



**THE LUEDECKE GROUP REALTORS**  
**RESIDENTIAL • LAND • RANCH**

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Before you begin looking for a new home, a second home, or an investment property, it is always a good idea to get prequalified by your lender (note: this is different than being preapproved).

Prequalification:

1. Saves you time – you don't spend your time looking at homes that are out of your price range.
2. Gives you an advantage in the marketplace – many sellers will only allow their property to be shown to prequalified buyers.

The following information was provided by Shaun Monahan of JP Morgan Chase to help you understand what you may be asked for when going through the prequalification process. This information is based on Chase requirements and is meant to be basic and broad in nature. The only way to know how much, and at what rate you will qualify for, is to submit an application to determine your eligibility. If you would like to find out how much you qualify for contact Shaun at 503-997-0088 or [Shaun.P.Monahan@Chase.com](mailto:Shaun.P.Monahan@Chase.com).

<b>Your Credit Score</b>	<b>Value Rating</b>	<b>Paper Rating</b>
720 and up	Superior Rating	A Paper
680 to 720	Excellent Rating	A to B Paper
640 to 680	Very Good Rating	B Paper
580 to 640	Good Rating	Subprime
550 to 580	Fair Rating	Subprime C
550 and below	Imperfect Rating	C Paper

The following list is for "A" paper (note: different guidelines apply to "B and C" credit)

- Conforming loan amount of up to \$417,000 – 1st mortgage loan amount only (can also have a 2nd mortgage)
  - Can be owner or non-owner occupied
  - If owner occupied, must have 2 months PITI\* reserves (Principal, Interest, Taxes, Insurance). This money can be gifted from a friend or relative, but is best if it can be shown as self-saved (seasoned).
  - If non-owner occupied, must have 6 months PITI\* reserves. This money cannot be gifted!
- Non-conforming loan amount of +\$417,000
  - Can be owner or non-owner occupied
  - If owner occupied, must have 4 months PITI\* reserves (Principal, Interest, Taxes, Insurance). This money can be gifted from a friend or relative, but is best if it can be shown as self-saved (seasoned).
  - If non-owner occupied, must have 6 months PITI\* reserves. This money cannot be gifted!

\*Sources of PITI funds can be from any combination of these assets: checking/savings, 401K/IRA/SII, stocks/bonds, heloc, and basically anything that can be liquid should the need arise. This excludes credit cards!

What you need to know:

- Minimum required documentation for full doc loan (either initial loan or refinancing loans)
  - Last 2 yrs tax returns
  - Last 2 years W2/1099 Stubs
  - Last 2 months asset statements, all pages
  - Current home appraisal within last 6 months (we "Chase" need to order this appraisal)

- Home owners insurance agent's name & phone number
- 2 yrs work history in the SAME field or relating to job
- 2 yrs address history (does not have to be the same address)
- 3 credit trade lines (credit cards, student loans, car loans, etc): 1 of them at least 24 months old for payment history
  
- If you've filed for bankruptcy (chapter 7 or 13)
  - It needs need to be seasoned at least 2 yrs
  - It cannot contain any Chase accounts in the bankruptcy, such as credit cards or mortgages
  - If you're trying to refinance, current payments to bankruptcy trustee must be made on time and be current prior to pulling money from refinance
  - No late mortgage payments since filing
  - Credit Score of 620+ (this can vary on a loan amount greater than \$417,000, and also depends on the loan program)
  - 2 yrs work history in the SAME field or relating to job
  - 2 yrs address history, does not have to be the same address
  - 3 credit trade lines (credit cards, student loans, car loans, etc): 1 of them at least 24 months old for payment history

Again, the information above is meant to be general in nature. For detailed information based on your specific financial circumstances, please contact Shaun Monahan directly at 503-997-0088 or

[Shaun.P.Monahan@Chase.com](mailto:Shaun.P.Monahan@Chase.com).