



Mortgage Process A step-by-step guide

| Type | Description |
|---|---|
| Step 1: Pre Qualification or Pre Approval | <p>The first step is to determine how much home you can afford. In what price range should you be looking? These questions are easily answered through a simple pre-qualification process that can be done online, by email, by phone, or in person. The pre-qualification information needed is based on your current income, credit score, down payment amount and existing financial obligations. From this, a determination is based on debt to income ratios as to how much home you can comfortably afford. A qualified buyer has more negotiating power!</p> |
| Step 2: Locking an Interest rate and Items needed for loan application | <p>Once you are under contract on your new home or decide to pursue a refinance, most borrowers will decide to lock in their interest rate. You will receive a list of "Items for Loan Application" outlining the required documents necessary to prepare your loan so that we can fill out a complete loan application. It is important to provide all of the requested documents in their entirety to assist the Loan Processor and Loan Officer to make sure that the mortgage process goes as smoothly as possible.</p> |
| Step 3: Loan Application and Appraisal | <p>Once we have locked your rate and received all of the requested documentation, you will be provided with a loan application, which includes a Good Faith Estimate with an estimate of closing costs, and required loan disclosures. This is usually sent via fax, email, FedEx, or a face to face meeting with your mortgage loan officer. We will also order your appraisal at this time. It is very important to make sure you choose a mortgage company that uses local appraisers in your market!</p> |
| Step 4: Processing and Underwriting | <p>After the loan application is completed and the appraisal has been ordered, the loan processor will review the application and submit the application to underwriting. The underwriter determines if the loan package provided by the loan processor is an approvable loan. Your loan is analyzed for four important factors: collateral, capacity, credit and capital. Once the loan is approved by underwriting, there may be additional documentation or information needed for final loan approval. At this point, the processor would contact you for this additional requested information. Once your loan is fully approved, you are now qualified to receive a mortgage on your new home. It is very important to make sure you choose a mortgage company with a local underwriter!</p> |
| Step 5: Closing | <p>After the loan is fully approved, you are ready for closing. Your loan file is forwarded to the Closing Department to prepare the documents to be signed at closing. These documents are provided to your closing attorney. The closing attorney uses these documents to prepare the HUD-1 Settlement Statement, which has the final dollar amount needed for closing. You will be able to review this document before closing. Funds for closing are exchanged at this time, usually by cashier's check, draft or wire to the closing Attorney. It is very important that you choose a mortgage company that prepares their own packages and funds locally! After the closing documents are signed, the loan process is complete.</p> |