

# Verifying Funds

**BAY**  **EQUITY**  
**H O M E L O A N S**

# Verifying Funds

- We are looking to verify the funds that are being used to close the transaction
- Part of the documentation process
- It is both a State and Federal Law



# How Do We Do This?

- Obtain a statement that covers 60 days on any funds being used for closing
- Verify any the source of any deposits into those accounts during that period
- ALL PAGES of statements must be included, even if they are blank
- Statements MUST show the name of the bank, your name, and the account information

# Verifying funds is different for different kinds of deposits

- Here are some common examples...



# Payroll

- Direct deposit? Things that are direct deposit into your account (i.e. Social Security, Pensions, Paycheck) no need for explanation
- If not direct deposit, we will need the paystub

**YOUR Inc. COMPANY** Your Company, Inc.  
103 Somewhere Lane  
Barksdale, CA 19191 1016  
11-1111/2222

Date	Check No.	Amount
14-JUL-2000	1016	****\$46,257.00

**Pay To The Order Of:** Harrison Sutherland  
**Pay Exactly:** Forty-Six Thousand Two Hundred Fifty-Seven Dollars\*\*\*\*\*  
**Testing National Bank**  
Yourtown Branch, NY

**NOT NEGOTIABLE**

⑆123456789⑆ ⑆10⑆ ⑆11111⑆

- Refunds, reimbursements, rent payments, and the like can be handled by simple notation of what the check was and a copy of the check

# Funds Transfer

- We will need 60 days statements from all accounts you are transferring money to and from
- This includes: retirement accounts, investment accounts, stocks or mutual funds

# Gift Funds

- In the event that someone is gifting you the funds needed to close you will need:
  - To execute a gift letter together
  - Obtain proof of trail from donor's account to your own (for example, statement showing donor withdrawal, copy of the check they write you, and then copy of statement showing deposit into your account)



# Selling Something of Value

- In the event that you are selling an item to acquire funds to close you will need:
  - Documentation of ownership
  - A bill of ownership
  - A third party valuation of the item



# Example:

- Sell a car to obtain funds. We would need:
  - Proof you owned it (i.e. registration or insurance)
  - Proof you sold it (i.e. a bill of sale)
  - Third party item valuation (i.e. blue book value)

# Can NEVER Use

~~\$\$ Cash on hand! \$\$~~

Remember: If funds can't be documented, the law won't allow those funds in a real estate transaction.

# COMPLIANCE

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