Borrower Criteria

- [ ] **Completed loan application and disclosures:** You'll receive these from the lender. Be sure to sign or initial all pages.
- [ ] **Down payment:** Expect to provide proof of a minimum of 20% for non-owner-occupied properties and 3.5% to 5% for owner-occupied. Down payments of less than 20% require private mortgage insurance (PMI).
- [ ] **Gift letter:** If your down payment is a gift, the giver will need to provide a letter stating it was a gift and not a loan.
- [ ] **Federal tax returns, W2s or 1099s:** At least two years.
- [ ] **Employment verification:** Lenders will send a form to your human resources department.
- [ ] **Self-employment verification:** A copy of your corporate filing and your federal tax forms (Schedule E, Schedule C, Schedule SE, Schedule F—depends on type of business)
- [ ] **Personal financial statement:** Your personal financial statement shows your assets and liabilities. The lender may provide one or you can download this template from SCORE.
- [ ] **Last two pay stubs:** If you are an employee, the lender will want copies of your last two pay stubs.
- [ ] **Proof of rental income & leases:** If you own investment property, lenders want proof of rental income and copies of existing leases. They may ask to see rental income bank deposits.
- [ ] **Bank statements:** You'll need bank statements for all accounts.
- [ ] **Retirement and brokerage accounts:** Lenders typically want the most recent statement.
- [ ] **Debt statements:** Your credit report should show any outstanding debts. You may be required to verify this.
- [ ] **Copy of a driver's license or passport:** A lender will ask for a copy of your driver's license or passport to avoid potential identity theft or fraud.
- [ ] **Written explanation of any changes or gaps in employment in the last two years.**
- [ ] **Copy of a divorce decree:** Lenders check this to see if you're paying alimony and child support, which could impact your debt-to-income ratio.
- [ ] **Credit Scores:** Lenders look for credit scores of 640 and above. Private money lenders may not consider credit score depending on your investing experience and the deal.
- [ ] **Previous experience:** Depending on the lender and property, you or your partners may need previous investing experience.
- [ ] **Debt-to-income ratio (DTI):** DTI is calculated by dividing your monthly debt payments by your gross monthly income. Lenders typically want a DTI of 40%-50%.

Property Criteria

- [ ] **Appraisal:** A formal valuation of the investment property to ensure financing is within the loan-to-value. The lender orders it and you pay for it upfront or as part of your closing costs.
- [ ] **Property tax bills:** These are usually provided by the seller or from the tax assessor's office.
- [ ] **Purchase & sales agreement:** Your real estate agent will give you a copy or send it directly to the lender.
- [ ] **Mortgage and property insurance statements for other investment properties.**
- [ ] **Repair estimates:** For a rehab property you'll need to supply contractor estimates for repairs.
- [ ] **Current rental income and leases:** The lender may want to see copies of existing leases and rent rolls for the property you're buying. Rental income doesn't count toward the purchase.
- [ ] **Certificate of occupancy:** The occupancy certificate defines the building's legal use. Lenders may require this to make sure the property can be used as a rental.
- [ ] **Title search:** An attorney or title agent conducts a title history search to rule out liens and encumbrances and determine if the seller has the right to sell the property.
- [ ] **Deed:** The copy of the deed is usually provided when you sign a purchase agreement.
- [ ] **Insurance binder:** You'll need to purchase property insurance and submit proof of insurance (a binder) prior to closing, which you can do a few days before the closing.
- [ ] **Septic and well inspection reports:** Not all lenders ask for these, but you may need to provide them.