

# How to Avoid Delays in your mortgage process

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## Proceed with CAUTION.

Obtaining a mortgage requires a lot of documentation, multiple forms, financial records, third-party paperwork; not to mention multiple layers of inspection to verify your information is accurate. Financial changes during your loan process can invalidate paperwork and delay your loan closing. Here are four ways to avoid loan processing setbacks.

### **No. 1: Inform lender of a job change ASAP.**

You submit paystubs and W2's to your lender, but, right before closing, your lender may request employment verification from your employer. If your job or income status changes, this can potentially create a holdup in the loan process; or worse, your loan may be denied, even if you were pre-approved. A job change requires updated documentation and approval verification. Some jobs have a probationary period, which too may affect your loan approval process. If you are planning a job change, let your lender know as early as possible.

### **No. 2: Resist increasing debt.**

A few days before closing, your lender runs a final credit check to check for new debt. If you open a new credit card, finance new appliances or furniture, buy a car, co-sign on another loan or take on more debt, new documentation is required. Resist the urge to make big purchases during your loan process. New debt may affect your loan qualification.

### **No. 3: Avoid big financial changes.**

Most lenders require up to two months of bank statements for proof of funds used for your home transaction. Changing banks during your loan process may cause a delay in obtaining the necessary statements. Moreover, any large deposits made into your account need explanation. Most loans will allow a gift, but these funds require additional documentation signed by you and the person making the gift.

### **No. 4: Keep credit card balances low.**

A large portion of your credit score reflects your credit utilization. Keeping credit card balances under 20 percent of your available balance helps your credit score. When it comes to your mortgage, your credit score helps determine both your interest rate and mortgage insurance (if required). A higher credit score helps you qualify for better rates, saving you money over the life of your loan.

Before you make major financial changes, talk to your lender first. This will help you avoid delays or setbacks during your mortgage process.

We are here to help even if you're not an RCB Bank customer. Connect with a local RCB Bank lender to get answers to your lending questions. Find one at [RCBbank.com/location](http://RCBbank.com/location).



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