

Work with the right agent

to avoid a \$1000 loss from a faulty pre-approval letter.

Buying a home with a mortgage? Some people's finances are a bit more complex, and lenders can and do make mistakes sometimes. In 2020, over 90,000 Texans tried to buy a home and got denied by the lender. Many of these buyers had a pre-approval letter, and the denial happened while they were under contract, costing them \$1000 or more for a home inspection, appraisal, and other fees. Not all real estate agents will know what to do or ask the right questions about your pre-approval letter.

What can you do to know your risk of lender denial? First, make sure you work with a real estate agent that can help you ask the right questions. Answer these 10 questions to see if you're at high risk of a lender making a mistake that could be costly. Circle 10 or 0, and add up your risk points. If you score **40 or higher**, you may want to **obtain an Insured Pre-Qualification Letter with a complete list of instructions** to help you get into your new home without any problems. None of these items listed below are reasons you can't buy a home. They're just some of the types of scenarios that lenders sometimes have difficulty working with.

High Risk Feature	Yes	No
I am paid for overtime, bonus, or commission income.	10	0
I work less than 35 hours per week, or I have a second job.	10	0
I have income from self-employment or a 1099 in the past 2 years.	10	0
I can only bring a 5% down payment, or less.	10	0
I've worked at my current job less than 2 years.	10	0
I would like to use gift funds from a relative to buy my home.	10	0
My credit score is under 700, or I have late payments for debts.	10	0
I need a mortgage with another borrower (with a lower credit score).	10	0
I recently applied for a new credit card, auto loan, or other debt.	10	0
I have a student loan (or an IRS tax repayment agreement).	10	0

Total Risk Score: