

The Mortgage Loan Process

Required Documentation The Loan Process – Step By Step

The mortgage loan process may vary depending on the choices you make before the final closing. It is generally recommended that you meet with your lender for a loan pre-approval to ensure you know the loan amount for which you are qualified before you begin touring potential homes. During the pre-approval process, the majority of documents necessary to process and secure your mortgage will be gathered and reviewed. Of course, being pre-approved in advance of your impending home purchase may save valuable time at this stage. However, if you choose to become pre-qualified or have not discussed obtaining a loan before entering a contract with the sellers, then now is the time all documents verifying your income and debts will be required.

What To Bring

The documents you provide will help the lender determine whether your credit history reflects your willingness and ability to repay the loan and ultimately how much you can afford to spend on your home. The results have an effect on the loan amount you receive and the interest rate you obtain.

Following is a list of the basic items you will need to provide:

- Pay stubs covering the most recent 1-month period and showing year-to-date earnings and deductions (computer-generated).
- W-2s for the most recent 2 years
- Declaration page of home owner's insurance
- Bank statements covering the most recent 2 month period - checking, savings, investment, retirement, stocks, etc.

Self-employed or paid by commission applicants will need:

- Federal income tax returns with all schedules for previous 2 years
- Corporate tax returns and all schedules, if applicable

Applicants who filed a bankruptcy within the past 7 years will need:

- A copy of petition, schedule of creditors, and discharge papers
- A handwritten explanation of the reason for bankruptcy

If you have any questions about what is needed, just contact your Mortgage Planner to quickly clear up any confusion.

The Loan Process - Step By Step

Step 1: Loan application

Your mortgage loan application can be taken over the telephone, via fax or online.

Step 2: Loan processing

After the application is received, it will be reviewed to make sure the information is complete and consistent. The information is verified and the presence of all essential documents is confirmed.

An appraisal is ordered to ensure the property is worth the loan amount. Your credit report is ordered.

Step 3: Underwriting

Once all documents are gathered, your loan package will be submitted to an underwriter who will evaluate your loan information as well as your ability to make the monthly loan payments.

Step 4: Loan approval

You will be asked to provide any additional information needed by the underwriter and notified of the conditions which must be met in order for your loan to close and fund.

Step 5: Draw closing documents

The legal documents that are to be signed in escrow will be ordered.

Step 6: Closing

A title agent reviews the settlement statement with you. This document includes all the final costs for the purchase. You will sign all documents such as the mortgage or deed of trust, note, Truth in-Lending Disclosure and other miscellaneous closing documents. You will give the closing agent a certified or cashier's check for the down payment and closing costs. (purchase)The seller will sign a deed and other miscellaneous closing documents.

Step 7: Loan documents return to lender

The lender receives the signed documents and verifies all conditions have been met and that the figures are accurate.

Step 8: Loan records

The funds are disbursed and the transaction is recorded at the County Recorder's office. (purchase) The home is now officially and legally yours. You receive the keys to your new home!