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8 Mistakes People Make During The Loan Process

- 1. *Buying or leasing an auto*** - Many people feel they need to get their car first. They need transportation and they imagine that buying a house is like buying a car. A lender runs a credit report and if the credit is good they get the house. Not so, a lender looks carefully at the debt to income ratio (remember, this loan is for 30 years) and a large payment such as a car lease or purchase can greatly impact those ratios and prevent the buyer from qualifying.
- 2. *Change Jobs*** - Stable employment history will help you qualify for a loan. Lenders will look unfavorably at a cut in pay or recent job change. During the loan process, verification of income from a new job can create delays.
- 3. *Move assets from one bank to another*** - These assets show up as new accounts, which can complicate the application process, as you must then disclose and document the source of funds for each of these new accounts. We'll verify each new account as they exist. You can consolidate them later.
- 4. *Finance the purchase of new furniture or major appliances for the "new house"***. If the new purchase increases your debt load, it can disqualify you from the loan just like a new car payment.
- 5. *Buy new furniture or major appliances with cash*** – This will also deplete savings required for closing costs and cash reserves.
- 6. *Run credit report on yourself*** – Running a credit report may or may not be a good idea. An inquiry will show up on the credit report we obtain and must be explained in writing and it could possibly lower your credit score.
- 7. *Attempt to consolidate bills before speaking with your lender.*** We can advise you if this needs to be done and the best way to improve your chances to qualify for a home loan.
- 8. *Pay off bills from your cash resources*** - Paying off bills can deplete your savings and you may not have enough funds to satisfy the requirements for closing costs and cash reserves.

If you are considering purchasing or refinancing a home and would like a FREE consultation simply call our office during normal Arizona business hours. You can reach You can reach [David Wolsky at \(520\) 258-5089](tel:5202585089) or Toll-Free (866) 665-4846 (during Arizona business hours).