



FIRST HOME
MORTGAGE

Gift Letter

BORROWER'S NAME: _____

ADDRESS OF RECEIVING PARTY: _____

DATE FUNDS WERE TRANSFERRED: _____

PROPERTY ADDRESS: _____

DONOR'S NAME: _____

DONOR'S PHONE NUMBER: _____

DONOR'S ADDRESS: _____

RELATIONSHIP TO BORROWER: _____

I hereby certify I have given/will give a gift of \$ _____ to the above stated borrower(s) to be applied towards the purchase of the above stated property. I certify that there is no re-payment expected or implied for this gift either in the form of cash or future services from the recipient(s). I certify that the funds came from my personal funds and were not derived from any unacceptable source. I further certify the funds given to the homebuyer were not made available to the donor from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them.

WE AGREE TO COMPLY WITH THE FOLLOWING DOCUMENTATION REQUIREMENTS

FHA: The borrower and donor must clearly document the transfer of funds. We are required to verify both the transfer of funds and that the donor's funds did not come from an unacceptable source (see HUD Handbook). Prior to loan submission the borrower must provide the following:

If the transfer of the gift funds is by certified check made on the donor's account:

- 1. A bank statement showing donor ability AND,
- 2. A copy of the Certified Check and withdrawal Slip showing the withdrawal from the donor's personal account AND,
- 3. The borrower's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company who must provide a letter identifying that this specific check is received and being held for closing

If the donor purchased a cashier's check, money order, official bank check, personal check/wire:

- 1. A bank statement showing donor ability AND,
- 2. The donor must provide a withdrawal document or canceled check for the amount of the gift showing the funds came from the donor's personal account, along with a copy of said check(s) AND,
- 3. The borrower's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company, who must provide a letter identifying that this specific check is received and being held for closing AND/OR
- 4. If money is being wired, #'s 1 & 2 need provided along with a copy of the Wire from the donor and title company to verify receipt in writing of gift funds wire

If the donor borrowed the gift funds:

- 1. The donor must provide evidence that those funds were borrowed from an acceptable source, i.e. not from a party to the transaction including the mortgage lender, AND
- 2. A copy of the check, AND
- 3. The borrower's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company who must provide a letter identifying that this specific check is received and being held for closing

VA:

- 1. VA requires these funds to be verified IN THE VETERAN'S ACCOUNT prior to loan submission

WE AGREE TO COMPLY WITH THE FOLLOWING DOCUMENTATION REQUIREMENTS (Continued)

CONV: One of the following options must be provided:

- 1. A copy of the donor's cancelled personal check and the borrower's deposit slip
- 2. A copy of the donor's withdrawal slip and cashiers/certified check and the borrower's deposit slip
- 3. A copy of the donor's check made payable to the closing agent, and closing agent to verify receipt or settlement statement reflecting gift funds delivered to title company
- 4. Copy of the wire sent from donor to title company and title company to verify receipt in writing of said wire

DONOR'S SIGNATURE: _____ DATE: _____

WARNING: Sec. 1010 of Title 18, U.S.C. Department of Housing and Urban Development Transactions provides "Who-ever, for the purpose of influencing in any way the action of such Department, makes, passes, utters, or publishes any statement, knowing the same to be false... shall be fined not more than \$5000 or imprisoned not more than two years or both".

DONOR'S WARNING ACKNOWLEDGMENT: _____

BORROWER'S WARNING ACKNOWLEDGMENT: _____