



Your Mortgage PLANNER

with Jamie H. Harrington, President

“STATED INCOME” MORTGAGES

A growing number of home buyers are financing their purchase with a “stated income” mortgage – a loan that requires minimal documentation about the borrower’s income.

These loans are especially designed for self-employed individuals who gain an income from commissions, tips, investment yields, or other sources of income that are hard to predict in advance. They are usually available only to home buyers with a credit score of at least 720.

The downside is that some applicants might choose to report an inflated income so they can borrow more money and purchase a better house. As a result, they sometimes acquire a home and mortgage they can’t afford. This can potentially lead to the loss of their home, a scar on their credit record, and a serious penalty for providing false information to their lender.

Many lenders now require certified statements from “stated income” mortgage applicants declaring that the information supplied is correct and complete. Application forms are required, along with credit reports, past tax returns and appraisals. Fees are sometimes higher for this type of mortgage.

Stated income mortgages can be a real option for creditworthy borrowers with special circumstances, but they are not a good way to buy “more house” than you can afford.

If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group, Inc., is located at 340 NC Highway 16 S. in Taylorsville.

www.unitedcarolinagroup.com