



VANDYK MORTGAGE **LOAN SURVIVAL KIT**

A comprehensive guide to the mortgage process

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APPLYING FOR A MORTGAGE CAN BE A CONFUSING AND DIFFICULT TIME,

but it doesn't have to be. With this comprehensive guide to the mortgage process, VanDyk Mortgage hopes to ease some of your potential concerns. The following pages contain information on the products and services we offer that can help with you and your family's individual needs.

They also contain helpful charts and checklists that you can refer to throughout the mortgage process to help you understand where in the process you are and what needs to be done to help ensure a smooth and successful closing. Our dedicated team of professionals is looking forward to working with you throughout the entire process.





VANDYK MORTGAGE : OUR HISTORY

- With over 30 years in the mortgage business, we are proven, experienced and stable.
- We have 80+ branch locations across 38 states.
- We hold an A+ rating with the Better Business Bureau.
- We were listed as one of Mortgage Executive Magazine's Top 100 Mortgage Companies in 2014 and 2015.
- We were listed as one of Mortgage Executive Magazine's Top 100 Mortgage Employers in 2016.



VANDYK MORTGAGE : WHY GET PRE-APPROVED

Pre-approvals will help identify any potential credit issues you may be unaware of. This will allow you time to resolve any issues before you find that special home and go under contract.

Pre-qualification vs. Pre-approval

Most people, including lenders, do not know the difference between a pre-qualification and a pre-approval. A pre-qualification is more like a prediction of what you can borrow. For a pre-approval, the lender will require you to provide certain information and documents. They will also pull a tri-merge credit report. The lender will then provide you with a written commitment of the maximum amount they can lend you.

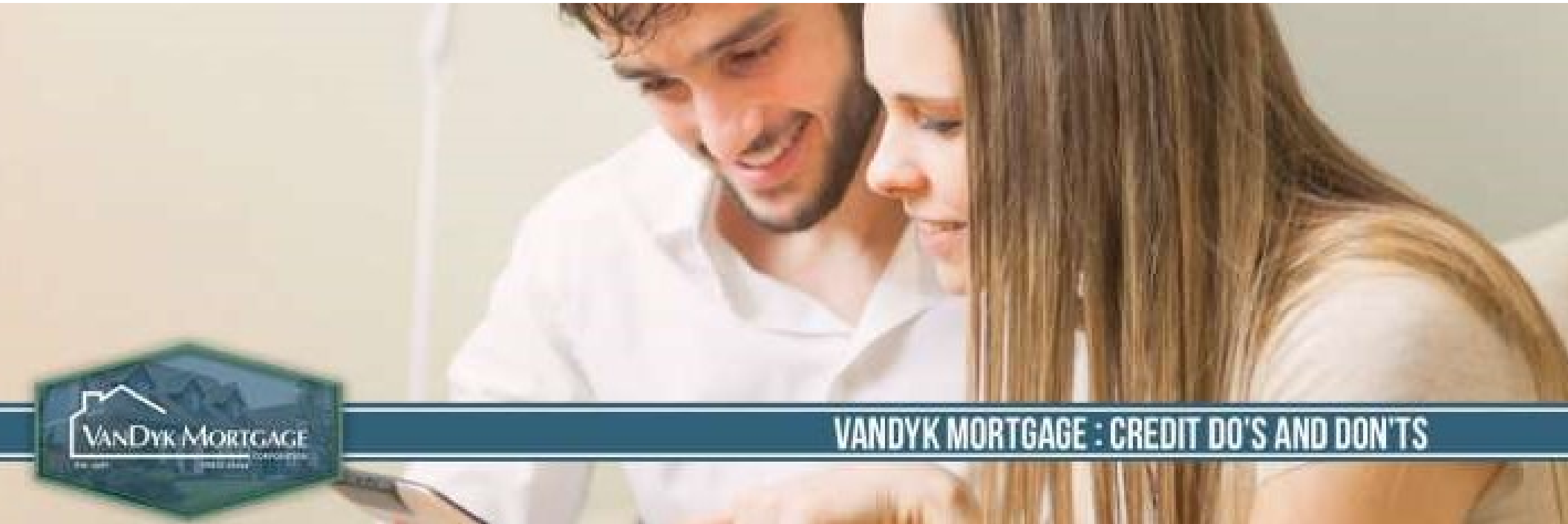
Benefits of Getting Pre-approved

1. Helps you narrow your search to neighborhoods and homes you can afford. This helps eliminate the stress and disappointment of falling in love with a house you can't afford.
2. Real Estate Agents like working with buyers who are pre-approved as it enables them to know exactly where to focus their search efforts, and help you find your dream home faster.

3. Pre-approvals will help identify any potential credit issues you may be unaware of. This will allow you time to resolve the issues before you find that special home and go under contract.
4. Sellers are more likely to accept your offer over others when they know you can afford the home.

What does the Loan Originator need to get you Pre-approved?

- Personal information such as Driver's License, Social Security number, marital status, and contact information
- Most recent bank statements for all accounts
- Employment information
- Most recent 30 days paystubs
- Most recent 2 years of W2(s)
- Most recent 2 years Tax Returns



VANDYK MORTGAGE : CREDIT DO'S AND DON'TS

Watching your credit is more important than ever. The following helpful tips can save you time and money while going through the loan process.

A FNMA regulation called "Loan Quality Initiative" requires lenders to check credit BEFORE CLOSING to make sure borrowers have not incurred any new debts. Watching your credit is more important than ever. The following helpful tips can save you time and money while going through the loan process.

1. DON'T apply for new credit cards of any kind, including those "You have been pre-approved" credit card invitations that you receive in the mail. Every time you have your credit pulled by a potential creditor or lender, you lose points from your credit score immediately. Depending on the elements in your current credit report, you could lose anywhere from 2-50 points for one hard inquiry.

2. DON'T pay off collections or charge-offs during the loan process. Paying collections will decrease your credit score immediately due to the date of last activity becoming more

recent. If you want to pay off old accounts, do it through escrow, and make sure that, 1) you validate that the debt is yours, and 2) that the creditor agrees to give you a letter of deletion.

3. DON'T close credit card accounts. If you close a credit card account it will appear that your debt ratio has gone up. Also, closing a card will affect other factors in the score such as length of credit history. If you have to close a credit card account, do it after closing, and make sure it is a more recent account.

4. DON'T max out or over charge on your credit card accounts. This is the fastest way to bring your score down by 50-100 points immediately. Try to keep your credit card balances below 30% of their available limit at all times during the loan process. If you decide to pay down balances, do it across the board; meaning, make an extra payment on all of your cards at the same time.



VANDYK MORTGAGE : CREDIT DO'S AND DON'TS

Do call your loan originator if you receive something in the mail from a creditor or collection agency that you believe may affect your score during the loan process.

5. DON'T consolidate your debt onto 1 or 2 credit cards. It seems like it would be the smart thing to do, however, when you consolidate all of your debt onto one card, it appears that you are maxed out on that card, and the system will penalize you. If you want to save money on credit card interest rates, wait until after closing.

6. DON'T do anything that will cause a red flag to be raised by the scoring system. This would include adding new accounts, co-signing on a loan, or changing your name or address with the bureaus; the less activity on your credit reports during the loan process, the better.

7. DO join a credit watch program. If you join a credit watch program, you can check your reports weekly, or even daily depending on the program you select. *(When you pull your own reports, you don't get penalized for a hard inquiry.)* This way you will know immediately if something does show up on a

report that could cause your score to go down, and you may be able to resolve the problem before closing.

8. DO stay current on existing accounts. This applies to your mortgage and car payments. One 30-day late payment can cost you anywhere from 30-75 points.

9. DO continue to use your credit card as normal. Red flags are raised easily with the scoring system. If it appears that you are changing your pattern, it will raise a red flag, and your score could go down.

10. DO call your loan originator if you receive something in the mail from a creditor or collection agency that you believe may affect your score during the loan process. Your Loan Originator may be able to supply you with the resources you need to stop any derogatory reporting to the bureaus.



UNDER CONTRACT

There is a lot that goes into the mortgage and home buying process. If you have watched the news or read the newspaper over the past few years it is hard to miss that the lending industry has changed. But be encouraged, we have the knowledge and resources to help guide you through the financing of your home.

The closing of your home should be a celebration, not a time of stress and anxiety.



VANDYK MORTGAGE : UNDER CONTRACT

You have finally found the home of your dreams, your offer has been accepted, and the contract is signed. What happens next? Here are some ideas of what to expect during the purchase process that will help guide you through this exciting time.



VANDYK MORTGAGE : UNDER CONTRACT

1. Your escrow or earnest money deposit check will be cashed. This displays to all parties that you are committed to this purchase. The escrow money is generally non-refundable, but there may be some contingencies built in that may allow for a refund. Be sure to check with your real estate agent for those instances.

2. It is strongly suggested that you schedule a home inspection. Be particular when choosing an inspector and be at the house, if at all possible, during the inspection. Do not be afraid to ask questions. This is one of the biggest purchases of your life, and you want to make sure it is the right one for you and your family. You will be responsible for the cost at the time of the inspection.



VANDYK MORTGAGE : UNDER CONTRACT

3. Your real estate agent may provide you with the seller disclosures. You should take time to review this disclosure thoroughly. Review the listed improvements or renovations, and make sure permits were obtained when necessary. This form also discloses issues such as pest infestations, water intrusion, sinkholes, HOAs,

environmental hazards, property line disputes, etc. Be sure to review them all, and get any additional inspections to put your mind at ease.

4. If inspections go well, it's time to get in touch with your mortgage lender. If you're looking for a mortgage company that has a history of fortitude and integrity, VanDyk Mortgage is the one for you. At VanDyk, the Customer's Experience is our #1 focus. Our commitment to you is to make the mortgage process transparent and stress free so you can be comforted knowing you made the right choice in lenders.

LOAN APPLICATION



VANDYK MORTGAGE : APPLICATION CHECKLIST

Identification

- Legible copy of government-issued photo ID; can be a photo taken with your cell phone
- Second form of ID such as Social Security card, Resident Alien card, or citizenship paperwork
- Phone number and email address

Home Address(es)

- Mailing address(es) for all residences over the last two years
- If you are renting your current residence, you must supply 12 months of canceled rent checks and bank statements showing the rent was paid on time
- Names, phone numbers, and addresses of landlord(s), if applicable

Employment/Income

- Complete 2-year work history including names, addresses and phone numbers
- Most recent paystubs for 30 days (*may be 2-4 paystubs depending on how often you are paid; must include name of employer and YTD earnings*)
- Last 2 years W-2s for all employment, even if you are not using the income to qualify
- Federal tax returns and all schedules for the past 2 years. Sign and date on signature line on the bottom of page 2
- If self-employed, most recent 2 years of 1099 forms, tax returns, K1's, all schedules (*all pages*) and profit and loss statement (*if applicable*); sign and date on signature line on the bottom of page 2
- Copy of Social Security Awards letter and most recent 2 years 1099-G (*if applicable*)
- Copy Pension/Annuity Distribution and most recent 2 years 1099-R (*if applicable*)
- Evidence of retirement pay (*if applicable*)
- If you have experienced a gap in employment, you may be asked to provide a letter of explanation

If income other than salary is used to qualify

- If you are including rental income from investment property in your available income, you will need to show the income on your tax return and provide current lease(s)
- Evidence to support receipt of child support or alimony, such as divorce decree, child's birth certificate

Credit

- If you don't have a traditional credit history provide documents that show evidence of regular payments such as utility, phone, or cable bills
- If you have had derogatory credit or other financial hardship, you may be asked to write a letter of explanation and provide documentation

Information on home being purchased (or refinanced)

- Copy of fully executed sales contract on new home with all addendums
 - Descriptive information on home (*Listing info*)
 - Survey (*if available*)
 - Homeowner's Insurance agent contact information – you will need insurance policy bound at least 10 business days prior to closing
- For Refinancing –
- Mortgage note for the loan you are refinancing
 - Owner's title policy and survey

**If purchasers have another house to sell
(which is to be, or has been sold)**

- Copy of sales contract on that home
- Estimate of net proceeds from that sale
- If property has settled, copy of settlement sheet

**If you are planning to rent out
your current residence**

- Provide a rental agreement, canceled deposit checks and bank statements
- An appraisal might be required at the borrower's expense

**Checking, Savings,
Credit Union Accounts**

- Name of Institution, address, account number
- Most recent 2 months' consecutive bank statements (*all pages, even if they are blank*); Statements must include bank name, account number, borrower name, and beginning and ending balance
- Any large non-payroll deposits on bank statement will need to be sourced (*show proof of where they came from*)
- If applicable, most recent 2 months' retirement and/or investment accounts (*all pages, even if they are blank*); also provide the terms of withdrawal for the accounts

**Description of other assets
and estimate of worth**

- Stocks, bonds, 401k, mortgages owned, etc.
- Other real or personal property
- Document the principal, interest, taxes, and homeowner's insurance premium (*PITI*) on each property owned

**Credit Cards or other Debts
not on credit report**

- Name of institution(s) and address(es)
- Type of debt
- Account number(s), approximate balance(s), minimum monthly payment(s)
- Bankruptcy discharge papers (*if applicable*)

For VA loans

- DD214 for Veteran
- Transfer orders *(and off-base housing letter, if not in military District of Washington)*
- Recent leave and earnings statement
- Certificate of eligibility
- Statement of service

Other Loan Documentation Tips:

- Bring in documents early. Doing so can speed up the process
- Never cross out, white-out or alter any information on a document
- Always provide every page of every document, even the pages that say "This page is blank"
- Finally, remain ready to supply updated documents. Documents can expire after 60 days so it may be necessary to update your paystubs, assets or other documents during the process depending on your closing date.



VANDYK MORTGAGE : PERFECT LOAN PROCESS

Our experienced, licensed team is ready to work with you - from application to closing - to ensure a smooth and efficient loan acquisition process. We would love to work together to make your mortgage experience a success! Our Perfect Loan Process (*PLP*) ensures effective communication between all parties in a mortgage transaction during the 30 day closing process. Below is a flowchart outlining the important steps of the process.

**START
HERE!**



Meet with your Loan Originator

Meet with your VanDyk Loan Originator and get an immediate pre-approval with a Tri-merge Credit Report and complete online application.

Prepare your Loan

Gather all the necessary documentation and provide to your LO. Documents will be reviewed and submitted to processing. Loan disclosures will be sent to you to review & sign.

Appraisal

Appraisal ordered within 24 hours of formal loan application and processing will make introductory call.



Processing Reviews Documentation

Documents will be reviewed for completeness. Processor will call/email with any additional needs. **

Submit Loan to Underwriting

Loan submitted to underwriting within 5 business days and is underwritten within 24-48 hours.

Conditional Approval

Loan "conditionally" approved by underwriter. Processor will request any additional items needed for a clear to close. Processor sends weekly updates.



Final Approval

Processor submits conditions to underwriter and final approval is issued.



Get Homeowner's Insurance

Borrower secures hazard insurance. This could delay closing so get this done within 24hrs of conditional approval.

Clear to Close

Loan is clear to close & closing disclosure is sent 3 days prior to scheduled closing.



**CLOSING
DAY!**

Documents are signed, loan is recorded, and keys are exchanged. Welcome Home!

QUESTIONS?



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