

Down Payment Confirmation

Down payment confirmation can be extensive. This guide will help you to understand and prepare for what will be required.

To comply with anti-money laundering legislation, all lenders are required, by law, to verify your down payment funds and where they originated from, going back 90 days. This can include the following:

Bank Statements: 90 days of complete, unredacted statements from ALL accounts that are holding funds that will be used for down payment and closing costs. If the funds are not in accounts bearing the borrower's name(s), these will be considered gifted funds (see below).

- must clearly show: name(s) of borrower(s) as account owner, address of account owner(s), name of financial institution, account number
- must provide documentation for any large deposits
- all investments should be redeemable
- it is strongly advised to minimize unnecessary transfers between accounts as much as possible until the lender has signed off on down payment verification

Gift Letter (if applicable): any funds being gifted to you must be verified via a gift letter (supplied by us/lender) which will be signed by the giftor stating that the gift does not need to be repayed. If any funds are being gifted, this needs to be clearly disclosed to your broker and lender prior to application.

- giftor may need to supply bank statements showing that they have access to the funds
- funds should be gifted via bank draft and a copy/photo of the draft provided
- will need to show receipt confirming gift has been deposited to the borrower's account a minimum of 15 days prior to closing

Separation Agreement or Will (if applicable): if funds are from a separation or inheritance, a letter from a lawyer verifying the source of the funds and a trust ledger will be required

If the funds you intend to use **have not been in your possession for at least 90 days**, this must be disclosed to the lender on your application. Likewise, if the **actual source of funds differs from what is stated on your application**, your approval may not be honoured.

Please also note, it is up to the lender's discretion what will be required to verify down payment.

As such, this is not an exhaustive list.