

**Mortgage Tidbits**



**Keeping you informed and in the know….**

**“My client is on a temporary leave from their job. Can they still qualify for a mortgage?”**

Temporary leave examples include but are not limited to:

* Maternity leave
* Parental leave
* Short-term disability (medical)

**Returning to work prior to closing -** normal income can be used to qualify IF the date of return and the amount of income upon return is documented and verified by the employer.

**Returning to work after closing -** temporary income may be used to qualify IF documentation supports continuation of this income until the borrower returns to work and resumes normal income. The borrower must have a date confirmed by the employer they will return to work.

**What else will help with ensuring financing?**

Cash reserves are a key factor when working with these circumstances. Cash reserve is the amount of cash the borrower will have left over after completing the transaction. When a borrower has reserves that can be used to help make the mortgage payment after the loan closes, this is considered favorable to help the underwriter approve the loan. There are more factors than just having reserves, but 2 – 4 months of reserves will go a long way to lowering the risk involved with temporary leaves of absences.

If you have a client with a situation like this, I would love to work with them on solutions to the dilemma.

**Call us today for the best answers to the mortgage questions!**

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