

PA | NJ | NY | CT **Stated Income Mortgages for Self Employed**

Stated income mortgages for self employed still exist in a limited number of areas in the United States.

We are fortunate here in the northeast to have access to some of the few that still exist. They are available in all of New Jersey, all of Connecticut, nine counties in New York and eight counties in Pennsylvania.



Stated income mortgages for self employed as well as for other type employment situations were widely available prior to about August of 2007. That is when the subprime mortgage mess hit and that caused the elimination of many “risky” type mortgage products. This caused the elimination of all the **stated income** programs that were offered nationally.

Stated income mortgages for self employed are offered in this area by “portfolio” lenders. They use their own money and operate by their own guidelines. These lenders have not been victimized by so called “liar loans” because they always did these type mortgages the right way and continue to do so. What is the right way?

- ** Verify assets in line with the income stated
- ** Require down payments of 30% or more
- ** Lend on owner occupied and vacation homes, not investor properties
- ** Require decent credit scores and lengthy credit history
- ** Overall common sense underwriting

Stated income for self employed is available in the following states and counties:

New Jersey: The entire state (taxes always escrowed; home insurance never escrowed)

Connecticut: **The entire state (no escrows permitted for taxes nor insurance)**

New York: Available in nine counties (no escrows for taxes nor insurance:
Suffolk Nassau Rockland Orange Putnam Westchester
Dutchess Columbia Richmond (Staten Island)

Pennsylvania: Available in eight counties (no escrows for taxes nor insurance)
Berks Bucks Chester Delaware Lancaster Lehigh
Montgomery Northhampton

Stated income mortgages for self employed are available for the following type transactions:

- ** One to four family, condo owner occupied purchases and refinances, rate & term or cash out
 - ** One to four family condo vacation home purchases and refinances, rate and term or cash out
 - ** Self employed over two years, verified by CPA/accountant
 - ** Minimum credit score is not stated, but should be in the upper 600s or higher
 - ** No gifts of money permitted. Must be own money verified in account(s) last two months
 - ** After down payment, reserve money at least six time stated income, more is better
- (It is not possible to list all the possible underwriting scenarios here. These are the basics.)

Stated income mortgages for self employed are available in the following loan amounts:

- ** Fixed rate mortgages up to \$750,000 with 30% down payment (70% LTV)
- ** Fixed rate mortgages up to \$1,000,000 with 45% down payment (55% LTV)
30 and 20 and 15 and 10 year fixed available
- ** ARMs up to \$750,000 with 30% down payment (70% LTV)
- ** ARMs up to \$3,000,000 with 50% down payment (50% LTV)

3, 5, 7 and 10 year ARMs available

Stated income mortgages for self employed rates when this is written in April, 2010 range from 4.375% to 5.125% for the Adjustable Rate Mortgages (ARMs) up to mortgage amount of \$750,000 and for the fixed rate mortgages from 4.75% to 5.625% (They are always .25% higher than the fully documented mortgages. In other words, they are “normal” mortgage rates.)
Mortgages over \$750,000 have higher rates.

Stated income mortgages for self employed sometimes have required borrowers to sign a form which is officially called and IRS Form 4506 or 4506-T. The signing of such a form allows a lender to get copies of the last two years tax returns. If the income on those tax returns does not match the income on the mortgage application, the mortgage could be called due in full. THAT IS DANGEROUS!!!!!!!!!!!!!!!!!!!!!!
I have never done a **stated income mortgage for self employed** that required that form.

**The mortgage we are discussing above
DOES NOT REQUIRE THAT FORM and NEVER HAS REQUIRED THAT FORM.**

PREQUALIFICATION and MORTGAGE INFORMATION is ALWAYS FREE

Lending in: NY NJ CT PA

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**Born and raised in NJ; grad Eastern Christian High School 1966; grad West Point 1970; Infantry Officer, Airborne and Ranger Schools Ft Benning, Ga; 5 years West Berlin, Germany; residential mortgage business since 1983; 4 daughters;
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