

ASK 10, DEMAND 10

To Pre-Qualify a Buyer's Offer and Lender

1 Can you confirm if the Homebuyer is straight salary, hourly/commission/bonus or self-employed?



A Buyer's type of employment will determine the qualification and documentation requirements. Mr. Bernanke, for example, recently switched to a self-employed situation, and it was the income "history," not the amount, that prevented him from qualifying.

2 Does the Homebuyer Own any other Real Estate?



Underwriting guidelines have specific qualification requirements on additional Real Estate owned. Distance from current home to new home, size, etc. could result in potential occupancy issues. Additionally, even property owned free and clear have expenses associated with them.

3 Has the Homebuyer suffered a bankruptcy, short sale or foreclosure in the past? If so, how many years ago?



The derogatory credit events have specific waiting periods and documentation requirements that may delay their eligibility when qualifying for a new home.

4 Have you reviewed the buyer's tax returns for the past 2 years?



Tax returns may reveal certain expenses or undisclosed businesses, Real Estate that weren't discussed during an application. A buyer may not be aware that these can be reduced from qualifying income, this creating unforeseen challenges once in the midst of the underwriting process.

5 Have you gathered and verified the homebuyer's cash to close?



Funds for closing generally need to be seasoned for 60 days, and large non-payroll deposits (more than 5% of qualifying income) must be sourced. While a buyer may have the funds to close, it's important to confirm those funds will be eligible for qualification.

6 Does the Homebuyer require gift funds from a family member in order to Purchase?



Funds applied towards the transaction by anyone other than the borrower(s) must meet specific gift fund requirements depending on the loan program. If funds from anyone other than the borrower(s) on the loan are going to be introduced have they been verified.

7 Can you confirm that the loan has been approved through the Automated Underwriting System (AUS), Desktop Underwriter (DU) or Loan Prospector (LP) ?



This may not cause a loan to be ineligible; however it's important to understand that documentation requirements and timing requirements may be longer for manually underwritten loans.

8 Can your lender commit to a 7-day loan approval, including appraisal? Have you run either a DU or LP for an appraisal waiver?



With loan approval periods having to include appraisal completion, it is imperative that the lender commit to having the appraisal completed within the loan approval period.

Both desktop underwriter (DU) and loan prospector (LP) give lenders the ability to receive appraisal waivers (appraisal not needed) depending on borrowers qualification, property type and purchase price.

9 Is the Pre-approval Contingent upon sale of the Homebuyer's existing residence?



While not a deal-stopper, it's important to ensure the seller knows all 3rd party contingencies affecting their transaction, especially when they're out of the buyer's control.

10 Have you re-run your pre-approval specific to the terms of this offer, including taxes, insurance & HOA Fees?



Whether a similar pre-qualification or a more thorough pre-approval review, assumptions must be made for qualification. If a buyer's debt-to-income ratio is on the cusp of program guidelines, a simple change in monthly HOA fee or interest rate may cause an unforeseen credit denial.



PROTECT YOUR LISTING INVENTORY & REPUTATION

Protect your sellers, and your reputation, by leveraging The Z Team's speed in order to get the best terms from potential buyers.

MLS LISTING VERBIAGE PROTECTING SELLERS

"Seller requests that all financing offers reflect no more than 7 days for loan approval and appraisal completion. If desired Joe Donovan with The Z Team at CrossCountry Mortgage (NMLS 1450210) can issue loan approvals including appraisal completion in 7 days and close in 10 days. Buyers are not required to use The Z Team at CrossCountry Mortgage for offer to be accepted. The Z Team operates 7 days a week 9am-9pm at 404-495-4530. Please call for details and parameters."



Main: 404-495-4530
thezteam@ccm.com
www.ccm.com/the-z-team