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10 Mortgage Commandments

1. Thou shalt not change jobs, quit your job, or become self employed

- Lenders require a copy of a recent pay stub within 30 days of approval at your present job. If you were to become self-employed you typically need a 2-year history of self-employed income. Lenders may conduct employment verification within 5 days of closing.

2. Thou shalt not move money for your down payment or closing costs between accounts

- A 90-day account history is required to verify your source of down payment and to ensure you have enough money to cover the closing costs. Lenders require a paper trail for anti-fraud purposes. Please do not move money between accounts before the down payment verification has been completed.

3. Thou shalt not buy a new vehicle

- When you use financing to purchase a new car it takes away from your overall borrowing power which in turn can dramatically decrease what you can qualify for your mortgage. If you are going to buy a new car, wait until your deal closes.

4. Thou shalt not use credit cards excessively or let current accounts fall behind

- Overusing your credit card lowers your credit score which can affect how much money you can qualify for.

5. Thou shalt not spend money that you have saved for closing costs

- If you do not have the capacity to pay for everything your deal will collapse, and it is always a good idea to have extra money on hand in case additional expenses occur.

6. Thou shalt not omit any debts or liabilities from your application

- Be upfront about the money you owe at the beginning of the process, so it is factored into the equation. I will ALWAYS find out about them and if we find out too late it can jeopardize the loan.



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7. Thou shalt not buy appliances, furniture, or household items before closing

- Big purchases raise red flags to lenders especially when you are depleting your savings, put it on your credit card or have your credit checked too many times dropping your score. This can cause your closing to be delayed or even have your deal canceled altogether.

8. Thou shalt not have any additional hard credit checks

- Too many inquiries on your credit bureau can decrease your score to a point where lenders would view you as a risky borrower and you may be subject to more expensive options. Right before closing the lender will refresh your credit score and if there are any concerns more documentation will be required, and your closing may be delayed.

9. Thou shalt not make any large or cash deposits without speaking to your mortgage broker first

- Any large deposits into your account need to have verified sources and need to have a paper trail which can often be tedious.

10. Thou shalt not cosign a loan for anyone

- By co-signing a car loan, student loan etc. you may be stretching your financial obligation too far which may force the lender to decrease the loan amount that you had previously been approved for.