



Things You Need To Know about Conventional Lending

Conventional lenders do not make loans in the name of business entities like LLCs, S-Corps., C-Corps, Partnerships, etc.

- **Avoiding taking title to property in any of these types of entities if you want to use conventional financing.**

Conventional lenders do not like the use of business funds for conventional lending purposes. They can and will deny the use of these funds for closing/reserve purposes.

- **Avoid putting your money into bank accounts with any business names including “dba” accounts.**
- **Keep money in accounts with only your name on them.**

Conventional lenders require 60 days of seasoning for all funds used for closing costs or reserves. If not seasoned, the funds will be considered gift funds and therefore cannot be used.

- **Avoid moving money from account to account – this avoids a headache chasing funds and providing documentation.**
- **Keep records of every transfer you make between accounts.**
- **Gift funds seasoned longer than 60 days are OK.**

Conventional lenders are really uneasy about folks who purchase properties too quickly, even if fully disclosed to them.

- **All conventional lenders submit loans being underwritten into a nationwide database – they know if you have more than one loan being processed at the same time even if at 2 different lenders – they can and will deny these loans.**
- **Lenders will re-pull credit often the same day of closing and request explanations of any new credit inquiries.**