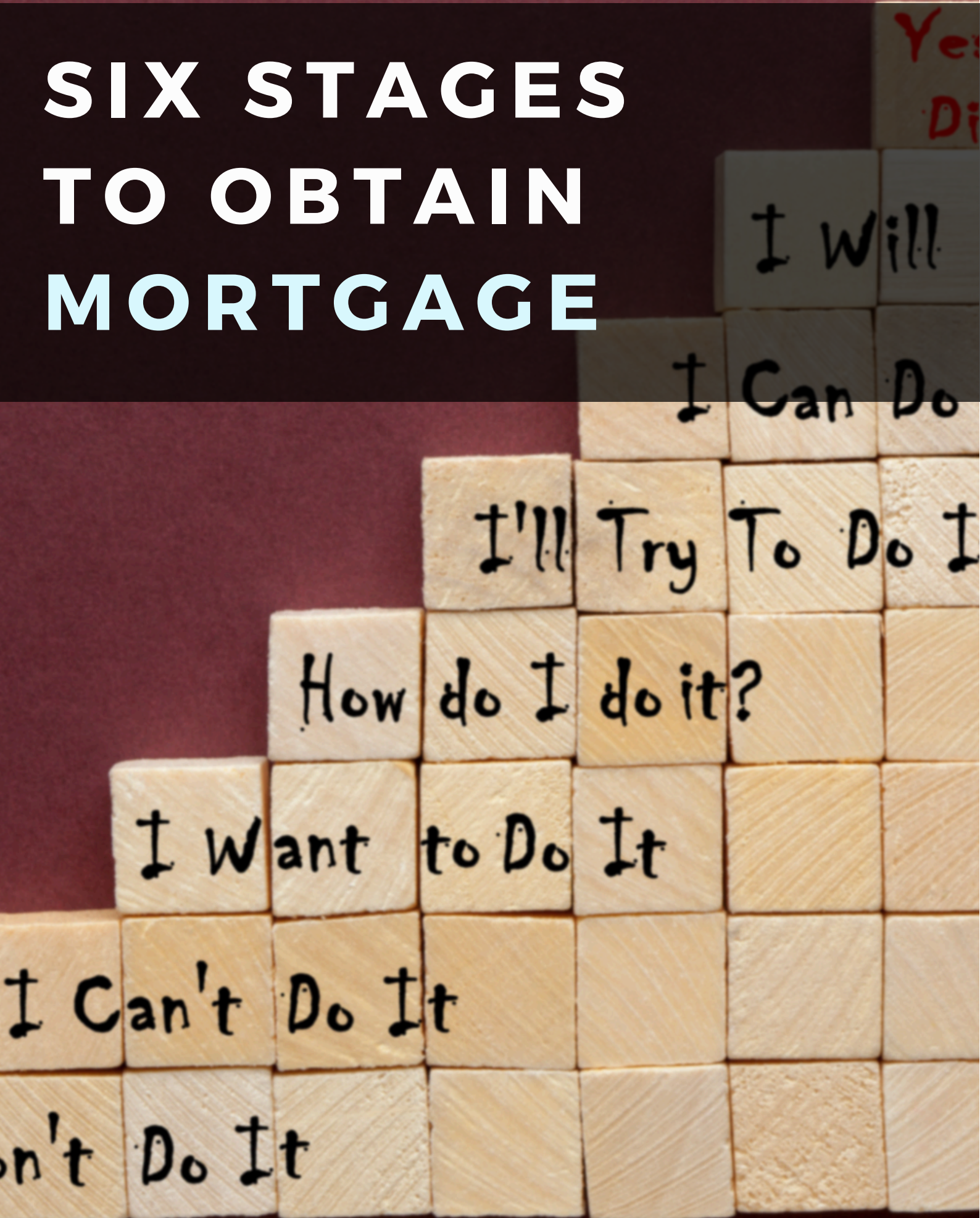
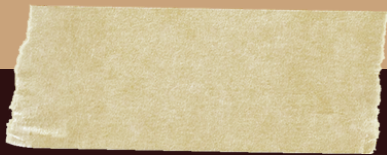


# SIX STAGES TO OBTAIN MORTGAGE



## Getting Prepared



Get all your documents ready beforehand.

You should be ready with:

- W-2's and paystubs
- phone numbers for your Human Resources contact and Insurance Agent
- dig up a property tax bill for your mortgage professional. have some documentation of the assets you own
- The latest statements from your 401K or stock investments
- the values of your car, boat or recreational vehicles will also help make the balance sheet look like you have more than just a house as an asset.
- There is no need to get the value of your Appliances, CD's, DVD's or things like that. Just the big things.

Sometimes, one or more of these things will not be required. It is much better to prepare for what you may need and then not have to show them instead of the other way around. When your mortgage professional has to come back to you for these items, this can add days to the mortgage process. Why not take an hour now to save a week!



## The Application

(meeting time 15 minutes)

This is the meeting with your mortgage professional on-line. This is when you will put your signature on the paperwork and sign the mortgage application verifying the information that will be submitted to the bank.

In the past, this was always done in person, but progress now makes it possible to have these papers downloaded and printed out or sent to you. The preliminary questions can be answered on the phone and the application filled out in advance.

It is better to take the time on the phone when making the appointment to give all the information necessary to fill out the application and so that the credit report can be retrieved in advance.

When you receive the papers to have the meeting, this is your time. Take advantage of this time to ask questions. You are paying good money to get this mortgage and should not ever sign anything you do not understand. I encourage my borrowers to ask questions. More problems later on come from not asking questions or making assumptions about how you think it should work.





## Processing

(1 to 3 business days)

This is when the mortgage professional reviews the application to make sure that it paints an accurate picture of your financial situation and is the internal step of submitting your application to the underwriter of the lender that will (hopefully) approve your mortgage.

You may get a call during this time for more information. This is not a sign that there is any trouble with your application. In fact, this may be a sign that you have a professional who wants everything just right to make the rest of the process go faster.

Should any changes be made, ask for a copy of the updated application to be sent along with your Good Faith Estimate that will be sent within 3 days of your application as required by law.





# Underwriting

(1 to 3 business days)

Underwriting is where the underwriter looks at the picture your mortgage banker has painted and decides whether or not this loan makes sense.

The underwriter makes the decision as to whether or not your application is approved.

What a wonderful development automated underwriting is! Now, rather than having to go to an actual underwriter for every step, this automated underwriting process can take care of many, and sometimes all, of the tasks that once had to be done by hand.

A process that used to take up to 2 weeks is done instantly through the advances of technology.



## Clearing Conditions

(anywhere from 1 day to a month)

"Conditions" are requests by the automated underwriting process or the underwriter for additional information in order to make a decision.

When your mortgage banker tells you there are conditions to clear and asks for something, don't delay. This stage is where most loans are delayed. Many times, this is due to the companies that the information must be retrieved from.

This may involve things like a Verification of Employment from your place of work, a statement from your bank that the funds on your bank statement are still in the bank or proof of where those funds came from.

Other examples of conditions that are needed are explanation letters explaining payments that you have made late and why this occurred or perhaps a letter explaining a gap in your employment history.

If you know that these things have happened, an explanation up front at the application meeting will allow your mortgage professional to draft an explanation and submit this with the loan to save you the time later on.



## Clearing Conditions

Conditions concerning the title may be very time consuming.

When you have refinanced recently and the prior company did not file the release of lien or when your county just hasn't gotten around to processing the release. Perhaps there is a tax lien on the property that needs to be cleared up.

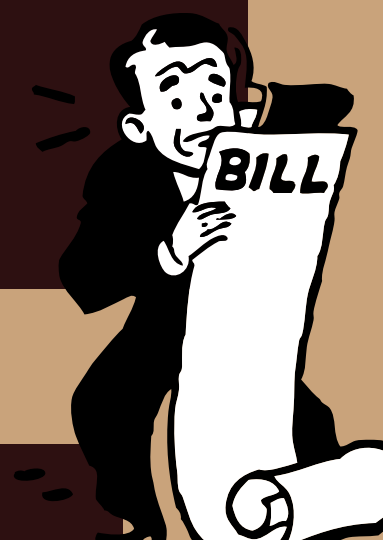
Conditions that take the most time though are clearing up past collection accounts that have been paid or need to be paid in order for the loan to be cleared to close.

These are only a few examples of the types of conditions that may arise.

As you can see, once there is a third party involved in having to clear up any issues, the time involved can lengthen considerably.

Please be patient with your mortgage professional and help them to clear these things up!

Remember, it is not their fault that this appears on your credit history when it is not really your account!





## Clearing Conditions

Once all conditions are cleared a "clear to close" is issued by the bank or lender.

When this has been issued a closing may be scheduled 2 to 3 days later. NOT before. I cannot stress this enough.

A clear to close should really be in hand a full week before the closing when it comes to a purchase, although many mortgage professionals try to push things through at the last minute.

It doesn't matter that you have picked the day you want to close.

More bad feelings have been created from trying to push things through and then rescheduling than are made when the decision is made a week in advance.



## The Closing

( 30-45 minutes for refinance,  
1-2 hours for purchases depends on client)

You made it! Although this is the time that you actually sign those papers committing yourself to up to 30 years of paying the bank just to live in your house,

if all the steps above have been followed and you have picked a mortgage professional that does their job, this should be the least stressful time of the mortgage.

Review the papers you are asked to sign and bring the Good Faith Estimate you received to compare and make sure all the costs that were presented up front are still the same.

A good mortgage professional will never change things, but there are some bad apples who prey on people and change these numbers hoping that you will sign them rather than insist it is what you were promised. If these numbers are not the same, **WALK AWAY!**



At this point your mortgage professional should be your advisor, not your adversary. If the numbers are not right, the mortgage person should be the first one reaching for their coat



## The Closing

It does happen that papers will arrive with the wrong numbers on them.

If you are getting an explanation of why the numbers are different rather than an offer of fixing the problem so that it is right, chances are that your mortgage person knew about this ahead of time.

Take this as a red flag and leave. You can always get another mortgage, you can always get another mortgage person.

Of course, there are also times that the mortgage person has made a mistake and the numbers are actually correct.

If the explanation is satisfactory and fully explained so that you understand it, this can be ok.

Just make sure you understand any explanation.





## Summary

Hopefully, this article has explained the 6 stages of a mortgage and prepared you for the steps that are ahead of you and what to expect.

There are many steps to be taken, but all delays can be seen coming and reduce any stress when you know what is coming and when a delay is on the way.

I hope I have prepared you for some of the possible delays that may arise and why they occur.

I certainly hope that you will choose my company and I to help you obtain your mortgage!.

## Let's TAG TEAM this DEAL®

