

# STEPS OF THE **HOME LOAN** PROCESS

Lending that *moves* you<sup>®</sup>

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## FINANCIAL SELF-ASSESSMENT AND PREPARATION

**Create a Budget:** (Refer back to page 1) Assess your monthly spending habits. Add up total monthly bills and subtract it from your monthly income. Do you have enough left over for a new payment?

**Assess Your Credit Score:** If your credit score is lower than you would like, work toward building up your credit.

**Develop a Savings Plan:** Saving a small amount every month for a year is a good way to save enough for a down payment for your dream home.

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## SELECT YOUR HOME

- Select your dream home
- Sign a purchase agreement with the seller
- Your processor will order a home appraisal if needed and will provide you with a copy of the appraisal

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## APPLY FOR A LOAN

*Documents typically needed to complete a home loan application might include:*

- Proof of Income: most recent paystubs
- Proof of Employment: past 2 year history
- Proof of Residency: current street & mailing address
- Proof of Identity: current driver's license or state issued ID & social security card

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## ORIGINATION AND UNDERWRITING

**Origination:** When you submit your credit application, a mortgage loan originator (MLO) will review the loan request. If an approval can be issued, the MLO will contact you to discuss the terms of the approval and explain any required conditions. If the application cannot be approved as requested, the MLO will advise of any other options to help get you approved.

**Underwriting:** Credit risk is determined based on credit score, income, existing debt, down payment and the current principal/interest payment, along with taxes and insurance.

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## SATISFY LOAN CONDITIONS

- Submit all information requested on your approval notice to your MLO
- Generally, information requested consists of proof of employment, income verification and the source of any required down payment
- Once all required information requested are approved by your MLO, **CONGRATULATIONS!** You're approved and are ready to close on your loan

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## CLOSING

*The final step of the home loan process*

- Titling is finalized with the title company
- Closing documents are signed
- Closing costs are paid

