



WHAT DOES GREENWAY LOOK AT TO DETERMINE IF A CLIENT IS QUALIFIED FOR A MORTGAGE?

The mortgage process can be daunting, especially the early stages of qualification! We ask many questions that may not seem to relate to a mortgage and request a significant amount of documentation. Guidelines have become more stringent to ensure the borrower is given a mortgage they can afford. Understanding the underwriting process can help ease stress and streamline the effort. In general, mortgage lenders like Greenway observe the 4Cs of borrower qualification – Credit, Character, Capacity and Collateral. Since every client’s financial situation and scenario varies, the 4Cs help Greenway determine if a particular borrower and property are mortgage-worthy.

The following information details what each “C” means and outlines what we look at in making an underwriting determination.

CREDIT:



DETERMINE LIKELYHOOD BORROWER WILL REPAY DEBTS

- **PAYMENT HISTORY**
Late payments, Judgments, Bankruptcy
- **CREDIT BUREAUS**
Render credit score
Lower scores means higher interest rates and more difficulty qualifying.

CHARACTER:



WORK & INCOME HISTORY IS INVESTIGATED

- HELPS DETERMINE THE BORROWER’S ABILITY TO REPAY
- **EMPLOYMENT HISTORY**
- **REGULAR FLOW OF INCOME**
Salary, bonus and commission
Self-employed income
- **ASSETS**
Funds to close, Reserves

CAPACITY:



ASSESS ABILITY TO REPAY

- **DEBT-TO-INCOME RATIO (DTI)**
- **HOUSING COSTS (PITI)**
- **OTHER DEBTS: CAR PAYMENTS, LOANS, CREDIT CARDS, STUDENT LOANS, ETC.**

COLLATERAL:



DETERMINE VALUE OF THE HOME THAT IS BEING FINANCED

- **ENSURES LENDER CAN RECOUPE IF DEBT IS NOT PAID (FORECLOSURE)**
- **APPRAISAL TO DETERMINE VALUE & PROPERTY CONDITION**



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