

OBTAINING A MORTGAGE WHILE SELF-EMPLOYED



There are thousands of people in the United States who dealt with the recession a bit differently, turning the negative into something positive. These individuals took the initiative to become self-employed during a period in time when they may have been laid off from their previous jobs. As a self-employed individual, they may be interested in obtaining a mortgage for their home or they might be looking to buy a home in the first place. It is important that a series of steps are followed in order for the self-employed to receive the mortgage they want and need. Of course, having good credit is important but tax returns often need to be provided to the mortgage lenders in order for a mortgage to be obtained. More specifically, those who have not been self-employed for at least two years are simply going to have to wait it out, as there needs to be two years' worth of tax returns available before a new mortgage can be approved. Anyone who wants to borrow, not just those who are self-employed, needs to have good credit. The mortgage lenders will go by the credit score. There are certain mortgage lenders who feel as though lending to self-employed individuals is taking more of a risk than lending to people who receive paychecks on a regular basis from their place of work. Even so, if the individual has a particularly good credit score, this will outweigh the negative when a lender is considering whether or not to approve the mortgage. The income earned from a self-employed individual is also quite important. Depending on the amount earned each year, the mortgage provided may be a bit smaller than one may have originally hoped or expected. The truth is that many self-employed individuals think it is impossible to obtain a mortgage from lenders but this is simply not true. Those who happen to be self-employed but are earning a regular income each year while also having good credit will be considered good candidates for the mortgage from the lenders. The process may be a bit lengthier than the process would be for someone who is not self-employed but for those who truly need this mortgage; it is well worth the process. With a steady income, good credit and assets, self-employed individuals can, in fact, qualify for the mortgage they need. It is all a matter of providing the lender with the right documentation so that they know more about the business and more about the person applying.