



WHAT HAPPENS NEXT – PURCHASE LOANS

Many things take place now that you have completed your loan application. The information below should answer some of the questions you may have about what happens next in the process of obtaining your loan. Please call us if you have any questions.

INSURANCE INFORMATION. If your homeowners insurance is not included in a mandatory Homeowners Association Fee (for condominiums), you will need to obtain an insurance policy to cover your new home. The amount of the coverage need only be for 100% of replacement costs. In most cases, this amount will be less than your loan amount. You need not pay for the policy until loan closing when you pay all other money still owing for down payment, closing costs, etc.

DISCLOSURE FORMS. As part of your application and disclosure package, you received a Good Faith Estimate (GFE) of Settlement Charges and an Initial Truth-In-Lending Disclosure (TIL). The GFE gives you our best estimate at this time of the charges associated with this transaction. The TIL is probably the most confusing document you will encounter during the lending process. The reason for this confusion is the requirement that we disclose an Annual Percentage Rate (APR), which will always be **higher** than the **actual** note rate of interest that you will pay. The rate you have been quoted will be the rate you get and that is the rate your payments are calculated with. Please note that the payments shown in the payment schedule of the TIL only include principal, interest, and mortgage insurance (if applicable) **ONLY**. If you still have questions after reading the TIL and the explanation enclosed with it, please call and we'll do our best to unravel the mystery. When your loan is placed with a final investor you will receive another GFE and TIL from them. Sometimes the numbers do not match your originals exactly, so if you have questions, please call us. Once you receive the lender's disclosure forms, we will be able to order the appraisal. You will have to provide credit card information to us to pay for the appraisal at that time.

TITLE COMPANY. The title company for your loan is listed below. They will provide title insurance and escrow services on your transaction. You may receive a request for information from them in the mail. The purpose is to help make sure that any adjustments, liens or other potential title problems belong **not** to you, but to someone else with the same or a similar name. Once your loan has been approved and final loan documents have been prepared, you will go to the title company to sign and take any money to be paid. **The money must be the form of a Cashiers Check or Wire Transfer.**

Title Company: _____ **Escrow Officer:** _____
Address: _____
Email Address: _____ **Phone:** _____

CREDIT REPORT. The credit reporting agency that will prepare your credit report (_____) may be contacting you to review the credit information they have found on your record from the three national credit repositories (Experian/TRW, Equifax and TransUnion). They may also ask you other questions regarding your credit history or public record information. You will be sent a copy of the credit report by the credit-reporting agency for your records. If there are any derogatory ratings contained in the report, you will need to provide a letter of explanation and possibly documentation to support it. We will contact you after we have reviewed your report to advise you what actions must be taken.

APPRAISAL. The appraiser will inspect the home you are purchasing and provide an opinion of market value based on what similar homes in the area have recently sold for. You will have a copy of the appraisal report delivered to you by email at the address you have provided us.

ADDITIONAL DOCUMENTATION. Although we attempt to get everything we will need from you at the time of loan application, sometimes other documentation may be required that we did not anticipate at that time. Please bear with us if this is the case. We dislike assembling paperwork as much as you do, but we often find that it will be necessary to get your loan approved. If there is any documentation needed, as indicated on the MORTGAGE APPLICATION CHECKLIST, please send the requested documents to us as soon as possible. This will help us eliminate any delays in getting FINAL APPROVAL on your loan.

LOAN SUBMISSION. Once all the required paperwork has been collected, we put it all together to submit to an Underwriter for loan approval. Depending on how busy the Underwriters are, it may take one to four days to get an answer. You will receive a "conditional" approval, which means that some additional information or documentation must be provided. After we have satisfied all the conditions of the approval and the underwriter has given the loan a "final" approval, closing documents are ordered for you to sign at the title company. It usually takes one to two days for documents to be prepared and sent to the title company.

FINAL SIGNATURES. Once the final loan documents have been prepared, you will need to make an appointment with the Escrow Officer at the title company for signing them. **The Escrow Officer will be the one to provide you with the exact amount you will need to bring to closing.** Any remaining funds required must be provided to escrow by Cashiers Check or via Wire Transfer.