

Tips for Applying Online:

Applying for a mortgage online is becoming more common. Follow these tips to make sure you protect yourself:

- **Security.** Make sure the Internet site uses security measures and protects your financial information. Ensure the Web site uses a secure socket layer, which means your information will be encrypted for the online transaction. To make sure a secure socket layer is used, look at the bottom right corner of your browser for a locked key or padlock symbol. Additionally, a secure URL always begins with https and not just http.
- **Beware of fake sites.** These sites are designed to look genuine, but are created to persuade individuals to divulge personal financial information. Legitimate online mortgage companies will never ask for PIN numbers to your accounts, etc. If you are not sure if the site you are dealing with is legitimate, STOP and research the company before providing any personal or sensitive information.
- **Make sure you are dealing with a U.S. mortgage company.** Be sure the online mortgage lender is an American company. If you are unsure if the company is a U.S. company you can conduct a “Whois Lookup” to see who owns the site and where it is registered. You can find this information by searching for the term “whois.”
- **Privacy.** Look at the site’s privacy policy to know who will have access to your information and what type of information the site collects and saves.
- **Don’t give out unnecessary information.** Online mortgage companies do not need your personal financial information, such as a credit card number or bank account number/balance to complete your online transaction. You will likely be asked for your Social Security number, however. If you are uncomfortable providing your SSN online, you can speak to a broker over the phone to complete that portion of the transaction.
- **Accuracy of Indication Rates.** Understand how lenders decide on rates. A rate may be based on a credit score or the amount of the down payment. You may need to complete an application to get a rate. Make sure you compare different lenders.
- **Decision Time Frame.** Find out the approval time frame – some online decisions are made in minutes.
- **Application Fees.** Compare online fees with your local lenders. Some sites will allow you to complete an application and get their decision before paying an application fee.
- **Closing Costs.** Closing costs, transfer taxes, and property taxes vary widely across the country. Make sure the online site’s closing costs are accurate and realistic. Your real estate agent can get you this information.
- **Customer Support.** Review the online lender’s customer support resources, such as customer service hours and availability.
- **Closing Arrangements.** Ask the online lender how the company will arrange for a closing in your area.

Mortgage Application Documentation Checklist

Mortgage applications require a great deal of information and documentation. Some commonly required documentation includes:

- **Social Security number and date of birth.** This is required of you and any co-borrowers.



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- **Income verification.** You need to show your 2 most recent pay stubs with year-to-date earnings.

- **Tax information.** W-2 tax forms and tax returns are often required for the last 2 years.
- **Employer(s) verification.** The names, addresses, and telephone numbers of your employers for the past 2 years are needed.
- **Bank account(s) information.** The account number(s) and current balance(s) of your checking, savings, or any other account(s) may be needed.
- **Assets information.** This includes statements of current assets, such as Individual Retirement Accounts (IRAs), Certificates of Deposit (CDs), stocks, and bonds. If you have individual investments, bring a current brokerage statement with the name of the stocks, the amount per share, and the number of shares owned.
- **Personal property information.** You must disclose the value of your personal property, including employee retirement accounts, furniture, cars, any valuable collections, other valuable property, and life insurance.
- **Credit information.** You will need to provide the names and addresses of all creditors, as well as the monthly payment and total amount due for all current loans.
- **Current housing information.** If you own your own home, bring your address, current market value, mortgage lender, account number, current monthly payment, and outstanding balance due on the mortgage. If you rent, bring your address, the name and address of your landlord, and proof of/lease your current monthly rent. If you've lived at your current address for less than 2 years, bring the information for your previous addresses.
- **Contract and deposit information.** You will need a signed copy of your ratified sales contract, showing that you and the owner have accepted your offer. You will also need receipts for the earnest money deposit toward the property. Earnest money is a deposit you make to show you are serious about buying the house.
- **A copy of a gift letter.** If part of your down payment or closing costs will be from a gift, you need to bring a signed letter from the donor stating that you don't have to repay the gift money.
- **Self-employment documents.** If you're self-employed, you will need to bring your profit and loss statement and balance sheet for the past 2 years.
- **Divorce or separation information.** Bring a copy of the divorce decree or maintenance agreement, along with any amendments and a 12-month payment history of alimony and/or child support payments. You will need all of these documents if the payments are needed to verify your income and qualify for the mortgage.
- **In-school/student information.** You'll need your school transcripts or diploma if you don't have 2 years of employment history.
- **Rental property information.** You'll need federal tax returns and a schedule of all real estate property you own. You'll also need the account number and address of the mortgage company if any property you own is not paid for. If the property is rented, you will need to provide a copy of the current lease.