

HOME FINANCING PRE-LENDING PACKAGE



Home buyer education is key to a smooth mortgage process. The Home Financing Pre-Lending Package helps prepare clients on real estate transaction basics, and what to expect.



HOME LOAN DOCUMENT CHECKLIST

DOCUMENTS NEEDED FOR YOUR HOME LOAN

Income (W-2 Employee)

- Copy of your pay stubs covering the last 30 days.
- Copy of your W-2 tax forms for the last 2 years
- Copy of your federal tax returns with all schedules for the last 2 years.

Asset Information

- Copies of bank statements for the past 2 months.
Accounts to be included: 401k, IRA, investment, stock, and mutual funds.

NOTE: Above asset statements must contain every page.

- Copy of current driver's license – front and back
- If not U.S. citizen, copy of your green card – front and back.
- If you own rental property, provide a detailed list:
 - Each address
 - Current mortgage statements, lease agreements, etc.
 - Property tax, tax bill, and homeowners insurance for each property.

If applicable:

- Signed copy of divorce decree
- Proof of income from child support or alimony
- Pension statement or social security award letter.



HOME LOAN PROCESS

PRE-APPROVAL

Some basic questions, taking a home loan application, and pulling credit is the first step to your pre-approval. Based on this information the best home loan program will be structured for you!

FINDING THE HOME

Once pre-approved it's time to go find *THE HOUSE!* Victor is available to help calculate an estimated cash-to-close on any house you'd like at any time.

ACCEPTED OFFER

When the house is found and an executed purchase agreement is received, the loan disclosure package will be prepared.

LOAN DISCLOSURES

Once the loan disclosures are issued, reviewed, and signed the appraisal will be ordered.

LOAN PROCESS

While we are waiting for the appraisal to come back your file will be prepared for underwriting. This is the optimal time to start shopping around for home insurance.

INITIAL UNDERWRITING APPROVAL

After underwriting reviews your file, conditions will be requested for additional information to proceed with the process. We will assist you in determining and collecting all that is needed.

CLEAR TO CLOSE

Once all of the underwriting conditions are met, a clear to close will be issued. We will work with all parties for the best date, time, and location for the closing

PRELIMINARY CLOSING DISCLOSURE

The preliminary closing disclosure provides a closer idea of the needed cash-to-close. Law requires this document to be signed no less than 3 business days before the closing date.

CLOSING DISCLOSURE

The exact cash-to-close will be updated 1-2 days before the closing date. The title company may require your funds in the form of a wire or cashier's check.

CLOSING

The title company, loan officer, buyers, sellers, and REALTORS® will meet to sign the closing documents and keys will be exchanged. The first mortgage payment is due after the first full month of closing. NOTE: Typically, the buyer has a final walk through to ensure the state of the property before closing.

POPULAR HOME LOAN PRODUCTS

NOTE: The seller can offer certain amounts of monies towards closing costs and prepaid items. These can differ based on the loan type and program.

CONVENTIONAL

As low as 3% down payment. Private mortgage insurance (PMI) is required if the down payment is less than 20%. PMI on conventional loans can be paid for upfront instead of monthly. Fixed, adjustable rate, and jumbo loan sizes are available.

SELLER CONCESSIONS ALLOWED:

- 6% max seller concessions for 10% or more down payment.
- 3% max seller concessions for less than 10% down payment.
- 9% max seller concessions for 20% or more down payment
- 2% limit for investment properties

USDA RURAL DEVELOPMENT

Allows 100% financing of appraised value with no monthly mortgage insurance (PMI) for a primary residence. Borrower can roll closing costs and escrows into the mortgage. Income limits are applied based on county and family size. Gift funds are allowed, 640 minimum credit score

SELLER CONCESSIONS ALLOWED:

- Max 6% of the purchase price.

VA

Intended for Veterans and their families. Like the FHA home loan program except the required down payment. Closing costs and prepaid items may be paid by the seller. Gift funds are also allowed. A benefit of VA financing is no monthly private mortgage insurance (PMI) is required.

FHA

3.5% minimum down payment, no income limits, gift funds are allowed. FHA debt-to-income ratio guidelines can allow a borrower to qualify for a higher mortgage amount. 6% of the selling price can be negotiated for seller concessions to pay borrower closing costs, taxes, etc.

SELLER CONCESSIONS ALLOWED:

- Max of 6% of the purchase price.



PROPERTY SCRUB SHEET

PURCHASE PRICE:			
HOME LOAN PROGRAM:			
CONDO NAME:			
SUMMER TAX:	WINTER TAX:	SPECIAL ASSESSMENTS:	SELLER CONCESSIONS:
ASSOCIATION DUES:			
CITY WATER / WELL			
YES NO N/A	Only names on the mortgage application are on the purchase agreement		
YES NO N/A	EMD comes from name(s) on the purchase agreement or acceptable gift fund source.		
YES NO N/A	Buyer assuming the special assessment		
YES NO N/A	Seller pays for owner's policy		
YES NO N/A	Buyer pays transfer taxes		
YES NO N/A	Property currently Homesteaded		
YES NO N/A	Property currently Non-Homesteaded		
	Property transferred title in last 12 months Date:		



GOVERNMENT APPRAISAL CHECKLIST

Government financing is available for properties that meet minimum health and safety requirements. This checklist is designed to assist you in identifying potential repairs associated with government financing.

HEALTH & SAFETY

- * At least 2 exits from Building
- * No Trash inside our outside unit
- * No signs of infestation
- * No exhaust fumes, sewer gas, etc.
- * Interior stair railings, working & properly lit

CEILING/INTERIOR WALLS

- * Large Holes
- * Cracks allowing drafts
- * Severe bulging
- * Loose/falling material
- * Peeling/Chipped paint

WINDOWS

- * At least 1 window in Living room/bedrooms
- * **Broke/Missing panes**
- * Doesn't shut
- * Excessive air filtration
- * Must have screens
- * Windows/doors accessible

KITCHEN

- * Food storage space
- * Food prep area
- * Running hot and cold water

BATHROOMS

- * Window that opens or an exhaust
- * Working toilet
- * Running hot and cold water
- * Mechanical systems
- * Plumbing in good condition
- * Leaks
- * Discolored water
- * Adequate heat

FLOORS

- * Large Holes/Cracks
- * Missing/Warped floorboards
- * Peeling laminate
- * Trip hazards

EXTERIOR

- * Roof w/ no leaks
- * Secured Gutters/Downspouts
- * Structurally sound foundation
- * Secured handrails 30" above ground
- * No cracked/peeling paint
- * Chimneys no serious defects.

