

Because I Said So! Satisfying Rigorous Loan Documentation Requirements Key To Mortgage Approval

by Richard D. Vetstein, Esq.

Borrowers, Shut Up, Listen, And Do What Your Lender Asks—Even If It’s The Third Time They’ve Asked For The Same Documentation!

When I was a kid, my dad would often answer my questions with “because I said so,” and it would drive me crazy! Now it’s prudent advice to borrowers says Mark Greene at Forbes.com. Mr. Greene recently wrote one of the best articles I’ve seen in a long time about the current state of mortgage underwriting. It’s called [The Perfect Loan File](#) (click for link). It’s a must read for consumers and real estate professionals alike.

The point Mr. Greene makes so well is that lenders are going absolutely nutty over borrower financial documentation to create a “put-back” immune loan file. (A put-back is when Fannie Mae or Freddie Mac make lenders buy back bad loans). Mr. Greene tells to borrowers to give their lender everything they ask for even if they want to stick needles in their eyeballs, and don’t talk back. I will just highlight some gems from the article:



When I was a kid, my father occasionally issued directives that I naturally thought were superfluous, and when asked why I needed to do whatever it was he wanted me to do, his answer was often: “Because I said so.” This never seemed to address my query but always left me without a retort, and I would usually comply. This is exactly what consumers should do during the mortgage approval process. When your lender requests what seems to be over-documentation and you wonder why you need it, accept the simple edict – “because I said so.” You will find the mortgage approval process much less frustrating.

Every nook and cranny of your financial life has to be corroborated, double- and triple-checked, and reviewed again before closing. This way, if the originating lender has created a loan file that is exactly consistent with published underwriting guidelines



and has documented while adhering to those guidelines, the chances are that your loan will not be subject to repurchase.

It all comes down to your proof. If the lender asks for a specific document, give them exactly what they are asking for, not what “should be OK,” – because it won’t be. This is where the approval process tends to go off the rails, when the lender asks for specific documentation and the borrower supplies something else. Here, too, is where both sides get frustrated. So if the lender asks for a bank statement and there are 5 pages for that bank statement, send them all 5 pages, and not just the summary. If you send them the summary page and they ask again, don’t complain that the lender keeps asking for the same thing when you never sent it in the first place. This may sound elementary, but the vast majority of mortgage approval process woes stem from scenarios just like this.

So when your loan officer or underwriter responds to another one of your questions with “because I said so,” do him or her a favor and do it. Your loan approval will go a lot smoother and quickly if you do.



Richard D. Vetstein is an experienced Massachusetts real estate attorney. He is the founding partner of the Vetstein Law Group, P.C. in Framingham, Mass. and TitleHub Closing Services, LLC in Needham, Mass. He blogs regularly at the acclaimed [Massachusetts Real Estate Law Blog](#). He can be reached at rvetstein@vetsteinlawgroup.com or 508-620-5352.

