



**Hi! My name is Arnold.**

*I get to take you, step by step, through the heavy stuff—the loan process and application information. It is not as frightening as it seems. Come, I will show you.*

# The Loan Process Step-By-Step

**The loan application need not be intimidating. The Kiper Team has detailed the steps involved in the process so that you feel confident about going to the lender prepared with everything you need to successfully complete the loan application.**



## **The first step - The Loan Application**

During your initial meeting with a loan officer, you will provide financial information to the Loan Officer, such as employment information, payment for monthly bills, etc (check list on the following page)



There are many different type of loans and loan programs. Each loan has different rates, points and fees - it's hard to figure out which program is best . That's where an experienced Loan Officer can help make a decision that's best for you. Your lender will work with you to determine which loan is best suited to your situation.



The Loan Officer will provide a detailed analysis of the down payment, closing costs and mortgage payments. This is called a Good Faith Estimate. This is the information you will need to make a fair and accurate judgment when shopping for a loan. The estimate will show all the costs that can be estimated in advance by the Lender. You need this information so there are no surprises on the day of closing. You will be expected to pay the closing costs. The Kiper Team can negotiate for you at the time the contract is written to have the Seller assist and /or pay all the Closing Costs for you.



**Have your Lender Pre-Approve you!**

# The Loan Process Continued

## The next step - Loan Approval

The Buyer's financial information is submitted for loan analysis and approval. Talk to your Lender at this time about their Interest Rate Lock procedures.

### Dos and don'ts during Loan Approval

- Respond **promptly** to any request for additional documents. This is especially critical if your interest rate is locked or if you plan to close on a certain date.
- Do **not** make any major purchases.
- Do **not** buy a car, furniture, or another house until your loan is closed. Anything that causes your debts to increase might have an adverse affect on your current application.
- Do **not** move money into your bank unless it can be traced. If you are receiving money from friends, family or others, please Contact the Kiper Team.

### Order Appraisal And Title

The Loan Officer will order the following: An Appraisal to determine market value of the property, and a Title Report to determine any liens or encumbrances on the property.

### Final Approval And Clear To Close

When the Loan Package is completed, including a finished appraisal and title report, it goes back to the underwriter for final approval. This takes about 48 hours.

When all conditions are satisfied the loan is "cleared to close" and the documents are prepared for Buyers closing.



# The Loan Application Checklist



## General

- q Picture ID with social security number of borrower and co-borrowers
- q Payment to cover the application fee (if applicable)
- q Name and complete address of all landlords for the past two years

## Income

- q Employment history for the past two years including names, addresses, phone numbers, and length of time with the company
- q Copies of your most recent pay stubs and W-2 forms (past two years)
- q Verification of other income (social security, child support, retirement)
- q If self-employed you need copies of the past two years signed tax returns including all schedules, and a signed profit and loss statement of the current year. Retirees need tax returns or the past two years
- q If you have rental property income bring a copy of all lease agreements

## Assets

- q Copies of all bank and credit union statements for the past three months
- q Copies of all stock/bond certificates and/or the past three statements from all investment and retirement accounts
- q Prepare a list of household items and their values
- q Copies of title documents for all automobiles, boats, motorcycles, etc
- q Face amount, monthly premiums and cash values of all life insurance policies. (Cash value may be used for closing costs or down payments. You need documentation from the carrier indicating cash value.)

## Creditors

- q Credit cards (account numbers, current balances, monthly payments)
- q Installment loans (car, student, etc.) Same details as for credit cards
- q Mortgage loans (property address, lender with address, account numbers, monthly payment and balance owed on all properties presently owned or sold within the last two years.) Bring proof of sale of property sold
- q Child care expense/support (name, address, phone number.)

## Other

- q Bankruptcy - Bring discharge and schedule of creditors
- q Adverse credit - Bring letters of explanation
- q Divorce - Bring Divorce Decrees, property settlements, quit claim deeds, modifications, etc., for all divorces by yourself or your spouse
- q VA only - Bring Form [DD214] and Certificate of Eligibility
- q Retirees - Bring retirement and/or Social Security Award Letter