



Loan Submission Checklist Sequoia Bank Statement

Borrower Name _____ Loan Number _____

Required for initial credit file

- Credit Report
- Valid ID for all borrowers
 - State issued Driver's License or ID card, passport, military ID, or resident alien registration.
- Document 12-month Housing History. If not reporting on the credit report, then provide one of the following:
 - 12-months Cancelled checks
 - Mortgage / Rental Statements including rental history, etc.
 - VOM/VOR by a private party must be supported by cancelled checks
 - Use DU findings to offset housing history
- Preliminary Title Report/Title Commitment
 - Refinance: Required at submission
 - Purchase: Ok to follow
 - Not required at submission in FL, NJ, and PA
- Signed purchase contract with all addendums and counteroffer(s)
- [Purchase Contact Form](#)
- [Business Narrative Form](#) – Signed by Borrower, or Broker/Processor. Required at time of submission.

REO:

- Hazard Insurance Dec Page (provide for all REO)
- Property Tax Bill (provide for all REO)
- Mortgage Statement (provide for all REO)
- HOA statement (if applicable)
- If using rental income for qualifying provide:
 - Copy of the lease(s) for the rental property and
 - 12 months bank statements verifying receipt of rents
 - Property profiles to determine borrower ownership
 - Entity formation docs for properties held in a Business Entity

ASSETS

- 2-months Personal Bank Statements for Down Payment, Closing Costs and Reserves.
 - Any large deposits over 50% of borrower's monthly income must be sourced on purchases.
- 3-months Business Bank Statements for cash flow analysis if using business funds for Down Payment, Closing or Reserves
- Cash-Out proceeds may be used to meet the Reserves requirement.

INCOME

W2

- Requires most recent 30 day pay stub including YTD earnings + 2-years W2's

Personal Bank Statements:

- Most recent 12 or 24-months Personal Bank Statements
- Most recent 2-months of Business Bank Statements reflecting activity and transfers to the personal account
- Verify Borrower's ownership percentage at 20% or greater via Tax Preparer letter or Operating Agreement.

Business or Co-Mingled:

- Most recent 12 or 24-month of Business Bank Statements
- Business Statements: Tax professional letter or operating agreement that reflects the borrower's ownership percentage is 25% or more (If less than 100% ownership, provide letter of approval / 100% access letter to use the funds from the other owners.)
- Personal / Business Co-Mingled Statements: Verify 100% ownership via Tax Preparer letter or Operating Agreement.

Expense Ratio Option 1, 2, and 3

Option 1- Fixed Expense Ratio 50% (Default)

Option 2- Business Expense Statement letter:

- CPA, accountant, or tax preparer signed and dated statement indicating percentage of expenses covering the same 12- or 24-month Bank Statements period. Minimum Expense ratio is 10%.
- Verification CPA, Accountant, or Tax preparer business and current license

Option 3 - Third Party Prepared P & L Statement:

- CPA, accountant, or tax preparer prepared P & L signed and dated. Average monthly gross revenue P & L average monthly net deposits on bank statements must be within 10%
- Proof of State license for CPA, Accountant, or Tax preparer

Option 4 – Deposits Minus Withdrawals

- 12 or 24-month Business Bank Statements
- Percentage of business ownership.

CPA Gross Receipts: Gross Receipts / Income from the borrower's most recent tax year based on data from a CPA Letter.

- CPA / Tax Preparer Letter addressing the following:
 - Borrower's ownership percentage (50% minimum)
 - Total gross receipts for the most recent tax year filed
 - Confirm CPA prepared & filed borrower's taxes
- Business Bank Statements to support YTD gross receipts:
 - Lesser or 2-months or YTD if CPA letter based off most recent tax year
 - 6-months if CPA letter based on tax year that exceeds 12-months from the application date

CPA P&L: CPA provided 12-month P&L divided by 12. Divide the result by the borrower's ownership percentage in the business = monthly income.

- P&L signed and dated by CPA
 - Verify borrower's ownership percentage (50% minimum)
 - Must reflect most recent 12 months
 - Confirm CPA prepared & filed borrower's taxes
- 2 months recent Business Bank Statements to support P&L gross income

Departing Residence:

- Current lease
- Provide receipt of deposit or 1st month's rent

Delayed Financing:

- Document the source of funds used for the purchase with bank statements, personal loan documents, HELOC on another property, gift, etc.
- Provide Final closing documentation

Asset Depletion: Qualifying assets / 84 = Monthly income

- 3 months personal account statements or a VOD with at least 120 days seasoning

Minimum required assets must meet one of the following 3 options:

- \$1,000,000 or
- 150% of the loan amount or
- \$400,000 provided borrower has 60 months of total liabilities.

Trust Income:

- Copy of the trust agreement or trustee statement confirming amount, frequency and duration of payments AND confirming a minimum of 3 years continuance of payments after note date.
- Distributions received monthly or quarterly provide evidence of receipt.
- Distributions on any other schedule, provide most recent 1040.

IRA or Other Self-Directed Retirement Distributions:

- Method 1 = Average of historical distributions on 1099 or 1040's. Provide:
 - Account Statement(s) reflecting available balance for withdrawals.
 - Two prior years 1099-R or 1040
 - Income will be averaged based upon withdrawals over the past 24-months
- Method 2 = Evidence of current monthly automatic distribution
 - Account Statement(s) reflecting available balance for withdrawals
 - Evidence of automatic withdrawal (the document at least 3 years remaining)
 - Current distribution amount will be used for income

THE FOLLOWING BROKER UPFRONT DISCLOSURES ARE REQUIRED:

- [State Specific Disclosures](#)