

Home Loans — Application Checklist

Thank you for choosing Morgan Stanley for your home financing needs. This reference guide can assist you as you prepare for your mortgage application.

Once your application is submitted, your Mortgage Consultant will discuss a customized list of documents¹ that may be requested and provide instructions on how to submit them securely.

Home Loans are provided by Morgan Stanley Private Bank, National Association.

Important considerations BEFORE making application:

Third-Party Solicitations:

Some companies that provide mortgage and/or real estate services participate in “trigger lead” programs offered by Credit Reporting Agencies. You can opt out of these programs but must do so PRIOR to authorizing your credit to be pulled. Learn how to reduce unwanted solicitations from these companies by accessing our guide: [Third-Party Solicitations Regarding Your Mortgage Application or Closed Home Loan](#).

Frozen Credit:

If you have elected to freeze your credit with any of the credit bureaus, you will need to remove the freeze PRIOR to making loan application. For additional information on how to unfreeze your credit access our guide [How To Temporarily Remove Your Credit Freeze](#).

Review the sections below that apply to you to determine what documents may be requested and prepare to provide once requested after application.

About Your Loan Request

Purchasing a Home:

The following will be needed after submission of an application:

- ☐ Purchase contract, signed and dated
- ☐ Copy of Earnest Money check or wire confirmation
- ☐ Realtor name, email and phone number

If Applicable:

If the property is a condo or co-op:

- ☐ Contact name & number of the management company or board

Refinancing a Home:

- ☐ Estimated property value
- ☐ Copy of Homeowners Insurance Declarations page
- ☐ Annual Real Estate taxes and Homeowner Association dues, if applicable

If you are selling your current home:

- ☐ Details about the property and mortgage

About Your Assets

Personal Finances:

- ☐ Information evidencing all assets, liabilities, and contingent liabilities. If a Personal Financial Statement is available, that may be provided post application.
- ☐ Schedule of Real Estate Owned, including property address, mortgage balance, monthly income and expenses²

Cash and Securities Held at Institutions Other than Morgan Stanley:

- ☐ Previous two months bank/brokerage statements (all pages)

For Assets Held in the name of a trust or other legal entity:

Depending on entity type, one of the following:

- ☐ Trust Document with all amendments and addenda
☐ Partnership Agreement
☐ LLC Operating Agreement

If you are Receiving a Financial Gift to Complete this Transaction:

- ☐ A bank statement showing that the gifted funds have been deposited into your account.
☐ A Gift Letter, including the date, gift amount and the donor's name, address, phone number, and relationship to you. Please include a statement indicating repayment is not required.

About Your Income**If you earn income from employment, such as salary, bonus, and commissions:**

- ☐ Paystub(s) covering the most recent 30 days available
☐ Form W-2 for the most recent two tax years

If you earn bonus and/or commission income:

- ☐ Year-end pay stubs for past two years

If you receive income distributions from a Trust or other Legal Entity:

Depending on entity type, one of the following:

- ☐ Trust Document with all amendments and addenda
☐ Partnership Agreement
☐ LLC Operating Agreement

In addition, one or more of the following may be requested:

- ☐ Evidence of the amount, frequency, and duration of distributions
☐ Most recent Account statements, Tax Returns and Financial Statements for the entity

If you are retired:

Any one of the following:

- ☐ Personal Tax Return for the most recent tax year, including all schedules
☐ Social Security Award Letter, or the Award Letter from the institution providing your pension
☐ IRS Form 1099 for the most recent tax year

If you draw income from your investment portfolio:

- ☐ Account statements for the two most recent months (not required for assets held at Morgan Stanley)
☐ Personal Tax Returns for the two most recent tax years

If You are Self Employed or Own all or part of a Business**Business Type****Requested Documents¹****Sole Proprietorship**

- ☐ Personal Tax Returns, including all schedules, covering the two most recent tax years
☐ Year-to-date Profit and Loss Statement

Businesses Ownership

(Includes Partnerships, S-Corps, and C-Corps where your ownership is at least 25%)

Requirements are for operating businesses with material income or losses. Does not include investment management or real estate companies.

- ☐ Personal Tax Returns, including all schedules, covering the two most recent tax years
☐ Business tax returns, including all schedules, covering the two most recent tax years³
☐ IRS Form W-2 for the two most recent tax years, if applicable

Documents for Partnerships & S Corps only:

- ☐ IRS Schedule K-1 for the two most recent tax years
☐ Year-to-date Profit and Loss Statement and Balance Sheet

Documents for C Corps only:

- ☐ Paystubs, if applicable, covering the most recent available 30 days.

Note—If you own less than 25% of a partnership or LLC, and the income will not be needed to qualify for your mortgage, then only IRS Schedule K-1 for the most recent tax year is required.

Real Estate Professionals

Applicable if more than 50% of your income is from the development, sale, or rental of Real Estate.

- ☐ Most recent three years of Personal Tax Returns including all schedules
☐ All applicable K-1s and business returns for the most recent three years
☐ Schedule of real estate owned, including the following for each property:

- | | | |
|------------------------|--|---------------------------------------|
| — Property address | — Annual rental income | — Annual debt service |
| — Entity name | — Annual operating expenses | — Annual net income |
| — Percent owned | — Net operating income before debt service | — Capital contributions from borrower |
| — Acquisition date | | — Distributions to borrower |
| — Current market value | | |
| — Mortgage balance | | |

Other Common Documentation that may be requested

If the property will be held in the name of a Trust or other Legal Entity:

- ☐ Trust documents with all addenda or amendments, Partnership Agreement, or LLC Operating Agreement and state good standing certificate, as applicable.

If you are divorced or separated:

- ☐ Copy of the divorce decree, separation agreement or court order detailing the financial terms.

If your credit report contains derogatory information:

- ☐ A letter of explanation may be requested for missed or late payments, defaults or recent inquiries that are unrelated to your mortgage application.

If there are recent large deposits on your bank or brokerage statements:

- ☐ A letter of explanation may be requested for large deposits that appear inconsistent with your normal account activity.

Tips for a Smooth Transaction:

- **Secure Document Upload:** If you are enrolled in Morgan Stanley Online, you can save time by uploading documents securely through our Mortgage Application Dashboard, available under the Home Loans tab on Morgan Stanley Online. If you are not registered for Morgan Stanley Online, please visit www.morganstanley.com/online, and follow the on-screen instructions.
- **Electronic Document Delivery & Execution:** Once your mortgage application is submitted, you can save time by electing to securely receive and execute loan documents electronically.
- **Direct contact with Accountant or Family Office:** With authorization, Our team can work directly with your accountant or Family Office manager to obtain required documents.

NOTES:

- ¹ Please note, we will not request every document in this checklist and we may request documents that are not identified here. We will only request those documents that are needed based on the specifics of your transaction and financial situation.
- ² If you are a Real Estate Professional, please refer to that section in the table on page 2. If you are not a Real Estate Professional, but earn income from Real Estate you own, please included details about the income and expenses associated with each property. If the income is needed to qualify you for the loan, you may be asked for copies of executed lease agreements and/or recent evidence of receipt of rental payments.
- ³ If business tax returns are not available for a given year, a complete set of financial statements for that year (balance sheets, income statements and statement of cash flows), prepared by a CPA or accounting/tax professional, can be substituted.

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The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

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