



# Items to Avoid Before Applying for a Loan

## There are circumstances to avoid doing before applying for a loan or during the loan process itself.

Any one of the items listed below can greatly impact your ability to qualify for a mortgage loan. It is important to avoid doing any of the following until AFTER you have closed on the purchase of your home.

### **Don't make any major purchases.**

Many consumers make the mistake of buying new cars, furniture, etc. without realizing the impact of that purchase. Lenders look closely at your debt-to-income ratio. A large payment or purchase can greatly impact those ratios and prevent you from qualifying for a home loan.

### **Don't increase the balances owed on credit cards.**

If the new purchases increase the amount of debt you are responsible for on a monthly basis, there is a possibility this may disqualify you from getting the loan.

### **Don't move assets from one bank account to another.**

These transfers show up as a new deposit and complicate the application process, as you must then disclose and document the source of funds for each new account. The lender can verify each account as it currently exists. You can consolidate your accounts later if you need to.

### **If possible, don't change jobs.**

A new job may involve a probation period which must be satisfied before income from the new job can be considered for qualifying purposes. A new job may pay commission, overtime, or bonus income versus a guaranteed salary must have minimum of one-two years history before you can use it for qualifying.

### **Don't run your own credit report.**

This will show up as an inquiry on your lender's credit report. Inquiries can lower your credit score. All inquiries must be explained in writing, i.e. do you have new or more debt.

### **Don't attempt to consolidate bills or pay off debts before speaking with your lender.**

The lender can advise you if this needs to be done.

### **Don't pack or ship information needed for the loan application.**

Important paperwork for your home loan, such as W-2 forms, bank statements, divorce decrees, and tax returns should not be packed with your other household items. Finding copies could take weeks and delay the closing date on your new home.

Information provided by First National Bank.  
For more information contact your NP Dodge Agent or stop in and talk to one of the  
First National Bank Mortgage Representatives located in each of the NP Dodge sales offices.

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