



# Loan Submission Checklist

## Sequoia

### 1099 Income

Borrower Name \_\_\_\_\_ Loan Number \_\_\_\_\_

Is there anything we need to know about the loan?

#### Required for initial credit file

- Credit Report
- Initial signed 1003 by MLO including HMDA Demographic addendum - MUST BE COMPLETE (i.e. dependent(s), years school, complete schedule of REO etc.)
- Qualifying income is determined by the lower of the total eligible income or the income from 1099 (s) or income disclosed on the 1003
- Valid ID for all borrowers
- Document 12 months housing history (if not reported on credit report, cancelled check, mtg/rental statements including rental History etc. A VOM/VOR by a private party must be supported by cancelled checks
- Preliminary Title Report/Title Commitment on refinance (on purchase, ok to follow) – Not required at time of submission in FL, NJ, and PA
- REO: Hazard Insurance Dec Page, Property Tax Bill, Mortgage Statement, and HOA statement for each property owned
- Copy of the lease(s) for the rental property and
- Two months proof of receipt of rental income and deposits into a bank account
- Signed purchase contract with all addendums and counter offer(s)
- Purchase Contact Sheet available at [Resource Center](#)

#### ASSETS

- 2 months Personal Bank statements for down payment, closing and reserves any large deposits must be sourced
  - Business funds may be used for down payment and reserves with the following:
    - Borrower must be the sole proprietor or 50% owner of Business
    - Perform cash flow analysis

#### USE OF BUSINESS FUNDS

- Business Expense Coverage Method:** Most Recent Business Bank statement for income documentation. Take the ending balance, then SUBTRACT the transactions down payment, Subtract the transactions closing cost, Subtract the reserves, ADD the funds available in the personal account(s) to determine the funds available for business expense coverage. The funds available for the business expense coverage must be a positive number and reflect a minimum of two months of average expenses as reflected on the Profit and Loss Statement or as determined by using the expense factor OR
- Balance Sheet Method:** The balance Sheet for the business (signed and dated by the borrower) must reflect positive working capital. Working capital is the sum of the current assets less current liabilities. The result represents the maximum amount of business funds available to use for the down payment, closing costs, and reserves

#### W2 Borrower

- Most recent paystubs reflecting 30 days and YTD earnings
- Two years W2s

### **Self Employed 1099**

- 2 years or 1 year 1099(s)
- Use Fixed expense ratio of 10% or
- Third party prepared P & L (tax professional)
- YTD documentation to support continued receipt of income from same source
- YTD earnings must be documented to support the ongoing receipt of income reflected on the 1099s by:
  - o Checks or a single check with YTD totals OR
  - o Bank statements – YTD
  - o Verify two years existence of active business

### **THE FOLLOWING BROKER UPFRONT DISCLOSURES ARE REQUIRED**

- Anti-Steering Disclosure (required on LPC transactions only - available at [newfiwholesale.com/resources](http://newfiwholesale.com/resources))
- CALIFORNIA ONLY – Comparison of Sample Mortgage Features (required on interest only loans)
- COLORADO ONLY - Net Tangible Benefit Disclosure – also signed by broker
- FLORIDA ONLY - Conflict of Interest Disclosure (required if broker has a conflict of interest as defined in FL Stat. 494.0023)
- GEORGIA ONLY – Temporary Authority to Operate Disclosure (required if LO has applied for, but not yet received, license)
- IDAHO ONLY - Notice of Financial Interest in Title Entity (provided by Broker if applicable)
- ILLINOIS ONLY – Borrower Information Document
- ILLINOIS ONLY – Description of Required Documentation
- ILLINOIS ONLY – Loan Brokerage Agreement and Disclosure Statement
- MARYLAND ONLY – Broker Finder’s Fee Agreement Disclosure
- NEW JERSEY ONLY – Mortgage Broker Service Agreement Disclosure
- NEW JERSEY ONLY – Mortgage Fee Itemization Disclosure
- NEW JERSEY ONLY – Application Disclosure
- NORTH CAROLINA – Mortgage Broker Application Disclosure
- OHIO ONLY – Acknowledgment of Receipt of Home Mortgage Loan Information
- OHIO ONLY – Business Relationship Disclosure Notice (if applicable)
- SOUTH CAROLINA ONLY – Mortgage Broker Fee Agreement Disclosure
- TEXAS ONLY – Texas Mortgage Company Disclosure
- TEXAS ONLY – Disclosure of Multiple Roles in a Real Estate Transaction (required if Broker is acting as both the Real Estate Agent and Mortgage Broker)
- WISCONSIN ONLY – Disclosure Statement
- WISCONSIN ONLY - Mortgage Broker Agreement
- Electronic signatures require E-signature certification form