

FINANCIAL MEETING PREPARATION

TYPES OF MORTGAGES

There are a few different types of mortgages. Review the chart to determine which mortgage(s) you may qualify for and discuss these options with lenders during your initial financial meeting.

Mortgage Type	Qualifiers	FICO Credit Score	Minimum Down Payment	Upfront Mortgage Insurance	PMI (Monthly Mortgage Insurance)
Conventional	Must meet lender's credit, income & debt level requirements.	680+	3%	None	As much as 0.21% of loan each month*
		620-679	5%		
		620+	20%	None	None
FHA	Meet minimum credit & income levels.	580+	3.5%	1.75% of loan amount	0.07% of principal balance for the life of the loan
		500-579	10%		
VA	Former & active military personnel who meet certain requirements & some surviving spouses.	N/A	None [†]	None	None
USDA	Meet minimum credit & income levels & purchase a home in a USDA-designated rural area.	N/A	None	2% of loan amount & can be rolled into mortgage	With no down payment, 0.03% of remaining principal balance for the life of the loan

*Monthly PMI can be eliminated once the loan balance falls to 80% of the home's value at the time of purchase, if the owner requests it. At 78%, lenders must remove PMI charges if the home hasn't lost value.

†The VA charges a funding fee of up to 3.3% of the loan amount which can be lowered if a down payment is made. This fee can be rolled into the loan as well.

SOURCES: NerdWallet.com, National Association of Realtors, U.S. Department of Housing & Urban Development, U.S. Department of Veterans Affairs, U.S. Department of Agriculture, Consumer Financial Protection Bureau

LENDER MEETING CHECKLIST

Gather these items and have them organized and ready for the initial financial meeting with a lender.

- Identification:** Social security number and date of birth for all borrowers that will be on the loan.
- Proof of Income & Employment Verification:** Most recent pay stubs for all borrowers and a list of all employers for the last two years including names, addresses and phone numbers.
- Self-Employment Documents:** If you're self-employed provide profit-and-loss statements, federal tax statements and/or balance sheets for the last two years.
- Place of Residence:** Provide the full address for any place you've lived over the last two years. If you rented provide your landlord's information.
- Bank Account Information:** Account numbers and balances for checking, savings or money market accounts to verify your cash reserves.
- Tax Documents:** W-2 statements and tax returns for the last two years.
- Other Assets:** Provide statements for CDs, stocks and bonds or IRA accounts. If you own personal property (a current home, vehicles, rental properties, a lake house, etc.) provide values and information for these assets.
- Credit Score & Credit Information:** Before the meeting, check your credit score so that you know what to expect and address any issues that are indicated on your credit report. Gather and provide statements for outstanding loans (car loans, student loans, credit cards, etc).
- Monthly Expenses:** Some mortgage companies may ask for an itemized list of your monthly payments. You can provide the Budget & Finances Snapshot worksheet to provide this information.
- List of Questions:** Review the *Mortgage Shopping Worksheet* and use it to help you ask questions during the meeting and compare mortgage and lending options.