

EARNEST MONEY AND LARGE DEPOSIT MATRIX

	CONVENTIONAL	FHA	VA	USDA
EARNEST MONEY	<p>When the earnest money is used to qualify the borrower for the mortgage transaction, the seller must obtain evidence that the earnest money check cleared the borrower's account. If not using to qualify, then a copy of check, wire, or money order is still required to document from an acceptable source.</p>	<p>The Mortgagee must verify and document the deposit amount and source of funds if the amount of earnest money deposit exceeds 1% of sales price or is excessive based on the borrower's history of accumulated savings.</p>	<p>Veteran assets will need to be evaluated to determine if the earnest money deposit is reasonable or excessive to the veteran's savings.</p>	<p>Documentation of the check, wire, money order receipt and evidence clearing account is required. If there is available funds then net out of available assets if not cleared.</p>
LARGE DEPOSIT	<p>Purchase: Any single deposit that exceeds 50% of the monthly qualifying income</p> <p>Refinance: Not required but explanation is required to ensure no additional liabilities</p>	<p>Newly opened accounts or recent individual deposit of more than 1% of the adjusted value must be documented or netted out of available funds.</p>	<p>Veteran assets will need to be evaluated to determine if the earnest money deposit is reasonable or excessive to the veteran's savings.</p>	<p>Investigate all deposits that are not attributed to wages or earnings.</p> <p>Confirm deposits are not from undisclosed income source. There is not tolerance or percentage of the deposit amount that is not required to be investigated.</p>