

# GIFTS



Many lenders allow a buyer to obtain gift funds to be used for the down payment of a home; however the rules vary depending on the loan program and investor. If you plan to obtain a gift for your down payment, you should discuss the details with me **before** you enter into a contract to make sure it is not a problem.

Here are some important guidelines:

Many Jumbo lenders require that at least 10% of the purchase price comes from the borrower's own funds and NOT as a gift. Make sure gifts are allowed for your loan program. On smaller "Agency" loans the guidelines are more liberal.

**Make sure the person giving you the gift understands that they will need to sign a Gift Letter and provide the statement that the funds came from.**

Make sure to get gift funds transferred early in the process and that you understand the regulations and tax implications of accepting a gift. You should consult a tax professional to discuss your specific situation.

Make sure the gift is NOT coming from a country that is banned. Currently, sanctioned countries include the Balkans, Belarus, Burma, Cote D'Ivoire (Ivory Coast), Cuba, Democratic Republic of Congo, Iran, Iraq, Liberia, North Korea, Sudan, Syria, and Zimbabwe.

If the gift is shown as a deposit into your bank account, you will need to provide:

- A copy of the wire confirmation or cancelled check (front & back) to document the gift.
- The full bank statement for the account that the gift came from (without redactions). If the statement shows large deposits, documentation of the source will be required
- Your bank statement reflecting the deposit of the gift having cleared your account
- A completed and signed gift letter