

Eagle Funding

BROKER MEMO

Date: November 11, 2009

Subject: **COMMONLY MISSED AREAS ON 1003 WHICH ARE PERTINENT TO LOAN DECISION**

In order for Eagle Funding to provide the best service possible, including more accurate underwriting decisions, fewer conditions, and faster turn times it is imperative that applications are complete and accurate. The 1003 must provide a clear and concise picture of the complete loan in order for Underwriting to make a decision and condition the loan appropriately. Often, loan decisions are delayed due to inaccurate or missing information. Providing a complete, accurate 1003 will save you time as your loan will be underwritten and processed quicker, leading your loans to close and fund faster.

Commonly missed areas on the 1003's are as follows:

Page 1:

- The section: **“Complete this line if this is a refinance loan”** Year acquired, original cost, amount of existing lien, purpose of refinance (rate term, cash-out, debt consolidation etc.)
- **Source of Down Payment, Settlement charges, and/or Subordinate Financing:** This section is critical to underwriting to determine how to condition the file properly at first submission.
- **2-year residence history is required.** If the borrowers have not lived at their current address for a full 24-month period, we need the former address added to cover a 2-year period.
- **2-year employment history is required.** If the borrower does not have 2-years on current job, please list all previous employers for a 2 year period and be sure to confirm the information you enter matches the supporting documents in the file (i.e. W-2's).

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- **Monthly housing expense.** Enter the borrower's current housing expense on both purchase and refinance loans. If the borrower is currently living rent-free please indicate this on page one in the residence section. If the transaction is a refinance, the current housing payment should match the current mortgage payment listed on the credit report.
- All funds being used to close should be listed in the asset section.
- Gift funds need donor information and relation to borrower listed on the 1003.

Page 3:

- **Schedule of Real Estate Owned.** This needs to be completed. Indicate if the home is a rental, land, pending sale, etc. Indicate the amount of the current mortgages, payment, if Taxes and Insurance are included in the payment amount, and the amount of rent if applicable.
- Declarations and Government monitoring sections must be completed
- **Signature and date by Loan Officer is mandatory**

For questions, please contact your Account Executive. Thank you for your business.

David Baker

VP – Wholesale, Eagle Funding