

Top 10 Things to Remember Before Securing A Mortgage:

Over the years we have learned (sometimes the hard way) things that borrowers can do that unintentionally make the mortgage process more difficult and stressful. In response to these lessons, we have created the following list of things you should be aware of and avoid doing!

Please understand many lenders will tell you that they can give you a better rate. Generically this is a true statement as many factors go into the interest rate you will end up with for your loan and that your actual current credit score will affect your loan rate.

With that said many lenders will tell you a rate based on the best credit ratings and then they go up from their as the credit score goes down. Also, understand that you can buy-down a lenders interest rate, so yes most lenders are making a true statement when saying we can get you a better rate, but remember, nothing is free and you must be savvy to find where they have hidden the fee. One trick is saying we give you 2 months of no mortgage payment, not telling you that the first month is normal for you not to have a loan payment, then the second month they hide in the loan, usually showing up at the end of the loan as an extra payment.

Once your about 5 days away from the closing date the lender will have a document to review with you from the Underwriter of your loan. The document is called a Closing Disclosure. It will have the specifics of your loan along with some proration items like insurance, taxes, HOA dues. When you get this document review it for correctness. Look for items that you may have already paid for out of closing (survey, appraisal, HOA/POA application/deposits) any and all initial/additional deposits made at contract signing and any sellers credits given in writing. We, as your agent, will also review this document to help have an extra set of eyes on it to help as we can. Note that this document may go directly to you before we have a chance to review it. It's not unusual to find errors or item/s that need corrected, that's why it's sent early.

A soon as you can start getting insurance quotes and share the information with your lender as this effects your income to debt ratios and could affect your loan. Note that if the quote shows the structural insured value as something less than the purchase price understand that the land value is not part of the structure.

A note on Loan Servicing - After you close on your new home it is entirely possible that your lender will sell your loan to a different loan servicer. If you receive a letter in the mail stating you should send future payments to a different loan servicer, do not assume it to be true. In the past there have been scammers who have tricked homeowners into sending their payments to a different, fictitious loan servicer.....only to steal the money and leave the borrowers in default on their loan. The first thing you should do is call your current lender. If the loan was sold they will know it and can confirm the correct mailing address for future payments. Like Ronald Reagan famously said, use the old Russian proverbs: "trust but verify".

Once the Good Faith/ Earnest Money Deposit is deposited and the Escrow agent provides a "Verification of Escrow" letter you'll need to provide your lender proof the deposit check cleared your account. Do this by providing a bank statement printout to include the entry showing the funds were withdrawn/deducted from your account (the statement must start from the beginning of the current statement period).

During the process of applying for a loan the following points will help with getting your loan and should help with your rate:

1. Cash isn't acceptable. Do not deposit undocumented cash into your bank account. Banks are chartered by the Federal Government to be on the front line of fighting money laundering and terrorism. Cash deposits are not acceptable unless you can show where the cash came from.

2. Do not apply for credit. Lenders monitor your credit right up until closing. While everyone loves the “no interest loans” from furniture stores and Home Depot, do not apply until the DAY AFTER closing.
3. Don't dispute anything on your credit. Many people have errors on their credit report. Often, borrowers learn of these errors while applying for a mortgage. Credit repair specialists often tell you to dispute incorrect items on your credit. Do not do this until after closing for the same reason as mentioned above.
4. Do not transfer money from one account to another. Every time money is transferred from one account to another, the lender must verify where it went and show funds clearing. While many borrowers like to transfer money into a savings account to earn more interest, don't do it. You will need to provide many more statements and get frustrated with the paperwork requirements.
5. Avoid planning a vacation for the day after closing. We all love vacations! To many people it makes sense to get away from the stresses of life after closing on a new home. The problem is sometimes closings get delayed by sellers, title companies, appraisers, surveyors, realtors, and of course mortgage lenders. There are many people involved in getting your loan closed on time. While most of the time closings occur as scheduled, there are times when a delay occurs. Having a vacation planned for right after closing adds a whole new layer of stress.
6. Lenders do not accept screenshots. If you are asked to provide evidence of anything on your bank statements or credit accounts, don't provide screenshots. They aren't accepted. Lenders require either statements, official letters, or some sort of actual internet printout from the online account with the websites URL and the account number.
7. Partial Statements aren't accepted. If you need to provide a statement, provide all pages. Even if the page is “left blank intentionally” or if the page is just advertising. Remember, the lender doesn't know the page is advertising if you don't provide a copy of the page!
8. Blacked out/crossed out account numbers. Some borrowers will black out account numbers on bank statements. Lenders do not accept altered documents. Do not write on or alter any documents.
9. Don't reduce your hours at work or change jobs. Lenders check your employment at the beginning and right before closing. Do not change anything. If you always work overtime, keep doing that! You may have been approved assuming you will continue working overtime. Don't give the lender a reason to believe you aren't continuing that habit.
10. Ask your loan officer. If you are about to anything with your employment, income, asset, or credit profile.....talk to your loan officer first.

Once again, thank you very much, your trusts in us to serve you in your Realty needs is appreciated. If you hear that any family, friends or neighbors are thinking about buying or selling, please have them call or email us. We promise to provide them with the same high-quality service we gave you.

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