

Step 16 to Buying a Home: What Can Cause a Lender to Change their mind and disapprove your mortgage?

Don't Spend Extra Money



This is very important so please read and take heed!

Your mortgage pre-approval was granted to you based on the amount of money you had at the time of the pre-approval in your savings accounts, checking accounts, retirement accounts, etc. and was based on the amount of debt you had at the time (car payments, student loans, your current mortgage if you already own a home, etc). If you go out and buy a TV, a new car, new furniture, etc....AND don't open new credit cards or co-sign on a loan. Between now and closing and changes to your finances could put your chances of being approved for your mortgage in jeopardy **AS THE LENDER PULLS YOUR CREDIT ONE MORE TIME THE DAY BEFORE CLOSING.** Therefore, it is imperative that you spend as little money between now and your closing date as possible. In addition, be sure to pay all of your monthly bills on time going forward, don't open or close any credit cards, don't take extravagant vacations, etc. Often buyers think it won't make a difference if they buy a couch, new TV, etc and charge it to their credit card, but it very well could put your loan in jeopardy. So please do not buy ANYTHING big until after closing.

If in doubt as to whether a potential purchase will affect your ability to obtain a mortgage, please speak with your mortgage lender.