



**USA Mortgage**

*The Home of Possibility®*

# MORTGAGE PROCESS LOAN PROGRAMS







# ABOUT US

USA Mortgage is a full-service mortgage bank. We will see you through all aspects of the loan process from the time we meet to the day you sit at the closing table. We also will fund your loan with our money. To borrowers and REALTORS®, being a mortgage bank means you can expect a home financing experience free of hassles and headaches. The complete control means having inhouse operations such as processing, underwriting, closing, and funding.

We want you to be our client for life...and we treat you accordingly. We strive to build lasting relationships that enable each and every person relying on us for their financing needs the opportunity to achieve the American dream. We know that the purchase of a home is a large investment - both financially and emotionally - and we know that borrowers have many options. Our clients choose us because we keep rates low and fees to a minimum; provide speedy pre-approvals; present a diverse array of loan solutions to fit individual needs; and ensure smooth, problem-free closings. We feel that our relationship should not end at the closing table, as is the case with most lenders; but it should continue over time through future follow-up calls, emails, and letters about topics including market updates and refinancing opportunities.

# THE MORTGAGE LOAN PROCESS

## ▶ **Loan Application & Prequalification**

The first step in the Mortgage Process is to complete a full loan application. Once your application is received, an experienced Mortgage Professional will help explain different financing options that are best suited for your goals. This beginning stage of the process does not guarantee an approval for a mortgage. However, it does provide the knowledge required to set realistic expectations in respect to spending limits.

## ▶ **Documentation**


Financial documents supporting the mortgage application must be submitted and verified by underwriters. Documentation commonly requested (but not limited to) would include 30 days paystubs, 2 years complete tax returns, 2 years W2's and 1099's, photo ID's for all applicants, current checking and savings account statements, and recent retirement/investment account statements. If you have experienced a divorce or bankruptcy, supporting documentation will be required.

## ▶ **Home Shopping**

Now that the pre-approval is in place, you can begin the process of shopping for your dream home! You might consult with your REALTOR® about your needs and prepare a list of available inventory that suits your search criteria. When the perfect home is located, your realtor will present your offer to the seller.

## ▶ **Begin the Loan Process**

When all parties have agreed to the terms of the sales contract, you will meet with your loan officer to discuss the different financing options you may qualify for. When the type of mortgage, and term, has been determined, you will sign the Loan Application and the Loan Estimate. This document is not 100% accurate in the early stages, however, it does provide you with a realistic picture of your transaction.



# THE HOME BUYING PROCESS

## MEET WITH A REAL ESTATE PROFESSIONAL

Discuss the type of home you're looking for, including style, price, and location.

## GET PRE-APPROVED

You will need pay stubs, W2s, and bank statements. Knowing what you can afford is critical to a successful home shopping experience.

## MAKE AN OFFER

Your agent will prepare the offer based on the price and terms you choose.

## SEARCH FOR HOMES

The fun part! Your agent will schedule showings and help you find the perfect home.

## NEGOTIATION & CONTRACT

It may take a few tries to get it just right, but hang in there. You're on your way!

## UNDER CONTRACT

You and seller have agreed to the price and terms. The home is effectively held for you until closing.

## CLOSING

This is the transfer of funds and ownership. A title company or an attorney typically acts as an independent third party to facilitate the closing.

## FINAL DETAILS

Perform due diligence, order the appraisal, conduct an inspection, and review terms with the lender.

**CONGRATULATIONS!**  
**YOU ARE A NEW HOME OWNER!**



# HOME LOAN PROCESS

1

## **PRE-QUALIFICATION & DOCUMENTATION**

The first step is to complete a full loan application, which can be done online or with the assistance of your loan officer. Once your application is received your loan officer will guide and help determine which loan program best fits your needs while informing you of the needed documentation to move forward with the process.

2

## **START SHOPPING FOR YOUR NEW HOME**

This is the fun part; you can work with a licensed real estate professional that will help find that house you can call home! Along the way, they will assist in making sure you are aware of any unseen or unnoticed issues to insure you are buying with confidence. Once you find the right place they will work on your behalf for the best terms and price of the sale.

3

## **BEGIN THE LOAN PROCESS**

Once all parties have agreed to the terms of the sales contract, your loan officer will begin collecting information to provide the best program options and terms available. A Loan Estimate will be provided to detail the loan specifics such as the interest rate, monthly payment and total closing costs. The Loan Estimate shows you what loan terms the lender expects to offer if you decide to move forward. If you decide to move forward, the loan officer will ask for additional financial information for the processing of the loan.

4

## **UNDERWRITING**

A Mortgage Underwriter's job is to assess the risk of lending you, the applicant, money to purchase your home. They consider factors such as credit history, employment history and income when determining whether to approve the loan.

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## **INSPECTION & APPRAISAL**

Your REALTOR® can recommend a capable home inspector for a thorough inspection of the property. The inspector will check for any structural and/or material defect, items you will want to know about before your purchase. After the inspection is complete your loan officer will place the order for your appraisal and a licensed appraiser will be randomly selected to complete the order.

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## **CONDITIONAL APPROVAL**

Once the underwriter has reviewed all the documentation provided for the buyer and it meets the minimum requirements they will issue a "conditional approval." However, this approval will still have a few items needed to get a final approval.

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## **FINAL APPROVAL & CLOSING**

Once the additional items from the conditional approval have been obtained the underwriter signs off giving it a clear to close. The file will now move into closing. This is where we get the paperwork ready for you to sign and move the money to the title company to pay for the home.

# LOAN PROGRAMS

## CONVENTIONAL

- 5% minimum down payment requirement
- Maximum loan amount of \$484,350
- Seller concessions are limited to 3-9% of sales price (please call for details)
- PMI required over 80% LTV
- Additional options are available

## FHA

- 3.5% minimum down payment requirement
- Max loan amount will be \$314,827
- Upfront Mortgage Insurance premium financed into the loan
- Condominiums must be on FHA approved list
- No income limits
- Seller concessions up to 6% of sales price
- Gifts allowed

## USDA

- Minimum 640 credit score (may be lower but subject to USDA Approval)
- Property must be located in USDA approved area
- No down payment required - 100% - 102% LTV financing based on appraised value
- Possible financed closing costs
- Reduced monthly mortgage insurance premiums
- Maximum Loan amount will be \$484,350
- New and existing homes eligible
- Seller concessions of 6% of sales price
- Condominiums may be eligible for financing
- Not restricted to first time home buyers
- Income for all residents cannot exceed: 1-4 Persons: \$85,700;  
4+ persons: \$113,100





## VA

- Minimum 600 credit score
- 0% down payment requirement
- Must meet VA eligibility
- \$484,350 maximum loan amount
- No MI
- No co-signers allowed
- VA funding fee financed into loan
- Disabled veterans can waive funding fee

## BRIDGE LOAN

- Receive cash out of your existing property prior to the sale
- Lender allows borrower 90 days to sell current property to receive the funds to pay lender back
- Interest Only Second Mortgage Loan Borrower has the option for a 90 day Extension, if needed, to sell their current property

## LOCK & SHOP

- Locks up to 120 days with no upfront lock fees.
- Delivers flexibility to the homebuyers experience.

## ADDITIONAL LOAN PROGRAMS

- Jumbo Loans
- Construction Loan

# MORTGAGE DOs & DONTs

## DOs:

- **KEEP ALL RECORDS AND DOCUMENTS IN GOOD ORDER**

- **AVAILABILITY** - Keep your financial records close at hand in case updates are requested.

- **INCOME** - Be aware that underwriters typically verify your income and tax documents through your employer(s), CPA, and/or IRS tax transcripts. Hold onto new paystubs as received.

- **ASSETS** - Continue saving account statements. Keep all numbered pages of each statement. Ex. 8 of 8.

- **GIFTS** - If you're receiving any gift money from relatives, they'll need to sign a gift letter (we'll provide) and an account statement evidencing the source, which must be "seasoned" funds.

- **CURRENT RESIDENCE** - If you're renting, continue paying your rent on time and save proof of payment. If you're selling your current residence, be prepared to show your closing disclosure. If you'll be renting your home, you may need to show sufficient equity, a lease and receipt of the first month's rent and security deposit.

- **KEEP YOUR CREDIT SHINING** - Continue making payments on time. Your credit report may be refreshed, and any negative change to your report could cause you to lose your approval and your home.

- **UNDERSTAND THAT THINGS HAVE CHANGED** - Underwriters require more documentation than in the past. Even if requests seem silly, intrusive or unnecessary, please remember that if they didn't need it, they wouldn't ask.



# DONTs:

- **APPLY FOR NEW CREDIT** - Changes in credit can cause delays, change the terms of your financing or even prevent closing. If you must open a new account (or even borrow against retirement funds), please consult with us first.
- **CHANGE JOBS DURING THE PROCESS** - Probationary periods, career or even status changes (such as from a salaried to a commissioned position, leave of absence or new bonus structure) can be subject to very strict rules.
- **MAKE UNDOCUMENTED DEPOSITS** - Primarily large but sometimes even small deposits must be sourced unless they are identified. Make copies of checks and deposit slips. Make sure you keep all documents on any large deposit.
- **WAIT TO LIQUIDATE FUNDS FROM STOCK OR RETIREMENT ACCOUNT** - If you need to sell investments, do it now and document the transaction. Don't take the risk that the market could move against you leaving you short of funds to close.





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