



The Financing Process And Documents Needed To Apply For A Mortgage

The Financing Process

1.	Complete the loan application. An application fee may be required by the lender.
2.	The lender begins processing the application.
3.	The lending institution requests an appraisal for the home, a credit report and verification of employment and assets, such as bank accounts.
4.	The lender will provide a booklet containing specific loan information and a good faith estimate of closing and related costs.
5.	An estimate of your loan costs, in the form of an Initial Truth in Lending Disclosure Statement (Reg Z) is issued
6.	The lender evaluates the application, along with supporting documentation, and approves the loan.
7.	Sign closing documents and the loan is funded.
8.	The lender dispurses the funds to the settlement or closing agent. Seller is paid and title to the home is yours.
9.	Appropriate documents recorded at the county recorder's office.

When you apply for a mortgage, you will need to furnish information regarding your income, expenses and obligations. It will save time if you have the following items available:

- Two most recent pay stubs
- W-2s for the last two years
- Federal tax returns for the last two years
- Last two months' bank statements
- Long-term debt information (credit cards, child support, auto loans, installment debt, etc.)

Repairing Past Credit Problems

Have you had situations in the past that have put blemishes on your credit? There are many reasons why credit problems occur. Some explanations are:

- You were a co-signer on a loan that wasn't paid on time
- You allowed someone else to use your credit cards
- You may have thought your spouse paid the bill
- You thought your insurance company was going to handle the payment
- You are divorced but your former spouse had credit problems

Some lenders will work with you to find a credit solution. They have special programs and financing options that allow you to get a mortgage even with minor credit blemishes. However, it is in your best interest to keep your credit report in good standing. Here are some helpful hints for your credit report:

- Never go over 90 days past due on any accounts
- Keep your credit card debt below 50% of your monthly obligations
- If paying bills after the due date, always pay within the grace period