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Your Complete Guide to the Mortgage Application

Know What to Expect — From Our First Conversation to a Complete, Documented Application

This guide walks you through exactly what happens at each stage of getting pre-approved: what we'll talk about, what documents you'll need, what it costs, and what a pre-approval actually means — a clear road map to a strong, accurate pre-approval as quickly as possible.

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The Four Stages of Your Loan

1	2	3	4
Consultation	Application	Pre-Approval	Under Contract

1 Our Initial Consultation

Before any paperwork, we talk — so I understand your goals and you understand the process.

In our first conversation, we'll go over the basics together so you know roughly where you stand before you ever fill out an application:

- Rough income and debt numbers — a general sense of what you earn and what you owe.
- What you know about your credit — scores you've seen, any late payments or collections, recent inquiries.
- Your personal budget — what monthly payment actually feels comfortable for your lifestyle, not just what you might technically qualify for.
- Translating that into a purchase price — using your comfortable payment, current rates, taxes, and insurance to estimate a realistic price range.

This conversation is informal and no documents are required yet — it's simply so we're aligned before you invest time completing the full application.

2 Completing Your Application

A complete application with full documentation is the fastest path to an accurate pre-approval.

Fill out the application completely, including:

- Full 2-year work history — every employer, with dates, addresses, and income for the last 24 months, even short-term or part-time jobs.
- Complete asset information — every bank, investment, and retirement account you want considered for down payment or reserves. I ask about all accessible funds, excluding life insurance, so I can show every possible asset for reserves and understand your complete financial picture upfront.
- Any co-borrowers added to the loan — see the note below on how their portion works.

Adding a co-borrower? Once you (the primary applicant) submit your portion of the application, your co-borrower will receive an email invitation. They'll need to open that email and follow the prompts to complete their own portion of the application — the loan file isn't complete until both portions are submitted.

Documents to upload with your application: (needed for all borrowers on the loan)

- ☐ **Bank statements — 2 most recent months, all accounts**
  Checking, savings, and retirement accounts. Actual PDF statements downloaded from your bank — not phone screenshots. Every page of each statement, even blank pages.
- ☐ **Two most recent pay stubs**
  Most recent 30 days' pay stubs
- ☐ **W-2s — 2 years**
  For every employer, both tax years.
- ☐ **Tax returns — 2 years, all pages**
  Every page and schedule, not just the front page.
- ☐ **Driver's license**
  A valid, unexpired government-issued photo ID.

3 My Initial Review & the Credit Report

Once your application and documents are complete, I review everything before we move forward.

When your application is submitted with complete documentation, I do an initial review of your income and assets. Once I'm comfortable there aren't any immediate red flags to address first, I'll send you a link to pay for your credit report. Applying for a mortgage does include some costs before you're ever under contract — your first one is the credit report:

$130–$150
Tri-merge mortgage credit report (paid at this step)

The credit report fee is generally non-refundable once the report is pulled — this is standard across the mortgage industry and not specific to Outlier Mortgage.

4 How I Determine Your Pre-Qualification

This is the analysis behind your number — and why complete documentation matters so much.

To arrive at your pre-qualified purchase price, I will:

- Review your credit — pull your tri-merge report and evaluate scores, history, and any issues that could affect your rate or approval.
- Verify your assets — confirm your down payment funds and reserves are documented and make sense with your income.
- Run your file through AUS (Automated Underwriting System) — the same engine underwriting will ultimately use, to see how your file is likely to be evaluated.
- Analyze your debt-to-income ratio — weigh your monthly obligations against your documented income.

AUS doesn't just check whether your numbers add up — it measures layers of risk across your whole file at the same time: credit, assets, employment, loan type, property type, and more. Sometimes even when the numbers look strong on paper, the combined risk picture may not — which is exactly why complete, accurate documentation upfront matters so much. All of this comes together in a final estimate of how much you qualify for.

Important: pre-approval is not final approval. This initial pre-approval does not mean you are fully approved for the loan. That determination is made by underwriting once you are under contract on a specific property, and it can change based on information discovered during underwriting — about you as the borrower and about the property itself.

For this reason, I ask for as much information as possible upfront so we can catch issues early, not after you're under contract. This includes:

- Down payment source — where those funds are coming from, **with a paper trail.** Cash at home generally cannot be used for down payment without proper "seasoning" (time sitting untouched) in a bank account.
- Assets for reserves — funds remaining after closing that lenders require on hand.
- Identification — valid government-issued photo ID.
- All liabilities — every debt you carry, even ones not on your credit report.
- Additional properties you own — mortgage statements, insurance, taxes, and lease agreements if rented.
- Income details — time on the job, overtime history, and self-employment documentation where it applies.
- Insurance quotes and property tax figures — a few homeowner's insurance quotes and property taxes for the property (or properties) you're considering, so your estimate isn't set too low.
- Verification of positive rental history (if avaialble)— lease agreement plus landlord statement confirming 12 months of on-time payments.

A strong rental history is a powerful asset. Twelve months of documented, on-time rent payments can strengthen your file — if you have it, be sure to include it.

ADDITIONAL NOTE

Costs to Expect Once You're Under Contract

These aren't part of the application itself — but you should know about them before you make an offer.

Once you're pre-approved and under contract on a home, plan for the following costs. Even though they're categorized as closing costs, the appraisal, home inspection, and earnest money are all paid out-of-pocket before your loan receives final approval — not at the closing table itself:

Cost	Typical Range	Refundable?	Notes
Appraisal	$900 – $1,200	No	Varies by purchase location.
Home inspection	$500+	No	Optional, but highly recommended. Add-ons like septic or well inspections can push this higher.
Earnest money	0.5% – 1% of purchase price	Applied to closing	Varies by purchase price and area; goes toward your down payment/closing costs.

The credit report, appraisal, and optional inspection fees are generally non-refundable once ordered. All three of these costs — appraisal, inspection, and earnest money — are due before your loan is fully approved, so it's important to know about them upfront and budget for them ahead of closing day. If repairs are required to meet appraisal requirement, expect an additional appraisal final inspection fee of about $250 to confirm they were completed.

ADDITIONAL NOTE

Quick Recap: What to Have Ready

A fast-reference checklist to gather before you sit down to apply.

- ☐ **Full 2-year work history for every borrower and co-borrower**
- ☐ **2 most recent pay stubs**
- ☐ **2 years of W-2s**
- ☐ **Down payment source documentation**
- ☐ **Lease agreement/landlord statement, 12 months positive rental history**
  If applicable — this can strengthen your file.
- ☐ **Property tax figures for properties you're considering**
- ☐ **2 months of bank statements (PDF, all accounts, all pages)**
  Checking, savings, retirement — no phone screenshots.
- ☐ **2 years of tax returns, all pages**
  Not just the first page — every schedule.
- ☐ **Driver's license or valid photo ID**
- ☐ **Documentation for any additional owned properties**
  Mortgage statement, insurance, taxes, and lease if rented.
- ☐ **A few homeowner's insurance quotes for properties you're considering**
- ☐ **$130–$150 available for the credit report once requested**

Questions about anything in this guide? Reach out any time — I'm here to make this process as smooth as possible.
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