



Financial Guide to Home Buying

Know your Credit History

One out of every three reports may contain a serious error. Check your credit report for free at www.annualcreditreport.com. Credit scores are fluid and may change with every credit request so it is not necessary to pay the additional fee to get your actual credit score. What is important is last 2 years of payment history reported. This history is detailed on the credit report along with a summary of other accounts including those open and closed. In addition, the credit report will list public records, judgments, liens and any collection accounts.

If needed, you can dispute any incorrect or erroneous information right at this site. A response from the creditor is required within 30 business days. Be ready to provide a credit explanation for any adverse account. You may also be required to settle any outstanding adverse account prior to or at the mortgage closing.

Educate Yourself on the Homebuying Process

We strongly recommend homebuyer education classes for first time homebuyers. In some cases these classes may be required for first time homebuyer financing. Check for local classes at www.mainehomeworks.org.

Be prepared before meeting with a Mortgage Specialist

Have the following items ready for your initial meeting with a mortgage specialist:

- A 2 year history of employment and residency.
- For any first time homebuyer program, have a copy of the last 3 years tax returns [2007, 2008 & 2009] including all schedules. The tax returns will confirm you have had no ownership interest in the last three years.
- Bring a current month worth of pay check stubs showing YTD income.
- For any Self Employment or Business income [25% or more ownership], provide 2 years business tax returns [2008 & 2009] including all schedules.

- Bring the last 2 years [2008 & 2009] W-2 statements from all employers.
- Bring copies of the most recent 2 months concurrent bank statements from all accounts from which the funds will be used for down payment and closing costs. Include all pages of the bank statement.
- Provide an explanation and documentation for any large or unusual deposits that may be listed on the bank statements. Any deposit, if large and/or unusual made within 90 days of application will be questioned.
- **NOTE:** You may be asked to provide additional information as the mortgage process continues.

Maine State Housing Authority

You may also qualify for one of the many financing programs provided by MSHA for affordable housing. For more information, visit their website: www.mainehousing.org.