

Basic Income Documentation

Conventional:

- 30 days most recent paystubs - ensure employer name, employee name, and YTD earnings are on there.
- Recent year W2s
- 2 years tax returns (3 years if Housing Program)
- Awards letter if income from SS/Pension/Annuity
- Lease Agreements if rental income is used and no tax returns on file OR if rental property acquired after taxes were filed
- Student transcripts - if recently out of college to support 2-year employment history

FHA/VA:

- 30 days most recent paystubs - ensure employer name, employee name, and YTD earnings are on there.
- 2 most recent year W2s
- 2 years tax returns (3 years if Housing Program)
- Awards letter if income from SS/Pension/Annuity
- FHA - Current & Prior VOs for any employment held in the last 2 years (Cornerstone Bank will order)
- Student transcripts - if recently out of college to support 2-year employment history

Rural Development/SDHDA:

- 30 days most recent paystubs - ensure employer name, employee name, and YTD earnings are on there.
- Full Verification of Employment (Cornerstone Bank will order)
- 2 most recent year W2s
- 2 most recent years tax returns (3 years if Housing Program)
- 2 most recent years tax transcripts (Cornerstone Bank will order)
- Current & Prior VOs for any employment held in the last 2 years (Cornerstone Bank will order)

Self-Employment:

- Tax Transcripts - 2 years (Cornerstone Bank will order)
- Tax Returns - All schedules, K1's - 2 years (3 years if Housing Program)
- CPA Letter / Active Business License

**** Additional documents may be required after being reviewed by the Underwriter.****

Basic Asset Documentation

Large deposits will need to be secured on Verification of Deposits & bank statements that are considerably greater than the average balance - typically higher than 1% of the adjusted value (Purchased price vs. Appraised value).

Conventional:

- 2 months consecutive bank statements **OR**
- Verification of Deposit

FHA:

- Verification of Deposit AND most recent available month bank statement
- OR most recent available month bank statement showing beginning and ending balances
- IF most recent statement does not show beginning and ending balance, obtain most recent 2 months

Rural Development/VA:

- Most recent month bank statements **OR**
- Verification of Deposit

Retirement Funds

If using cash to close:

- Recent statement showing vested balance - all pages
- Withdrawal before closing and deposite documentation - transaction history or Verification of Deposit
- Terms of withdrawal

If using Reserves:

- 2 months recent or most recent quarterly statement showing vested balance - all pages
- Terms of withdrawal
- VA & Conventional = 100% vested balance (COVID overlay only allowing 60%)
- FHA/Rural Development = 60% vested balance

Stocks/ Bonds

- 2 months recent or most recent quarterly statement on accounts
- Withdrawal before closing and document proof of deposit - transaction history or Verification of Deposit

Gift Docs

- Completed gift letter
- Gifter's full, official bank statement prior to gift being given to show sufficient funds available (If government loan)
- Front and back copy of the cleared check or verification of the funds transferred between accounts
- Verification of funds being available in borrower's accounts - transaction history or Verification of Deposit

Proceeds from Sale of Home

- Preliminary Closing Disclosure / Settlement Statement
- Purchase Agreement
- Final Closing Disclosure / Settlement Statement

FHLB Funds

- Award Approval Letter