
20% down

Posted by Brian - 2007/10/15 00:57

I have a mortgage lender that wants to help his clients by loaning them the 20% down so they can get a mortgage and not have to pay PMI insurance. I'm sure you cant do that, but what is the law that says that?

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Re:20% down

Posted by bigdaddy - 2007/10/16 16:12

If you mean you have someone willing to lend the down payment on a house, tell them no. Its a form of mortgage fraud. If you loan someone the down on a mortgage loan, you are essentially qualifying them for a zero down mortgage, which if they do not actually qualify for, you have helped commit a form of fraud. There is a reason why banks require certain levels of qualifications of people. By helping someone qaulify for a loan they would not generally qualify for, you are increasing their chances of defaulting, and that is what the banks are trying to avoid. Banks do not want the house back.

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Re:20% down

Posted by Jacob - 2008/02/29 10:52

you cant help someone qualify for a loan that they dont qualify for. if you do its mortgage fraud. thats part of the reason why we have so many home foreclosures.

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Re:20% down

Posted by norton - 2008/02/29 16:41

The above two posts are 100% right. You can't loan someone a downpayment, its qualifying someone for a zero down mortgage that would not otherwise qualify. The only way to actually do it, is to gift the money. But, with a gift of money a gift affidavit has to be submitted that states the money is a gift, that it does not have to be paid back, the the giftor will not hold any interest in or against the property because of the gift.

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Re:20% down

Posted by Samantha - 2008/02/29 21:49

you can just write on the check memo line that it was a "2007 annual gift". BTW, the person giving the gift is the donor, not the giftor. ;)

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