



YOUR GUIDE

TO THE HOME MORTGAGE LOAN PROCESS

Preparing for the loan process

PRE-QUALIFICATION

Please be sure to provide the following documents:

- W2s (from the last 2 years)
- 1040 Federal Tax Returns (from the last 2 years)
- 2 most recent pay stubs
- 2 most recent bank statements (all pages)
- Copy of driver's license

INFORMATION SENT TO YOUR REALTOR

I will send an email to your Realtor, explaining the program you are approved for, closing costs needed and any other details they may need to know.

SEARCH FOR YOUR NEW HOME

Purchase Agreement (PA), is written (including all contingencies)

- You may decide to have your agent write the offer contingent upon inspection. Typically, you as the buyer, have 5-7 days to remove any inspection contingencies. You will hire an inspector who works exclusively for you to inspect the overall condition of the property and give you a detailed report of the condition of the home. If you should decide that any inspected items needs to be replaced or repaired, you have the right to ask the seller to fix it, reduce the price or cancel the purchase agreement all together.
- You also have the option to make the offer contingent upon financing. If for any reason, financing falls through, you are able to get your earnest money back.
- If you decide the home is acceptable in it's current condition, you may choose to remove the inspection contingency.

Purchase Agreement is accepted or rejected

- If your purchase agreement is accepted, you proceed to the financing step.
- If your purchase agreement is rejected, continue your search for finding a home.

Preparing for the loan process

STEP 1

Set Up a Meeting: Sign forms associated with the property you are about to purchase and the loan you are applying for.

STEP 2

Provide your most updated documentation (pay stubs, bank statements, etc)

STEP 3

I will send your file in to be processed.

STEP 4

Verifications of employment, rent, assets, tax returns and social security are ordered by the Loan Processor.

STEP 5

Lender orders appraisal and title work (Typically takes 5-7 days to receive the reports)

STEP 6

Contact your insurance agent to obtain your homeowners insurance.

STEP 7

I'll follow up with you to see if any additional items are needed.

STEP 8

Files are submitted to Underwriting (takes about two days to be conditionally approved).

STEP 9

Answer any underwriter questions and collect any further documentation needed for final approval.

STEP 10

Final approval is given.

STEP 11

Loan documents prepared and sent to the title company.

STEP 12

Attend your closing. Bring a cashier's check or wire the money, and bring your driver's license and list of residences for the last 10 years (only need city and state).

STEP 13

Last and final step: Get the keys to your new home!



Preparing for the loan process

WHY CHOOSE OUR MORTGAGE TEAM?

Carrie Bakunas

Carrie is a loan officer and company owner that brings decades of business experience to the team. Carrie is a tenacious advocate that educates and coaches her clients to help them make the most informed decision. Carrie believes that she can relieve the stress of buying or refinancing a home by explaining the process and setting expectations. Closing early is her motto! After 25 years in leadership positions in Corporate America, Carrie decided to join her husband Scott helping people achieve the dream of homeownership. She quickly found her professional passion and has not looked back. Carrie is a certified Military Mortgage Bootcamp instructor, allowing her to train Realtors and other industry professionals on how to best help Veterans use their earned VA benefit. Carrie studied at the University of Oklahoma.

Scott Baade

Scott is Loan Officer first and a company owner second. Scott helps home buyers and homeowners build wealth through owning real estate. Scott believes that consumers that use mortgage brokers like Colorado Lending Team have the greatest amount of choices and can save the most money because we do the hard work of shopping for a mortgage for them. With 19 years in the business, Scott has been able to help thousands of people with their home financing. Oftentimes, Scott can get people financed even after other lenders tell them no. Scott is a certified Military Mortgage Bootcamp instructor, allowing him to train Realtors and other industry professionals on how to best help Veterans use their earned VA benefit.



Out-of-pocket expenses

ESTIMATED EXPENSES

Out-of-pocket expenses are amounts that are required to be paid for upfront, typically right after you submit the purchase agreement. Individual expenses vary depending on the type of loan and the amount borrowed. See some examples for out-of-pocket expenses below.

- Earnest money (About 1% of purchase price—consult with buyer’s agent for exact amount)
- Property inspection (Typically \$300-\$400)
- Appraisal payment (Typically \$450)



Borrower expectations

RECOMMENDATIONS FOR A SEAMLESS PROCESS

Do not suddenly or drastically alter the way you manage your credit while going through the mortgage loan process because it could affect your financing.

- Do not increase current credit card balances.
- Do not open new credit cards.
- Do not close existing credit.
- Have questions? Consult us before making any financial decisions/changes.
- Avoid depositing money into accounts that are not payroll related.
- Try your best to return all requested documentation within 24 hours.
- Hire an insurance agent and complete insurance application within 5 days of receiving your signed purchase agreement.



Information for insurance agents

OBTAINING HOME OWNER'S INSURANCE

- Your insurance agent will need to know if you are going to establish an escrow account for your annual premium.
- You will need to complete and sign an application with your insurance agent and we will need a binder to finish the loan.
- A binder offers temporary insurance coverage for a stated period of time to complete underwriting and issue the policy.
- The first day of coverage will be the day of closing.
- A binder is like a receipt; it details how much coverage you've obtained and what your yearly premium will be.



Financial information

BANK STATEMENTS

Full account number, banking institution name and account holder(s) name(s) must be printed on the statement.

Bank statements must cover 2 months and transaction history must be shown.

Provide ALL pages of the bank statements (even if some pages are blank).

If you do not use online banking, your local branch can provide you with statements and transaction history. Make sure to have the banker sign and date-stamp all documentation provided to you in person.

If you hold a joint account and the other account holder is not on the loan, provide a letter from the other account holder “granting 100% access to the account”.

Be sure to reference the full account number on the letter and make sure to have it signed by the other account holder.

EARNEST MONEY DOCUMENTATION

In order to receive credit for your earnest money, you will need to provide us with documentation that supports the withdrawal from your account as well as a copy of the earnest money check.

- If the withdrawal doesn't appear on your most recent statement, provide additional transaction history from the end-date of your most recent bank statement through the current history.

Financial information

DOCUMENTING LARGE DEPOSITS

Even if the deposited funds will not be used to close your loan, we still need to verify all accounts opened within 90 days of your loan applications and account balances that are considerably greater than the average balance reflected on your account statement.

All deposits over 15-25% of gross monthly income must be verified

- If the deposit was a check, please provide a copy of the cancelled check.
- If the deposit was cash, provide a copy of the deposit slip.
- If the deposit was a combination of cash/check or you deposited a check and received cash back, provide both the cancelled check and deposit slip copies.

GIFT FUNDS

Gift funds (from an acceptable donor) can be used for down payment and closing costs. If you are to use a gift, we are required to document the gift with a gift letter. We will provide the gift letter, which will be signed by the donor and borrower stating the donor/borrower relationship and that no repayment is required.

If you have already deposited a gift fund into your account:

- The donor must complete and sign the provided gift letter as well as provide a bank statement that documents the gift of funds.
- Recipient of the gift must provide a bank statement or transaction history showing the deposit.
- No gaps are allowed in transaction history. If you are providing a printed statement, it must continue from the most recent date of transaction history provided.
- Remember that you must sign the gift letter as the receiver of the gift fund.

If your funds have not been deposited yet:

- Instruct the donor to wire the funds to the title company and obtain a statement showing the wire is completed.
- Have the banker complete the bottom portion of the gift letter (additional documentation may be required depending on the loan type).
- We will obtain proof that the wire has arrived at the title company. The account number must match the account number on the gift letter.



Financial information

INCOME

Do not change or quit your job during the loan process; the processor will verify your employment at the company listed on your application before closing.

Do not change the way your income is received. For example, if you were paid as a W-2 employee and you switch to being paid as a 1099 employee, different forms of income will be calculated differently. Altering the way you are paid could reduce the amount of income we document.

W2 INCOME

Pay stubs must reference:

- Full name
- Employer's name
- Pay period
- Year-to-date earnings

SELF-EMPLOYMENT

You are required to provide your 2 years' most recent business tax returns (all pages and schedules) and the following if applicable:

- 2 years' most recent personal returns if filed separately
- All K-1s
- Year-to-date profit and loss statement

We may request a signed acknowledgment letter from your CPA confirming that you have filed as self-employed for the past "X" amount of years on your tax return.

SOCIAL SECURITY

Provide your most recent awards letter detailing monthly income. If you don't have this on file, call the Social Security Administration to request a copy via mail.

Financial information

DISABILITY

Provide most recent awards letter, detailing monthly income.

CREDIT

Do not take out any new debt or apply for any new credit during the process

- The underwriter will check your credit before granting final approval on your loan; You will need to explain any new changes to your credit. This could jeopardize your closing date, as underwriting will want the loan to be re-submitted with an explanation letter (1-2 day process).
- Opening any new credit is discouraged, as it could affect your credit score in negative ways and could cause your loan to be denied.
- It is ok if your home owner's insurance agent needs to pull your credit.

A letter of explanation is required for any derogatory credit: late payments, collections, bankruptcy, foreclosure, credit inquires, etc.

Student loans cannot be in forbearance status.

Accounts cannot be in a disputed status.



Your guide to the mortgage loan process

THANK YOU!

Thank you for reviewing our guide to the mortgage loan process. I hope this packet served as a valuable resource to you and that it assisted in answering many of your questions about the mortgage process. We want you to feel fully educated and to experience a smooth loan process. Please contact me with any additional questions, as I expect you may have more!

Thank you for choosing our mortgage team for your home financing needs. Please don't hesitate to contact me if you need any further assistance.

Your guide to the mortgage loan process

Thank you for the opportunity to assist you in acquiring a mortgage loan. Applying for a home mortgage is one of the biggest and most important financial steps you will take in your lifetime. The mortgage loan process can seem complex to many; Our mortgage team wants to ensure you feel fully educated as you progress steadily through this process. Let this packet serve as a personal resource that outlines the steps you will be taking with our mortgage team as you work towards your new mortgage loan.

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