

Pulaski Bank Home Lending Gift Letter Instructions

One of the most integral parts of obtaining a home mortgage loan is proving you have the required funds for our down payment and closing costs. If any of these funds will be in the form of gift to you, then we must document the transfer of funds.

There are specific rules regarding the transfer of funds and they are as follows:

1. Discuss with our Loan Representative the amount of gift allowed according to your loan program and who will be giving you the gift. [Typically, the gift must come from a relative, but in some cases with FHA loans, the gift can come from a “concerned” party].
2. Your loan officer will give you a “Certificate of Gift” letter. This form needs to be filled out by the person giving you the gift, stating their intention that no repayment of the gift is expected. The donor needs to give you the completed original gift letter along with a cashier’s check made out to you , the borrower, in the amount stated in the gift letter.
3. Make a copy of the cashier’s check. Then deposit the cashier’s check into your bank account and obtain a deposit slip that matches the gift letter and cashier’s check [Please do not deposit any other funds with your gift or make any withdrawals from this transaction. **THE GIFT LETTER, THE CASHIER’S CHECK, AND THE DEPOSIT SLIP MUST MATCH!**]

From time to time, a lender may require further documentation from the donor to proof that the donor has the ability to give the gift, i.e., that the donor has the funds available to give and has not borrowed the funds to give this gift. This is required on FHA loans and the donor needs to document the source of funds for the gift. Your loan officer will advise if any further documentation is needed

4. Deliver to Pulaski Bank Home Lending the original gift letter, a copy of the cashier’s check and a copy of the deposit slip.

If you have any questions, please don’t hesitate to call us at (913) 992-4300.

