



## The Complete Loan File

### Keys to a Successful Loan Transaction

(or How to make your Underwriter your BFF!)





Presented to you by...

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# Program Overview

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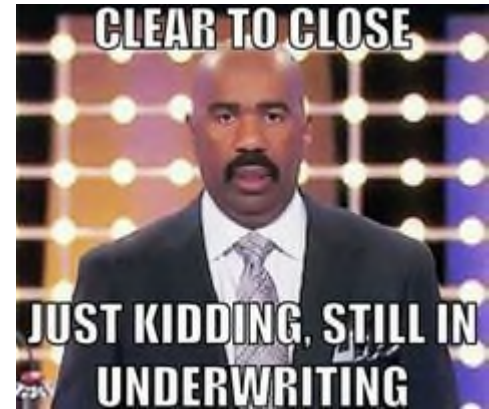
- **Why Bother: Dispel the Myths**
- **Common Pitfalls and how to overcome them**
- **Why do I have to get That!!!!**
- **Start Smart: Basics for a strong file**



## Why Bother?

### ❑ The Myths:

- I get paid either way.
- I don't want to scare my borrower away by asking for too much up front.
- Maybe they won't notice...
- Gets into underwriting faster.
- It's less work up front for me – I'd rather let the underwriter "process" my file.

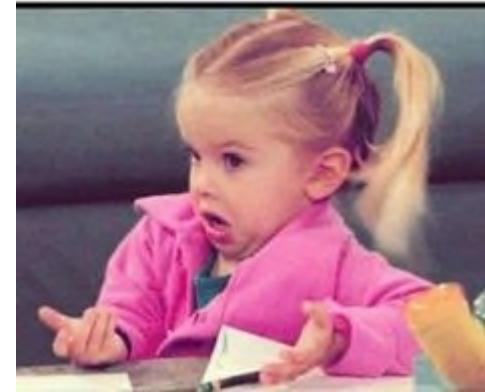




## Common Pitfalls

- ☐ I have a DU approval so I'm good. Right?
  - GIGO (garbage in, garbage out)
- ☐ I'll just use AGI.
- ☐ I'll put 2 years in for everything (work history, residences...) so I'll get an approval. Then I'll figure it out.
- ☐ If I average their income for 24 months, they won't qualify so I'll just use 12.
- ☐ Property pitfalls are all over too!

WHEN THE UNDERWRITER ASKS HOW YOU  
CAME UP WITH THE QUALIFYING INCOME





## Why Do I Have to Get...

- ☐ Another paystub?
- ☐ You mean you want ALL the pages of the bank statement? Even the one that says “this page left blank”?
- ☐ Why does the underwriter keep adding conditions?
- ☐ A divorce decree? They’ve been divorced for-evah!





# Mountain West Financial

Making Homeownership a Reality Since 1990

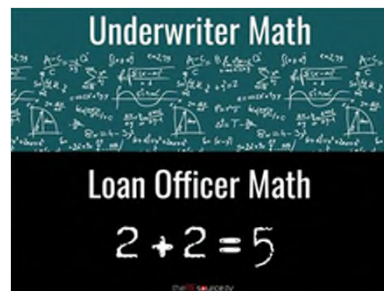


## Share the Duty (& make more booty!)

Know up front if you have an approvable loan.

This saves everyone time and reduces frustration across the board!

You will also increase your closing percentage, improve your relationships and make more money!





# Training: All you can take!

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- Essent Guaranty
  - <https://www.essent.us/training/essentials-training>
- MGIC
  - <https://www.mgic.com/training>
- Radian
  - <http://www.radian.biz/page?name=Training>
- Genworth
  - <https://mortgageinsurance.genworth.com/Training/RecordedWebinars.aspx>
- FNMA
  - <https://www.fanniemae.com/content/guide/selling/index>
- FHA
  - [https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/events/sfh\\_hb\\_webinars](https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/events/sfh_hb_webinars)
- FHLMC
  - <http://www.freddiemac.com/learn/edu/train/date.html>
- Mountain West Financial
  - <https://www.mwfwholesale.com/index.php/learning-tools/recorded-webinars>





## Resources: Searchable Versions

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- HUD 4000.1
  - <https://portal.hud.gov/hudportal/documents/huddoc?id=40001HSGH.pdf>
- FNMA Selling Guide
  - <https://portal.hud.gov/hudportal/documents/huddoc?id=40001HSGH.pdf>
- FHLMC Selling Guide
  - <http://www.freddiemac.com/singlefamily/guide/bulletins/pdf/092116Guide.pdf>
- MWF Guidelines and Matrices
  - <http://www.mwfwholesale.com/index.php/product-guidelines>



# Start Smart: Basics for a Strong File

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## #LoanHacks

- Take a complete application – shortcuts cost time and money! (i.e. 2 year histories; REO section; Child Support and Alimony; Years of school, etc.)
- Make sure DU is reading every piece of information correctly (Associate mortgages to properties; Calculate income per agency guidance; Input Gifts in Source of Down Payment)
- Ensure the 4506T form is filled out to match the W-2/1040 provided
- Provide LOEs for discrepancies on credit report (names, addresses, etc.)
- Provide two full months of bank statements for every account (including those with transfers from one to the other) and address any discrepancies
- Provide two years of documented employment history
- Make sure VOs and Paystubs show supporting YTD Income (address any declines)
- Provide 1 full month of current paystubs – review them for red flags
- Include an income worksheet – try to find one with YTD breakdown and income trending, so you can see the big picture over time
- Include a Prelim and read it for red flags
- Read your Tax Bill and note the breakdown of the taxes. Are there Mello Roos, PACE assessments, etc.?
- Make sure you have *all* the pages of the purchase contract and *all* the addendums. Remember that the appraiser has to see it ALL.
- Address and document around every red-flag. The underwriter will ask for it, so help save a step.
- Know your guidelines – Think about things like reserves, gifts, or use of business funds. If you don't see it every day – look it up!
- If you need training or support – Get it! Mortgage insurance companies and all conforming industry agencies offer online and pre-recorded webinars for your benefit. Some of them are even short.
- When all else fails, ask. Your BDM is available for support, and MWF has several scenario desks for more detailed information should you need it.



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**THANK YOU FOR ATTENDING!**