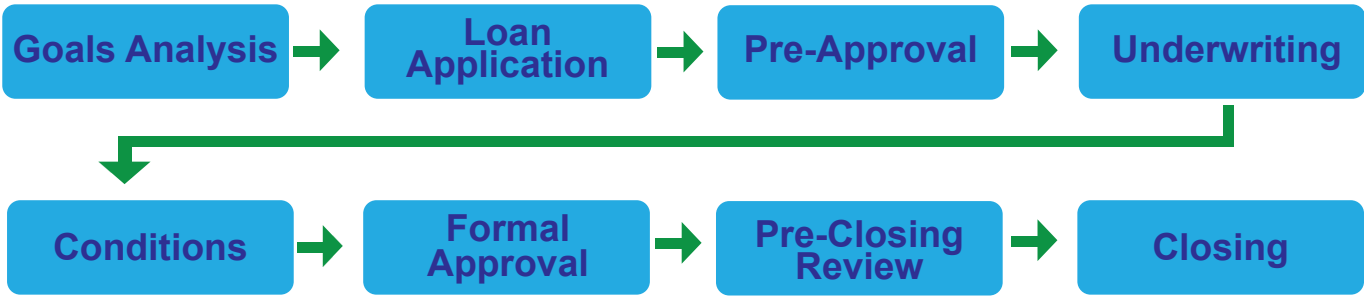


Mortgage Loan Process – Key Points



- 1. Full Income & Assets:** Income & Assets documentation required to qualify: 1 month Paystubs, 2 yrs W-2's and 2 yrs Tax Returns. 2 months Bank Statements where the down payment and closing cost are seasoned and sourced.
- 2. Credit Report:** The credit score has to be at least 620 to qualify for a mortgage loan. The higher the score, the better the rate. Borrowers shouldn't do any of the following: #1: DON'T use the credit cards over the amount used at the time of pre-qualification. #2: DON'T apply for new credit. #3: DON'T buy any major purchases such as cars, furniture, and electronics using credit so the credit score and profile stays as when the pre-approval was done.
- 3. Derogatory Credit Items.** If you have any late payments, unsatisfied tax liens, judgments, collections, or excessive recent inquiries; all of this will affect the approval. You must refrain from any new credit inquiries and any derogatory activity appearing on your credit report until your mortgage loan is completed, otherwise you will jeopardize your own loan approval.
- 4. Existing Credit Balance to Limit.** For best results your existing revolving credit balances should be at no more than 35% of their maximum limits. Balances shouldn't be paid down or paid off during the application process.
- 5. Entire Process:** The entire mortgage loan process takes about 45-60 days. It depends on the cooperation in a timely manner of the entire team (including realtors, borrowers, etc) and the completion of many steps such as: Mortgage application package signed by borrowers, house inspections, appraisal, title work, home insurance and the lender's conditions to the borrowers.
- 6. Mortgage Approval:** It usually takes 4-7 days to get the lender's approval from the date the mortgage package is signed by the borrowers. The approval comes with conditions. Borrowers are encouraged to cooperate in a timely manner (if possible within 24 hours from the requested date) to provide the conditions to submit to the lender. The lender may take 48-72 hrs (at the end of the month it may be more time) to review the conditions AND reserves the right to ask for more conditions if needed.
- 7. Rate:** The application rate is an estimated rate used to calculate the ratios (income vs debt) and to estimate the mortgage payment. The locking of the final rate happens after the loan is approved. The lock is for 30 days, so the rate should be locked within the last 30 days of the real estate contract to avoid expiration.
- 8. Fees:** There is one fee paid in advance (from the lender side) which is the appraisal. It is ordered within 7-14 days from the date of the mortgage package was signed and it takes another week to get it back. There is an inspections fee (on the real estate side), which should be done within 14 days of the real estate contract date.
- 9. Borrower's Responsibilities:** You are required to cooperate by providing the conditions requested in a timely manner and required to maintain verbal/ written (email, text) communication with my assistant and myself during the entire mortgage process.

Borrower: _____

Co-Borrower: _____

Signature X _____

Signature X _____

Signing and dating this document does not obligate you or commit you to anything. We simply want to know that you understand the mortgage loan program, which you are applying for, and that I have explained the process properly.