19 STEPS TO HOME OWNERSHIP

The Typical Home Loan Process

1. PRE-QUALIFICATION
This informally determines the maximum amount you are eligible to borrow. This is not a guaranty of a loan. The key to getting pre-qualified is to provide your entire credit history. Neglecting to mention outstanding loans can nullify the process.

2. PRE-APPROVAL
Pre-approval is similar to pre-qualification, except your debt, income and credit are all verified and you are actually approved for a loan, up to a specific amount and under certain terms and conditions. Becoming pre-approved means you can search for your dream home knowing exactly how much you can afford.

3. THE HUNT
Now that you know how much you can afford, you can begin shopping. Ask your real estate agent to search daily for homes that meet your specific criteria.

4. PURCHASE & SALE AGREEMENT
When you find the right home, the terms of the sale are negotiated, including the sale price, repair, requests, move-in date, etc. Your agent will present your offer to the sellers. Your pre-qualification or pre-approval letter will usually be submitted with your offer since it can tilt the sale in your favor, especially in a competitive market.

5. LOAN APPLICATION
Once the seller accepts your offer, you will need to obtain your mortgage. Unless you have been pre-approved, you will need to complete a loan application to obtain a loan estimate.

6. DOCUMENTATION
Once you have received the loan estimate and are comfortable with the terms and fees, you will notify your lender of your intent to proceed with obtaining the loan. Paperwork supporting the application must be submitted. This normally includes pay stubs, two years' tax returns and account statements verifying the source of the down payment, funds to close and reserves. If pre-approved, this step has already been done.

7. APPRAISAL
This is required by lenders on all home sales. This could jeopardize a sale if a discrepancy exists between the sale price and appraisal value.

8. TITLE SEARCH
A search for any liens against the property is conducted. A lien may have been placed on a property to ensure payment of outstanding debts by the owner. All liens must be cleared before the title transfer.

9. PROPERTY INSPECTION
Most purchase loans require an inspection for termite and water damage, and possible safety hazards. Some repairs may need to occur before the sale.

10. PROCESSOR'S REVIEW
A loan processor will package all pertinent information to be sent to the underwriter, including any explanations that may be needed, such as reasons for derogatory credit.

11. UNDERWRITER'S REVIEW
The underwriter makes the final decision on whether the loan is approved, based on all information received. Lenders are looking for borrowers who will make timely payments.

12. MORTGAGE INSURANCE
Many lenders require borrowers to carry private mortgage insurance when their down payment is less than 20% of the sales price.

13. FINAL LOAN APPROVAL
In most cases, when your credit and debt-to-income ratios are good, your loan will be approved. In some cases, you may need more money to put down. There may also be other conditions to meet before the final approval.

14. INSURANCE
Lenders require fire and hazard, and sometimes flood insurance, on the replacement value of the structure.

15. SIGNING
Final loan and escrow documents are signed by the buyer and seller.

16. FUNDING
A wire or check for the amount of the loan will be sent to the title company.

17. CLOSE OF ESCROW/CLOSING
Documents transferring the title are recorded with the parish.

18. CONFIRMATION OF RECORDING
The title company now authorizes the escrow company or closing agent to draft a check to the seller.

19. MOVE IN
Congratulations! Now you can move into your new home!



Geoff Smith
Loan Officer

gsmith@lendtheway.com
OFFICE
(678) 779-5066 MOBILE
47 Perimeter Center E
Atlanta, GA 30346
http://lendtheway.com/geoffsmith

Assurance FINANCIAL
Lending the Way.™

This is not a commitment to lend or extend credit. Restrictions may apply. Information and/or data is subject change without notice. All loans are subject to credit approval. Not all loans or products are available in all states. Assurance Financial is committed to compliance with Section 8 of RESPA and does not offer free marketing services in exchange for referrals or the expectation of referrals. Assurance Financial is an Equal Housing Lender. Assurance Financial NMLS# 70876 www.nmlsconsumeraccess.org MS & GA Licensed Mortgage Company

EQUAL HOUSING OPPORTUNITY