

Pre-Close Checklist

Loan Information	
Borrower Last:	
Property Address:	
Transaction Type:	
Program:	
Loan Number:	

Approval:	Response:
All conditions of approval, prior to documents, and/or closing conditions are satisfied on the Notice of Loan Approval?	
Do the terms of the Notice of Loan Approval match the terms allowed by the guidelines the program was locked on?	
There are no inconsistencies in the data on the Approval that will negatively impact the overall approval of this mortgage.	

Loan Profile 1008:	
1008 details match Approval	
Property Type, Occupancy, Purpose, Loan Amount, LTV, DTI fit matrix limits for program selected	

Loan Application- 1003:	
All details match Approval & 1008. All sections completed	
Borrower's Intent to Proceed with Application (signed and dated within 10 days of Application)- except DSCR loans	
Were all changes initialed by the borrower(s), and have all parties signed and dated the loan application?	
The declarations section is completed.	
The borrower(s) have indicated that they are either perm. resident alien(s) or not US citizen(s) and required documentation was obtained	
The Loan Originator NMLS ID number and the Loan Originator Company NMLS ID number must be completed.	
Loan applications must be completed, signed, and dated by the Loan Officer.	
A photo ID for each borrower must be in the file. (Patriot Act Disclosure acceptable as alternative.)	

Credit Report:	
The borrower(s) name(s) and address on the Credit Report match the Loan Application	
SSN(s) on the Credit Report match the Loan Application . Was the borrower SS# verified by third party vendor and there are no discrepancies (Fraud Report)?	
Does Credit Report meet the min fico required by program selected?	
All credit items reflected on 1003 - Late payments meet guidelines for program selected	
All judgments and/or liens that have significant impact to the loan have been documented and/or are paid?	
No disputed items reflected on credit report.	
Seasoning met for Foreclosure, Deed in Lieu, Short Sale, Short Pay and Bankruptcy for program selected.	
Fraud Alerts, SSI Alerts, Identity Theft Alerts, Etc. have been addressed and cleared with documentation	
Are all Credit inquires made within 90 days of the loan application adequately explained by the borrower(s)?	
A complete credit report including all pages must be provided.	
Explanation letter signed by borrower(s) for all derogatory credit included	
Loan Modification guidelines were met, if applicable	

Income:	
Full Doc requirements met for program selected	
Alternative Doc requirements met for program selected	
Income calculation worksheet provided – Qualifying income matches 1008 and 1003	
DSCR calculated properly	

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Paystubs, W2, Tax Returns complete and match 1003 borrower(s) details	
Bank Statements complete and match 1003 borrower(s) details	
<ul style="list-style-type: none"><li>Bank Statements are consecutive for required program period</li></ul>	
<ul style="list-style-type: none"><li>Bank Statement information correctly transferred to Income calculation worksheet</li></ul>	
<ul style="list-style-type: none"><li>Business Bank Statements supported by borrowers ownership documentation     (3<sup>rd</sup> party)</li></ul>	
<ul style="list-style-type: none"><li>Correct Expense Ratio applied and documented if required     Standard 50%     Less = Additional Documentation</li></ul>	
Asset Qualification Doc requirements met	
<ul style="list-style-type: none"><li>Asset qualification calculations correct / match 1008 income</li></ul>	
Profit & Loss used as qualifying income	
<ul style="list-style-type: none"><li>P&amp;L complete for business type with preparers signature and professional designation with documentation</li></ul>	
Do the income calculations reached by the reviewer match the income calculations of the underwriter?	
Were all job gaps (one of more months) were adequately explained and documented in the file by the borrower(s)?	

Assets:

Reserve requirements meet and documented for program selected.	
All funds for closing and reserves were sourced and seasoned in account(s) held by the borrower for a minimum of 60 days	
All funds used for closing and reserves were from acceptable source. (see guidelines for specific program selected)	
Business funds used for D/P, closing and reserves with borrower(s) as 100% owner	
Gift funds used for D/P and costs only (not reserves) are sourced and documented per guidelines	
Validate Asset section of Loan Approval Summary reflects actual assets in file accurately	

Purchase Contract:

The sales contract and all addendums have been fully executed by all parties and if any, all changes property initialed	
Does the borrower(s) name(s) on this document match the borrower(s) name(s) shown on the final Loan Application?	
Does the property address on the Prelim match the property address on the Appraisal, Purchase Contract, and final Loan Application?	
Do the names of the Seller(s) appear consistently on the documents as they appear in the file?	

Appraisal:

* Two appraisals in file at the time of Audit for loan greater than \$1,500,000 and HPML * One appraisal and AVM or CU 2.5 or less in file at the time of Audit for loans \$1,500,000 or less.	
<b>Subject</b> details accurate to 1008/1003/Prelim	
<b>Neighborhood</b> details consistent with subject & comparables	
<b>Site</b> Details, zoning description consistent with property type, zoning Legal or Grandfathered, no AG or non-residential	
<ul style="list-style-type: none"><li>Highest and best use marked Yes</li></ul>	
<ul style="list-style-type: none"><li>FEMA flood zone – No                    If, Yes – Flood insurance provided?</li></ul>	
<ul style="list-style-type: none"><li>Utilities typical for area – no adverse conditions</li></ul>	
<b>Improvements</b> consistent with comparables/market	
<ul style="list-style-type: none"><li>Appraisal commentary on subject OK for Description, Deficiencies and Conformity</li></ul>	
<b>Sales Comparison Approach</b> – Comparable proximity as expected per neighborhood details section	
<ul style="list-style-type: none"><li>Date of comparable sales under 6 mos – over 6 mos commented on by appraiser in addendums</li></ul>	
<ul style="list-style-type: none"><li>Subject Quality of construction similar to comps Q4 or better</li></ul>	
<ul style="list-style-type: none"><li>Subject Condition similar to comps C4 or better</li></ul>	
<ul style="list-style-type: none"><li>Adjusted Sales Price of Comps bracket Subject’s final value</li></ul>	
<b>Reconciliation</b> – Appraisal is “As-Is”     “Subject to” value or “inspections” documented as completed	

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<ul style="list-style-type: none"><li>Date of valuation consistent with initial Sales Agreement if applicable or initial 1003</li></ul>	
Appraisal Report signed and dated	
<b>Supplemental Addendum</b> – Satisfactory commentary included for any questions regarding improvements, adjustments, and expanded	
age of comparables or excessive distance from subject.	
<ul style="list-style-type: none"><li>All additional comments within addendum acceptable</li></ul>	
<b>Appraisal Forms Included</b> - Market Conditions Addendum (1004MC)	<b>Not Required</b>
<ul style="list-style-type: none"><li>Comparable Rent Schedule (1007 for SFR)</li></ul>	<b>Required for Investor Properties</b>
<ul style="list-style-type: none"><li>Subject Pictures</li></ul>	<b>Required</b>
<ul style="list-style-type: none"><li>Comparable Pictures and Rental Pictures (on investor properties)</li></ul>	<b>Required</b>
<ul style="list-style-type: none"><li>Building Sketch</li></ul>	<b>Required</b>
<ul style="list-style-type: none"><li>Plat Map and Location Map</li></ul>	<b>Required</b>
<ul style="list-style-type: none"><li>Appraisal License and copy of E&amp;O Insurance</li></ul>	<b>Required</b>

**Secondary Appraisal Review Product – Required:**

Second Appraisal – Required for loan amounts > \$1,500,000.	
AVM (Collateral Desk Top Analysis, Appraisal Risk Review, CU Risk score of 2.5 or less – All loans ≤ \$1,500,000	
Other Review Product (Field Review or Drive-By if used)	
Correct Final Value Used - Lower of two appraisals or appraised value if review value within 10%	
<b>No Appraisal Product – AVM with FSD (forecast standard deviation) Score</b>	
<ul style="list-style-type: none"><li>Correct AVM Value Reduction applied (shown on QuickPoint Matrix) LTV based on reduced AVM value</li></ul>	

**Title:**

Interest in land is <b>FEE SIMPLE</b>	
Interest in land is <b>LEASEHOLD</b>	
<ul style="list-style-type: none"><li>If the property rights are Leasehold, is a copy of the lease agreement in the file?</li></ul>	
Purchase, the current owner(s) on title must match the current owner(s) on the appraisal and on the sales contract	
Refinance, borrower’s name(s) must match 1003 borrower(s)	
Legal description on this document match the legal description on the Appraisal?	
Property address on the Prelim matches the property address on the Appraisal, Purchase Contract, and final Loan Application	
Title Policy in the file clear of all exceptions	

**Hazard Insurance:**

A copy of the hazard insurance policy declaration page showing adequate coverage and annual premium amount is in the loan file.	
The borrowers name(s) on this document match the borrowers name shown on the final Loan Application.	
Must include the correct property address or legal description	
Insurance effective date must be on or before loan disbursement date.	
Rent loss coverage for investor properties	
Evidence of insurance must indicate premium amount.	
If the property is an attached condominium or an attached PUD, then a Blanket HOA Master Policy is required. Evidence of Insurance/Policy must reference the borrowers' names and property address/unit number.	
HO6 coverage is required if the Blanket HOA Master Policy does not provide "Walls In" coverage.	

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Additional Items:	Response:
Exception to Guidelines noted in file	
<ul style="list-style-type: none"><li>Exception is within tolerance (See Exception Limits)</li></ul>	
<ul style="list-style-type: none"><li>Compensating Factors are documented and acceptable</li></ul>	
<ul style="list-style-type: none"><li>No layered exceptions</li></ul>	
Document Expiration Dates:	
Credit Report Date _____ Expires _____	
Most Recent Paystub Date _____ Expires _____	
Most Recent Bank Statement _____ Update Required _____	
Most Recent Asset Statement _____ Update Required _____	
Appraisal Date _____ Expires _____	
Defects:	

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_