIKE TEXAS):

- For most loan programs, credit must be pulled for the applicant's spouse
  - In some cases, a change in marital status during the process can affect loan approval
  - ALL spouses must be at the closing appointment to sign paperwork
    - Let us know in advance if you need a power of attorney
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### CO-SIGNERS:

- ALL co-signers and their spouses must be present at the closing appointment to sign paperwork
    - Let us know in advance if you need a power of attorney
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### NON-U.S. CITIZENS:

- Must provide proof of eligible permission to reside and work in the U.S.

# RESIDENCY

### PREVIOUS AND CURRENT ADDRESSES:

- Must provide a complete two-year history of where you have lived, including contact information for current or past landlords if you have been renting

# EMPLOYMENT

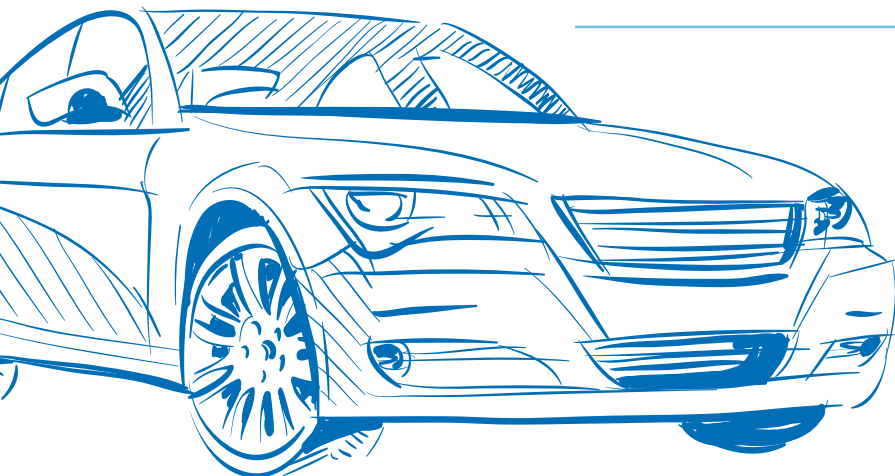
## MINIMUM TWO-YEAR WORK HISTORY REQUIRED:

- Changing employers, job positions, or income structure can affect your loan approval
  - Gaps between jobs must be addressed – Extended time between jobs of 6 months or more can lead to additional requirements
  - School transcripts are required if you've been employed for less than two years after graduation
  - Talk with our team immediately if your employment is changing or if you have any job gaps
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## UNIQUE EMPLOYMENT:

There are employment situations that require additional documentation from the borrower. Let us know immediately if any of the following applies to you:

- Working for family
- Contract work
- 1099 work
- Self-employment
- Union work
- Temporary work
- Seasonal work
- Part-time work
- Income from multiple employers
- Having more than two employers in the past 24 months
- Work requiring extensive travel (Not home 50% or more of the time)



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## COMMUTING TO WORK:

- Commuting distance is a consideration when buying a primary residence
- Let our team know if your commute is more than 90 miles one way

# INCOME

## DOCUMENTATION TO VERIFY INCOME:

- Most recent 30 days of paystubs
- Most recent two years of W-2 and 1099 forms
- Most recent two years of tax returns
- Based on your situation:
  - Business tax returns
  - YTD profit and loss statement
  - Social security award letter
  - Pension award letter
  - Child support orders

### SOURCES OF INCOME:

- Income from different sources is treated differently
- For qualifying purposes, you must have stable and consistent income

### HOUSEHOLD INCOME:

- Some loan programs count the income from all household members, even if they are not on the mortgage
- Talk with our team about whether income earners in your home may affect your options

## INCOME AVERAGED OVER TWO YEARS:

- Self-employment
- 1099
- Overtime
- Bonus
- Commission

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## OTHER FLUCTUATING INCOME THAT MUST BE AVERAGED:

- Child support (If using as income)
- Pay per load for drivers
- Pay per mile for drivers
- Flag time pay for mechanics

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## INCOME TAXES:

Issues like the following can affect your loan approval:

- Filing losses, such as unreimbursed business expenses or self-employment losses
- Setting up a payment agreement for any owed taxes
- Filing taxes late

# ASSETS

## DOCUMENTATION TO VERIFY ASSETS:

- Most recent two months of bank statements – ALL pages, even if blank
  - Most recent two months of retirement statements – ALL pages, even if blank
  - Most recent two months of brokerage statements – ALL pages, even if blank
  - Terms of withdrawal for retirement accounts
- 

## SPECIAL CONSIDERATIONS:

- Business bank accounts
  - Negative balances
  - Overdraft fees or lines of credit
  - Large cash deposits
  - Transfers between accounts
  - Recurring expenses
  - Sourcing recent deposits that are not automated payroll deposits
  - Accounts with account holders that are different than the borrowers
- 

# OWNING OTHER *real estate*

## DOCUMENTATION TO VERIFY OWNERSHIP OF OTHER PROPERTIES:

Let us know immediately if you own other properties.

- Lease agreements for any rental properties
- Most recent mortgage statements for all currently open mortgages
- Most recent tax, insurance, and applicable HOA statements if current mortgage payments don't include those escrow amounts

# MONTHLY

*payment*

## WHAT MAKES UP A MORTGAGE PAYMENT?

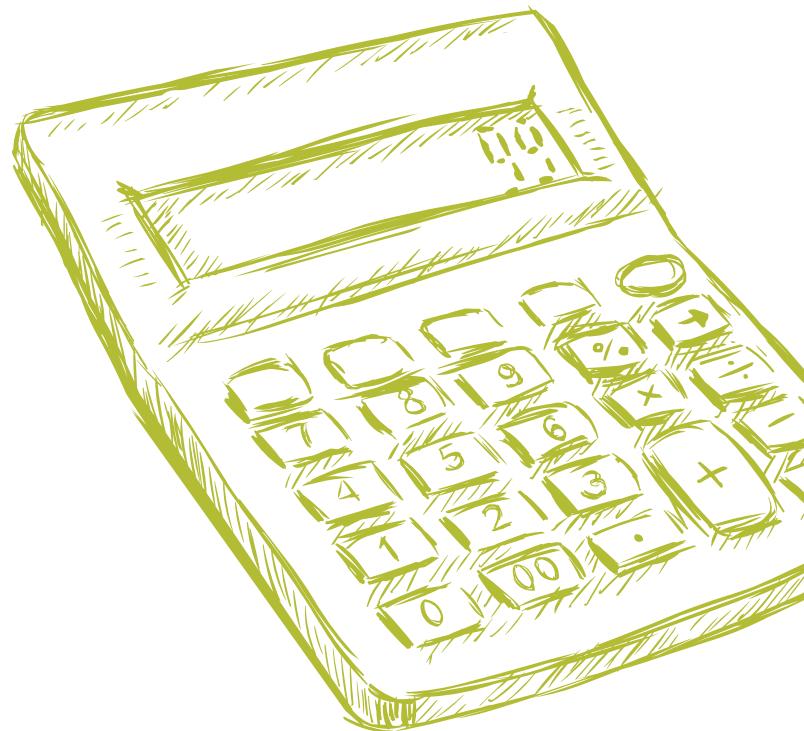
- Principal and interest - The monthly amount calculated from the loan amount.
  - Homeowners insurance - The insurance that covers the property from fire, hail, etc. You select the company and policy amount; must be finalized before closing.
  - Real estate taxes - This is calculated from the tax rate for the area and the appraised value of the home.
  - Mortgage insurance - Varies by loan program, but is usually required if the loan has a minimal down payment requirement.
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# CLOSING

*costs*

## WHAT MAKES UP CLOSING COSTS?

- Lender fees
- Title fees
- Third-party fees - Survey, credit report, inspection, appraisal, HOA fees, attorney's fees
- Prepays - Interest, taxes, insurance, escrow



# COMMUNICATION COMMITMENT

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I'm honored to help you with your homebuying needs! Throughout the process, we want our roles and expectations to be clear. You can rest assured knowing that you will receive trusted guidance, prompt updates, and amazing service at each step.

Please contact me at any time with questions or concerns.

**I'M HERE FOR YOU!**

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**Cornerstone<sup>®</sup>**  
HOME LENDING

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Member FDIC. NMLS ID# 2258. By furnishing any and/or all of the documentation, an applicant is in no way obligated to accept the terms and conditions of the mortgage offered, nor does the borrower have to provide these documents to receive a Loan Estimate. Not a commitment to lend. Borrower must meet qualification criteria.

I have read and understand this material. \_\_\_\_\_

*Borrower's name and signature*

