

What You Can Expect from the Loan Process

- 1) At the time you tell me you are ready to proceed with your loan I will call the appraiser and ask them to call you and schedule an appointment for the appraisal. I will usually receive the appraisal within seven to ten days from the day I order the appraisal. Once the appraiser calls you or the realtor, they will want to arrange an appointment to see the home for an inspection. Someone needs to physically be at the home at the time of inspection.

- 2) Next you will complete the application and sign the other paperwork necessary, provide me with your most recent two years tax returns (federal only- we don't need state returns), most recent two years w-2's(if applicable), the most recent pay stubs (one month's worth) if not self-employed, or current year's profit and loss if self-employed. If your loan will be an easy qualifier, I will not need tax returns, w-2's, or pay stubs; however, I will need three months most recent copies of bank statements on any accounts where you have liquid assets, including IRA's and retirement accounts. If your property is a condominium, I will need the phone number of the homeowners association. I want to get this information as quickly as possible so that I may submit your loan to the lender by the time I receive your appraisal.

- 3) Simultaneously, once I receive at least your application, I will order your credit report, get verification of your liquid assets, employment, and current mortgage rating, if any.

- 4) Once I send your loan to the lender (I send all files by overnight courier) I can usually expect three to four days before the bank underwrites the file. Once they have done so, they fax us their underwriting/condition sheet. This tells us that the loan is approved, but also what the lender requires additionally before they will go to the expense of drawing the loan documents for you to sign. I will call you to notify you of any items required by you once I receive this condition sheet, as quickly as you can get me these conditions I can get them back to the bank (generally this takes three to four days).

- 5) If your loan is a Jumbo loan, there may be an additional step involved- once the lender receives these conditions they may need to send the file to their investor who gives them their money for the loan. This may take an additional two to five days. Simultaneously, they send a copy of the file to PMI companies for loans that are higher than 80% loan to value (loans that need private mortgage insurance). Additionally, they may send a copy of the loan to another company for pool insurance that many lenders require on jumbo loans. The chances of getting these secondary approvals (PMI, Pool Insurance, Investor Approval) are 95% since the lender will not approve the loan unless the guidelines for the secondary sources are met. These lenders know what the secondary sources are looking for and would not approve the loans or send the packages to them if they did not feel they would pass inspection.

- 6) Next, your documents are ordered. It is usually at this point when I confirm and lock in your interest rate, loan amount and other terms of the loan, if the loan has not been previously locked.

7) On a purchase, within 48 hours of the time you sign documents, your loan should fund. On a refinance, your loan cannot fund until three days pass after filing. Your loan will record within 24 to 48 hours from the time it funds. If you are receiving cash back from this loan, you can expect to receive your check after this 24 to 48 hours.

This outlines the basic loan process and what you can expect. Please always feel free to call and ask questions of me and my processing staff to get clarification on anything regarding your loan. I will make it a priority to keep you informed throughout the process. Please note that if your loan is for a purchase, you can knock off approximately seven days from this timetable because the lender will rush the loan process for purchases. If you need any letters from my company to verify your creditworthiness or anything else, I will gladly provide you with these documents once I have reviewed your application.

Please note: Lenders are regarding all appraisals as valid for only three months. After three months, they require a re-certification that costs approximately \$175. These charges can be avoided by making sure the loan is processed expeditiously.