



GIFT LETTER

BORROWER'S NAME: _____

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 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.

DONOR'S SIGNATURE: _____ DATE: _____

(COMPLY WITH THE FOLLOWING ACCORDING TO THE TYPE OF LOAN:)

FHA: *From FHA/HUD Mortgagee Letter 00-28: Regardless of when the gift funds are made available to the homebuyer, the lender must be able to determine that the gift funds were not ultimately provided from an unacceptable source and were indeed the donor's own funds. The borrower and donor must clearly document the transfer of funds. "Cash on hand" is not an acceptable source of the donor's gift funds. Prior to loan submission the borrower must provide the following:*

If the gift funds are in the homebuyer's account:

1. Document the transfer of the funds from the donor to the homebuyer by obtaining a copy of the canceled check or other withdrawal document showing the withdrawal is from the donor's personal account, and
2. The homebuyer's deposit slip or bank statement that shows the deposit and new balance.

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

1. A bank statement showing the withdrawal from the donor's personal account, and
2. A copy of the certified check, and
3. The homebuyer's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company or realtor who must provide a letter identifying that this specific check is received and being held in escrow.

If the donor purchased a cashier's check, money order, official check or any other type of bank check:

1. 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, and
2. A copy of the check, and
3. The homebuyer's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company or realtor who must provide a letter identifying that this specific check is received and being held in escrow.

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 homebuyer's deposit slip or bank statement that shows the deposit and the new balance, or this check may be given to the title company or realtor who must provide a letter identifying that this specific check is received and being held in escrow

If loan approval is by automated underwriting system and the gifts funds are already in the homebuyer's account, then the documentation requirements are as stated in the approved findings.

WARNING: *Sec. 1010 of Title 18, U.S.C. Department of Housing and Urban Development Transactions provides "Whoever, 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: _____

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

CONV: This form must be accompanied by a copy of the donor's bank statement demonstrating ability to give the amount of the gift. PRIOR TO SETTLEMENT, the borrower(s) must provide very clear evidence that the borrower is in receipt of the funds (donor's canceled check or certified check with donor's name indicated made payable to the borrower or a bank letter showing funds transferred within the same bank). This evidence must be in our office AT LEAST 72 hours prior to closing.