



HIGHLANDS

RESIDENTIAL MORTGAGE

HOME FINANCING PRE-LENDING PACKAGE

Know what you qualify for before finding *THE HOUSE*.

The first and most important step when buying a home is obtaining a strong pre-approval. This tells the borrower how much they qualify for and can offer when they find *THE HOME*.

The following information is meant to educate home buyers of the mortgage process and what to expect. **Home Buyer education is key to smooth transactions.**

Lets find *your*
Modern - Mortgage - Solution!



Information provided in the Home Financing Pre-Lending Package is offered to you by Victor Bals Sr. Loan Officer with Highlands Residential Mortgage

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HOME LOAN CHECKLIST

DOCUMENTS NEEDED FOR YOUR HOME LOAN

<p>Income (W-2 Employee)</p>	<ul style="list-style-type: none"> • Copy of your pay stubs covering the last 30 days. • Copy of your W-2 tax forms for the last 2 years • Copy of your federal tax returns with all schedules for the last 2 years.
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<p>Asset Information</p>	<ul style="list-style-type: none"> • Copies of bank statements for the past 2 months. Accounts to be included: 401k, IRA, investment, stock, and mutual funds. <p>NOTE: Above asset statements must contain every page.</p> <ul style="list-style-type: none"> • Copy of current diver’s license – front and back • If not U.S. citizen, copy of your green card – front and back. • If you own rental property, provide a detailed list: <ul style="list-style-type: none"> -Each address -Current mortgage statements, lease agreements, etc. -Property tax, tax bill, and home owners insurance for each property. <p><i>If applicable:</i></p> <ul style="list-style-type: none"> • Signed copy of divorce decree • Proof of income from child support of alimony • Pension statement of social security award letter.
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HOME LOAN PROCESS

PRE-APPROVAL

Some basic questions, taking a home loan application, and pulling credit is the first step to your pre-approval. Based on this information the best home loan program will be structured for you!

FINDING THE HOME

Once pre-approved it's time to go find *THE HOUSE!* Victor is available to help calculate an estimated cash-to-close on any house you'd like at any time.

ACCEPTED OFFER

When the house is found and an executed purchase agreement is received, the loan disclosure package will be prepared.

LOAN DISCLOSURES

Once the loan disclosures are issued, reviewed, and signed the appraisal will be ordered.

LOAN PROCESS

While we are waiting for the appraisal to come back your file will be prepared for underwriting. This is the optimal time to start shopping around for home insurance.

INITIAL UNDERWRITING APPROVAL

After underwriting reviews your file, conditions will be requested for additional information to proceed with the process. We will assist you in determining and collecting all that is needed.

CLEAR TO CLOSE

Once all of the underwriting conditions are met, a clear to close will be issued. We will work with all parties for the best date, time, and location for the closing

PRELIMINARY CLOSING DISCLOSURE

The preliminary closing disclosure provides a closer idea of the needed cash-to-close. Law requires this document to be signed no less than 3 business days before the closing date.

CLOSING DISCLOSURE

The exact cash-to-close will be updated 1-2 days before the closing date. The title company may require your funds in the form of a wire or cashier's check.

CLOSING

The title company, loan officer, buyers, sellers, and REALTORS® will meet to sign the closing documents and keys will be exchanged. The first mortgage payment is due after the first full month of closing.

NOTE: Typically the buyer has a final walk through to ensure the state of the property before closing.



POPULAR HOME LOAN PRODUCTS

NOTE: The seller can offer certain amounts of monies towards closing costs and prepaid items. These can differ based on the loan type and program.

CONVENTIONAL

As low as 3% down payment. Private mortgage insurance (PMI) is required if the down payment is less than 20%. PMI on conventional loans can be paid for upfront instead of monthly. Fixed, adjustable rate, and jumbo loan sizes are available.

SELLER CONCESSIONS ALLOWED:

- 6% max seller concessions for 10% or more down payment.
- 3% max seller concessions for less than 10% down payment.
- 9% max seller concessions for 20% or more down payment
- 2% limit for investment properties

USDA RURAL DEVELOPMENT

Allows 100% financing of appraised value with no monthly mortgage insurance (PMI) for a primary residence. Borrower can roll closing costs and escrows into the mortgage. Income limits are applied based on county and family size. Gift funds are allowed, 640 minimum credit score

SELLER CONCESSIONS ALLOWED:

- Max 6% of the purchase price.

VA

Intended for Veterans and their families. Similar to the FHA home loan program except the required down payment. Closing costs and prepaid items may be paid by the seller. Gift funds are also allowed. A benefit of VA financing is no monthly private mortgage insurance (PMI) is required.

FHA

3.5% minimum down payment, no income limits, gift funds are allowed. FHA debt-to-income ratio guidelines can allow a borrower to qualify for a higher mortgage amount. 6% of the selling price can be negotiated for seller concessions to pay borrower closing costs, taxes, etc.

SELLER CONCESSIONS ALLOWED:

- Max of 6% of the purchase price.



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Highlands Residential Mortgage, Lt. is not acting on behalf of or at the direction of FHA/USDA/VA or the federal government. This is not a commitment to lend. Rates and terms are subject to change based on market conditions and borrower eligibility.

PROPERTY SCRUB SHEET

PURCHASE PRICE:			
HOME LOAN PROGRAM:			
CONDO NAME:			
SUMMER TAX:	WINTER TAX:	SPECIAL ASSESSMENTS:	SELLER CONCESSIONS:
ASSOCIATION DUES:			
CITY WATER / WELL			
YES NO N/A	Only names on the mortgage application are on the purchase agreement		
YES NO N/A	EMD comes from name(s) on the purchase agreement or acceptable gift fund source.		
YES NO N/A	Buyer assuming the special assessment		
YES NO N/A	Seller pays for owner's policy		
YES NO N/A	Buyer pays transfer taxes		
YES NO N/A	Property currently Homesteaded		
YES NO N/A	Property currently Non-Homesteaded		
	Property transferred title in last 12 months Date:		



GOVERNMENT APPRAISAL CHECKLIST

Government financing is available for properties that meet minimum health and safety requirements. These loans are federally insured and include **USDA Rural Development, FHA, VA, and MSHDA** (just to name a few)

This checklist is designed to assist you in identifying potential repairs associated with government financing.

If the property does not meet minimum health and safety standards set by the department of Housing and Urban Development (HUD), financing may not be approved.

NOTE: You will not be refunded for your home inspection or your appraisal fees.



CEILING/INTERIOR WALLS

REPAIRS/IMPROVEMENT

LARGE HOLES

CRACKS ALLOWING DRAFTS

SEVERE BULGING

LOOSE/FALLING MATERIAL

PEELING/CHIPPED PAINT

FLOORS

LARGE HOLES

CRACKS

MISSING/WARPPED FLOORBOARDS

LAMINATE PEELING

ITEMS CAUSING TRIP HAZARDS

WINDOWS

AT LEAST 1 WINDOW - LIVING ROOM

AT LEAST 1 WINDOW - EVERY BEDROOM

BROKEN/MISSING PANES

DOESN'T SHUT

EXCESSIVE AIR FILTRATION

MUST HAVE SCREENS

ALL WINDOWS/DOORS ACCESSIBLE FROM OUTSIDE
W/ OPERATIONAL LOCKS

ELECTRICAL

AT LEAST 2 ELECTRICAL OUTLETS & 1 OVERHEAD
FIXTURE - LIVING ROOM

AT LEAST 2 ELECTRICAL OUTLETS & 1 OVERHEAD
FIXTURE - KITCHEN

AT LEAST 1 OVERHEAD/WALL FIXUTRE - BATHROOM

BROKEN/FRAYED WIRE

MISSING COVER PLATES, SWITCHES, OR OUTLETS



KITCHEN	REPAIRS/IMPROVEMENT
FOOD STORAGE SPACE	
FOOD PREPARATION AREA	
RUNNING HOT & COLD WATER	
BATHROOMS	
WINDOW THAT OPENS/EXHAUST VENT	
WORKING TOILET	
TUB/SHOWER/SINK RUNNING HOT & COLD WATER	
MECHANICAL SYSTEMS	
PLUMBING PIPES IN GOOD CONDITION	
LEAKS	
DISCOLORED WATER	
ADEQUATE HEAT	
EXTERIOR	
ROOF W/ NO LEAKS	
GUTTERS/DOWNSPOUTS SECURELY FASTENED	
STRUCTURALLY SOUND FOUNDATION	
SECURE HANDRAILS 30" ABOVE GROUND, ie, STAIRS, DECS, PORCHES, ETC.	
NO SEVERE CRACKED/PEELING PAINT	
CHIMNEYS NO SERIOUS LEANING/DEFECTS	
HEALTH & SAFETY	
AT LEAST 2 EXITS FROM BUILDING	
NO TRASH/GARBAGE INSIDE OR OUTSIDE UNIT	
NO SIGNS OF INFESTATION	
NO EXHAUST FUMES, SEWER GAS, AIR POLLUTION	
INTERIOR STAIR RAILINGS, WORKING & PROPERLY LIT.	

