

No Income Verification

A few years ago, these kinds of loans were extremely popular. They provide the opportunity for a borrower to purchase a mortgage without income verification, as long as they have a good credit score. It is important to mention that these loans are considered higher risk. As a result, certain lenders have removed "No Income Verification Loans" as mortgage solution options.

Who Qualifies for a Stated Loan?

Generally, these loans require a significant down payment of 35% and are only available to the self-employed borrower. As well, the credit score of the borrower needs to be amazing. If credit is impeccable, these loans can be offered at a very attractive interest rate. For instance, if interest rates are around 5%, no income verification loan rates may be up to 5 to 5.25%, therefore, costing the borrower only a little bit more to acquire.

Tips for Getting a No Income Verification Loan

- a) Ensure that your credit is awesome and take care of any outstanding credit issues. Your credit has to be perfect since banks are choosing to waive the review of your income. Examine the option of securing a traditional mortgage loan as well to see what the best interest rates and individual options will be.
- b) Be sure that the income you have declared is reasonable in comparison to the size of the mortgage you are asking for. Even if lenders do not require you prove your income, they are looking for it to be reasonable. Often, lenders will ask for proof that you owe no income taxes.
- c) As previously noted a traditional mortgage is less risk and therefore, will reflect lower monthly payments. If you do have the requirements in place to qualify for a regular mortgage, explore that option as it will save you a substantial amount of money.