



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

The mortgage process can be a scary one, 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 4 C's of borrower qualification – Character, Credit, Capacity and Collateral. Since every client's financial situation and scenario varies, this method helps Greenway determine if a particular borrower and property is mortgage-worthy.


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

CHARACTER:

 **WORK & INCOME HISTORY IS INVESTIGATED**

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

CREDIT:

 **EXAMINES LIKELYHOOD BORROWER WILL CONTINUE TO REPAY DEBTS**


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

CAPACITY:

 **ASSESS WHAT THE BORROWER CAN AFFORD**

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

COLLATERAL:

 **DETERMINE VALUE OF THE HOME A MORTGAGE IS TAKEN AGAINST**

- ENSURES LENDER CAN RECOUPE IF DEBT IS NOT PAID (FORECLOSURE)
- LOAN TO VALUE (LTV)
Loan > 80% of value requires mortgage insurance
- VALUE DETERMINED BY APPRAISAL



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