

## Organize your documents

### If you are buying or refinancing a home

1. If you are salaried: provide two years W-2 and one month of pay stubs. If you are self-employed: provide two years tax returns and a YTD profit and loss statement.
2. If you own rental property, please provide rental agreements and two years tax returns.
3. If you wish to expedite the approval process, please provide three months bank statements for each bank, stock and mutual fund account.
4. Provide recent copies of any stock brokerage or IRA/401(K) accounts that you own.
5. If you are requesting cash out refinance please provide a letter explaining what you plan to do with the proceeds.
6. Provide a copy of divorce decree if applicable.

### If you are applying for a home equity loan

1. If you are salaried: provide two years W-2 and one month of pay stubs. If you are self-employed: provide two years tax returns and a YTD profit and loss statement.
2. If you own rental property, please provide rental agreements and two years tax returns.
3. Please provide a copy of the note on your first mortgage. This will normally be found in your closing loan documents.
4. Please provide a signed letter explaining what you plan to do with the proceeds.
5. Provide a copy of divorce decree if applicable.

## Shop loan programs and rates

### To shop for a loan you will need to:

1. Think about how long you plan to keep the loan. If you plan to sell the house in a few years you may want to consider an adjustable or balloon loan. On the other hand, if you plan to keep the house for a longer time, you may want to look at fixed rate loans.
2. Understand the relationship between rates and points. Points are considered to be prepaid interest and are tax deductible. Each point is equal to one percent of the loan. So for example 1 point on a \$150,000 loan is \$1,500. The more points you pay, the lower the rate.
3. Compare different programs. Shopping for a loan can be difficult. With so many programs to choose from, each of which has different rates, points and fees, it often seems hard to determine which program is best for you. That is where an experienced mortgage banker can help you make a decision that is best for you.

## Obtain Loan Approval

Once your loan application has been received we will start the loan approval process immediately. This involves verifying your:

1. Credit history
2. Employment history
3. Assets including your bank accounts, stocks, mutual fund and retirement accounts
4. Property value

Based on your specific situation, additional documents or verifications may be required. To improve your chances of getting a loan approval:

- Fill out the loan application completely.

- Respond promptly to any requests for additional documents. This is especially critical if your rate is locked or if you plan to close by 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 accounts unless it can be traced. If you are receiving money from friends, family or other relatives, please contact us.
- Do not go out of town around the closing date. If you do plan to be out of town when your loan is expected to close, you may sign a power of attorney, to authorize another individual to sign on your behalf.

## Close the Loan

After your loan is approved, you will be required to sign the final loan documents. This will normally take place in front of a notary public. Be prepared to:

- Bring cashiers check for your down payment and closing costs, if required. Personal checks are normally not accepted.
- Review the final loan documents. Make sure that the interest rate and loan terms are what you were promised. Also, verify that the name and address on the loan documents are accurate.
- Sign the loan documents.

Your loan will normally close shortly after you have signed the loan documents. On refinance and home equity loan transactions federal law requires that you have 3 days to review the documents before your loan transaction can fund.