



How to Successfully Get a Mortgage in 2014

Imagine going into a restaurant and getting seated only to have the waiter check your wallet, find out you have 20 times the amount of cash required to pay for your meal, call your bank, find out you have double that amount of cash in the bank, ask you to produce even more documents, and then act like nothing's wrong, it's all normal and you're the one with the problem. Sound a little crazy? Well, that's kind of how it's like to apply for a mortgage loan in 2014!

Thank you Congress... Way to Go!

The US government has basically recruited the entire financial services industry in its fight against terrorism through a law known as the Bank Secrecy Act. The Anti-Money Laundering provisions of the Act went into effect across the mortgage industry in 2012. These rules are commonly referred to as the BSA-AML rules. In short, the BSA-AML rules require mortgage companies, banks and financial institutions to document every minute detail of your financial life when you apply for a loan! In fact, mortgage companies are often required by law to ask you for:

- ✓ Exact source of funds used for your downpayment and earnest money deposit. This includes where the money came from, how it got there, when it got there and why it got there.
- ✓ If you have large deposits in your bank account: where the money from, how it got there, when it got there and why it got there. Large deposits can be classified as any deposit representing 10% - 20% of your normal monthly income. For example, if you earn \$10,000 per month, and you had a deposit for an additional \$2,000 in your bank account last month, the mortgage company may be required by law to ask you to prove exactly where that money came from, how it got deposited in your account and why it was deposited there in the first place
- ✓ If you are selling investments to use that cash for any reason related to the home purchase, you'll likely be asked to document:
 - ✓ Precisely which stock(s) or bond(s) you are selling
 - ✓ Whether the trade cleared and when exactly the funds from the investment sale got deposited into your account

Is There Any Way to Avoid All This Invasive Prying Into Your Financial Affairs?

The only way to really avoid this is for you to pay cash for your property. Unfortunately, most people are not in a position to do this. Further, even if you could pay cash, it may not make financial sense to do so.

What CAN You Do About This?

First of all, choose the right mortgage professional to help you with this transaction. Although everyone has to play by the same rules, some mortgage professionals play more competently than others. As a CMPS professional, I'm bound by my Code of Ethics to handle your transaction with a higher duty of care than most others in my industry.

The CMPS Code of Ethics requires me to:

- ✓ Maintain regular and proactive **COMMUNICATION** with you during the loan process
- ✓ Utilize professional **COMPETENCE** in making the loan process go as smoothly as possible for you
- ✓ Implement **CONTINUOUS IMPROVEMENT** in my business affairs by conducting after-closing surveys and learning how my team and I can improve our service to you

Let's go back to the restaurant example we started with. When you walk into my restaurant, my team and I will do whatever we can to give you a 5-star dining experience! That's our commitment to you. We believe we can do this in spite of all the government regulations. If we didn't believe that, we wouldn't be in business. We take pride in our work, and we're passionate about helping you in any way we can.

What Else Can Be Done To Make This Process Go Smoothly?

The second thing you can do to successfully get a mortgage in 2014 is get all your paperwork prepared ahead of time. This includes:

- ✓ Last two months bank statements (all pages, front and back) of any account where you'll be using money for a down payment and/or earnest money deposit; and,
- ✓ Explanation of any large or irregular deposits in those accounts

Separately, I'll send you a checklist of documents that are specifically required for your loan program. Please keep in mind that I'm not asking you for items on that checklist to make your life hard. (Believe me, it would actually be easier for me if there were less documents required.) I'm asking you for those documents because I'm required to do so.

Thanks again for choosing me to help you with this financial transaction! I'm truly honored that you've entrusted me with handling this very important part of your life. My desire is to really make this a 5-star experience for you in any way I can!



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