



The Calum Ross Team Ten Commandment For During the Mortgage Process **Things you shall not do if you want to have your mortgage close...**

- I. Thou shall NOT change jobs, become self-employed/commissioned or quit your job. Paystubs are needed covering a 30 day period at your present job. If you leave a salaried job and become self-employed/commissioned you would typically have to wait 2 years. Employment verifications are often done within 5 days of closing.
- II. Thou shall NOT co-sign a loan for anyone or increase or take on other loans. Any changes to your credit report or status could negatively affect your ability to close your loan. Co-signing any type of car loan, student loans or other mortgage loans will result in inquiries to your creditor and additional financial obligations.
- III. Thou shall NOT buy a vehicle (or you may be living in it). Applying for credit to purchase a vehicle will result in an inquiry to your credit report. This will decrease your score, decrease the amount of money you can qualify to borrow and make it more expensive to do so.
- IV. Thou shall NOT use charge cards excessively or make ANY late payments. Excessive use of credit cards can have negative effects on your score. Inquiries alone may lower it and balances greater than one third of the available credit limit can also lower your credit rating. Any late payments will lower your score significantly regardless of the amount due.
- V. Thou shall NOT spend money you have set aside for closing. Having enough for down payment and closing costs is critical, but so are reserves after closing. Spending this money prior to closing could result in problems.
- VI. Thou shall NOT omit debts on liabilities from your mortgage application. Be very honest about all of your debts and liabilities early in the process. Everything is checked and double checked so they will likely turn up at some point and could jeopardize your approval.
- VII. Thou shall NOT buy furniture, appliances or household items before closing. Large purchases causing deductions in your bank account, inquires on your credit report or additional debt on your credit cards could cause your closing to be delayed or denied. You must wait until after you close. This especially includes deferred payment purchases.
- VIII. Thou shall NOT originate any inquiries into your credit. As mentioned before, multiple inquires on your report will decrease your score. Credit is often given a soft hit (refreshed) within 7days prior to closing and inquires will result in more documentation being required which may delay your closing.
- IX. Thou shall NOT make large deposits without first checking with your lender. Abnormal deposits or large deposits other than regular payroll into checking, savings or any financial account must have sources verified and will result in more documentation being required.
- X. Thou shall NOT pay off any collection accounts or charge offs prior to closing. This will most likely decrease the credit score immediately due to the date of last activity becoming recent. If you want to pay off old accounts, do it after closing and make sure that you validate that the debt is yours and that the creditor agrees to give you a paid in full or even a letter of deletion.

If you have a mortgage need - we would love to help... visit us at www.CalumRoss.com